

# Profit and More: Catholic Social Teaching and the Purpose of the Firm<sup>1</sup>

Andrew V. Abela

**ABSTRACT.** The empirical findings in Collins and Porras' study of visionary companies, *Built to Last*, and the normative claims about the purpose of the business firm in *Centesimus Annus* are found to be complementary in understanding the purpose of the business firm. A summary of the methodology and findings of *Built to Last* and a short overview of Catholic Social Teaching are provided. It is shown that *Centesimus Annus'* claim that the purpose of the firm is broader than just profit is consistent with Collins and Porras empirical finding that firms which set a broader objective tend to be more successful than those which pursue only the maximization of profits. It is noted however that a related finding in Collins and Porras, namely that the *content* of the firm's objective is not as important as internalizing some objective beyond just profit maximization, can lead to ethical myopia. Two examples are provided of this: the Walt Disney Company and Philip Morris. *Centesimus Annus* offers a way to expose such myopia, by providing guidance as to what the purpose of the firm is, and therefore as to what *kinds* of objectives are appropriate to the firm.

**KEYWORDS:** business, Catholic, Catholic Social Teaching, *Centesimus Annus*, Christian, Disney, objective, Philip Morris, purpose, vision

## Introduction

This paper proposes that the empirical findings in Collins and Porras' study of visionary companies, *Built to Last* (Collins and Porras, 1994), and the normative claims about the purpose of the business firm in *Centesimus Annus* (1991) – a recent document in the Catholic Social Teaching tradition – are complementary in helping us develop our understanding of the purpose of the business firm. *Centesimus Annus* claims that the purpose of the firm is more than merely profit, and Collins and Porras provide empirical support that firms which set a broader objective tend to be more successful than those which pursue only the maximization of profits. Following some of the other findings in Collins and Porras, however, could lead to ethical myopia. They argue that the *content* of the firm's objective is not as important as internalizing some objective beyond just profit maximization. *Centesimus Annus* offers a way to expose such myopia, by providing guidance as to what the purpose of the firm is, and therefore as to what *kinds* of objectives are appropriate to the firm.

To support the proposition that Collins and Porras and *Centesimus Annus* are complementary in helping us develop our understanding on the purpose of the firm, I first define the words purpose, objective and motive. I then summarize the methodology and findings of *Built to Last*, focusing in particular on their conclusions about the objectives of visionary companies. I give a very short overview of Catholic Social Teaching, describe the purpose of the firm as found in *Centesimus Annus*, and develop this notion somewhat. I note that the "content-free" objectives of Collins and Porras' companies can some-

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Andrew V. Abela is a Lecturer at the McIntire School of Commerce, University of Virginia, and a Doctoral Candidate at the Darden Business School. Prior to pursuing an academic career he was a management consultant with McKinsey & Company, and a brand manager with Procter & Gamble.



times lead to serious ethical violations, and I provide two examples. I then conclude that Catholic Social Teaching can provide useful guidance in understanding the ethical implications of a firm's mission and values.

### Definitions

I begin by presenting clear definitions for the words "purpose" and "objective." The word purpose can be used both to mean "the object for which a thing exists" as well as "that which one sets before oneself as a thing to be done or attained" (OED). The former is something that is inherent in the thing, while the latter is something that we choose. The purpose of a knife is always to cut, while my purpose in using the knife could be to make a sandwich. Following Duska (1997), in discussing the purpose of the firm I use the former definition. In other words, the expression "purpose of the firm" in this paper will refer to something that holds for all business firms, just because they are business firms. For the latter meaning of the word purpose I will use the word "objective" instead. "Objective of the firm" as used in this paper is therefore the particular goal or set of goals that *each* individual firm will choose, which is sometimes referred to as the firm's mission.

Duska draws a distinction between "purpose" as defined above and the word "motive," which is the psychological reason *why* you may choose to do something, which may or may not be congruent with the purpose of that thing. This adds further clarification: regardless of the *motives* of the people directing a firm, the *objective* of that firm should be congruent with the *purpose* of all firms. An improved understanding of the purpose of the firm enables us to develop objectives which are more in accord with this purpose.

