

The Business of Business is the Human Person: Lessons from the Catholic Social Tradition

Lloyd Sandelands

ABSTRACT. I describe an ethic for business administration based on the social tradition of the Catholic Church. I find that much current thinking about business falters for its conceit of truth. Abstractions such as the shareholder-value model contain truth – namely, that business is an economic enterprise to manage for the wealth of its owners. But, as in all abstractions, this truth comes at the expense of falsehood – namely, that persons are assets to deploy on behalf of owners. This last is “wrong” in both senses of the word – it is factually wrong in that persons are far more than business assets, they are supernatural beings, children of God; and it is morally wrong in that it is an injustice to treat them as the former when they are the latter. I draw upon the social tradition of the Catholic Church to recognize that the business of business is not *business*, but is instead the *human person*. Following Church teachings, I describe a person-centered ethic of business based upon eight social principles that both correct and enlarge the shareholder-centered ethic of much current business thinking. I discuss implications of this person-centered ethic for business administration.

KEY WORDS: business ethics, shareholder-value model, Catholic Church, human person, social doctrine of the church, society, business administration, management

In the broad terms that most of us speak in most of the time, it is almost too easy to criticize business. Viewed in the abstract, as an instrument of commerce rather than as human persons making lives for themselves, business is an off-putting affair. According to the “shareholder-value model” that dominates thinking about business in universities today and now sets the agenda for business in the wider culture, a business is a financial entity composed of resources, including employees who are “human resources”

(capital costs, factors of production), to be used to maximize the wealth of its owners (Jensen and Meckling, 1976). This idea of business as an instrument of capital makes for a narrow and dismal idea of the human person who becomes a sort of slave – a wage-slave to be precise. Proclaimed today by students of economics and finance, this idea of business was anticipated and encapsulated years ago by Alfred P. Sloan, architect and executive of the General Motors Corporation, who opined that: “The business of business is business.” This cool pragmatism has been taken by many to be the cardinal virtue of business. “It’s nothing personal,” we say, “it’s just business.” Business has become the conscienceless idea of “never mind.” Never mind the plight of workers – they are their own contractors, free to come and go as they please. Never mind the common good of society – that is for government to decide. And never mind “corporate social responsibility” – that’s just a “guilt trip” to coerce regrets business cannot have.¹ Viewed in the abstract, as an instrument of economic interest, business is an ambivalent proposition at best.

Certainly business is no ambivalence in the literary imagination. In the caricature drawn by writers, business is the pretense that life is economics. Business is supposed to be a devil’s bargain – wealth and amenity today for the soul in eternity. Its standard bearers are the likes of Charles Dickens’ Scrooge (Dickens, 2005), a man estranged from love and life by a hard and flinty avarice, and Sinclair Lewis’ Babbitt (Lewis, 1922), a man no less estranged from love and life by a soft and needy middle-class lifestyle. These figures of greed and vacuity are real. Today’s Scrooges are the “Barbarians at the Gate” of Wall Street (Burrough and Helyar, 1990) and

the “Smartest Guys in the Room” on the power trading floor at the Enron Corporation (McLean and Elkind, 2003). Today’s Babbitts are denizens of the “Moral Mazes in the World of Corporate Managers” (Jackall, 1988) and, more generally, of America’s pervading “Culture of Narcissism” (Lasch, 1979). Truth is no stranger to fiction.

A bad rap

Whatever their grain of truth, such easy charges against business are a bad rap. They are founded upon misleading abstractions. The shareholder-value model of business is just that, a model, not the reality. And of course literary imagination is just that, imagination, not the whole truth. Although real and worrisome, the evils that attend these abstractions are neither intrinsic nor universal. They are accidents of thinking that mistakes ideas about business with business itself. It is not business per se that gets us into trouble, but our thinking about business that gets us into trouble.

