

## THE CORPORATION AS A COMMUNITY OF WORK: UNDERSTANDING THE FIRM WITHIN THE CATHOLIC SOCIAL TRADITION

*Michael Naughton*<sup>†</sup>

It is characteristic of work that it first and foremost unites people. In this consists its social power: the power to build a community. In the final analysis, both those who work and those who manage the means of production or who own them must in some way be united in this community.<sup>1</sup>

~Pope John Paul II

The relentless revelations of corruption within for-profit organizations such as Enron, WorldCom, Arthur Andersen, Tyco, Vivendi Universal, and Parmalat, as well as non-profit organizations such as the United Way, the Red Cross, and the Catholic Church, have indicated that those who manage and govern such organizations have not attended to what John Paul II called “the power to build a community.”<sup>2</sup> They have either ignored or answered poorly an important set of questions regarding community: What is our purpose as an organization? What holds us together? What good do we share in common that brings us unity? What is the whole that binds the parts? Behind these questions lies the perennial question of the many and the one: How do we fashion one people out of many? How do we get the many to work like one toward a good that includes, yet goes beyond, the collective many?

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<sup>†</sup> Michael Naughton is director of the John A. Ryan Institute for Catholic Social Thought of the Center for Catholic Studies at the University of St. Thomas, Minnesota, where he is also a full professor of theology and business. I am grateful for comments by several people: Don Briel, Dick Broholm, William Cavanaugh, Josh Grinolds, Diane Nettifee, Jerry Rick, David Specht.

1. Pope John Paul II, *Laborem Exercens* [*Encyclical Letter on Human Work*] ¶ 20 (St. Paul ed. 1981) [hereinafter *Laborem Exercens*].

2. *Id.*

For those people governing and managing organizations, the questions above pose some fundamental challenges to their understanding of work and what organizations are for: Are they controlling a herd of interests in competition to the interests they represent? Is an organization a *life-style enclave* of individual interests, where each particular person serves his particular interests and uses others to get his “due”?<sup>3</sup> Or are such managers and trustees leading a community toward a good they can share in together? Is a corporation a *community of work* where members are in the pursuit of goods in common that build real communions, where its authenticity of *developing* itself is premised on *servicing* those outside it?<sup>4</sup>

For leaders of organizations, the answers to these questions are influenced by particular philosophical and theological systems, often without the leaders’ awareness. We can see these systems come to light when explanations of human motivation, the nature of the person, the end of work, and the purpose of property/capital are put forward. In a modern, liberal perspective these questions often spring from a very practical question, especially as it relates to for-profit corporations: In whose interest is the corporation operated, or, even more specifically, “[W]ho should receive the profits of industry?”<sup>5</sup> Within modern liberal economic life, these questions have been answered in one of two ways.

In the first view, the corporation as a “society of shares” favors the *shareholder* as the central player in the corporation. Those who manage these assets do not have the power to choose among values.

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3. ROBERT N. BELLAH ET AL., *HABITS OF THE HEART* 72 (1985).

4. PHILIP J. CHMIELEWSKI, S.J., *BETTERING OUR CONDITION: WORK, WORKERS AND ETHICS IN BRITISH AND GERMAN ECONOMIC THOUGHT* 188 (1992). There are many excellent essays on the corporation as a community of work within the Catholic social tradition. See, e.g., Mark A. Sargent, *Competing Visions of the Corporation in Catholic Social Thought*, 1 J. CATHOLIC SOC. THOUGHT 561, 573 (2004); Scott Fitzgibbon, “*True Human Community*”: *Catholic Social Thought, Aristotelean Ethics, and the Moral Order of the Business Company*, 45 ST. LOUIS U. L.J. 1243 (2001); Robert G. Kennedy, *The Virtue of Solidarity and the Purpose of the Firm*, in *RETHINKING THE PURPOSE OF BUSINESS: INTERDISCIPLINARY ESSAYS FROM THE CATHOLIC SOCIAL TRADITION* 2 (S.A. Cortright & Michael J. Naughton eds., 2002); see also *DIGNITY OF WORK: JOHN PAUL II SPEAKS TO MANAGERS AND WORKERS* (Robert G. Kennedy, Gary Atkinson & Michael Naughton eds., 1994) [hereinafter *DIGNITY OF WORK*] (compiling numerous talks by John Paul II to managers and workers where he constantly brings up the terms “community of work” and “community of persons”).

5. ADOLF A. BERLE, JR. & GARDINER C. MEANS, *THE MODERN CORPORATION AND PRIVATE PROPERTY* 293 (Harvest Books rev. ed. 1968) (1932).

They manage resources in the service of the values of shareholders. Within this “society of shares,” this collection of capital goods, the firm serves as an exchange of outputs and inputs, where managers seek among the various uses of those goods to maximize returns for shareholders. Management is expected to discern the best means to achieve these returns, but they have little voice regarding the ends for which they act. Here the firm is largely seen as a “governance mechanism.”<sup>6</sup> Management orders the resources of the firm toward the interests of shareholders, which under normal circumstances in the publicly traded firm are the maximization of shareholder wealth.<sup>7</sup>

In the second view, the corporation as a “society of interests” favors a balanced mediation among various *stakeholders* within the corporation, such as employees, customers, suppliers, the broader community, and shareholders. In their classic work on the corporation, Berle and Means argued that “the ‘control’ of the great corporations should develop into a purely *neutral technocracy*, balancing a variety of claims by various groups in the community and assigning to each a portion of the income stream on the basis of public policy rather than private cupidity.”<sup>8</sup> Management is charged with balancing the competing interests of a variety of groups who participate in corporations. While there are various types of interests in the corporation, for the most part interests are understood in terms of external goods, such as monetary wealth. Here the firm is largely seen as an equilibrating mechanism. Management arbitrates the conflicting claims and interests of the multiple stakeholders in the firm, keeping the firm “in balance,” which is seen as the optimum state of the firm.<sup>9</sup>

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6. S. Venkataraman, *Stakeholder Value Equilibration and the Entrepreneurial Process*, in *ETHICS AND ENTREPRENEURSHIP* 45, 47 (2002).