### Built to last

In *Built to Last*, Collins and Porras (1994) describe the findings from their six-year project at the Stanford Graduate School of Business to "discover the timeless management principles

that have consistently distinguished outstanding companies" (xiii). They studied 18 "visionary" companies with an average age of 100 years and compared them with 18 similar, long-lasting, but less successful companies. (See Table I.) They defined a visionary company as the leader in its industry, with a long track record "of making significant impact on the world around it" (1). Such companies demonstrated extraordinary long term financial performance, 15 times the stock market average over the period studied (4). The comparison companies were also good financial performers, earning twice the market average over the same period, but they were the second or third best in each industry.

The list of visionary companies was built by surveying a statistically representative group of CEOs to elicit which companies they admired most, in their industry and related industries (13). Collins and Porras then identified a comparison company for each visionary company, using a number of requirements such as having the same founding era and similar initial products and markets (15).

They gathered extensive internal and external data on the entire history of each of these 36

TABLE I  
Built to Last research base

Visionary company	Comparison company
3M	Norton
American Express	Wells Fargo
Boeing	McDonnell Douglas
Citicorp	Chase Manhattan
Ford	GM
General Electric	Westinghouse
Hewlett-Packard	Texas Instruments
IBM	Burroughs
Johnson & Johnson	Briston-Myers Squibb
Marriott	Howard Johnson
Merck	Pfizer
Motorola	Zenith
Nordstrom	Melville
Philip Morris	RJR Nabisco
Procter & Gamble	Colgate
Sony	Kenwood
Wal-Mart	Ames
Walt Disney	Columbia

companies (18) and then distilled their findings down to a few key concepts (19). At the same time, throughout the project, they tested the evolving concepts in their own consulting engagements (20).

As a result of this extensive work, they identified several characteristics which appear to be present in visionary companies but not in the comparison companies. According to Collins and Porras, visionary companies:

- focus on “building a company that can prosper far beyond the presence of any single leader and through multiple product life cycles, rather than on having a great idea or a charismatic, visionary leader” (Ch. 2)
- embrace the “genius of the AND” rather than the “tyranny of the OR;” where other companies identified apparent “either-or” trade-offs (e.g. either ideological control or operational autonomy) visionary companies found ways to pursue both at the same time (43–45)
- pursued a goal which included profit but was more than just profit (Ch. 3)
- found ways to preserved their core beliefs, while continually stimulating progress around this core (Ch. 4)

This last item they claimed to be “the one key concept that conveys the most information about what it takes to build a visionary company” (89). The specific methods that companies used to preserve the core and stimulate progress were having:

- “big, hairy, audacious goals” (Ch. 5)
- cult-like cultures (Ch. 6)
- an approach of “try[ing] a lot of stuff and keep[ing] what works” (Ch. 7)
- home-grown management (Ch. 8)
- a belief that good enough never is (Ch. 9)

#### *More than just profit*

Of the above, the characteristic of visionary companies which is most relevant to this paper is the pursuit of more than just profit. According to

*Built to Last*, the most successful companies “pursue a cluster of objectives, of which making profits is only one” (8). For these companies, “profit is a necessary condition and a means to more important ends, but is not the end itself” (55). Collins and Porras define what they call a “core ideology,” which contains the objectives of the company as well as a set of core values that support these objectives (73). This “ideology” appears to infuse everything that the company does (201), and it is “fervently held” (122). It helps the companies to remain focused on their objectives across the company and over the years (138). Some examples of “core ideologies” that Collins and Porras note are (68–69):