Our thinking about business falters for its conceit of truth. Abstractions such as the shareholder-value model contain truth – not least that business is an economic enterprise to manage for the wealth of its owners. But, as in all abstraction, this truth comes at the expense of falsehood – not least that persons are assets to deploy on behalf of owners. This last is “wrong” in both senses of the word – it is factually wrong in that persons are much more than material assets of a business, they are supernatural beings, children of God; and it is morally wrong in that it is an injustice to treat them as the former when they are the latter.² This intrinsic hazard of abstraction is pointed in our thinking about ourselves. As is known to the Church, if not widely elsewhere, our self-understanding is fundamentally flawed (Pope John Paul II, 1998). Whereas our reason abstracts from nature, our human being is not only of nature but also of God. Whereas we can think more or less truly about every thing in nature, we cannot think truly about ourselves (see Sandelands, 2007). Being above nature – literally being “super-natural” – we are beyond our own estimate.³

Thus when we think about ourselves in the abstractions of business we do so at the risk of our essential truth; namely, that as special creations of

God we are not of this world, but of His being. To keep hold of our human being we must reach beyond reason to God. We must accept in faith what He has revealed about us. With Pope John Paul II we must see that “Revelation has set within history a point of reference which cannot be ignored if the mystery of human life is to be known” (1998, p. 14). And more generally, again with the Pope, we must see that our self-understanding requires both faith and reason:

Faith and reason are like two wings on which the human spirit rises to the contemplation of truth; and God has placed in the human heart a desire to know the truth—in a word, to know himself—so that, by knowing and loving God, men and women may also come to the fullness of truth about themselves (p. 1).

Looking to faith, we must find the reference points for understanding ourselves, the truths within which our abstractions about business can be put in proper context. And looking to faith, we must augment our thinking about such things as the shareholder-value model to acknowledge truths of the human person that originate outside the natural world of economics, in man’s essential dignity in God.

The question therefore is not whether we should use God’s gift of reason in thinking about business. The question is not even whether in doing so we should use a tool such as the shareholder-value model. Indeed, we must think every thought and use every tool to make the most of business as a means to our dominion of the earth that God created for us. Rather, the question is *how* we should use God’s gift of reason in thinking about business. To what end should our reason be put? To rephrase the question in the terms of our old friend Alfred P. Sloan, what should be the business of business? This ethical question is answered distinctively and decisively by the Catholic Church in what in recent decades, and particularly during the Pontificate of John Paul II, has come to be called her *Social Tradition*. In what follows I draw upon this tradition to suggest that the business of business – its weight and glory – is the human person. With the Church, I describe the weight of business in terms of eight principles that honor the dignity of the person in God. And with Catholic theologian and business writer Novak (1996), I describe the glory of business in terms of

three cardinal virtues of business that help bring the person to God. I conclude with a confirming word from one of our greatest students of business, Mary Parker Follett.

To make a living

The business of business is to know, not in the cold abstractions of shareholder-value and not in the harsh light of literary examination, but in the warm flesh-and-blood of our personal lives and in the revelatory light of faith. The ethic of business is revealed in the nearness of human work that is personal and material, not in the distance of reason that is abstract precisely in that it has detached itself from both. Business is a matter of heart.

Nearly everyone speaks of work as a means to “make a living.” But what does this mean? Is this a figure of speech that means “to make a buck” (to invoke another figure of speech)? Or is this a declaration of something much greater; namely, “to make a life”? According to faith we make a life by incarnation – literally by embodying God. To live is to be in God in body and mind. To live is to be in Christ who is “The Word” and “The Way.” According to faith, the God of creation “spoke our being” in two ways – He named us His son, Adam, as the one in His image who shares in His power of naming and knowing; and He created us in love, as male and female in one flesh, as one who shares in His power to create life in love. Thus we incarnate God in two ways. We are a *person*, literally ‘of son’ to God. As such we are to answer and serve His will for us by following His commandments. And we are *man and woman in one flesh*, an embodiment of His creative will in love, especially in nuptial union from which we create new life. As such we are to extend His love in and through our love of others. Thus our human being is personal (a son-ship to God) and material (an embodiment of God).