7. See Michael C. Jensen & Kevin J. Murphy, *CEO Incentives—It’s Not How Much You Pay, But How*, *Harv. Bus. Rev.*, May-June 1990, at 138 (illustrating a classic example of this kind of maximizing mentality as it relates to executive compensation).

8. BERLE & MEANS, *supra* note 5, at 312-13 (emphasis added).

9. Some forms of stakeholder theory see the firm as a “nexus of contracts.” Helen Alford et al. explain that

This model suffers from philosophical individualism. Social living is problematic according to this model, and we are only able to live in peace with each other because we have negotiated a kind of contract that forms the basis of our relationships. CST [Catholic social tradition] does not want to deny that negotiating and contracting is a part of the life of a business. What it suggests, however, that it is mistaken to see the business as no more than a nexus of contracts for the simple reason that it does not help us understand so many aspects of the way the business works. While it is

These two visions of the corporation are largely what American corporate liberalism has given us. While they answer in different ways the question of who gets the profits, they share several presuppositions about the corporation and those who reside in it:

- *Homo Eonomus*: The person is largely an “interest maximizer.”
- *Positivism*: The ends of management are given to managers by either the pecuniary interests of property holders or the prevailing demands of public policy and/or a collection of stakeholders.
- *Instrumental Rationality*: The rationality within the corporation is largely instrumental.
- *Materialism*: The corporation is an aggregate of material assets for the benefit of shareholders or the various stakeholders associated with it.

It is within this broad context that I want to explore how the Catholic social tradition understands the corporation. This understanding has implications for both for-profit and non-profit corporations, although the thrust of this essay will focus on the former. What is important to notice from the outset is the difference between the questions raised. Liberalism starts with the question, “[I]n whose interests should the corporation be operated?”<sup>10</sup> This question assumes a rather individualistic, contractual worldview. Catholicism starts with the question, “Is the corporation a community of persons?” and answers affirmatively, assuming a radically different

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obviously true that contracts are a part of the life of a business (employment contracts, sales contracts, supplier contracts . . .) it is not the case that the everyday functioning of the business itself requires the ongoing negotiation of contracts. People working together in the business do not help each other, work out problems together, grow in competence through shared experience and so on because they have negotiated contracts with each other where it is clear what is the nature of the exchange, what is due, how it is to be paid for, what are the sanctions if the contract is not fulfilled, what are the “get-out” clauses. Businesses would grind to a halt if people adopted this kind of attitude in practice towards their working together within the business. More fundamental than the negotiating and the contracting that goes on between individuals and groups with individuated interests, is the network of shared, interlocking goods and relationships that provide the foundation on which the negotiating may take place. These goods arise “naturally” out of the shared activity of the members of the business towards the achievement of desired goals.

Helen Alford, Barbara Sena & Yuliya Shcherbinina, *Philosophical Underpinnings and Basic Concepts for a Dialogue Between CST and CSR on the “Good Company”* 2 (Oct. 2005) (unpublished lecture, on file with the Ave Maria Law Review) (on the foundations of engaging Catholic social thought and Corporate social responsibility), available at <http://www.stthomas.edu/cathstudies/cst/conferences/thegoodcompany/default.html>.

10. BERLE & MEANS, *supra* note 5, at 293.

view of the person, his work, property, and the organizations which he with others form.<sup>11</sup> Premised on a religious vision that takes seriously our origins and our destiny, Catholicism, like many other religious traditions, has a communitarian outlook that directly challenges the four presuppositions stated above:<sup>12</sup>

- *Homo Donator/Receptor*: The person is fulfilled in his giving to and receiving from others, because his personhood has been created in the image of God, who is Trinitarian. People, and in particular the shareholder, can act for “a good that can be shared in common—for the common good”—in a way that “bring[s] people together into meaningful and intelligible forms of interdependence.”<sup>13</sup>
- *Natural and Divine Law*: Because people can act for a good in common, the source of this goodness is not found simply in the financial interests of shareholders, the interests of the state, or the utility preferences of stakeholders. The source of the good is found in the shared relationships between people, modeled on the shared relationships found in the communal nature of God.<sup>14</sup>
- *Moral and Communal Rationality*: Because a corporate act can be understood as essentially an act for a good that can be shared in common, the rationality of the act is understood in a profoundly moral and spiritual fashion, and not only in instrumental fashion.<sup>15</sup>

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11. See Fitzgibbon, *supra* note 4 (demonstrating the differences between these two worldviews in a more philosophical description).

12. An area of further research would be the exploration of these three models within the German sociological distinction between *Gemeinschaft* (community) and *Gesellschaft* (society). The liberalism that underlies the society of shares and interests would be at home within the *Gesellschaft* description whereas the community of work would be at home within the *Gemeinschaft* description. Such an area of exploration would provide fresh categories to the debate within the shareholder and stakeholder distinction. John Finnis, however, does not think the contrast between community and society will be that helpful. JOHN FINNIS, *NATURAL LAW AND NATURAL RIGHTS* 135, 156-57 (1980).

13. See S.A. Cortright, Ernest S. Pierucci & Michael J. Naughton, *A Social Property Ethic for the Corporation in Light of Catholic Social Thought*, LOGOS, Fall 1999, at 138, 140.

14. See HELEN J. ALFORD, O.P., & MICHAEL J. NAUGHTON, *MANAGING AS IF FAITH MATTERED: CHRISTIAN SOCIAL PRINCIPLES IN THE MODERN ORGANIZATION* 38-69 (2001).

15. Professor Kennedy has stated:

[I]t is a serious mistake to assume that communities are merely instrumental in human life; they are in fact integral to and inseparable from human fulfillment. Indeed, social collaboration (one of whose highest forms is friendship) is a basic human good. Some associations or communities may certainly be no more than instruments at times, and some people may tend to instrumentalize every community to which they belong with the intention of achieving their own fulfillment, but the importance of community in human life is much greater than this alone. One consequence of this position is that the

James Gordley has argued that Catholicism “has an ethical foundation that both the shareholder and the stakeholder models lack: it is founded not on what each group wants for itself, but on what is normatively good for that group and for others.”<sup>16</sup>

- *Calling*: All of this concludes that the corporation cannot be reduced only to a material reality. Such materialism denies the fundamental premises of the Christian faith, and cannot guide the decisions of people in a third or more of their waking hours. The corporation as a form of property has a social nature, in which nature the vocation of its managers and employees must be understood.