- Procter & Gamble: *product excellence; continuous self-improvement; honesty and fairness; respect and concern for the individual*
- Walt Disney: *No cynicism allowed; fanatical attention to consistence and detail; continuous progress via creativity, dreams, and imagination, fanatical control and presentation of Disney’s “magic” image; “to bring happiness to millions” and to celebrate, nurture and promulgate “wholesome American values”*
- Philip Morris: *the right to personal freedom of choice is worth defending; winning – being the best and beating others; encouraging personal initiative; opportunity to achieve based on merit not gender, race or class, hard work and continuous self-improvement*

Collins and Porras argue that it is the *strength of the belief* in this “core ideology” – not its *actual content* – that counts (8). According to them, there is no such thing as a “right” set of objectives or values. Reviewing the lists of “core ideologies” they find that “no single item shows up consistently across all the visionary companies” (67) Some companies made customers the center of their “ideology;” others, employees; and others, their products and services. Still others focused on risk-taking, or on innovation. Collins and Porras conclude that

the critical issue is not whether a company has the “right” core ideology or a “likable” core ideology but rather whether it *has* a core ideology – likable or not – that gives guidance and inspiration to people *inside that company*. (68)

In making this claim, Collins and Porras leave themselves open to the accusation that a company that consistently pursues a set of objectives beyond just profit is therefore more likely to be successful, no matter how questionable those other objectives are. Below I will explore how this position leaves a company open to serious ethical violations. At this point, however, recalling the distinction between the objective of a business firm and the purpose of business firms, note that Collins and Porras are all along talking only about objectives, and they do not make any claims about the purpose of business firms. I now move to Catholic Social Teaching, and a discussion of the purpose of the business firm.

### Catholic Social Teaching

Catholic Social Teaching is a collection of documents which apply Catholic beliefs to contemporary social questions, including economic questions in particular. These documents include encyclicals issued by various popes, and letters issued by national conferences of bishops. Pope Leo XIII's *Rerum Novarum* (On the Condition of the Working Classes)<sup>2</sup> (1891/1942) is generally considered to be the first of the modern papal encyclicals on this subject. This is a broad ranging document, warning of the excesses of capitalism on the one hand and of the dangers of communism on the other. It affirmed, among other things, the right of workers to organize themselves into trade unions, and the moral requirement that wage levels should be set not only by market forces, but also by what is humanly required to live and sustain a family.

Subsequent encyclicals, issued typically on anniversaries of *Rerum Novarum*, have reinforced and updated the teachings in this document. Pius XI issued *Quadragesimo Anno* (On Social Reconstruction, 1931) on the fortieth anniversary of *Rerum Novarum*. This encyclical is notable for its definition of the concept of subsidiarity, the idea that it is seriously immoral for "a larger and higher organization to arrogate to itself functions which can be performed efficiently by smaller and lower bodies" (1931, p. 40). John XXIII's *Mater et Magistra* (Christianity and Social

Progress) was issued on the seventieth anniversary, and Paul VI wrote *Octagesima Adveniens* (A Call to Action) on the eightieth, in 1971. Pope John Paul II has written three social encyclicals to date: *Laborem Exercens* (On Human Work) on the ninetieth anniversary of *Rerum Novarum*, *Sollicitudo Rei Socialis* (On Social Concern) in 1987, and *Centesimus Annus* (On the Hundredth Anniversary of *Rerum Novarum*).

In addition to this series of encyclicals, various national bishops' conferences have occasionally issued pastoral letters applying Catholic teaching to social questions of particular interest to their own countries. Noteworthy among these are the U.S. Bishops' *Economic Justice for All* (United States Catholic Conference, 1986) and the Bishops of England and Wales' *The Common Good and the Catholic Church's Social Teaching* (Catholic Bishops' Conference of England and Wales, 1996).