In the person of Jesus Christ, carpenter of Bethlehem, we learn that one important arena in which we may incarnate God is work. Recounting the thought of Pope John Paul II in his encyclical on work, *Laborem Exercens*, Calvez and Naughton (2002) explain:

Because they have been made in God’s image, all people have been given the command, which is both

a right and a duty, to subdue the earth. He defines the expression “subdue the earth” as a human activity that discovers all the resources the earth provides so as to use them for people to develop, not simply to maximize capital returns or to balance individual interests. It is only through work that people can tap the richness creation has to offer, and it is through organizations that this work is carried out most effectively (p. 10).

Thus we come into our humanity at work, and indeed everywhere else, when we come into the truth of our creation by God. As John Paul II described in a later encyclical about economic life, *Centesimus Annus* (1991), without this realization we are lost to our own humanity:

When man does not recognize in himself and in others the value and grandeur of the human person, he effectively deprives himself of the possibility of benefiting from his humanity and of entering into that relationship of solidarity and communion with others for which God created him (p. 41).

With the idea of divine incarnation we know what it means to make a living. It is to make a life in God. This reverses the usual understanding of the relationship between man and work. Too often it is supposed that man is for work; that he is an instrument of shareholder interests; and that he is responsible to these interests. The truth is to the contrary, that work is for man; that man has the right to be in God in and through the circumstances of work; and that business has the responsibility to honor this right. In a word, business is responsible for the divine lives of those in its employ. In a sharper word, the business of business is the human person.

In allowing this much, and it is everything, we realize that business is not merely material and worldly; it is also spiritual and other-worldly. To serve its true purpose, the purpose that justifies its esteem in society, business must provide for the divine being of all whose lives it touches. This is something it cannot do if it reduces the person to an instrument of shareholder ambition.⁴ Speaking to business on behalf of the human person, the Church reminds us that:

Man cannot give himself to a purely human plan for reality, to an abstract ideal or to a false utopia. As a person, he can give himself to another person or to

other persons, and ultimately to God, who is the author of his being and who alone can fully accept his gift (John Paul II, 1991, p. 41).

Unfortunately, as Calvez and Naughton (2002) point out, too often business does not allow people the opportunity and room to “make a life” in this way, but to the contrary alienates them by treating them as means rather than as ends (p. 10). As Pope John Paul II explains, “the concept of alienation needs to be led back to the Christian vision of reality, by recognizing in alienation a reversal of means and ends” (1991, p. 35).

What is more, in the idea of divine incarnation we better understand what it means to “make a buck.” We make money to provide for ourselves and others so that we may fulfill our vocation in God. Odd though it may sound, it is more than a clever turn of phrase to say that the work is not for the money but that the money is for the work. For it is indeed true that we do not work for bread alone. Sustained by bread we are able to fulfill one of our most important vocations, to be and grow in God through our work. The world of difference in this turn of phrase is captured nicely in a poem written by author Kurt Vonnegut in memory of his friend Joseph Heller:

Joseph Heller, an important and funny writer now dead, and I were at a party given by a billionaire on Shelter Island.

I said, “Joe, how does it make you feel to know that our host only yesterday may have made more money than your novel ‘Catch-22’ has earned in its entire history?”

And Joe said, “I’ve got something he can never have.”

And I said, “What on earth could that be, Joe?”

And Joe said, “The knowledge that I’ve got enough.”

Not bad! Rest in Peace!⁵

The weight and the glory

Thus the business of business is not only or mainly to maximize shareholder wealth. It is more essentially to help persons make lives by creating conditions

under which they can grow and develop in relationship to God. To be sure, it is a struggle for business to reconcile its worldly values for entrepreneurship and capital risk with its other-worldly values for life and being in God. As described by Pope John Paul II, business can and must not take a stand *against* making a profit, which is important and necessary for its well-being. Instead, business can and must take a stand *for* making human lives, which is in the end far more important and necessary for us all. The needful trick is to put the first value in the context of the second. According to John Paul (1991):