These presuppositions of a corporation have been examined in Catholic social teachings. In 1931, Pius XI began to evaluate the meaning of the corporation explicitly, and Pius XII devoted several essays to this question in the 1940s and 50s, particularly in light of Germany’s codetermination laws.<sup>17</sup> In our essay on Catholic social teaching and its developmental understanding of the corporation, Jean-Yves Calvez, S.J., and I have argued that, since Pius XI, there has been a clear development in the tradition that understands the corporation not as a society of shares or interests but as a “community of work.”<sup>18</sup> John Paul II, during his pontificate, developed this notion of a community of work further than any other Pope. This community must be organized in such a way that those persons participating in the business can grow and develop. Elsewhere, Helen Alford, O.P., and I have argued that this Catholic view of the

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proper definition of the common good for a society is not simply a matter of liberties and protections, but is instead the complete set of conditions necessary for every member of the community to flourish *as a member of the community*.

Kennedy, *supra* note 4, at 53.

16. James Gordley, *Virtue and the Ethics of Profit Seeking*, in *RETHINKING THE PURPOSE OF BUSINESS*, *supra* note 4, at 65, 78.

17. Pope Pius XI, *Quadragesimo Anno* [*Encyclical on Reconstruction of the Social Order*] ¶¶ 91-93, reprinted in CLAUDIA CARLEN, I.H.M., *THE PAPAL ENCYCLICALS*, at 415, 430; see Pius XII, *Address to Catholic Employers: Address to 400 Delegates to the Ninth International Congress of the International Union of Catholic Employers* (May 17, 1949), 47 *CATHOLIC MIND* 446, 446-48 (1949); *To Italian Employers: Address by His Holiness to the Italian Catholic Association of Employers* (Jan. 31, 1952), in 50 *CATHOLIC MIND* 569, 569-72 (1952); Pope Pius XII, *Small Business in Today’s Economy: An Address of Pope Pius XII to the Catholic Association of Small and Medium-Sized Businesses* (Oct. 8, 1956), 3 *THE POPE SPEAKS* 405 (1957) [hereinafter *Small Business in Today’s Economy*].

18. See Jean-Yves Calvez & Michael J. Naughton, *Catholic Social Teaching and the Purpose of the Business Organization: A Developing Tradition*, in *RETHINKING THE PURPOSE OF BUSINESS*, *supra* note 4, at 3, 9.

corporation stands in sharp contrast to the shareholder and stakeholder models.<sup>19</sup>

In this article I want to build upon the work that I have done with Fr. Calvez and Sr. Alford by deepening this understanding of a community of work and explore two interdependent senses of communion that serve to form a community of work. In the first Section of the article, I explore a theology of communion. Catholic social thought is a theologically grounded tradition. Its first and foremost contribution will be its revealed understanding of God, which sets out the Trinitarian pattern of the human person and the influence of this pattern on the person's actions within the corporation.<sup>20</sup> What is crucial in this theological contribution, however, is how the particularities of this theological communion inform a pattern within organizational life. In other words, how does this theological communion, reflected in the life of the Trinity, inform and manifest itself in an organizational communion, that is, a community of work? For some this may sound like a quaint theological exercise with little practical significance. But as Robert Barron has noted, "false worship leads to false social arrangements."<sup>21</sup> Within our highly compartmentalized and specialized fields and categories, Barron's statement, which he borrowed from Augustine, is difficult to embrace. The general impression within the West is that religion and theology at best have no relevance for corporate life, and at worst tend to foster incompetence and inefficiency. But this view itself is false worship, an idolatry of *techné* that is incapable of uniting people in community. This article proposes that a Trinitarian understanding of God and ourselves begins to describe what corporate life looks like when it is at its best.<sup>22</sup>

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19. See ALFORD & NAUGHTON, *supra* note 14, at 38-69; Helen Alford, O.P., & Michael J. Naughton, *Beyond the Shareholder Model of the Firm: Working Toward the Common Good of a Business*, in RETHINKING THE PURPOSE OF BUSINESS, *supra* note 4, at 27.

20. I have argued elsewhere that it is not possible to sustain or develop this theological communion without a spiritual communion, which I explain is powerfully embodied in the doctrine and practice of the Eucharist. But due to space, I cannot expand on this here; for more on this subject, see generally TSEKOV I ECONOMIA (Jean-Yves Calvez & Andrei Zubov eds., forthcoming 2006) (to be published in Russian and French).

21. Reverend Robert E. Barron, Augustine's Critique of Rome: A Theological Reflection on Violence and Non-Violence, Address at John Carroll University (Mar. 16, 2005), in PRISM, Summer 2005, at 6, 8.

22. See Lyman P.Q. Johnson, Faith and Faithfulness in Corporate Theory (2005) (unpublished manuscript, on file with the Ave Maria Law Review) (examining the practical implications of the relationship of faith to corporate legal theory).

In the second Section of the article, I describe a three-fold model of the organization that mediates the concrete realities of organizational life and the theological reality that each person is created in the image of a Trinitarian God. This three-fold model provides what Robert Greenleaf has called a "theology of institutions," in which the corporation should be designed to act as a servant to the larger society in such a way that people grow and develop.<sup>23</sup> As I mentioned above, a community of work is only authentic when it *serves* those outside it in a way that *develops* those within it. Like Robert Greenleaf, I do not believe that the idea of a community of work or a "corporation as servant" can be sustained without a distinctive theology of institutions.<sup>24</sup> While this theology could be grounded in multiple ways, I believe that the Trinitarian vision provides us a profound source of wisdom, since it reveals to us the most profound social character of our humanity, a character that is always operative in our work organizations even though it may remain implicit or suppressed.