Collectively, Catholic Social Teaching provides a broad, rich source of guidance on social and economic questions. Not surprisingly, it has been leveraged in the business ethics field. Without attempting to present a comprehensive overview of Catholic Social Teaching applied to questions of business ethics, I list some examples of this work. The value of Catholic Social Teaching as a "moral compass" has been noted (Williams, 1997) as well as its benefits in illuminating organizational dynamics (McCann, 1997b). The Catholic natural law approach to ethics, which underlies Catholic Social Teaching, has been called "superior to deontological or utilitarian systems" (Velasquez and Brady, 1997). Several principles have been derived from Catholic Social Teaching for application to business (Kennedy, 1999), and the implications for the teaching of business in a Catholic university have been examined (Naughton and Bausch, 1996). In addition, specific applications of Catholic Social Teaching to questions of business ethics have been made, for example on issues of downsizing (McCann, 1997a) and employment relationships (Zigarelli, 1993).

*Centesimus Annus*

*Centesimus Annus*, in summarizing the developments in the century since *Rerum Novarum* and focusing particularly on economic questions, can be considered as the most recent, comprehensive statement of Catholic Social Teaching on economic issues. It therefore serves as my primary source on Catholic Social Teaching in this paper.

*Centesimus Annus* makes a normative statement about what the purpose of business is:

The purpose of a 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. (*Centesimus Annus* #35)<sup>3</sup>

Without attempting to define a comprehensive enumeration of all the aspects of the purpose of the firm, I find three different aspects of the purpose of the firm in this statement: profit, service to society, and community of persons satisfying their basic needs. (I discuss at the end of this section whether it matters if these are three different aspects of the same purpose, or three different purposes.)

*Profit*

*Centesimus Annus* endorses the importance of profit as one aspect of the purpose of business. This endorsement is implicit in the above citation, and made explicit elsewhere in the document: "The Church acknowledges the legitimate *role of profit* as an indication that a business is functioning well. . . . Profit is the regulator of the life of a business" (#34, 35). However, this endorsement is clearly qualified, so that profit is not the most important aspect of the firm's purpose; in fact at most it is only equal to the other aspects of the purpose of the firm. *Centesimus Annus* states that "*other human and moral factors* must also be considered [besides profit] which, in the long term, are at least equally important for the life of a business" (#35).

*Service to society*

According to *Centesimus Annus*, service to society is also part of the purpose of a company. The argument for this has also been made elsewhere, namely that the business firm "is an artifact created for the sake of society, specifically for the production of goods and services" (Duska, 1997, p. 1407).

But not just any good or service. *Centesimus Annus* asks that companies be selective about the kinds of goods or services they produce and offer for sale. Decision-makers in the firm have a responsibility to determine whether the types of demand they are serving are indeed good for consumers. Specifically,

The manner in which new needs arise and are defined is always marked by a more or less appropriate concept of man and of his true good. . . . In singling out new needs and new means to meet them, one must always be guided by a comprehensive picture of man which respects all the dimensions of his being and which subordinates his material and instinctive dimensions to his interior and spiritual ones. (*Centesimus Annus* #36)

In effect, *Centesimus Annus* is asking firms to take responsibility for the consequences of consumption of their products. While clearly firms cannot account for all instances of abuse or misuse of their products, they should not abdicate all responsibility for consumption to the consumer. Firms should proactively recognize when there is potential for harm arising from the sale of a particular product. An example of this issue was the question of whether to sell computers to totalitarian regimes (Donaldson and Werhane, 1983, pp. 263–267). In particular, *Centesimus Annus* attempts, following *Rerum Novarum*, to promote a holistic view of human life, including the psychological and spiritual dimensions of the person, and thus argues that firms should refrain from contributing, in their product and communication choices, to the excessively materialistic view of human life which is presented in much of contemporary marketing.

*Community of persons, satisfying their basic needs*

My interpretation of the third aspect of the purpose of the firm is that it is the most innovative and controversial contribution of *Centesimus Annus* on this topic. *Centesimus Annus* claims that one aspect of the purpose of business is to enable people to satisfy their basic needs by working. The point may seem like an obvious one: *Centesimus Annus* wants the employees to be not just a means to profit generation and service to society, but also ends in themselves. But I argue that there is more than this: the document seems to hold that one aspect of the purpose of the firm is *the enabling of employment*. It is not just a question of making sure that working conditions are provided that treat employees as ends in themselves, but of recognizing that an aspect of the purpose of the firm is the creation of employment. If we agree with this aspect of the purpose of the firm, then we would have to hold that every investment decision would have to consider what increase in employment could result from it, and also that a company which was able to generate a profit and serve society without employing anyone (imagine some advanced, fully automated factory) would be morally questionable.