The Church acknowledges the legitimate *role of profit* as an indication that a business is functioning well. When a firm makes a profit, this means that productive factors have been properly employed and corresponding human needs have been duly satisfied. But profitability is not the only indicator of a firm’s condition. It is possible for the financial accounts to be in order, and yet for the people—who make up the firm’s most valuable asset—to be humiliated and their dignity offended. Besides being morally inadmissible, this will eventually have negative repercussions on the firm’s economic efficiency. In fact, the purpose of the business firm is not simply to make a profit, but is to be found in its very existence as a *community of persons* who in various ways are endeavoring to satisfy their basic needs, and who form a particular group at the service of the whole of society. Profit is a regulator of the life of a business, but it is not the only one; *other human and moral factors* must also be considered which, in the long term, are at least equally important for the life of a business (*italics in the original*) (p. 35).

As the business of business is to serve man, and the business of man is to serve God, the business of business is to serve God. This is the weight and glory of business;⁶ its solemn responsibility and its noble virtue. And this is the work-order for business administration. I close this essay with a too brief survey of what the weight and glory of business might mean for those who would lead.

The weight

Business is not alone in its obligation to honor man’s being in God; it can and must look for help to the Church who embraces this obligation as her mission

for the whole of humankind. This is not to suggest that business can pass its responsibility off to the Church (as a value the Church might take up on Sunday mornings, while business plies other values the rest of the week); to the contrary, it is to insist that business accept its responsibility in league with the Church. It is perhaps in business more than in any other activity that Christian conscience encounters the real world. And thus it is in business perhaps especially that man's being in God must be realized.

On its path to salvation, business can find help in the *Social Doctrine of the Church*, which is her wisdom for man "as he is involved in a complex network of relationships within modern societies" (John Paul II, 1991, p. 55). According to Pope John Paul II: "[B]y its concern for man and by its interest in him and in the way he conducts himself in the world," the Church's social doctrine "belongs to the field of theology and particularly of moral theology. The theological dimension is needed both for interpreting and solving present day problems in human society" (p. 55). Directed to the whole of man's life in society, this doctrine comprises a set of guidelines within which business can and must take its place within society. Only by fidelity to these guidelines can business meet its obligation to the person and to society. This is the weight of business.

The Church's social doctrine is a living body; its fundamental principles support each other in aid of man's personal and social destiny in God. To this end, while each principle is necessary, only the collection is sufficient as doctrine. And while each principle warrants an essay of its own, it must suffice in the pages remaining to this essay to lay them out as a group so to see in broad terms the Church's wisdom for business. As compiled in her *Compendium of the Social Doctrine of the Church* (CSDC) (2004), these principles are:

Meaning and unity

This first refers to the entire set, to insist the collection be appreciated in its "unity, interrelatedness, and articulation" (CSDC, 2004, p. 71). This is to recognize that man's being in God is unitary and is to encourage and protect in all its aspects. Thus while individual principles refer variously to the person, to society, and to relations between the two, it must not be forgotten that person and society define one another as parts of God's unitary creation. For business

this means that its obligation to the person cannot be separated from its obligation to society. The business of business is man, both in person and in society.

The principle of the common good

According to this principle: "A society that wishes and intends to remain at the service of the human being at every level is a society that has the common good – the good of all people and of the whole person – as its primary goal" (CSDC, 2004, p. 73). For business this means that its economic activity take place within the limits of the moral order and more particularly within God's plan for humankind. "The fundamental finality of...production," according to the Church, "is not the mere increase of products nor profit or control but rather the service of man, and indeed of the whole man with regard for the full range of his material needs and the demands of his intellectual, moral, spiritual, and religious life; this applies to every man whatsoever and to every group of men, of every race and of every part of the world" (*Gaudium et Spes*, 1965, #64, p. 37). By this principle, the good of self-interest, which is so enshrined in business thinking today, cannot be all, or even first. Individual goods, including that of shareholders, must find their place within the super-ordinate good of humankind.

