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Christmas Thoughts on Business Education

“But you were always a good man of business, Jacob,” faltered Scrooge, who now began to apply this to himself.

“Business!” cried the Ghost, wringing its hands again. “Mankind was my business. The common welfare was my business; charity, mercy, forbearance, and benevolence, were all my business. The dealings of my trade were but a drop in the water in the comprehensive ocean of my business!”

CHARLES DICKENS, *A CHRISTMAS CAROL*¹

HOW DID WE GET to this dark place in business today? To this place of colossal accounting scandal (e.g., Enron, WorldCom, Adelphia, Tyco, Global Crossing, Arthur Andersen); stock and hedge fund manipulation (e.g., Bearing Point, ImClone); looting of pension funds; after-hours trading by financial services companies; crass exploitation of vanity (a \$6 billion per year cosmetic industry) and vice (a \$15 billion per year pornography industry); a coarse business culture of CEO celebrity, materialism, and style over substance; backdated stock options; and obscene levels of executive pay and privilege? How did we get to this place of suspicion and broken trust in the business profession? When a recent Gallup Poll asked

Americans to rank the honesty and ethics of twenty-three professions, they ranked the business professions in the bottom third, giving each more negative than positive scores. Business executives ranked fifteenth, stockbrokers ranked seventeenth, insurance salesmen ranked twentieth, HMO managers ranked twenty-first, advertising practitioners ranked twenty-second, and car salesmen ranked last at twenty-third.²

It is said that the road to hell is paved with good intentions. A more illuminating way to say the same thing is to note, with C. S. Lewis, that secondary goods pursued as if they are the primary good become no goods at all.³ In the hell-bound lament of the ghost of Jacob Marley above—the lament of putting the good of a business trade ahead of the good of mankind—Charles Dickens telegraphs the moral of his nineteenth-century classic *A Christmas Carol*. It is a moral for business education today.

This article is about the goods pursued in schools of business administration, in the United States especially but all around the world as well. I argue that, without meaning to, business schools convey goods that work against the profession they serve. By putting secondary goods of the trade—in particular, the goods of the corporation, its shareholders, and managers themselves—before the primary good of business, they undermine all good and invite the hell of Marley's ghost: "The whole time . . . no rest, no peace. Incessant torture of remorse" (23). Put plainly, if somewhat harshly, I suggest that business schools today offer students what amounts to a "bill of goods." And put plainly, if somewhat hopefully, I suggest, with Dickens, that business schools can and must do better.

But I am getting ahead of the story. This article unfolds as follows. I begin with the primary good of business, with the good that brings order to the many and varied secondary goods of business practice. This good, I find, is nothing other than the supreme good of a person—the summum bonum. This is the good of one's creative being; what the Catholic Church and the other great faith traditions of the world think of as his or her being in God. With

Dickens, and with Michael Novak and Dennis Bakke today, I see that business should and can be a sacred and redeeming calling, a “vocation” in God.⁴ In view of this summum bonum, I then examine the goods that business schools today encourage in students. I find that while these goods have their place, when taken alone, apart from the summum bonum, they lead away from the true good of a person and the true good of business. I close the article with a few Christmas thoughts about how business schools might answer the calling of business life and thereby restore dignity to the people and organizations they serve.

The Summum Bonum

The good of business education is the good of humankind. Business does not exist apart from human life, but ranks among its most important activities and concerns. Business is limb to the tree of human life; it supports and is supported by the whole.

The good of humankind is to be found in its essence, in the fundamental principle of human life. As G. E. M. Anscombe points out, for every kind of thing there is a “primary principle” or “soul,” a determinate form that it takes (or assumes as it grows and develops) and that comprises its good.⁵ There is thus a water principle, a rose principle, a dog principle, and a human principle. For inanimate things, this principle or soul is that of matter. For the thing we call water, for example, it can be thought of as one matter scattered all over the world. Its good is the integrity of its physical being (its atoms and/or molecules). For the things we call plants and animals, this principle or soul is that of a bodily life. A rose or a dog is an organism that grows and develops in a characteristic way from seed to senescence. Its “rose-ness” or “dog-ness” is fully canvassed and fully distinguished by its organism. Its good is the good of its bodily life. And for the thing we call human, this principle or soul is the creative mind—the capacity of insight, imagination, compassion, analysis, play, logic, and invention. Humans live as humans

when they think and feel (when *Homo sapiens*) and perhaps never more than when they play (when *Homo ludens*).⁶ A human person's creative mind reaches beyond the body—it is spirit beyond matter. Philosophers such as Anscombe describe mind as a “subsistent immaterial being.” Theologians identify mind with God, the subsistent immaterial Creator of all things. A person is not merely an animal life, but a divinely ordained being, a child of God. His or her good, therefore, is uniquely bound up with God.

The good of humankind appears both in the person and in society. It is an axiom of most theologies, and certainly of Christianity, that the human person is defined by his or her being in God, by his or her vocation in God's creation.⁷ In this divine aspect the person is prior to worldly things, prior to time and space, prior even to the material body. One's supreme good, his or her *summum bonum* therefore, is his or her being in God. It is a good realized only imperfectly in this life, depending on how the person plays his or her part.

At the same time that man or woman is person he or she is part of the society of humankind. The unity of man or woman is no poet's dream, or misanthrope's nightmare; it is the communal form of God's creation. The original form and template for society is the family, beginning with the nuptial union of man and woman in one flesh. This bodily realization of the person in society is also an image of God, also a realization of one's being in God. One's good, therefore, finds its social dimension in the nuptial union, and is elaborated in the myriad forms of social life that grow upon that original union.⁸ The divinely creative being of the person is enlarged and completed by the divinely creative being of society. Figures of divine society are to found in the countless groups that humankind makes—of tribe, nation, culture, community, and business. These last are more or less true to a person's being in God and thus more or less true to his or her *summum bonum*.

