

**Teaching Notes to Accompany
Principles of Management
in a Catholic Business School**

Paula Alexander Becker, Ph.D., J.D.

Stillman School of Business

Seton Hall University

Email: paula.alexander@shu.edu

Class: Management Consulting Report on The Children's Place global operations and supply chain incorporating principles of Catholic Social Teaching

The syllabus for the undergraduate business core course, Principles of Management is attached. This course has been designed to ask students to apply the principles of Catholic Social Teaching to a specific, real-life management problem. In the spring 2014 semester, the case to which the principles of Catholic Social Teaching will be applied is the operations and supply chain management of The Children's Place in Bangladesh. At Seton Hall University, the Stillman School of Business develops competencies in Critical Thinking; Change Management; Communication; Teamwork; Technology Usage; and Ethics. In addition, the University core curriculum requires proficiency in Information Fluency and Critical Thinking, among others. Principles of Management is therefore ambitious in its pedagogical goals.

And the *Vocation of the Business Leader* inviting students to think of their careers in terms of service and creation of the common good will be read and discussed in connection with planning. In Principles of Management students are led through a series of assignments to reflect on their strengths and weaknesses and to fashion a career plan aligned with their personal talents. The Papal Exhortation of Pope Francis delivered in November 2013, *The Joy of the Gospels*, will be read, and discussed in connection with the topic of Human Resources Management. An excerpt emphasizing the social teaching of the gospels is attached below in the appendix. Positioning the essay the *Vocation of the Business Leader* and the papal exhortation in this way invites students to incorporate these principles into their own career planning, and to deliberate about how they will act with respect to their employees when they are managers themselves.

The development of a management consulting report incorporates the information fluency proficiency, requiring the students to conduct research and structure their report in guided stages. Required resources include the Pontifical Council for Justice and Peace Compendium of the Social Doctrine of the Church, which references each of the major encyclicals forming the Social Doctrine of the Church, the Papal Exhortation of Francis issued November 2013, and articles from the New York Times about the Rana Plaza building collapse and an agreement among global retailers to improve safety and worker rights in the Bangladesh garment industry. Students will articulate principles of social and economic justice to facts of the global operations and supply chain management of The Children's Place in Bangladesh, and recommend changes to bring the operations into

conformity with the particular principle on which they focus. The set of projects will address the entire complement of Catholic Social Teaching. The class will collaborate on the articulation of each of the principles of Catholic Social Teaching, and how the principles have developed over time. This will be done by filling in the table below, and discussing it together.

Principles of Catholic Social Teaching^a

	<i>Value of Life and Dignity of the Human Person</i>	<i>Principle of the Common Good</i>	<i>Principle of Subsidiary / Call to Family, Community, and Participation</i>	<i>Option for the Poor and Vulnerable</i>	<i>The Dignity of Work and the Rights of Workers</i>	<i>Solidarity and Globalization</i>	<i>Stewardship for Creation/ Sustainability</i>
Documents http://www.papalencycicals.net/all.htm							
Rerum Novarum 1891							
Quad. Anno 1931							
Mater et							

^a See <http://www.usccb.org/beliefs-and-teachings/what-we-believe/catholic-social-teaching/seven-themes-of-catholic-social-teaching.cfm>. See also http://www.usccb.org/upload/economic_justice_for_all.pdf

Magistra 1961							
Pacem in Terras 1963							
Gaudium et Spes 1965							
Popularum Progressio. 1967							
Octogesima Adveniens 1971							
Evangelii Nuntiandi 1975							
Laborem Exercens 1981							
Economic Justice for All US Catholic							

Bishops 1986							
Sollicitudo Rei Socialis 1987							
Centesimus Annus 1991							
Caritas in Veritate 2009							

Given that some perspectives, particularly finance and accounting, focus on profit / maximization as the goal of business, it is possible, and perhaps likely that some students will be resistant to incorporating principles of social and economic justice into managerial problem solving. However elements of the University core curriculum create readiness for the incorporation of principles of social and economic justice into managerial problem solving. These include: Core 1101 The Journey of Transformation; Core 2101 Christianity and Culture in Dialogue; Core 3101 Engaging the World, and Business Ethics. All of the former courses, except Core 3101 Engaging the World ordinarily will have been taken prior to enrollment in Principles of Management.

The Pontifical Council on Justice and Peace *Compendium of the Social Doctrine of the Church*, as well as Pope Francis' *Exhortation and the Vocation of the Business Leader*

will be used to explain and illustrate the principles of Catholic Social Teaching including the dignity of the human person and the impact of work on the family and community; rights of workers; participation and voice to create the common good; concern for the poor and vulnerable; an economy of inclusion and just distribution of income, goods and services; solidarity and globalization; sustainability and stewardship for the environment.