#### I. A THEOLOGY OF COMMUNION: THE DYNAMIC OF GIVING AND RECEIVING

The great problems affecting culture today originate in the desire to separate public and private life from a true scale of values. No economic or political model will fully serve the common good if it is not based on the fundamental values which correspond to the truth about the human person . . . . Systems which raise economic concerns to the level of being the sole determining factor in society are destined, through their own internal dynamism, to turn against the human person.<sup>25</sup>

~Pope John Paul II

It may seem odd to some that the Catholic Church would have such an interest in the modern corporation. Yet, if faith involves the whole person, then it should not seem odd that faith would intersect with and inform the corporation in some manner. For many of us, the

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23. ROBERT GREENLEAF, *SEEKER AND SERVANT: REFLECTIONS ON RELIGIOUS LEADERSHIP* 191 (Anne T. Fraker & Larry C. Spears eds., 1996).

24. *Id.* at 191-200.

25. *DIGNITY OF WORK*, *supra* note 4, at 50-51.

two most important institutions in our lives are our families and the organizations for which we work. While they are not the only institutions that impact us, they are often the two places where we will save or lose our souls. The Church's teaching on work is governed by its concern for souls, and the way we can lose our souls at work is through a divided life, through divorcing the vision and demands of our faith from its implications for our work. In fact, the Vatican II document *Gaudium et Spes* remarks that one modern problem that seems more serious today than in the past is a divide between religious and professional life.

[Christians are] wide of the mark who think that religion consists in acts of worship alone and in the discharge of certain moral obligations, and who imagine they can plunge themselves into earthly affairs in such a way as to imply that these are altogether divorced from the religious life. *This split between the faith which many profess and their daily lives deserves to be counted among the more serious errors of our age. . . .* [L]et there be no false opposition between professional and social activities on the one part, and religious life on the other. The Christian who neglects his temporal duties, neglects his duties toward his neighbor and even God, and jeopardizes his eternal salvation.<sup>26</sup>

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26. Second Vatican Council, *Gaudium et Spes* [*Pastoral Constitution on the Church in the Modern World*] ¶ 43 (1965), reprinted in THE SIXTEEN DOCUMENTS OF VATICAN II 513, 554-55 (Nat'l Catholic Welfare Conference trans., St. Paul ed. 1967) (emphasis added) [hereinafter *Gaudium et Spes*]. Alasdair MacIntyre explains this divided life—or what he often calls “compartmentalization”—as the tendency

to live betwixt and between, accepting usually unquestioningly the assumptions of the dominant liberal individualist forms of public life, but drawing in different areas of their lives upon a variety of tradition-generated resources of thought and action, transmitted from a variety of familial, religious, educational, and other social and cultural sources. This type of self which has too many half-convictions and too few settled coherent convictions, too many partly formulated alternatives and too few opportunities to evaluate them systematically, brings to its encounters with the claims of rival traditions a fundamental incoherence which is too disturbing to be admitted to self-conscious awareness except on the rarest of occasions.

ALASDAIR C. MACINTYRE, WHOSE JUSTICE? WHICH RATIONALITY? 397 (1988). MacIntyre compares modern social life to “a theater with a set of adjoining stages upon which a number of very different moral philosophical dramas are being acted out, the actors being required to switch from stage to stage, from character to character, often with astonishing rapidity.” Alasdair MacIntyre, *Corporate Modernity and Moral Judgment: Are They Mutually Exclusive?*

The stakes are high in this split or division. When work is separated from our faith, we are denying the image in which we were created, which is the beginning of denying our end in salvation. One of the first challenges we must face in a Catholic account of the person within a corporation is how the theological and spiritual understanding of life informs it. Because it is the whole person who is made in the image of God, the Spirit pervades every dimension of the person, including her work.<sup>27</sup>

This incarnational view of the person is difficult for those of us who live within modern liberal societies, where we have become habituated into “bracketing” religious life from public life. We not only distinguish, but separate and divide public and private, reason and revelation, faith and work, body and soul, spirit and matter, and church and state. This bracketing occurs for many reasons. One reason has to do with the well-intentioned but ultimately misguided desire to live seemingly more peaceful lives, which leads people to describe economic and political matters by marginalizing God, faith, love, and even social principles so as to arrive at the lowest common denominator of agreement, namely, our own individual preferences and interests. This “bracketed” description of reality tends to focus on the primacy of the individual and his autonomy, this focus undermines the social and communal nature of people, and consequently its theological foundations.<sup>28</sup> This results in an understanding of the corporate life, as described above in the shareholder or stakeholder versions of the

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in ETHICS AND PROBLEMS OF THE 21ST CENTURY 122, 127-28 (K.E. Goodpaster & K.M. Sayre eds., 1979).

27. See *Laborem Exercens*, *supra* note 1, ¶ 9.

28. Servais Pinckaers explains,

The modern era is characterized by its subjective conception of rights, as formulated by fourteenth-century nominalism. From that time on, rights refer not to what I owe others, but to what others, and society, owe me. Rights have changed hands: I think now in terms of my own rights, not those of others. The fundamental orientation of justice has been reversed: the burden of the debt falls on others, not on me. Justice no longer implies a quality of soul, a movement outward toward others; it concentrates on the defense of external rights. In this sense it is a matter of taking rather than giving.

The change accelerated with a new conception of the person's relation to society. This was no longer based on a natural human inclination but became instead an artificial creation, set up to meet human needs and to prevent destructive rivalry.

SERVAIS PINCKAERS, O.P., THE SOURCES OF CHRISTIAN ETHICS 38-39 (Mary Thomas Noble, O.P., trans., 1995) (1985).

corporation, that is fundamentally divorced from the religious belief of most people in the United States.

Yet, within a biblical, and more particularly Catholic, sacramental vision of the world, the divine cannot be bracketed. God is the ground of being, not some marginalized character who dips in and out of life during our personal crises and exaltations. In Genesis, the height of creation is found in humanity who is made in the image of God, an image that is Trinitarian, where a *communion of persons* in love describes what we mean by God. Because we are made in the image of God, we are encoded with a spiritual and moral Trinitarian pattern.<sup>29</sup> This Trinitarian pattern, as John Paul II has pointed out, “will bring to our vision of the world a new criterion for interpreting it.”<sup>30</sup>

Key to this pattern is the dynamic within community of *giving* and *receiving* and the relationships and communions that are nurtured in this dynamic. The Trinity reveals to us a perfect community of giving and receiving, of gift and receptivity, which models for us the pattern of social relationships that helps us to see what we and others look like when we are at our best.<sup>31</sup> Of course, our understanding and imitation of this perfect community are imperfect and will always be clouded by our own sinfulness. We will never perfectly embody the Trinitarian community; yet if we are not

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29. See Gordon C. DeMarais, *The Ecclesial Nature of the New Movements in the Catholic Church: An Exposition and Application of the Communion Ecclesiology of J-M R. Tillard* 17 (May 28, 2003) (unpublished M.A. thesis, University of St. Thomas) (on file with Archbishop Ireland Memorial Library, University of St. Thomas).