Person and society thus are of a piece; each implies the other; the two together comprise the creative soul of humankind. The connection between them is concrete and familiar in the family, in

which persons are born, grow, and develop in its love and life. But the connection between them appears as well on the greater scale of human culture, as for example in the phenomenon of language, in which persons grow and develop in its love and life.⁹ Indeed, all that is creative—all that is distinctively human—is twofold in this way; belonging both to the person and to society.¹⁰ One comes into his or her person in communion with others. This is a further aspect of his or her supreme good, that his or her being as person in God is only realized in society with others.

Returning to business, Timothy Fort calls the business corporation a “mediating institution” to recognize that it is a figure and expression of the divine in humankind.¹¹ Where the corporation serves humankind’s divine person and divine society, it enjoys the good it brings to both. Where it fails to do so, it suffers the evil it brings to both. The good of business, therefore, is its being in God. It is the good summarized by St. Augustine: “You have made us for yourself, O Lord, and our hearts are restless until they rest in you.”¹²

The Goods of Business Education

Oh! but he was a tight-fisted hand at the grindstone, Scrooge! a squeezing, wrenching, grasping, scraping, clutching, covetous old sinner! Hard and sharp as flint, from which no steel had ever struck out generous fire; secret and self-contained, and solitary as an oyster. The cold within him froze his old features, nipped his pointed nose, shriveled his cheek, stiffened his gait; made his eyes red, his thin lips blue and spoke out shrewdly in his grating voice. A frosty rime was on his head, and on his eyebrows, and his wiry chin. He carried his own low temperature always about with him; he iced his office in the dog-days; and didn’t thaw it one degree at Christmas. (12)

Business education—like every professional education—is moral in the precise sense that it is about how to act in the world. It is

to judge by its good and bad, by its right and wrong. Whose interests does business education serve—owners, managers, employees, stakeholders, communities, all of the above? What defines good management—profit, market share, quality products, fair prices, stock value, employee well-being, return to society, environmental stewardship? What responsibility does business have to the person? What responsibility does it have to society? What are the limits of fair competition? Should work be fit to the worker, or should the worker be fit to the work? What is a fair wage? What is a fair distribution of profits among owners, managers, and workers? What obligations does business have to governments? What responsibility does business have to the natural environment? Such questions—and many more could be added—are moral questions.

The grounds for answering such moral questions are less settled today than ever before. Tectonic shifts in American capitalism—in economic base from farming to manufacturing to information services; in markets from local communities to regions to nations to the whole of the globe; in financing from elite financiers to commercial banks and markets of every imaginable kind—have shaken the moral foundations of American business.¹³ It used to be simpler. As described by Max Weber, American capitalism arose and prospered in the eighteenth and nineteenth centuries within a generally agreed upon—if not always faithfully lived—Protestant Christian ethic that saw success in a worldly calling as a sign of election by God and that put stock in hard work, personal asceticism, and capital investment.¹⁴ According to this ethic, business was a patrimony (a familial form, a worldly church) and its profit was a spiritual good before God. Its paradigm was the small family business. Although remnants of these values were still to be found late into the twentieth century, they have been worn to threads by the tectonic shifts just noted. Election by God has become an irrelevance amidst diversions of surplus wealth, consumerism, celebrity culture, opportunistic investment, and bureaucratic organization. More and more we have created the culture of narcissism described by Chris-

topher Lasch—an amoral world of selfishness, concern for style over substance, easy offense, sexual license, entitlement, emotional immaturity, fascination with success and fame, and lack of concern for others including children.¹⁵ We have created a business ethic that, as detailed by Robert Jackall,

breaks apart substance from appearances, action from responsibility, and language from meaning. Most important, it breaks apart the older connection between the meaning of work and salvation. In the bureaucratic world, one's success, one's sign of election, no longer depends on one's own efforts and on an inscrutable God but on the capriciousness of one's superiors and the market; and one achieves economic salvation to the extent that one pleases and submits to one's employer and meets the exigencies of an impersonal market.¹⁶

Although business schools have been around for better than one hundred years, business education only came to flower in the late 1950s and early 1960s.¹⁷ As reported by Jeffrey Pfeffer and Caroline Fong, whereas only 3,200 Master of Business Administration (MBA) degrees were awarded in the United States in 1955–56, that number had mushroomed to over 102,000 in 1997–98.¹⁸ According to *U.S. News and World Report*, by 2001, 1,292 schools (92 percent of accredited colleges and universities in the United States) offered an undergraduate business major, the most popular major in the country, by far. Also during this period, beginning in the late 1950s, business schools took a new form by converting themselves from “trade schools” (from weak cousins of prestigious university departments of arts and sciences) to scientifically oriented research institutions (to equal partners with these other university departments).¹⁹ In the perspective of history, it now seems possible that these two facts are connected; that business education prospered as it offered a scientific alternative to the crumbling Christian foundations of business, something it was able to do by capitalizing on the prestige of the university.

Business education today, particularly MBA education today, is almost entirely typical. A survey of MBA programs in the United States and around the world finds an impressive uniformity in educational missions, course offerings, and degree requirements. MBA education is a fine example of what sociologists call a “social institution.” Its ways and means are fit to a pattern. Some of this pattern comes from accreditation requirements of the Association to Advance Collegiate Schools of Business (AACSB). And some of this pattern comes from market pressures upon schools to show well in rankings of MBA programs by media such as *BusinessWeek*, *The Wall Street Journal*, *The Economist*, and *U.S. News and World Report*. To succeed in these rankings schools must score well on a certain few criteria of student qualifications, student evaluations of programs, and assessments of schools by corporate recruiters. For chasing the same criteria, and for fear of falling behind competitors, business schools often choose what seems to be the safe course of imitating one another.

GOODS IN THE CLASSROOM

What does the MBA teach about the good of business? Certainly it does not teach the one true good of a person, his or her creative being in God. Indeed, one would have to look very hard to find mention of God anywhere in an MBA education. Instead, the MBA teaches a great many other things that are taken to be goods because they are useful for the end of making money. Business is seen as an instrumentality, as a technical device or a machine. It does not matter so much what the machine does or how it does it (there are many ways to make a buck), it matters more that the machine runs well and at a profit. The MBA teaches that business is essentially pragmatic, motivated by what works. This pragmatism is its own morality.