The universal destination of goods

This is the principle that each and every person "must have access to the level of well-being necessary for his full development" (CSDC, 2004, p. 75). This is actually a two-handed principle: on one hand it confirms the necessity of private property as the ground upon which persons can make lives for themselves; on the other hand it recognizes that the earth and its resources are God's gift to all humankind for all to share and enjoy. Thus while this idea substantiates an absolute right to property and capital, this right is not unlimited but is instead constrained by the no less important and no less absolute right that the goods of God's gift to man be shared. For business, as Calvez and Naughton (2002) explain in describing the thought of Pope John Paul, this principle has clear meaning for its concepts of property and capital:

Consequently, any idea of an absolute right to property and capital, expressed through formulas of shareholder wealth maximization, or any idea of a corporate

body as merely a nexus of competing interests is rejected, because it denies the significance of this human vocation to work and impedes persons' development in and from their work. Nevertheless, this principle of universal destination "does not delegitimize private property; instead it broadens the understanding and management of private property to embrace its indispensable social function, to the advantage of the common good and in particular the good of society's weakest members" (pp. 10–11).

The principle of subsidiarity

According to this principle, "every social activity ought of its very nature to furnish help to the members of the body social, and never destroy and absorb them" (CSDC, 2004, p. 81). For the social activity of business this means that "While the authority of the owner ought to be protected, no room can exist in...business for practices that deny the profound worth of the employees of the enterprise" (Calvez and Naughton, 2002, p. 8). This principle thus opposes two tendencies of modern business, particularly in its most highly industrialized sectors. One is the tendency in manufacturing to treat worker as objects, as factors of production to manage like any other. This denies workers worth as autonomous and independent-minded subjects who take part in the creative will of God. The other is the tendency to treat workers as means to ends rather than as ends themselves. This equates the value of workers with what they produce rather than with who they are. To recognize workers as ends in themselves means that "...the entire process of productive work ... must be adapted to the needs of the person and to his way of life, especially in respect to mothers of families, always with due regard for sex and age" (*Gaudium et Spes*, 1965, #67, p. 39). Among these needs are the material ones of personal and family sustenance, which means that workers must be paid not only a living wage, but for workers with families a family wage. Also among these needs are those of self-expression and self-development: "The opportunity...should be granted to workers to unfold their own abilities and personality through the performance of their work" (p. 39).

Participation

This principle provides for "activities by means of which the citizen, either as an individual or in

association with others, whether directly or through representation, contributes to the cultural, economic, political, and social life of the civil community to which he belongs" (CSDC, 2004, p. 83). This principle carries a strong message for business at odds with the emphasis today upon shareholder capitalism. According to the Church:

In economic enterprises it is persons who are joined together, that is, free and independent human beings created in the image of God. Therefore, with attention to the functions of each—owners or employers, management or labor—and without doing harm to the necessary unity of management, the active sharing of all in the administration and profits of these enterprises in ways to be properly determined is to be promoted. Since more often, however, decisions concerning economic and social conditions, on which the future lot of the workers and of their children depends, are made not within the business itself but by institutions on a higher level, the workers themselves should have a share also in determining these conditions—in person or through freely elected delegates (*Gaudium et Spes*, 1965, #68, p. 39).

The principle of solidarity

This principle recognizes "the intrinsic social nature of the human person, the equality of all in dignity and rights, and the common path of individuals and peoples toward an ever more committed unity" (CSDC, 2004, p. 84). In a word, there is a unity of unities to which all human enterprise must tend. For business this means acting on behalf of the whole of humankind by producing goods that are truly "goods," that add to rather than subtract from the life of persons and society. Questionable, therefore, are businesses that contribute to vice and dissipation (such as by fostering use of unhealthy drugs or pornography) or businesses that through aggressive advertising create empty or misplaced "needs" (such as by playing up insecurities about physical beauty or social status). For business this also means acting in cooperation with others, including its competition. Thus, competition in business is not, as some say, a Hobbesian "war of all against all" (Hobbes, 1958), but instead a spirited play in which all are safe and secure, a "struggle for existence with a mellow denouement" (Durkheim, 1933). Competitors are not prey to overwhelm by market power or predatory pricing, but are loyal adversaries to welcome as a test of one's mettle in the marketplace. Competition is not cooperation's opposite, but its sincerest form.