30. Pope John Paul II, *Sollicitudo Rei Socialis* [*Encyclical Letter on Social Concern*] ¶ 40 (St. Paul ed. 1987) (emphasis removed) [hereinafter *Sollicitudo Rei Socialis*]; see also Amelia J. Uelmen, *Toward a Trinitarian Theory of Products Liability*, 1 J. CATH. SOC. THOUGHT 603, 624-26 (2004) (reflecting on *Sollicitudo Rei Socialis*'s Trinitarian contribution to Catholic social thought and its application to product liability).

31. Miroslav Volf explains that the modeling of the Trinity in whose image we are made should be understood analogously, not univocally. “As creatures, human beings can correspond to the uncreated God only in a *creaturely way*,” and in particular a sinful creaturely way. Miroslav Volf, “*The Trinity Is Our Social Program*”: *The Doctrine of the Trinity and the Shape of Social Engagement*, 14 MODERN THEOLOGY 403, 405 (1998). Volf also points out that this modeling then cannot proceed in only a one-way manner with the doctrine of the Trinity informing social realities.

If the mode and the extent of the correspondences are not only determined by the character of the Trinity but also inscribed in the very fabric of social realities themselves, then the conceptual construction of the correspondences must go back and forth on a two-way street, both from above and from below.

*Id.*

to ruin ourselves in our work, we must begin to appropriate this pattern of gift and receptivity in our relationships at work.<sup>32</sup>

### A. *Giving*

A significant characteristic of our image of God resides in our dynamic impulse to give, and in particular to give ourselves to others. John Paul II explained, “It is in this [giving] that the essential structure of personal and human existence consists. Man exists not merely ‘in the world,’ not merely ‘in himself’; he exists ‘in relationship,’ ‘in self-giving.’ Only through disinterested giving of himself can man attain to full discovery of himself.”<sup>33</sup> Theologically this pattern of giving is expressed in the self-giving *communion* within the persons of the Trinity, which is the basis of our relationship with others. Our orientation as human beings made in God’s image is one of giving ourselves to others whereby we create communities that foster growth in ourselves and in others. Our image of God, as Trinitarian, “reveals that [we] cannot fully find [our]sel[ves] except through a sincere gift of [our]sel[ves],”<sup>34</sup> not only in our marriages, but also in our work. The meaning of who we are, cannot be isolated from our relationships with others, especially our relationships within the communities and institutions in which we reside. This is not a reality we can deny; this is not a choice we can simply make, unless we want to deny ourselves. So, it should not surprise us that those people who are most connected to their work are those who see their work as a contribution to the service of others.

Two examples can illustrate this point of giving and how it reflects the way we are made. The first can be seen in the simple act of giving a flower. Chiara Lubich, the founder of the Focolare Movement, explains, “[When] I have a flower and I give it away, certainly I deprive myself of it, and in depriving myself I am losing something of myself (this is non-being); in reality, because I give that

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32. LORNA GOLD, *THE SHARING ECONOMY: SOLIDARITY NETWORKS TRANSFORMING GLOBALISATION* 61-62 (2004) (describing this Trinitarian pattern through three theological principles: *kenosis*, *agape*, and *perichoresis*).

33. KAROL WOJTYLA, *SIGN OF CONTRADICTION* 132 (Seabury Press 1979) (1977).

34. *Gaudium et Spes*, *supra* note 26, ¶ 24; *see also* Pope John Paul II, *Centesimus Annus* [*Encyclical Letter on the Hundredth Anniversary of Rerum Novarum*] ¶ 41 (St. Paul ed. 1991) [hereinafter *Centesimus Annus*].

flower, love grows in me (this is being)."<sup>35</sup> As a South African proverb puts it, "A person becomes a person through other persons."<sup>36</sup> We become more deeply "persons" precisely through giving to others, and in particular when this giving reflects the "giftedness" and "wholeness" of a community. A person becomes a person within a community not simply as a part to a whole, but as a whole to a whole; a community is a true community only if it is made up of responsible persons who *give* of themselves by serving those outside the community, which is the basis of *developing* those within it.<sup>37</sup>

The other example explains the consequence of not giving, and is found in the story Lewis Hyde tells in his book *The Gift* where he speaks of the gift economy.<sup>38</sup> Hyde explains that when Native Americans encountered Puritans in their first set of gift encounters, they were baffled by their possessiveness over gifts given them.<sup>39</sup> Native Americans expected their English visitors to give back their gifts so as to keep them in circulation. This idea of setting gifts in motion equally baffled the English newcomers, who characterized Native Americans with the derogatory term "Indian givers."<sup>40</sup> Yet, what Native Americans understood is that there is a natural law governing gifts: when a gift is not shared, it corrupts the holder. The one who makes the gift an occasion for selfish hoarding, who fails to put the gift in motion, becomes corrupted by the gift itself. There is a natural and even divine law of sorts that "we actually become, eternally, what we have given ourselves to."<sup>41</sup> Obviously, Native American practice is not consciously Trinitarian, but a religious outlook—an outlook grounded in an order of creation—will, with few

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35. CHIARA LUBICH, *Toward a Theology and Philosophy of Unity*, in AN INTRODUCTION TO THE ABBA SCHOOL: CONVERSATIONS FROM THE FOCOLARE'S INTERDISCIPLINARY STUDY CENTER 33 (2002).

36. See Daisy L. Machado, Brite Divinity School, Presentation at the Pendle Hill Forum: Economic Justice and Gender: A Borderlands Perspective (Apr. 7, 2003), <http://www.pendlehill.org/frames%20lectures/2002-2003/Daisy%20Machado.htm> (last visited Dec. 12, 2005) (quoting Donald W. Shriver, Jr., *The Taming of Mars: Can Humans of the Twenty-First Century Contain Their Propensity for Violence?*, in GOD AND GLOBALIZATION: RELIGION AND THE POWERS OF THE COMMON LIFE 140, 156 (Max Stackhouse & Peter Paris eds., 2000)).