The focus of the MBA on instrumentalities begins at the beginning, with a required core curriculum that focuses both on fundamentals of business thinking (in courses such as micro- and macro-

economics, financial accounting, strategy, and business statistics), and business practice (in courses such as finance, managerial accounting, marketing, operations management, and human resources management). The goods of the MBA core curriculum are the instrumentalities of its courses. The good of microeconomics is to apply economic reasoning to managerial decision making. The good of accounting is to gather information about costs and prices to make efficient internal business decisions. The good of finance is accurate financial evaluation to make a profit under conditions of risk and uncertainty—and so on for the other business disciplines.

The focus on business instrumentalities, begun in the core, is extended and elaborated in the elective curriculum that follows. In its elective courses, the MBA describes business even more plainly as an exercise of technique. Strategy electives elaborate on environment analysis, competitive strategy, globalization, growth, and sustainable enterprise. Entrepreneurship electives add ideas of new-venture creation, family business, and managing growth through new ventures. Marketing electives elaborate on brand management, distribution, market planning, consumer behavior, and new product management. Again, a similar account can be given for the other areas of business education.

Ironically, this bonfire of the instrumentalities is confirmed even in elective courses on business ethics where questions about the ends of business are often subordinated to students' own practical purposes. Here, for instance, is the catalog description of the business ethics elective course at one of the nation's leading business schools, a course typical of the genre:

The goals of the course are to assist you in clarifying your values, to create awareness of the ethical issues that may arise in your career, and to provide you with a framework for moral decision-making. This framework will connect with your own moral intuitions, but will also assist you in providing "reasons" and "justifications" for your actions or beliefs, and not

simply “opinions.” We will consider ethical dilemmas you may face as a manager and help you determine what is a “right,” “just,” and “fair” result, and how to implement your decision in a manner that is politically feasible (i.e., What works in the real world? How will that decision affect my interests and my career?). We will also discuss the challenges involved in creating organizations that support ethical behavior. In addition, we address the broader issues of the appropriate roles and responsibilities of the corporation in society.²⁰

This course is not concerned with moral truths, but with students’ values. Students are not taught what is good, but are encouraged to decide the good for themselves. This course hedges the good in quotation marks—of what is “right,” “just,” and “fair”—thus to suggest the good has not one meaning but several meanings, or perhaps no meaning. And this course offers “reasons” and “justifications” that “work in the real world.” Its good is the practicality of one’s own purposes.

Looking across the courses of the MBA one sees its cast of mind. Keeping with its technical focus, the MBA tends to the abstract and impersonal. This is true even in courses that rely on case studies, which are used to illustrate universal principles. Business is a story told of income, cash flow, assets, inventory, sales, receivables, debt, supply, demand, price, information, risk, probability, net present value, costs, efficiency, and profit. The story pits business against market forces and plays out in strategy, risk and return tradeoffs, decision making under uncertainty, financial leveraging, budgeting, pricing, market segmentation, competition, and leadership. Business is a board game of pieces to manipulate and move for advantage.

Thus, by its focus on means rather than ends, and by its focus on the abstract and impersonal rather than the concrete and personal, business education conjures business as a technical and amoral exercise. The business of business is business. It takes its direction from the science of economics that says how to make money as effective-

ly and efficiently as possible. This image does not trouble with the question of whether it is good to treat persons and groups as means rather than ends. This image is not disturbed by the typical accounting course that defines human labor as a variable cost, like other costs of production. And this image is not disturbed by the typical management course that defines people as “resources” (human resources) to be used for business ends. The word “manage” that appears everywhere in business education derives from the Latin root “mand” for hand, as in manacle or manipulate, and is related to the French word “managere,” the practice of training horses. To manage is to put resources to work for a purpose. Persons and groups are to deploy and manipulate to the same ends as raw materials, capital, and information.²¹ About this education one could be forgiven for wondering what happened to the human, what happened to the person and community and love and God.

MISGIVINGS

This article is hardly the first and certainly will not be the last to express misgivings about business education. There are gathering voices of doubt about the practical and moral value of business schools. For example, Pfeffer and Fong reviewed the evidence they could find to discover that “what little data there are suggest that business schools are not very effective: Neither possessing an MBA degree nor grades earned in courses correlate with career success, results that question the effectiveness of schools in preparing their students. And, there is little evidence that business school research is influential on management practice, calling into question the professional relevance of management scholarship.”²² The main function of business school, they suggest, is not to educate students, but to assure corporate recruiters a supply of applicants who are bright, hardworking, and already socialized to the ways and means of business.

Warren Bennis and James O’Toole also question the value of business schools, criticizing them for “failing to impart useful skills, failing to prepare leaders, and failing to instill norms of ethical behavior.”²³

The fault, they argue, lies with a business curriculum predicated on “an inappropriate—and ultimately self-defeating—model of academic excellence.”²⁴ They observe that in the last several decades business schools have pushed for a model of science (larded with abstract economic analysis, statistical multiple regression, and even laboratory psychology) that not only does not serve the needs of business practice but has driven out other more useful models of expertise. Business schools, Bennis and O’Toole warn, are “institutionalizing their own irrelevance”²⁵ by losing touch with managers’ professional concern for practice. In this assessment the authors cite Thomas Lindsey, a former university provost at the University of Dallas:

Business education in this country is devoted overwhelmingly to technical training. This is ironic, because even before Enron, studies showed that executives who fail—financially as well as morally—rarely do so from lack of expertise. Rather, they fail because they lack interpersonal skills and practical wisdom; what Aristotle called prudence. Aristotle taught that genuine leadership consisted in the ability to identify and serve the common good. To do so requires much more than technical training. It requires an education in moral reasoning, which must include history, philosophy, literature, theology, and logic.²⁶

Such criticisms of business schools converge on the idea that business education is not enough about the problems managers face in acting for the good of business. By seeking academic legitimacy and moral sanction in science, business schools evade and exacerbate the moral challenges of the profession they serve. As Sumatra Ghoshal describes, the problem is not simply that the scientific theories taught in business school are useless for practice, but much worse, that “by propagating ideologically inspired amoral theories, business schools have actively freed their students from *any sense of moral responsibility*” (italics added).²⁷ According to Ghoshal,