The Business of Business is the Human Person

The fundamental values of social life

According to this principle, “all social values are inherent in the dignity of the human person, whose authentic development they foster. Essentially, these values are: truth, freedom, justice, love” (CSDC, 2004, p. 88). There can be no human dignity – no human person and no human society – without these values, which every person and society must therefore uphold. For business these values must underlie every activity and relationship. It could hardly be otherwise as these values are written upon the human heart. In fact these values are presupposed by most abstract thinking about business, including particularly the shareholder-value model, which begins upon an assumption of “the market.” As Nobel economist Arrow (1994) explains, modern economic theory rests upon an idea of the market that it cannot explain. This market, Arrow notes, rests upon such humane values as truth, freedom, justice, and love. Thus, behind the conduct called for by abstract theories of business is a mundane reality of fundamental values for human dignity called for by God and propounded in faith by the Church.

The way of love

This final principle finds in love the “highest and universal criterion of the whole of social ethics. Among all paths, even those sought and taken in order to respond to the ever new forms of current social questions, the ‘more excellent way’ is that marked out by love” (CSDC, 2004, p. 91). True happiness “is not found in riches or well-being, in human fame or power, or in any human achievement...but in God alone, the source of every good and of all love” (*Catechism of the Catholic Church*, 1995, #1723). This principle recognizes in the most general way possible what it is to be in God. As God is love, we are in God when we are in love. This love is a ‘many splendored thing’ that begins in God and extends to every human relation and to every corner of existence. Love is dynamism of division in unity and unity in division. In the moment of love comes the moment of play whereby people together create a social order. Play is the creative edge of love whereby come new divisions in unity and new unities in division.⁷ And in the moment of play comes the moment of individuation whereby persons take their place in the life of the whole. Individuation is a fruit of play, the division in unity and

unity in division that is the human person in society (Sandelands, 2003). Thus love is the ground of all social life, including that of business of course.

The glory

Although the weight of business is a heavy one, rarely carried well or far, and too often confirmed in the dropping, it is the glory of business and the lie in our too easy criticism of it. At its best, business is a glory of God. It is a noble calling to being in God that serves man’s heart’s desire.

Business glorifies God as it helps man to his incarnation; to his realization of God in becoming a person and to his embodiment of God in taking part in a union of male and female in one flesh. Far from the cold abstractions of the shareholder-value model, the glory of business is in the concrete doings of real people making real lives together. Among the voices for this glory is Catholic theologian Novak (1996) who insists upon an image of business as a vocation, as a conscious or unconscious calling of the human spirit to God. In business he finds three cardinal virtues in whose exercise man comes to be in God: creativity, building community, and practical realism. About the first, creativity, he writes:

At the very heart of capitalism...is the creative habit of enterprise. Enterprise is, in its first moment, the inclination to notice, the habit of discerning, the tendency to discover what other people don’t yet see. It is also the capacity to act on insight, so as to bring into reality things not before seen. It is the ability to foresee both the needs of others and the combinations of productive factors most adapted to satisfying those needs. This habit of intellect constitutes an important source of wealth in modern society (p. 120).

This virtue of creativity, which is the primary source of wealth and the engine of man’s successful dominion of the earth, is man’s imaging of God. By his creativity, man “participates from afar in the source of all knowledge, the Creator. Sharing in God’s creativity...the principal resource of humans is their own inventiveness. Their intelligence enables them to discover the earth’s productive potential...” (p. 123).

About the second virtue, building community, Novak begins with the truism that capitalism is not about the individual, but is about “a creative form of community”:

In a word, businesspeople are constantly on all sides, involved in building community. Immediately at hand, in their own firm, they must build a community of work. A great deal depends on the level of creativity, teamwork, and high morale a firm's leaders can inspire (p. 126).