It is likely that the service experiences of students required in the freshman year and their natural compassion will support their creativity in developing methods to implement social and economic justice in the business setting of The Children's Place operations in Bangladesh.

Appendix:

Excerpts from Pope Francis' Exhortation, *The Joy of the Gospel*, Nov 2013:

I. Some challenges of today's world

52. In our time humanity is experiencing a turning-point in its history, as we can see from the advances being made in so many fields. We can only praise the steps being taken to improve people's welfare in areas such as health care, education and communications. At the same time we have to remember that the majority of our contemporaries are barely living from day to day, with dire consequences. A number of diseases are spreading. The hearts of many people are gripped by fear and desperation, even in the so-called rich countries. The joy of living frequently fades, lack of respect for others and violence are on the rise, and inequality is increasingly evident. It is a struggle to live and, often, to live with precious little dignity. This epochal change has been set in motion by the enormous qualitative, quantitative, rapid and cumulative advances occurring in the sciences and in technology, and by their instant application in different areas of nature and of life. We are in an age of knowledge and information, which has led to new and often anonymous kinds of power.

No to an economy of exclusion

53. Just as the commandment "Thou shalt not kill" sets a clear limit in order to safeguard the value of human life, today we also have to say "thou shalt not" to an economy of *exclusion and inequality*. Such an economy kills. How can it be that it is not a news item when an elderly homeless person dies of exposure, but it is news when the stock market loses two points? This is a case of exclusion. Can we continue to stand by when food is thrown away while people are starving? This is a case of inequality. Today everything comes under the laws of competition and the survival of the fittest, where the powerful feed upon the powerless. As a consequence, masses of people find themselves excluded and marginalized: without work, without possibilities, without any means of escape.

Human beings are themselves considered consumer goods to be used and then discarded. We have created a "throw away" culture which is now spreading. It is no longer simply about exploitation and oppression, but something new. *Exclusion ultimately has to do with what it means to be a part of the society in which we live*; those excluded are no longer society's underside or its fringes or its disenfranchised – they are no longer even a part of it. The excluded are not the "exploited" but the outcast, the "leftovers".

54. In this context, some people continue to defend trickle-down theories which assume that economic growth, encouraged by a free market, will inevitably succeed in bringing about greater justice and inclusiveness in the world. This opinion, which has never been

confirmed by the facts, expresses a crude and naïve trust in the goodness of those wielding economic power and in the sacralized workings of the prevailing economic system. Meanwhile, the excluded are still waiting. To sustain a lifestyle which excludes others, or to sustain enthusiasm for that selfish ideal, a globalization of indifference has developed. Almost without being aware of it, we end up being incapable of feeling compassion at the outcry of the poor, weeping for other people's pain, and feeling a need to help them, as though all this were someone else's responsibility and not our own. The culture of prosperity deadens us; we are thrilled if the market offers us something new to purchase. In the meantime all those lives stunted for lack of opportunity seem a mere spectacle; they fail to move us.

No to the new idolatry of money

55. One cause of this situation is found in our relationship with money, since we calmly accept its dominion over ourselves and our societies. The current financial crisis can make us overlook the fact that it originated in a profound human crisis: *the denial of the primacy of the human person!* We have created new idols. The worship of the ancient golden calf (cf. *Ex 32:1-35*) has returned in a new and ruthless guise in the idolatry of money and the dictatorship of an impersonal economy lacking a truly human purpose. The worldwide crisis affecting finance and the economy lays bare their imbalances and, above all, their lack of real concern for human beings; man is reduced to one of his needs alone: consumption.

56. While the earnings of a minority are growing exponentially, so too is the gap separating the majority from the prosperity enjoyed by those happy few. This imbalance is the result of ideologies which defend the absolute autonomy of the marketplace and financial speculation. Consequently, they reject the right of *states, charged with vigilance for the common good*, to exercise any form of control. A new tyranny is thus born, invisible and often virtual, which unilaterally and relentlessly imposes its own laws and rules. Debt and the accumulation of interest also make it difficult for countries to realize the potential of their own economies and keep citizens from enjoying their real purchasing power. To all this we can add widespread corruption and self-serving tax evasion, which have taken on worldwide dimensions. The thirst for power and possessions knows no limits. In this system, which tends to devour everything which stands in the way of increased profits, whatever is fragile, like the environment, is defenseless before the interests of a deified market, which become the only rule.