37. CHMIELEWSKI, *supra* note 4, at 188.

38. LEWIS HYDE, *THE GIFT: IMAGINATION AND THE EROTIC LIFE OF PROPERTY* 3-4 (Vintage Books 1983) (1979).

39. *Id.*

40. *Id.*

41. John F. Kavanaugh, S.J., *Last Words*, AMERICA, Jan. 21-28, 2002, at 23, 23.

exceptions, encounter a reality of giftedness where “[t]he more you give, the more you are fulfilled, the more you are; since you have what you give, what you give makes you be.”<sup>42</sup>

But here we run into a significant challenge with the notion of gift found within our experience of giving, particularly giving within a sinful world full of people with disordered desires: What enables us to give authentically, in a way in which we do not exhaust ourselves, in a way that we do not give away ourselves too cheaply, in a way that we “find ourselves”? We experience that not every kind of giving is authentic, and often the way in which we give can frustrate the growth that should come from the giving.<sup>43</sup> The giving of ourselves, while inherent to the way we are built, nonetheless can suffer from resentment, instrumentality, and other deformities. There are many business leaders and other professionals who give themselves to their company and work, but who exhaust themselves in the process, or alienate themselves from their family, community, and God. Businesspeople who give to shareholders by maximizing shareholder returns will find that such giving will not have the capacity to develop them.

### B. *Receptivity*

Our giving must be characterized by a receiving that has the capacity to guide and mature our giving. We are made not only to give and work, but also to receive and rest, and it is this receptivity that has a certain primacy in our giving. David Schindler argues this primacy in the following sense: “When we first experience our being as created, as being gifted life, this receiving enables us to see our doing and having and producing as ways of giving which they are meant to be.”<sup>44</sup> In particular, a receiving that is informed by the

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42. GOLD, *supra* note 32, at 62 (internal quotations omitted) (quoting Chiara Lubich).

43. *See id.* at 61-62.

44. David L. Schindler, *Christology and the Imago Dei: Interpreting Gaudium et Spes*, 23 COMMUNIO 156, 179 (1996). In a similar vein, Herbert Alphonso, S.J., wrote,

Again, it should be abundantly clear that the “personal vocation” is *not* on the level of doing or of function, but on the *level of being*. It is tragic—even literally so—that so many people interpret “vocation” in terms of mere function or mere doing. Now the level of function or of doing is bound to enter into crisis some day—that is of the very nature of function or of doing. If then, while in crisis, I have no resources of “being” [leisure] to fall back upon, because my entire understanding of “vocation” is resolved in terms of sheer function and mere doing, I shall be in *total crisis*. This is

receptivity of God's love for us has the capacity to help us resist the temptation of giving ourselves only to achievements of measured and functional outcomes for our own personal success. The modern person, especially the businessperson, who is always under pressure to achieve, can repress this receptivity, this rest. He is tempted no longer to approach "the world from the viewpoint of contemplation and wonder [receptivity], but as one who [only] measures, weighs and acts,"<sup>45</sup> creating what Josef Pieper called a "total work" mentality.<sup>46</sup>

Thus, our Trinitarian pattern is not only characterized by our giving and creative inclinations, but also by our receiving which fosters a contemplative outlook that does not "take possession of reality but instead accept[s] it as a gift, discovering in all things the reflection of the Creator and seeing in every person his living image."<sup>47</sup> John Haughey, S.J., has coined the term "receptiveness" to emphasize even further the importance of our inherent need for receptivity.<sup>48</sup> He explains that the "most important of human achievements begin in the heart of God but have to be received in human hearts and enfolded in action. The primacy of receptiveness is the hardest lesson for modern culture to understand."<sup>49</sup> While our desire to achieve, contribute, and give reflects our creative inclination as beings made in the image of God, we are prone to overestimate and disorder this inclination, precisely because so many of us have

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unfortunately the not infrequent tragic story of quite a few lives. But in such a crisis I can fall back on my resources of "being"—so uniquely gifted to me in my "personal vocation"—I need have no fear; I can tide over that crisis, indeed "integrate" it, thanks to the very personal "meaning" on the level of "being" I can find in that very crisis. For all doing flows from being.

HERBERT ALPHONSO, S.J., *THE PERSONAL VOCATION: TRANSFORMATION IN DEPTH THROUGH THE SPIRITUAL EXERCISES* 37-38 (1990).

45. JOSEPH RATZINGER, *THEOLOGICAL HIGHLIGHTS OF VATICAN II* 162 (Werner Barzel trans., Paulist Press 1966) (explaining that this tension between gift and receptivity is found in the doctrines of creation and redemption).

46. See JOSEF PIEPER, *LEISURE: THE BASIS OF CULTURE* 64-66 (Alexander Dru trans., St. Augustine's Press 1998) (1948).

47. Pope John Paul II, *Evangelium Vitae* [*Encyclical Letter on the Value and Inviolability of Human Life*] ¶ 83 (St. Paul ed. 1995) (citations omitted) (citing *Genesis* 1:27; *Psalms* 8:5).

48. John Haughey, S.J., *The Primacy of Receptiveness: Interdisciplinary Essays on the Meaning of Business from the Catholic Social Tradition*, in *BUSINESS AS A CALLING* 1, 2 (Michael Naughton & Stephanie Rumpza eds., 2005), <http://www.stthomas.edu/cathstudies/publications/businessasacalling.htm>.

49. *Id.*

been formed within a culture of achievement in athleticism, careerism, and other modes of accomplishment.