This virtue of building community, according to Novak, "throws a practical light" on a divine truth about the human person which faith affirms, a truth which again is a sign of man's imaging of God:

That truth is this: *the Creator made the human person to work in community and to cooperate freely with other persons, for the sake of other persons* (italics in original) (p. 127).

And finally, about the third virtue of business, practical realism, Novak traces a surprising connection between an alert and hard-nosed business practice and Providence. Comparing businesspeople to athletes and professional warriors, he notes in common a state of life given to peril which leads them to "be unusually aware of how many facets of reality are not under their control, how dependent they are on such factors, and the great difference between being smiled on – or frowned on – by Providence" (p. 131). Whereas one might expect the practical realism of businesspeople to be far from faith, Novak finds in it an intimation of incarnation, of God in action. For this, many in business feel blessed – as if "God had shed His grace on thee" – so much so that "Those whose efforts to better the human community mark them as creators, made in the image of their Creator, develop a mental habit in which prayer seems to accord with the natural law itself – and even with the law of grace" (pp. 131–132).

Although founded upon the concrete actions of real persons in community, these virtues of business do not oppose the abstract value of making a profit or for that matter the use of rational techniques aimed at profit (such as those that might derive from the shareholder-value model). Quite the contrary, these virtues promote the value of making money, which can be seen as a secondary virtue and glory of business. These virtues are the context within which exigencies of profit can be interpreted and appreciated. In these virtues we see that business is not only or mainly an exercise of economic rationality, but is truly an art of divine reach. Indeed, in view of its complexity, its human dimensions, and its premium on intuition and judgment, business might well be the practical art *par excellence*. Within this art,

economic rationality is a tool like any other; its value and good are not intrinsic but depend upon how it is used. When it helps bring man to God it is a tool to the good and there is virtue in its use. When it diverts man from God it is an instrument of sin and there is evil in its use. Business is the worldly art of using all available tools for the glory that is God.

A final word

At the essay's end we recall the needful marriage of reason and faith. The Church honors her mission by advocating for that divine revelation that sets the reference points within which business can reason its way to salvation. In her Pastoral Constitution of Vatican II, *Gaudium et Spes* (1965, #69), the Church states that "In the economic and social realms...the dignity and complete vocation of the human person and the welfare of society as a whole are to be respected and promoted. For man is the source, the center, and the purpose of all social life" (p. 40). These reference points of person and society are the ultimate purposes that have guided the most acute students of business administration. Here, in a word from perhaps the greatest of these, Mary Parker Follett, we come to a fitting end:

The leader releases energy, unites energies, and all with the object not only of carrying out a purpose, but of creating further and larger purposes. And I do not mean here by larger purposes mergers or more branches; I speak of larger in the qualitative rather than the quantitative sense. I mean purposes which will include more of those fundamental values for which most of us agree we are really living (1942, p.168).

Notes

¹ Of this last, the Nobel Prize winning economist Friedman (1970) notoriously declared, "the only social responsibility of business is to shareholders." To think otherwise is communism or is at least "taxation without representation."

² This point is being made with increasing frequency, especially by the many writings in the Catholic social tradition (e.g., Alford and Naughton, 2002), and also by a few writings in the tradition of science (e.g., Ghoshal, 2005).

³ Because our being is beyond our powers of conception and reason, to know it we require a different

knowledge, one that arises not from abstract reasoning, but from the trust and love of intimate personal relationships. This knowledge is connatural as opposed to rational. It is not of the mind alone but of the ensouled body as well. It originates not as a projection of abstract reasoning but as a bodily trust between mother and child. Thus, in “making a life” we come to a startling truth that we have “known all along” – that our business in the world rests not only upon the powers of reason given to us by God our Father, but also and more immediately upon the intimacy and trust we learned from our human mothers. The truth upon which all abstract truths are founded is personal and material. This is the truth of our mothers; an image of the first of all human truths, Jesus Christ. Our being in God is not abstract, but incarnate.