No to a financial system which rules rather than serves

57. Behind this attitude lurks a rejection of ethics and a rejection of God. Ethics has come to be viewed with a certain scornful derision. It is seen as counterproductive, too human, because it makes money and power relative. It is felt to be a threat, since it condemns the manipulation and debasement of the person. In effect, ethics leads to a God who calls for a committed response which is outside the categories of the marketplace. When these latter are absolutized, God can only be seen as uncontrollable, unmanageable, even dangerous, since he calls human beings to their full realization and to freedom from all forms of

enslavement. Ethics – a non-ideological ethics – would make it possible to bring about balance and a more humane social order. With this in mind, I encourage financial experts and political leaders to ponder the words of one of the sages of antiquity: “Not to share one’s wealth with the poor is to steal from them and to take away their livelihood. It is not our own goods which we hold, but theirs”.^[55]

58. A financial reform open to such ethical considerations would require a vigorous change of approach on the part of political leaders. I urge them to face this challenge with determination and an eye to the future, while not ignoring, of course, the specifics of each case. Money must serve, not rule! The Pope loves everyone, rich and poor alike, but he is obliged in the name of Christ to remind all that the rich must help, respect and promote the poor. I exhort you to generous *solidarity* and to the return of economics and finance to an ethical approach which *favours human beings*.

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II. The inclusion of the poor in society

186. Our faith in Christ, who became poor, and was always close to the poor and the outcast, is the basis of our concern for the integral development of society’s most neglected members.

In union with God, we hear a plea

187. Each individual Christian and every community is called to be an instrument of God for *the liberation and promotion of the poor*, and for enabling them to be fully a part of society. This demands that we be docile and attentive to the cry of the poor and to come to their aid. A mere glance at the Scriptures is enough to make us see how our gracious Father wants to hear the cry of the poor: “I have observed the misery of my people who are in Egypt; I have heard their cry on account of their taskmasters. Indeed, I know their sufferings, and I have come down to deliver them... so I will send you...” (*Ex* 3:7-8, 10). We also see how he is concerned for their needs: “When the Israelites cried out to the Lord, the Lord raised up for them a deliverer” (*Jg* 3:15). If we, who are God’s means of hearing the poor, turn deaf ears to this plea, we oppose the Father’s will and his plan; that poor person “might cry to the Lord against you, and you would incur guilt” (*Dt* 15:9). A lack of solidarity towards his or her needs will directly affect our relationship with God: “For if in bitterness of soul he calls down a curse upon you, his Creator will hear his prayer” (*Sir* 4:6). The old question always returns: “How does God’s love abide in anyone who has the world’s goods, and sees a brother or sister in need and yet refuses help?” (*1 Jn* 3:17). Let us recall also how bluntly the apostle James speaks of the cry of the oppressed: “The wages of the labourers who mowed your fields, which you kept back by fraud, cry out, and the cries of the harvesters have reached the ears of the Lord of hosts” (5:4).

188. The Church has realized that the need to heed this plea is itself born of the liberating action of grace within each of us, and thus it is not a question of a mission reserved only to

a few: "The Church, guided by the Gospel of mercy and by love for mankind, hears *the cry for justice* and intends to respond to it with all her might".^[153] In this context we can understand Jesus' command to his disciples: "You yourselves give them something to eat!" (Mk 6:37): it means working to eliminate the structural causes of poverty and to promote the integral development of the poor, as well as small daily acts of solidarity in meeting the real needs which we encounter. The word "*solidarity*" is a little worn and at times poorly understood, but it refers to something more than a few sporadic acts of generosity. It presumes the creation of a new mindset which thinks in terms of *community and the priority of the life of all over the appropriation of goods by a few*.

189. *Solidarity is a spontaneous reaction by those who recognize that the social function of property and the universal destination of goods are realities which come before private property.* The private ownership of goods is justified by the need to protect and increase them, so that they can better serve the common good; for this reason, solidarity must be lived as the decision to restore to the poor what belongs to them. These convictions and habits of solidarity, when they are put into practice, open the way to other structural transformations and make them possible. Changing structures without generating new convictions and attitudes will only ensure that those same structures will become, sooner or later, corrupt, oppressive and ineffectual.

190. Sometimes it is a matter of hearing the cry of entire peoples, the poorest peoples of the earth, since "peace is founded not only on respect for human rights, but also on respect for the rights of peoples".^[154] Sadly, even human rights can be used as a justification for an inordinate defense of individual rights or the rights of the richer peoples. With due respect for the autonomy and culture of every nation, we must never forget that the planet belongs to all mankind and is meant for all mankind; the mere fact that some people are born in places with fewer resources or less development does not justify the fact that they are living with less dignity. It must be reiterated that "the more fortunate should renounce some of their rights so as to place their goods more generously at the service of others".^[155] To speak properly of our own rights, we need to broaden our perspective and to hear the plea of other peoples and other regions than those of our own country. We need to grow in a solidarity which "would allow all peoples to become the artisans of their destiny",^[156] since "every person is called to self-fulfilment".^[157]

191. In all places and circumstances, Christians, with the help of their pastors, are called to hear the cry of the poor. This has been eloquently stated by the bishops of Brazil: "We wish to take up daily the joys and hopes, the difficulties and sorrows of the Brazilian people, especially of those living in the barrios and the countryside – landless, homeless, lacking food and health care – to the detriment of their rights. Seeing their poverty, hearing their cries and knowing their sufferings, we are scandalized because we know that there is enough food for everyone and that hunger is the result of a poor distribution of goods and income. The problem is made worse by the generalized practice of wastefulness".^[158]

192. Yet we desire even more than this; our dream soars higher. We are not simply talking about ensuring nourishment or a "dignified sustenance" for all people, but also their

“general temporal welfare and prosperity”.[159] This means education, access to health care, and above all employment, for it is through free, creative, participatory and mutually supportive labour that human beings express and enhance the dignity of their lives. A just wage enables them to have adequate access to all the other goods which are destined for our common use.