This is why an understanding of business will never be accurate unless it is accompanied by a spirituality that is fundamentally contemplative and receptive, fostering what John Paul II called a “*spirituality of communion*.”<sup>50</sup> Businesspeople have little chance to develop a community of work unless they are grounded in a spiritual community that fosters receptive habits of silence, prayer, and worship; such a community generates deeper relationships that reflect the image in which they are created. The point here is that what we learn from the Trinity will not only come from a theological discourse of creation that describes the characteristics of giving in work, but also from a receptive participation in the life of the Trinity, a willingness to receive only those things that God can give.<sup>51</sup> Or, put in a simple but hopefully not overly simplistic fashion, we will never get work right unless we get rest right. Without such spiritual receptivity, restfulness, and discernment, business leaders will most likely adopt the prevailing shareholder and stakeholder models.<sup>52</sup>

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50. Pope John Paul II, *Novo Millennio Ineunte* [Apostolic Letter at the Close of the Great Jubilee of the Year 2000] ¶ 43 (St. Paul ed. 2000).

51. David Schindler explains that a “theistically-colored context” of the person views the person’s image of God primarily in terms of being first creative and constructive. Schindler, *supra* note 44, at 159. Alternatively, Schindler notes that in a

trinitarian-christological context, man images the Creator-Father only in and through the receptive obedience of the Son . . . . Receptivity thus seems to be the primary and indeed constitutive act of the creature’s creatureliness. In a word, we have the primacy of the contemplative dimension: receiving (from the Father, in Jesus Christ) is the anterior condition for the creature’s being (authentically) creative.

*Id.* Additionally, Joseph Ratzinger, in evaluating a draft of *Gaudium et Spes*, writes:

Yet at the end it had to embarrassedly admit that there were other things that had to be mentioned. Besides the very plausible idea of man as a being called to subdue the world and free to decide his own fate, there is also the christological idea that man is saved by Christ alone.

RATZINGER, *supra* note 45, at 154.

52. We must also look to witnesses. To see this Trinitarian pattern in work, argument will only take us so far. We must look to people who reflect this Triune pattern in the concreteness of their lives and their own spiritual orientations. One such person is Chiara Lubich, who writes: “I felt that I was created as a gift for the person next to me, and the person next to me was created by God as a gift for me. As the Father in the Trinity is everything for the Son and the Son is everything for the Father.” Vera Araùjo, *Personal and Societal Prerequisites of the Economy of Communion: Toward a Multi-Dimensional Economic Culture*, in *THE ECONOMY OF COMMUNION* 21, 27 (Luigino Bruni ed., Lorna Gold trans., New City Press 2002) (1999) (quoting

The person who participates in the Trinitarian life of God places this reality of *gift-and-receptivity as communion* as the “basic interpretive category for both God’s nature and God’s design for humanity and the world from the beginning.”<sup>53</sup> This interpretive category of gift-and-receptivity sees the person not primarily as *homo economus*, that is producer and consumer, but as *homo donator/receptor*, giver/receiver. This latter anthropological orientation is particularly relevant in terms of where we live our lives with others, namely in corporations, institutions, and organizations. Our Trinitarian image of God is not only encoded on our individual souls, but also in how we live with others and in how we ought to organize our corporations.<sup>54</sup> In other words, our spiritual nature is expressed in our social nature through our experience within corporations. They are crucial places where we give of ourselves and receive from others. If we are to make sense of how we reflect God’s image, we have to explore what this means in the corporations in which we live. Grounded in the communal reality of the Trinity on which our image of God is based, our relationships within the institutions in which we live provide an opportunity to bind us together in a way that can better reflect the community of the Trinity. Because this God is persons in relation, our relationships within the institutions in which we live, if these institutions are to flourish, must reflect this Trinitarian pattern of giving and receiving, since this is the image in which we have been created.<sup>55</sup>

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Chiara Lubich, *Writings September 2, 1949*, in JUDITH POVILOUS, UNITED IN HIS NAME—JESUS IN OUR MIDST IN THE EXPERIENCE AND THOUGHT OF CHIARA LUBICH 67 (New City Press, 1981). Because of her deep spiritual sensitivity to the human condition, Chiara Lubich illuminates in a profoundly simple way the giving/receiving dynamic that is part of our everyday life. This was not a dynamic reserved only to private philanthropy, but it has permeated her being, which gave her the vision to begin the Economy of Communion, which has created over eight-hundred businesses worldwide. Most of us are too often insensitive to this dynamic, which causes us not to see the meaning within this activity. We too often see our giving and receiving as a mere exchange that is valued purely on a cost/benefit basis. Rather than a reflection of the Trinitarian pattern in whose image we have been created and which is therefore fundamental to our identity as human persons, we can become calculators of our benefits and burdens, resulting in an identity both in terms of our person and our organization that is timorous and small-minded. For Chiara Lubich, the giving/receiving relationship “is molded on intra-trinitarian love, and reveals in love the fundamental basis and deepest meaning of being.” *Id.* at 27 n.20.

53. DeMarais, *supra* note 29, at 18.

54. See Dennis P. McCann, *Business Corporations and the Principle of Subsidiarity*, in RETHINKING THE PURPOSE OF BUSINESS, *supra* note 4, at 169, 177-79.

55. This giving/receiving dynamic, when properly Trinitarian, results in a *perichoresis*, an inter-penetration, wherein the gift of the self and the receptivity of God’s love resist an

The challenge for us organizationally is how to relate this Trinitarian pattern of gift and receptivity to production and consumption, where people spend a bulk of their waking hours. This pattern of giving and receiving is usually thought of as outside the productive and consumptive system. We tend to see our giving and receiving in terms of private and individual exchanges through family, volunteerism, philanthropy, and other non-work-related modes. This may be one of the reasons why there is a temptation to reduce corporate social responsibility to philanthropy. However, within a Trinitarian theology, the activities of giving and receiving cannot be so readily marginalized or privatized. Our understanding of a community of work, if it is going to be an authentic community, has to take seriously this category of gift and receptivity within productive activity of the organization itself. This is precisely what a notion like “the community of work” is attempting to do: to take seriously this dimension of gift and receptivity in terms of one’s work.<sup>56</sup>