Management theories at present are overwhelmingly causal or functional in their modes of explanation. Ethics, or morality, however, are mental phenomena. As a result, they have had to be excluded from our theory, and from the practices that such theories have shaped. In other words, a precondition for making business studies a science as well as a consequence of the resulting belief in determinism has been the explicit denial of any role of moral or ethical considerations in the practice of management.²⁸

If it is true, as critics say, that business schools do not improve the managerial acumen of their graduates and do not improve the organizations that employ their graduates, it is left to ask what good are they. In view of faults and failures that are supposed to be more recognizable by the day, how do business schools remain viable and how do they justify the monetary premiums they collect for their students and themselves? Might the answer lie in the economic changes noted earlier, particularly the opening of global markets, the transition from industrial to postindustrial economies, and the supplanting of stable and often humanly concerned corporations by volatile and often humanly indifferent financial markets? Might these changes have concentrated managers' attention upon the concerns of business owners at the expense of the concerns of other stakeholders such as employees, suppliers, distributors, society, and the natural environment? Could it be that business schools came into their own by providing managers both the tools and moral justification to address these concerns? And could it be more than a coincidence that business schools today deal mostly in formulae and management techniques to maximize shareholder wealth; formulae and techniques they justify as economic science?²⁹

Finally, before leaving these criticisms of the MBA, it is well to note certain countermovements that have lately arisen within this education. Against the moral tide described above are scattered efforts to direct attention to goods beyond the merely instrumental,

efforts that yearn for larger purposes, for transcendent meanings. This is to be seen in ideas that leadership is about making a difference, that the corporation has a responsibility to society, and that the student is a citizen. And this is to be seen in calls for stewardship of the natural environment (so-called green management), for solving global problems of economic disadvantage and poverty through “bottom-of-the-pyramid” business initiatives, and for “positive organization studies” focused on authentic human relations, social vitality, personal virtues, and resilience. To yearn is to hope for what is not yet. To yearn is to call upon better angels.

First Things and Second Things

He was not alone, but sat by the side of a fair young girl in a mourning-dress: in whose eyes there were tears, which sparkled in the light that shone out of the Ghost of Christmas Past.

“It matters little,” she said, softly. “To you, very little. Another idol has displaced me; and if it can cheer and comfort you in time to come, as I would have tried to do, I have no just cause to grieve.”

“What Idol has displaced you?” he rejoined.

“A golden one.”

“This is the even-handed dealing of the world!” he said. “There is nothing on which it is so hard as poverty; and there is nothing it professes to condemn with such severity as the pursuit of wealth!”

“You fear the world too much,” she answered gently. “All your other hopes have merged into the hope of being beyond the chance of its sordid reproach. I have seen your nobler aspirations fall off one by one, until the master-passion, Gain, engrosses you. Have I not?” (37)

The moral poverty of business education is simply understood. It is the poverty of not knowing the nature and source of the good; namely, one’s creative being in God. It is the poverty of not know-

ing that all good serves this human being and that all evil opposes this human being. In this poverty, business education cannot tell which of its values are good and which of its values are evil. Its nobler aspirations fall to the master passion of gain.

Moral order begins in the distinction between the first thing and second things; between the primary good and secondary goods. As noted, one's primary good—his or her *summum bonum*—is the essential good of his or her being, the *telos* for which he or she was made.³⁰ This first and essential good is one's creative being in God; the good realized by taking part in God's creation. This good is not given by nature but must be achieved in freedom against the long odds of one's sinfulness. As relayed in the biblical story of Eden, humans are fallen beings who must overcome sin to come into being with God. In contrast, humankind's secondary goods derive from the primary good. They are means to become a human being in God. Secondary goods bring one to God. Secondary evils take one from God. Many of the things widely valued in society today—wealth, luxury, status, and the rest—may not bring one to God and may not be goods, even if that is what they are called. And many of the things widely devalued in society today—poverty, pain, suffering, and the rest—may bring one to God and may be goods, even if that is not what they are called. Indeed, values and goods are not always or usually the same thing.

This is the moral order in which to judge the values of business education. We can ask, for example, does the value for business success, indicated by market share, profit, or stock price, serve the good of the person and the good of society? Can it do so? When does it do so? Or, does self-development, realized as leadership, full engagement, or personal growth, serve the good of the person and the good of society? Can it do so? When does it do so? Such questions cannot be answered with a simple and automatic "yes." They are to be answered in the event, in concern for the persons and society involved. Thus the value of making a profit could be a secondary good when it supports a business that provides people a living

wage and opportunity to work creatively with others, but it is not a secondary good when it comes at the expense of these essentials. And thus the value of self-development could be a secondary good when it leads to creative being in God, but it is not a secondary good when it leads to selfishness apart from God. Thus the distinction between primary and secondary goods lights the way to a true ethic of business and thereby to a true education in business.

NO GOOD APART FROM THE PRIMARY GOOD

There are two important and related implications of the moral order of primary and secondary goods. One, developed in detail by Alasdair MacIntyre, is that failure to recognize the primary good results in the loss of all good.³¹ Again, what one accomplishes, what he or she thinks and does, are goods only in respect to the primary good that joins them in the whole of human life. Thus, when business education forsakes the primary good—when it trades in values that are not connected to one's being in God—it loses contact with the good. It becomes a kind of diversion, or worse a kind of hell. This loss of contact with the good is to be seen in the two telltale aspects of business education today: (1) its moral vacuity, and (2) its reliance upon an abstract and otherworldly economic reasoning.

The moral vacuity of business education consists in its unquestioned values. While this education correctly values such things as economic performance (e.g., costs, sales, profit, market share, customer loyalty), effective practice (e.g., leadership, innovation, technology, efficiency), and the students themselves (e.g., their energy, confidence, balance, growth, commitment, full engagement), it does not ask if and how these values connect to their primary good. For this reason, there is no telling when its values are truly goods and when they are instead expressions of selfishness or exploitation. Consider, for example, the value of maximizing shareholder wealth. When is this value a good? And when is this value an evil? Milton Friedman famously “answered” these questions by fiat, declaring shareholder wealth the one, only, and always good of business.³² Edward Free-

man demurred to argue that business has several stakeholders whose interests must be tallied to the good.³³ The debate between these views is unresolved.³⁴ We now know why; there is no resolving this or any moral question without a primary good.