My argument for this interpretation is as follows: The encyclical clearly identifies serving the needs of the employees as part of the purpose of the firm, in addition to generating profit and serving society. Elsewhere, Catholic Social Teaching argues that work itself is a fundamental human need (more on this below). In the modern economy, most people work in firms. If work is a fundamental need, and work is mostly created in firms, and such work is part of the purpose of the firm, then it would seem that the creation of work is not the by-product of production but *part of the reason why we create firms in the first place*.

An earlier encyclical, *Laborem Exercens* ("On Human Work"), claims that work itself is an important human need, because it helps achieve human fulfillment. It states that "through work man not only transforms nature, adopting it to his own needs, but he also achieves fulfillment as a human being and indeed in a sense becomes 'more a human being'" (1981, #9) The impor-

tance of work in human life is not just for the income that it provides, but for the opportunities to develop one's skills, character, and sense of self-worth.

This claim is supported in recent empirical work studying the negative consequences of unemployment on human development. Amartya Sen, the Nobel Prize-winning economist, in a study of inequality and unemployment in contemporary Europe, noted the significant human and social costs of unemployment there. Despite the relatively high transfer payments made by most European countries to unemployed workers, Sen cites evidence of psychological harm, social exclusion, loss of skills and motivation, and exacerbated racial and gender inequality among the unemployed (Sen, 1997).

In referring to the business firm as a "community of persons," *Centesimus Annus* indicates that the firm should be considered as a community, and not just as a collection of individuals. Arguments for this have been made by several business ethicists. Human beings are social by nature, and therefore the organizations within which they work ought to be communities of work, not merely collections of individuals (Kennedy, 1999, p. 6). Human identity is found only within a community, and for most this means at work in a company (Solomon, 1992, p. 326). The moral life requires the support of the right sort of community, and therefore the "moral life in business thus requires the support of the right sort of organization" (Hartman, 1996, p. 68).

*The purpose of the firm*

At the beginning of this section I claimed that profit, service and community are three different aspects of the same purpose. I do not think that it matters if we conceive of them this way, or if we conceive of them as three different purposes, so long as we recognize that the objectives of each firm should address all three. It is not sufficient to try to balance the different aspects of the firm among each other. When situations arise which appear to require tradeoffs among the different aspects – as they inevitably will do –

the complexities of each individual situation certainly need to be examined. But in doing so, options which build up all three rather than favor one over the other should be developed. Consideration should be given to whether the employees are being paid a just wage. *Rerum Novarum*, followed by *Centesimus Annus*, makes it clear that a just wage is not only a result of market forces, but in general should be sufficient to raise a family on one income. Consideration should also be given, when investments are being planned, not just to the profit implications but also to firm's service to its customers and the rest of society, even when they do not have an immediate likelihood of earning a return for the company. All of these things matter according to *Centesimus Annus* – there is no fixed priority in which the aspects of the purpose of the firm should be addressed.

Such assertions may sound naïve. The intense competition in the modern global economy means that in most cases companies are busy enough merely trying to make a profit, and cannot afford the luxuries of serving society and paying a just wage.<sup>4</sup> Collins and Porras' findings, however, support the wisdom of *Centesimus Annus*'s position. While difficult situations – apparently requiring tradeoffs among the different aspects of the firm's purpose – do arise, the visionary companies in *Built to Last* try to avoid what Collins and Porras call the "Tyranny of the OR" and seek instead the "Genius of the AND." Instead of choosing between low cost or high quality, short-term or long-term, creativity or consistency, creating wealth for shareholders or doing good in the world, they attempt to do both, in every case (44). The study provides numerous examples of these companies succeeding in this attempt.