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The economy and the distribution of income

202. The need to resolve the structural causes of poverty cannot be delayed, not only for the pragmatic reason of its urgency for the good order of society, but because society needs to be cured of a sickness which is weakening and frustrating it, and which can only lead to new crises. Welfare projects, which meet certain urgent needs, should be considered merely temporary responses. As long as the problems of the poor are not radically resolved by rejecting the absolute autonomy of markets and financial speculation and by attacking the structural causes of inequality,[173] no solution will be found for the world’s problems or, for that matter, to any problems. Inequality is the root of social ills.

203. *The dignity of each human person and the pursuit of the common good are concerns which ought to shape all economic policies.* At times, however, they seem to be a mere addendum imported from without in order to fill out a political discourse lacking in perspectives or plans for true and integral development. How many words prove irksome to this system! It is irksome when the question of ethics is raised, when global solidarity is invoked, when the distribution of goods is mentioned, when reference is made to protecting labour and defending the dignity of the powerless, when allusion is made to a God who demands a commitment to justice. At other times these issues are exploited by a rhetoric which cheapens them. Casual indifference in the face of such questions empties our lives and our words of all meaning. *Business is a vocation*, and a noble vocation, provided that those engaged in it see themselves challenged by a greater meaning in life; this will enable them truly to *serve the common good by striving to increase the goods of this world and to make them more accessible to all.*

204. We can no longer trust in the unseen forces and the invisible hand of the market. Growth in justice requires more than economic growth, while presupposing such growth: it requires decisions, programmes, mechanisms and processes specifically geared to a better distribution of income, the creation of sources of employment and an integral promotion of the poor which goes beyond a simple welfare mentality. I am far from proposing an irresponsible populism, but the economy can no longer turn to remedies that are a new poison, such as attempting to increase profits by reducing the work force and thereby adding to the ranks of the excluded.

205. I ask God to give us more politicians capable of sincere and effective dialogue aimed at healing the deepest roots – and not simply the appearances – of the evils in our world! Politics, though often denigrated, remains a lofty vocation and one of the highest forms of

charity, inasmuch as it seeks the common good.[174] We need to be convinced that charity “is the principle not only of micro-relationships (with friends, with family members or within small groups) but also of macro-relationships (social, economic and political ones)”.[175] I beg the Lord to grant us more politicians who are genuinely disturbed by the state of society, the people, the lives of the poor! It is vital that government leaders and financial leaders take heed and broaden their horizons, working to ensure that all citizens have dignified work, education and healthcare. Why not turn to God and ask him to inspire their plans? I am firmly convinced that openness to the transcendent can bring about a new political and economic mindset which would help to break down the wall of separation between the economy and the common good of society.

206. Economy, as the very word indicates, should be the art of achieving a fitting management of our common home, which is the world as a whole. Each meaningful economic decision made in one part of the world has repercussions everywhere else; consequently, no government can act without regard for shared responsibility. Indeed, it is becoming increasingly difficult to find local solutions for enormous global problems which overwhelm local politics with difficulties to resolve. If we really want to achieve a healthy world economy, what is needed at this juncture of history is a more efficient way of interacting which, with due regard for the sovereignty of each nation, ensures the economic well-being of all countries, not just of a few.

207. Any Church community, if it thinks it can comfortably go its own way without creative concern and effective cooperation in helping the poor to live with dignity and reaching out to everyone, will also risk breaking down, however much it may talk about social issues or criticize governments. It will easily drift into a spiritual worldliness camouflaged by religious practices, unproductive meetings and empty talk.

208. If anyone feels offended by my words, I would respond that I speak them with affection and with the best of intentions, quite apart from any personal interest or political ideology. My words are not those of a foe or an opponent. I am interested only in helping those who are in thrall to an individualistic, indifferent and self-centred mentality to be freed from those unworthy chains and to attain a way of living and thinking which is more humane, noble and fruitful, and which will bring dignity to their presence on this earth.

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(Italics added.)

Given in Rome, at Saint Peter's, on 24 November, the solemnity of Our Lord Jesus Christ, King of the Universe, and the conclusion of the Year of Faith, in the year 2013, the first of my Pontificate.

FRANCIS