Business education's loss of contact with the good is to be seen also in its reliance upon an abstract and otherworldly economics. This economics is a world unto itself, a world of its own means and ends. It is a world occupied not with human lives, not with human sensibilities and loves, but with impersonal markets grasped numerically and mulled logically.³⁵ This economics beguiles with mathematics and the idols of economic success. It is an example of what G. K. Chesterton memorably described in another context—barren intellectualism, moonshine:

Detached intellectualism is (in the exact sense of a popular phrase) all moonshine; for it is light without heat, and it is secondary light, reflected from a dead world. . . . But the circle of the moon is as clear and unmistakable, as recurrent and inevitable, as the circle of Euclid on a blackboard. For the moon is utterly reasonable; and the moon is mother of lunatics and has given to them all her name.³⁶

This impersonal and logical economics is lunacy precisely because it is out of touch with the mystery of one's being in God that keeps him or her sane. Again, as Chesterton notes, the mark of madness is the combination of logical completeness and spiritual contraction. "The madman is not the man who has lost his reason. The madman is the man who has lost everything except his reason."³⁷

A SECONDARY GOOD MISTAKEN

AS THE PRIMARY GOOD BECOMES NO GOOD

A second implication of the moral order of primary and secondary goods is that a secondary good pursued for itself, apart from its connection to the primary good, results in the loss of that good.

C. S. Lewis, who has expressed so many important things well, describes this implication as follows:

The longer I looked into it the more I came to suspect that I was perceiving a universal law. *On cause mieux quand on ne dit pas Causeons* ["One converses better when one does not say 'Let us converse'"]. The woman who makes a dog the centre of her life loses, in the end, not only her human usefulness and dignity but even the proper pleasure of dog-keeping. The man who makes alcohol his chief good loses not only his job but his palate and all power of enjoying the earlier (and only pleasurable) levels of intoxication. It is a glorious thing to feel for a moment or two that the whole meaning of the universe is summed up in one woman—glorious so long as other duties and pleasures keep tearing you away from her. But clear the decks and so arrange your life . . . that you have nothing to do but contemplate her, and what happens? Of course this law has been discovered before, but it will stand re-discovery. It may be stated as follows: every preference of a small good to a great, or a partial good to a total good, involves the loss of the small or partial good for which the sacrifice was made.

You can't get second things by putting them first, you can get second things only by putting first things first. From which it would follow that the question, "What things are first?" is of concern not only to philosophers but to everyone.³⁸

Without *a* first thing—a summum bonum—to organize and integrate values into a living whole, values can only clash with one another and work against the good. Without *the* first thing—the summum bonum that is one's creative being in God—values can only work at cross-purposes to the good of the person and society. Where business education promotes values that do not put the first thing first, it frustrates those values. This is the lament of businesses that fail by giving too much attention to financial targets or too much attention to engineered efficiencies and not enough attention to the persons it asks to do the work and to the community

it means to serve with a good product at a fair price.³⁹ And this is the morality tale of senior executives who see too late that a life devoted to personal success and wealth comes at the expense of a life of love with others in God. These are dangers of not putting first things first. More precisely and explicitly, these are dangers of putting other things before our creative being in God.

Of all these dangers, however, the most severe and cruel by far is that of putting one's self before God. Ever since Adam and Eve this has been our greatest temptation and therefore our most besetting sin. Two examples in business education serve the point. First, in the name of leadership development, students are often encouraged to seek the truth of leadership within themselves. Taken to its logical end (an end its teachers do not intend) this becomes an idea of the self as God, an idea, it must be said, that has inspired more than one tyranny in history—think of the brutal tyrannies of Stalin, Hitler, and Mao in world politics, or the petty tyrannies of Scrooge and Marley in business. Second, in the name of ethics training, students are often taught that ethics are a question of acting with integrity according to one's own values. The good is what one chooses it to be. This is an ethic without a *telos*, an ethic without design and without authority. This is an ethic of the sort argued by John Rawls that leaves each person free to pursue his or her own desires (provided that no harm is done to others).⁴⁰ Taken to its logical end (again an end its teachers do not intend) this becomes an idea of guiltless liberality, an idea that many blame for the moral chaos, decadence, and nihilism of Western culture today.⁴¹ Behind this liberal ethic and behind the inner leadership above lies a value for an enlightened self, a self in possession of the great and good, a self before God, and, alas, a self assured of its own destruction.

TWO WORLDS OF BUSINESS EDUCATION

“We have built a weird, almost unimaginable design for MBA-level education that distorts those subjected to it into critters with lopsided brains, icy hearts, and shrunken souls.”⁴² Thus, there is a

world of difference between a business education that recognizes one's primary good—his or her human being, his or her creativity in God—and a business education that ignores this primary good. Without a primary good, there is no basis to judge business values, no way to integrate them into a living whole, and no grounds to control excesses in their pursuit. Business management becomes an exercise in the egoism of the corporation or an exercise in the egoism of its managers or both. Inevitably the interests of the wealthy dominate those of the poor and thus give business its own “golden rule,” namely, that those with the gold make the rules. Without a primary good, business diminishes both person and society. The person finds life evacuated of meaning beyond wealth and status in the hierarchies of business and society. No longer a child of God and thus of inalienable dignity, he or she is reduced to a rank in a contrived system of earthly heroism.⁴³ And society finds life no longer cast in the image of family and church, but bent to the market in which every thought and action is guided not by mutual love but by the question “will it sell?”⁴⁴ Harsh to say, business education that does not keep to the primary good is spiritual cruelty.