Collins and Porras also provide support for the idea of striving to fulfill the whole purpose of the firm, and not settling for mere balance among the various aspects. They offer a strong criticism of the idea of balance:

Balance implies going to the mid-point, fifty-fifty, half and half. . . . A visionary company doesn't simply balance between idealism and profitability; it seeks to be highly idealistic and highly profitable. (44)

The first conclusion of this paper is therefore that Collins and Porras have provided empirical support for the idea that a company which sets its objectives in accordance with *Centesimus Annus*'s concept of the purpose of the firm will not be at a competitive disadvantage, and will be in the company of visionary companies.

### Content of firm objective is important

In the light of *Centesimus Annus*'s concept of the purpose of the firm, it becomes clear that Collins and Porras' idea that there is no such thing as a "right" set of objectives or values is inadequate. If we agree with the claims of *Centesimus Annus* – that the purpose of the firm includes service to society and provision of opportunities for work, as well as making profits – then it would seem that these aspects would have to be incorporated into each firm's objectives and reflected in their corporate values.

If these objectives and corporate values do not correspond to the purpose of business as presented by *Centesimus Annus*, then the possibility of ethical myopia arises. The firm risks being myopic toward issues where their corporate values and human values do not overlap. The firm may not value things that it should value, and it may value things that are not valuable, and even perhaps harmful. In Figure 1, the left circle represents the firm's values, and the right circle represents a set of values accepted by a group wider than just the firm, such as the society it operates within. In area B, the intersection of the two circles, we would not expect to find ethical myopia, because the things that are valued more

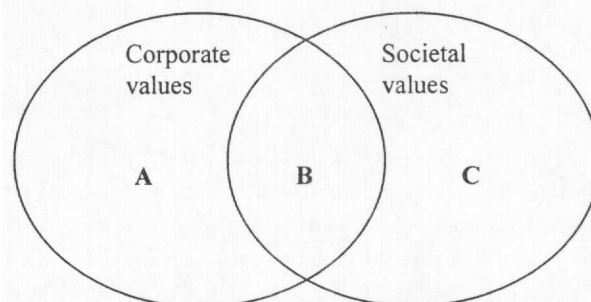


Figure 1. Potential for ethical myopia.

generally are also what is valued by the firm. Area A and C represent the potential for myopia. Area A contains the things that the firm values, but which are not considered valuable by society. Area C contains the things which are valuable to society, but not considered valuable by the firm.

Such a firm may therefore be myopic when it comes to ethical violations which are not covered by its corporate values, and – what is perhaps worse – to ethical violations which are committed *in the name of* its corporate values. Since the companies Collins and Porras describe are so fervent about their objectives and corporate values, they are likely to assume that these values are necessarily ethical. They are therefore unlikely to seek any external source of ethical validation or justification for these corporate values. Given their fervor, when they do commit an error in the name of these values, it has the potential to be a great one.

Assumptions like this – that corporate values are necessarily ethical values – are not uncommon. One example occurs in a book review of *Built to Last* (Ponemon and Jayson, 1997). In this review, the authors, while providing several practical suggestions for improving ethical practice in the firm, freely interchange corporate and ethical values. They start out by summarizing some of the relevant findings from Collins and Porras, including the importance of core values, and immediately move into making recommendations about ethics programs. At no point do they question whether the core values that Collins and Porras mention are necessarily ethically valuable. While it is fair to assume that the assumption would hold in most cases – few if any companies would espouse core values that include racism, or theft, for example – the ongoing use of this assumption may lead to ethical myopia.