⁴ According to John Paul II (1991), “if economic life is absolutized – for example to focus narrowly upon shareholder wealth – the reason is not to find in the economic system itself, but in the fact that the socio-cultural system diminishes the ethical and religious dimension to leave only this secondary value” (p. 41).

⁵ Quoted by John C. Bogle in a commencement address to MBA graduates of the McDonough School of Business, Georgetown University, Washington, D.C. (18 May 2007).

⁶ This phrase and that of this section borrows from C.S. Lewis who penned a book of this title.

⁷ For an exposition of play in the making of human society, see Huizinga (1950).

Acknowledgments

I would like to thank Jane Dutton, section editor Muel Kaptein, and the two anonymous reviewers at the *Journal of Business Ethics* for their constructive and detailed comments.

References

- Alford, H. and M. J. Naughton: 2002, ‘Beyond the Shareholder Model of the Firm’, in S. A. Cortright and M. J. Naughton (eds.), *Rethinking the Purpose of Business* (University of Notre Dame, Notre Dame, IN).
- Arrow, K.: 1994, ‘Methodological Individualism and Social Knowledge’, *American Economic Association Papers and Proceedings*, May 1–9.
- Burrough, B. and J. Helyar: 1990, *Barbarians at the Gate* (Harper and Row, New York).
- Calvez, J. and M. J. Naughton: 2002, ‘Catholic Social Teaching and the Purpose of the Business Organization’, in S. A. Cortright and M. J. Naughton (eds.), *Rethinking the Purpose of Business* (University of Notre Dame Press, Notre Dame, IN).
- Catechism of the Catholic Church*: 1995 (Doubleday, New York).
- Compendium of the Social Doctrine of the Church*: 2004 (Pontifical Council for Justice and Peace, Vatican City).
- Dickens, C.: 2005, *A Christmas Carol* (Prestwick House, Clayton, DL).
- Durkheim, E.: 1933, *The Division of Labor in Society* (Macmillan, New York).
- Follett, M. P.: 1942, in H. C. Metcalf and L. Urwick (eds.), *Dynamic Administration: The Collected Papers of Mary Parker Follett* (Harper & Brothers, New York).
- Friedman, M.: 1970, ‘The Social Responsibility of Business is to Increase Its Profits’, *New York Times Magazine*, September 13.
- Gaudium et Spes*: 1965 (Church Council of Vatican II, #64).
- Ghoshal, S.: 2005, ‘Bad Management Theories are Destroying Good Management Practices’, *Academy of Management Learning and Education* 4(1), 75–91.
- Hobbes, T.: 1958, *Leviathan* (Bobbs-Merrill, Indianapolis, IN).
- Huizinga, J.: 1950, *Homo Ludens* (Boston, Beacon Press).
- Jackall, R.: 1988, *Moral Mazes* (Oxford University, New York).
- Jensen, M. C. and W. H. Meckling: 1976, ‘Theory of the Firm: Managerial Behavior, Agency Costs, and Ownership Structure’, *Journal of Financial Economics* 3(4), 305–360.
- John Paul II: 1991, Encyclical Letter: *Centesimus Annus* (<http://www.vatican.va>).
- John Paul II: 1998, Encyclical Letter: *Fides et Ratio* (<http://www.vatican.va>).
- Lasch, C.: 1979, *The Culture of Narcissism* (W.W. Norton, New York).
- Lewis, S.: 1922, *Babbitt* (Harcourt, Brace, Jovanovich, San Diego, CA).
- McLean, B. and P. Elkind: 2003, *The Smartest Guys in the Room* (Penguin, New York).
- Novak, M.: 1996, *Business as a Calling* (The Free Press, New York).
- Sandelands, L. E.: 2003, *Thinking About Social Life* (University Press of America, Lanham, MD).
- Sandelands, L. E.: 2007, *An Anthropological Defense of God* (Transaction, New Brunswick, NJ).

Psychology (LS&A), School of Business,
University of Michigan,
701 Tappan St., Ann Arbor,
Michigan 48109-1234,
U.S.A.
E-mail: lsandel@umich.edu