This contrasts with the hypothetical business education that does recognize one's primary good—his or her human being, his or her creativity in God. Upon this primary good it is possible to judge and integrate business values for the good of person and society. Business is guided neither by the egoism of the corporation nor by the egoism of its managers but by the dignity of each and every person and the well-being of the community. Management can see that the person is not for work, but that work is for the person. And upon this primary good, the interests of the wealthy and powerful do not dominate those of the poor and weak. Management can see that the interests of all are joined in one human project. This hypothetical business education calls for management concerned with the person's vocation in God's creation. This education does not deny the spirit of capitalism and does not deny profit as a good of the corporation, but sees their value in supporting the life of all persons

in God.⁴⁵ Instead of defining a person in terms of the corporation, seeing him or her as a cost or resource, this education defines the corporation in terms of the person, seeing it as an instrument of his or her creative being in God.

Toward a Business Education in the Good

“Good Spirit,” he pursued, as down upon the ground he fell before it. “Your nature intercedes for me and pities me. Assure me that I yet may change these shadows you have shown me by an altered life!”

The kind hand trembled.

“I will honour Christmas in my heart, and try to keep it all the year. I will live in the Past, the Present, and the Future. The Spirits of all Three shall strive within me. I will not shut out the lessons that they teach. Oh, tell me I may sponge away the writing on this stone!” (73)

A man cannot think himself out of mental evil; for it is actually the organ of thought that has become diseased, ungovernable, and, as it were, independent. He can only be saved by will or faith.⁴⁶

The great need of business education is to put its moral house in order by an act of will and faith. Business educators need to think differently about people and organizations, to see them in the light of the good, which is the light of divine being. What Owen Barfield said about his field of psychology is true no less of the field of business education. It forgets the descent of the person from the divine. It thinks one’s life is rooted in selfish energies, rather than in the inspiration of God. And it supposes that one’s good lies in selfish experiences and acquisitions, rather than in relation to God.⁴⁷ A true business education must recognize that a person is higher than the natural, that he or she is supernatural. The idea of one’s divine being changes everything and is the key to the good.

What will the required moral housecleaning mean for business education? In a word, it will mean great change. In the few words left to me in this article, I draw upon the argument so far to sketch two crucial changes that must come to business education to bring it to the good. It is but a start upon a positive program that will take all our creative energies and faith in God's grace to bring into being.

A TRUE IDEA OF THE HUMAN PERSON

The first and most important change in business education must be that it begins upon a true idea of the human person, who is not what natural science says, a creature shaped by bodily needs, and who is not what social science says, a rational actor guided by self-interest. The human person is a divine but fallen being who comes to life with others in God. As Reinhold Niebuhr points out, man is distinctive among the creatures of the earth, not in physical power or prowess, and not even in superior reason or intellect, but in capacity for self-transcendence, in capacity for a relationship to God.⁴⁸ And, as Roman Guardini adds, man is "determined by the spirit; but the spirit is not 'nature.' The spirit lives and acts neither by historical nor by metaphysical necessity, but of its own impulse. It is free."⁴⁹ Consequently, "man does not belong exclusively to the world; rather, he stands on its borders, at once in the world yet outside it, integrated into it yet simultaneously dealing with it because he is directly related to God."⁵⁰

To begin upon a true idea of man or woman, business education must face at least two facts that do not conform to its usual mode of economic thinking. One is that he or she is not an autonomous individual, but is a person in God. This is to say that the human person is not an indivisible unit walled off from others but is intimately involved with others in the life and love of God. And this is to say that a person is not essentially selfish but is essentially compassionate and charitable. As a person, one cannot be described as the selfish "utility-maximizer" of economic lore, but must be described as the one made in the image of God, as the one who seeks to join with

others in the life and love of God, and the one whose heart's desire is to please God. This person is infinitely greater and more important than a "worker" or "employee" or even a "stakeholder," not to mention a "fixed cost" or "factor of production" or "human resource." To recognize this person is not to deny self-interest, but to see self-interest as directed to and bounded by interest in God. It is to see that people are not moved by abstract economic utilities but by a flesh and blood love of others in God. And to recognize this person is to begin to understand the responsibility of those who manage, for they are called to look after this person and thereby serve in the worldly ministry of God. As C. S. Lewis and so many others have pointed out, people are not things to manipulate and manage as pieces on a chessboard but are children of God to be helped into relation with the Father.⁵¹ Management is not about making a profit. It is about realizing the human person in the world.

A second fact about man or woman that does not conform to the usual mode of economic thinking in business education is that he or she is fallen. A human person is not only the one who, in freedom, pursues wants and desires; he or she is also the one who, in freedom, obeys or disobeys the law of his or her creation. The idea of the fall is that man's all-too-human being succumbs to the selfish evil of sin. Sin, according to Niebuhr, has both a religious and moral dimension: "The religious dimension of sin is man's rebellion against God, his effort to usurp the place of God. The moral and social dimension of sin is injustice. The ego which falsely makes itself the center of existence in its pride and will-to-power inevitably subordinates other life to its will and thus does injustice to other life."⁵² This idea of sin is all but lost in the liberal ethic of business economics that identifies the good with what one desires instead of what God desires and that confuses one's economic power with God's moral authority. It is a casualty of the relativism and nihilism of modern secular culture.⁵³ Nevertheless, sin is a necessary element of moral order. For there to be good there must be evil, for there to be virtue there must be sin.

THE SUMMUM BONUM

A second and more directly practical change in business education must be that it begins with a clear understanding of the human person's *telos*, with a clear understanding of the primary good that is a person's heart's desire. This *telos*, as we've seen, is one's creative being in God. And this *telos*, as we've seen, defines all of one's derivative or secondary goods. With this *telos* in mind, business education must begin its every inquiry about management practice with two questions: Is this practice for the good of the person? And is this practice for the good of society?

Regarding the person, business education must ask and answer how its myriad values and ways bear upon the creative being of the person in God. This is not to ignore the usual business priorities (decreasing costs, increasing efficiency, increasing market share, and maximizing profits), but it is to see these priorities differently, as subordinate to the good of the person. It is to ask, for example, how management actions to achieve economic goals affect opportunities of workers to fulfill their divine vocation for creative work. Do management actions turn work into a dull routine, or put the worker under the control of a machine? Or, do they perhaps open up new possibilities for creative expression? The crucial lesson is that economic goals are not the ends of business, but means to the end that is the person in God. The task is to cultivate a management practice that reaches to the divine in every person.