An example of an ethical myopia committed in the name of corporate values may be occurring in the case of child abuse by employees on visiting children at the theme parks of the Walt Disney Company. Disney has been accused of having an unusually high incidence of child abuse committed by theme-park employees, and of being particularly uncooperative with law enforcement officers in their investigations in

this area (Schweitzer and Schweitzer, 1998). If these allegations are true, one is inclined to ask whether Disney's valuing of "fanatical control and presentation of Disney's 'magic' image" is part of the cause.

Another example is Philip Morris' alleged advertising of tobacco products to adolescents. While there is general agreement that advertising of tobacco products to teenagers is morally unacceptable, it remains a fact that a large number of smokers establish their brand loyalty in their teenage years. As such, there is a temptation to want to reach these teenagers at this important (in terms of cigarette brand loyalty) time in their life. Philip Morris has been criticized for its "introduction of Woman Thing Music in a [Virginia Slims] promotion consisting of a new recording label featuring female vocalists who are particularly popular among female teenagers;" its long running and popular Virginia Slims "You've come a long way, baby" campaign has also been linked with a large increase in smoking among teenage girls (Fox et al., 1998). Again, if this is so, one wonders whether the company's commitment to its values – in this case "being the best and beating others" and "encouraging personal initiative" – bears some of the blame for this.

In both these examples, if the companies had examined their corporate objectives and values in the light of the purpose of the firm as articulated by some external source, such as *Centesimus Annus*, their myopia toward such ethical violations may have been mitigated.

## Conclusion

I have tried to show in this paper that Collins and Porras' empirical findings give support to the idea that the purpose of business as proposed by *Centesimus Annus* is a realistic one that is likely to be sustainable in the modern economy. At the same time I have also tried to illustrate how this articulation of the purpose of business firm can help guide understanding of the ethical implications of a firm's mission and values.



### Future directions

Clearly, this idea – that the purpose of the business firm according to *Centesimus Annus* can provide a model for understanding the ethical implications of a firm's mission and values – could use further elaboration. The arguments for the three aspects of the purpose of the firm can be elaborated and strengthened, and perhaps also related to current work in stakeholder theory. Empirical work to understand to what extent companies adhere to such a purpose in practice could increase our confidence that such a purpose is indeed workable and does help a company be more ethical.

In parallel, further study of Collins and Porras' work may provide support for overturning their conclusion that the content of a firm's objective is not important, which would provide some empirical validation for the insight from *Centesimus Annus* that such content does matter significantly. Preliminary examination of the different companies "core ideologies" (objectives and values) presented by Collins and Porras indicates that – contrary to the authors' claims – there appear to be many features in common, among several, if not all, of the companies. Examples of these are continuous improvement, fairness and personal initiative. This indicates that the content of the objectives and values is not quite insignificant even according to the authors' own findings, and that some ideologies are more conducive to lasting success than others. It would be interesting to explore these ideologies more closely to see what values are indeed shared by the majority of the successful companies, and are absent from the also-rans.

Finally, this initial exploration indicates (at least to the author) that there is much more that could be done with the application of Catholic Social Teaching to issues of business ethics, to provide original insights on the whole range of business ethics issues currently being studied.

### Notes

<sup>1</sup> I wish to thank Patricia Werhane, Ronald Duska, and Robert Kennedy for their helpful comments on this paper.

<sup>2</sup> It is a tradition that the encyclicals, like other Church documents, take their name from the first few words of the document. This tradition does not appear to carry over to their English names, which are typically determined by the subject matter of the encyclicals. This is why the English name is not always a translation of the Latin name. (E.g. *Rerum Novarum* would be translated into English as "New Things," but the English title is *On the Condition of the Working Classes*.)

<sup>3</sup> Unless otherwise noted, all italics in this and subsequent citations are in the original.

<sup>4</sup> I was approached by one very irate business owner after presenting these ideas at a recent conference. I knew she was annoyed when she opened with "Have you ever run your own company. . . ."

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*Darden School of Business,  
University of Virginia,  
107 Harvest Drive,  
Charlottesville, Virginia 22903,  
U.S.A.*

*E-mail: abelaa@darden.gbus.virginia.edu*