Regarding society, business education must ask and answer no less how its values and ways bear upon the creative being of society in God. People take their place in society with others and just as the person demands respect as an image of God so too society demands respect as an image of God. Again this is not to ignore the usual business priorities, but it is to see them differently, as subordinate to the good of society. It is to ask, for example, how management actions to achieve economic goals affect opportunities of workers to make a wage that can support their families and the community in which they live. Do management actions result in layoffs that devastate the

family and community, or result in inadequate pay that works more slowly to the same end? Or do they perhaps expand the income pie for everyone by enlarging the market? Again the crucial lesson is that economic goals are not the ends of business but means to the end that is society in God. And again the task is to cultivate a management practice that reaches for the divine in every society. This challenge is every bit as formidable as that encountered for the person above.

Christmas and the Church

“There are many things from which I might have derived good, by which I have not profited, I dare say,” returned the nephew; “Christmas among the rest. But I am sure I have always thought of Christmas time, when it has come round—apart from the veneration due to its sacred name and origin, if anything belonging to it can be apart from that—as a good time; a kind of forgiving, charitable, pleasant time: the only time I know of, in the long calendar of the year, when men and women seem by one consent to open their shut-up hearts freely, and to think of people below them as if they really were fellow-passengers to the grave, and not another race of creatures bound on other journeys. And therefore, uncle, though it has never put a scrap of gold or silver in my pocket, I believe that it has done me good and will do me good; and I say, God bless it!” (14)

Large as the challenges to the good are in business education, and difficult as the tasks of fully honoring the person and society are in business practice, these challenges and tasks can be met, and I suppose must be met, in faith. There is direction and support to be found in the world’s religions, and we would be wise, I believe, to turn to them for guidance.

With Scrooge’s nephew above, I think of the power of Christmas and of the Catholic Church. In both I find direction and support for the good of business and of life generally. Of particular usefulness

for business education, I suppose, are the doctrines of the Church to foster and protect the supreme good of the human person and society. Compiled in the Church's *Compendium of the Social Doctrine of the Church*, these doctrines include:

1. meaning and unity—the doctrines “must be appreciated in their unity, interrelatedness, and articulation”;⁵⁴

2. the principal of the common good—“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” (CSD, 73);

3. the universal destination of goods—“Each person must have access to the level of well-being necessary for his full development” (CSD, 75);

4. the principle of subsidiarity—“Every social activity ought of its very nature to furnish help to the members of the body social, and never destroy and absorb them” (CSD, 81);

5. participation—provisions must be made 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” (CSD, 83);

6. the principle of solidarity—there must be recognition of “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” (CSD, 84);

7. the fundamental values of social life—“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” (CSD, 88); and

8. the way of love—love must be considered in its authentic value as 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” (CSD, 91).

In the secular university that has lost its human relation to God, I suppose that education in the good would do well to begin with such doctrines, or with like-minded statements of religious wisdom. I suppose that it is only in faith in God that we can find the beginning and end of the good, its alpha and omega. I suppose that this is the key to a business education and indeed the key to any education worthy of the name.

Scrooge was better than his word. He did it all, and infinitely more; and to Tiny Tim, who did NOT die, he was a second father. He became as good a friend, as good a master, and as good a man, as the good old city knew, or any other good old city, town, or borough, in the good old world. Some people laughed to see the alteration in him, but he let them laugh, and little heeded them; for he was wise enough to know that nothing ever happened on this globe for good at which some people did not have their fill of laughter at the outset; and know that such as these would be blind anyway, he thought it quite as well that they should wrinkle up their eyes in grins as have the malady in less attractive forms. His own heart laughed: and that was quite enough for him. (80)

Notes

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1. Charles Dickens, *A Christmas Carol* (Clayton, DE: Prestwick-House, 2005), 24 (hereafter cited in text by page number).
2. Gallup Poll, December 14, 2006.
3. C. S. Lewis, *The Business of Heaven* (San Diego: Harcourt, 1984).
4. See Michael Novak, *Business as a Calling* (New York: Free Press, 1996) and D. W. Bakke, *Joy at Work* (Seattle: PVG, 2005).
5. G. E. M. Anscombe, *Human Life, Action, and Ethics*, ed. M. Geach and L. Gormally (Charlottesville, VA: Imprint Academic, 2005).
6. See Johan Huizinga, *Homo Ludens* (Boston: Beacon, 1950).

7. See, for example, Jacques Maritain, *The Person and the Common Good*, trans. J. J. Fitzgerald (Notre Dame, IN: Notre Dame Press, 1947).
8. Joyce Little, *The Church and the Culture War* (San Francisco: Harper, 1995). See Lloyd Sandelands, *Male and Female in Social Life* (New Brunswick, NJ: Transaction, 2001).
9. Leslie Brothers, *Friday's Footprint: How Society Shapes the Mind* (New York: Oxford, 1997).
10. A person's twofold creative mind confirms that he or she is a different order of being than animals. Whereas the bodily life of an animal can be divided between its individual organism and the group organism (e.g., colony, flock, school, troop), the creative life of a person involves and transcends both. One's person and society are uniquely integrated in his or her subsistent immaterial being in God (see Lloyd E. Sandelands, *An Anthropological Defense of God* [New Brunswick, NJ: Transaction, 2007]).
11. Timothy Fort, "Business as a mediating institution," in *Rethinking the Purpose of Business*, ed. S. A. Cortright and M. J. Naughton (Notre Dame, IN: Notre Dame University, 2002).
12. St. Augustine, *Confessions* (New York: Knopf, 2001), PL 32, 661.
13. See, for example, Gerald Davis, "The New Financial Capitalism," unpublished manuscript, University of Michigan, 2007.
14. Max Weber, *The Protestant Ethic and the Spirit of Capitalism*, trans. T. Parsons (New York: Scribner, 1930).
15. Christopher Lasch, *The Culture of Narcissism* (New York: Norton, 1979).
16. Robert Jackall, "Moral Mazes: Bureaucracy and Managerial Work," *Harvard Business Review* 1 (September-October 1983): 13.
17. The Wharton School of the University of Pennsylvania, America's first business school, awarded diplomas in accountancy in 1884. The Tuck School at Dartmouth College awarded MBAs to five students in 1901.
18. Jeffrey Pfeffer and Caroline Fong, "The End of Business School? Less Success than Meets the Eye," *Academy of Management Learning and Education* 1, no. 1 (2002): 1-24.
19. It is generally agreed that the impetus for this conversion was a study report on business education commissioned by the Ford Foundation and Carnegie Council. The report by Gordon and Howell criticized American business education for being a collection of trade schools lacking a strong scientific foundation. See R. Gordon and J. Howell, *Higher Education for Business* (New York: Columbia University, 1959).
20. Taken from a university website; URL withheld to protect anonymity.
21. Contrast the phrase "human resources management" used today to the older phrase "personnel administration" employed in the 1950s before business schools embraced science and before the rapid rise of business education in the United States. Personnel administration conjures a rather different picture of business, one concerned more with ministering (administration) to persons (personnel) and less

with manipulating resources for a purpose. The moral tale of business education is epitomized in its words.

22. Pfeffer and Fong, "The End of Business School," 1.
23. W. G. Bennis and J. O'Toole, "How Business Schools Lost Their Way," *Harvard Business Review* (May 2005): 94–104, 96.
24. *Ibid*, 98.
25. *Ibid*, 101.
26. *Ibid*, 104.
27. Sumatra Ghoshal, "Bad Management Theories are Destroying Good Management Practices," *Academy of Management Learning and Education* 4, no. 1 (2005): 76.
28. *Ibid*, 79.
29. Others of a less charitable bent refuse to give business schools even this much credit. Business education, they suppose, is not about real expertise, but about a university-sanctioned claim to expertise that justifies the outsized salaries and benefits of business managers. See Alasdair MacIntyre, *After Virtue*, 2nd ed. (Notre Dame, IN: Notre Dame Press, 1984). According to MacIntyre,

The concept of managerial effectiveness is . . . a contemporary moral fiction and perhaps the most important of them all. . . . Belief in managerial expertise is . . . the illusion of a power not ourselves that claims to make for righteousness. Hence the manager as *character* is other than he at first sight seems to be: the social world of everyday hard-headed practical pragmatic no-nonsense realism which is the environment of management is one which depends for its sustained existence on the systematic perpetuation of misunderstanding and of belief in fictions. The fetishism of commodities has been supplemented by another just as important fetishism, that of bureaucratic skills. For it follows from my whole argument that the realm of managerial expertise is one in which what purport to be objectively-grounded claims function in fact as expressions of arbitrary, but disguised, will and preference. (106–7)
30. *Ibid*.
31. *Ibid*.
32. Milton Friedman, "The Social Responsibility of Business is to Increase Profits," *New York Times Magazine* 13 (1970): 32–33, 122, 124, 126.
33. Edward Freeman, *Strategic Management: A Stakeholder Approach* (Boston: Pittman, 1984).
34. Joshua Margolis and James Walsh, "Misery Loves Companies: Rethinking Social Initiatives by Business," *Administrative Science Quarterly* 48 (2003): 265–305.
35. Suggesting this alternative world, see N. Gandal, S. Roccas, L. Sagiv, and A. Wrzesniewski, "Personal value priorities of economists," *Human Relations* 58, no. 10 (2005): 1227–52. The authors compared the values of students majoring in economics and students majoring in other fields. Students of economics put more stock in self-enhancement values such as social power, wealth, authority, and public image, and less stock in universalism values such as equality, wisdom, social justice,

and protection of the environment. See also J. Jordan, "What we don't notice can hurt us (and others): An examination of the cognitive mechanisms behind moral awareness in business" (unpublished manuscript, Tuck School of Business, Dartmouth College, 2007), who compared the economic thinking of business practitioners and nonbusiness practitioners to find that awareness of strategy-related issues came at the expense of awareness of moral-related issues.

36. G. K. Chesterton, *Orthodoxy* (New York: Image Books, 1908), 24.
37. *Ibid.*, 13.
38. Lewis, *The Business of Heaven*, 183.
39. Charles Handy, "What's a Business for?" *Harvard Business Review* 12 (December 2002).
40. John Rawls, *A Theory of Justice* (Cambridge, MA: Belknap, 1971).
41. For example, Josef Ratzinger, "Truth and Freedom," *Communio: International Catholic Review*, Spring 1996.
42. Harold Leavitt, "Educating our MBAs: on teaching what we haven't taught," *California Management Review* 31, no. 8 (1989): 39.
43. Ernest Becker, *The Birth and Death of Meaning* (New York: Free Press, 1971).
44. Marya Mannes, *But Will it Sell?* (Philadelphia: Lippincott, 1964).
45. Novak, *Business as a Calling*.
46. Chesterton, *Orthodoxy*, 16.
47. Owen Barfield, *The Rediscovery of Meaning and Other Essays* (Wesleyan, CT: Wesleyan, 1977).
48. Reinhold Niebuhr, *The Nature and Destiny of Man* (New York: Scribner, 1941). According to Niebuhr, human life is distinguished from animal life by its qualified participation in creation. Human existence interferes with the established forms of nature, breaks the forms of nature, and creates new configurations of vitality. This, he argues, is the basis of human history with its progressive alteration of forms, in contrast to nature that knows no history but only endless repetition within the limits of its forms. Man's existential dilemma, according to Niebuhr, is that he cannot solve the problem of his own creativity on his own, but must look to God for limits and direction.
49. Roman Guardini, *The End of the Modern World* (Wilmington, DE: ISI Books, 1998), 209.
50. *Ibid.*
51. C. S. Lewis, *The Weight of Glory* (San Francisco, Harper, 2001).
52. Niebuhr, *Nature and Destiny*, 179.
53. See, for example, Andrew Delbanco, *The Death of Satan* (New York: Farrar, Straus, and Giroux, 1995).
54. *Compendium of the Social Doctrine of the Church* (Vatican: Pontifical Council for Justice and Peace, 2004), 71 (hereafter cited in text as CSD, by page number). Italics have been removed from the original to improve readability.