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absorption of one into the other, since each Person of the Trinity is a “whole” composed of “wholes.” The term *perichoresis* is a term the tradition of the church uses to “describe[] the kind of unity in which the plurality [of the Trinity] is preserved rather than erased.” Volf, *supra* note 31, at 409. As Jacques Maritain explained it, “the Three who compose the trinitarian society are by no means parts, since they are perfectly identical to it. They are three wholes who are the Whole.” JACQUES MARITAIN, *THE PERSON AND THE COMMON GOOD* 47 (John J. Fitzgerald trans., Charles Scribner’s Sons 1947) (1946). In analogy to the Trinitarian Persons, we too are composed of wholes of a much larger whole which is why each “person, as person, requires to be treated as a whole in society.” *Id.* at 48. Our identity as persons is not reducible. But the *perichoresis* of the Trinity tells us something about our unity as well. “For it suggests that divine persons are not simply interdependent and influence one another from outside, but are *personally interior* to one another.” Volf, *supra* note 31, at 409. Klaus Hemmerle writes:

Our personal being is assumed into the communion of life and love between the Father, Son and Spirit; in this way I can no longer represent the point of departure, the center and the point of arrival of my being in isolation. The Trinitarian existence can only be lived in reciprocity, as a “we,” which at the same time does not dissolve I and you but constitutes them.

Araújo, *supra* note 52, at 23 n.5 (quoting KLAUS HEMMERLE & PETER BLÄTTLER, *PARTIRE DALL’UNITÀ. LA TRINITÀ COME STILE DI VITA E FORMA DI PENSIERO* 45 (P. De Marco trans., Città nuova 1998) (1995) (originally published in German)).

56. John Paul II states, “A society is alienated if its forms of social organization, production and consumption make it more difficult to offer this gift of self and to establish this solidarity between people.” *Centesimus Annus*, *supra* note 34, ¶ 41.

## II. AN ORGANIZATION OF COMMUNION: A THREE-FOLD MODEL

[T]o be present and active in the world is not only an anthropological and sociological reality, but in a specific way a theological and ecclesiological reality as well. In fact, in their [lay] situation in the world God manifests His plan and communicates to them their particular vocation of “seeking the kingdom of God by engaging in temporal affairs and by ordering them according to the plan of God.”<sup>57</sup>

~Pope John Paul II

In light of the modern problem of the divided life described at the beginning of the first Section, many Christians would be hard pressed to describe any relationship between their belief in the Trinity and how they would run and understand a modern corporation.<sup>58</sup> This should not surprise us. Most businesspeople, for example, have been educated and formed in a theory of the firm that is rooted in a view of the human person as an interest-maximizer and the corporation as a nexus of contracts, which is reflected in the shareholder and stakeholder views of the corporation.<sup>59</sup> And many Christians have often been theologized to think of their faith personally and privately, not institutionally and publicly. However, if the Trinity is the fundamental interpretive category of God’s design for humanity not

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57. Pope John Paul II, *Christifideles Laici* [*Post-Synodal Apostolic Exhortation on the Vocation and Mission of the Lay Faithful in the Church and the World*] ¶ 15 (U.S. Catholic Conference ed. 1988) (quoting Second Vatican Council, *Lumen Gentium* [*Dogmatic Constitution on the Church*] ¶ 31 (1964), reprinted in *THE SIXTEEN DOCUMENTS OF VATICAN II* 107, 143 (Nat’l Catholic Welfare Conference trans., St. Paul ed. 1967)). David Schindler makes a similar point when he writes:

The Christian’s mission in the world, consequently, is to be present *as Church*, and thereby to assist in drawing into *communio* all of nature and all of the anthropological (political, economic, cultural) orders that extend nature into culture. The Christian’s fundamental purpose, in all aspects of his or her “worldly” existence, is to assist in manifesting the beauty, truth, and goodness of being, the fullness of which is revealed by God in the person-love of Jesus Christ.

DAVID L. SCHINDLER, *HEART OF THE WORLD, CENTER OF THE CHURCH*, at xi (1996).

58. See *supra* text accompanying notes 1-24.

59. A number of provocative articles were written after the business scandals on the status of business education. Sumantra Ghoshal, *Business Schools Share the Blame for Enron*, *FIN. TIMES*, July 18, 2003, at 19; Amitai Etzioni, *Profit Without Honor: When It Comes to Ethics, B-Schools Get an F*, *WASHINGTON POST*, Aug. 4, 2002, at B04; Robert J. Shiller, *How Wall Street Learns to Look the Other Way*, *N.Y. TIMES*, Feb. 8, 2005, at A25.

only in how we worship, but also in how we work within organizations, we are left with a very difficult question: What theory or vision of the firm best reveals this Trinitarian pattern?<sup>60</sup>

The challenge in this Section of the article is to explore an understanding of the organization, a theory of the firm, that is grounded in a theological reality and more specifically in a Trinitarian vision that reveals what is really happening in the organization. If we are made in the image of a Trinitarian God, whose giving and receiving form a perfect communion of persons, how does that image inform the work organizations in which we spend so many of our waking hours? This Section will explore a model of the corporation that is consistent with a Trinitarian anthropology. This is not to say that this organizational model is *the* Trinitarian model, nor is it to say that one must adhere to a Trinitarian theology in order to adopt this model. Rather, the key point here is that this model of the organization is big enough for a Trinitarian theology to operate within it, unlike the shareholder and stakeholder models described above.

This connection between a theology of communion and an organizational communion that can result in a community of work can lead to possible missteps that either compromise the Gospel or distort organizational life—dangers that should not be underestimated.<sup>61</sup> If I am right that the secularization of the shareholder and stakeholder models distorts organizational life, there is also a theological ditch on the other side of the road. In order to avoid such missteps, we need to be grounded in how organizations actually work. Yet, one of the things we see quite quickly is that they work in very different ways. Southwest Airlines and Mondragon operate very differently from Northwest Airlines and General Electric.<sup>62</sup> While organizations operate under very different value systems, what we want to attend to is the underlying structure of

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60. While this divide does exist, there are many Christians who intuitively behave within this giving and receiving pattern, but who often would not be able to articulate it as Trinitarian.

61. It should be said, however, that the prevailing problem in organizations today, and especially corporations, is not an overbearing theology, but a pervasive secularization that is highly individualistic and materialistic.

62. For example, Southwest and Mondragon would be more participative in work processes and more equitable in pay equity. Their ownership structure included employees not only because it was a good strategic decision, but also because there was a desire to build a community of work.

organizational life that allows us to locate how these value systems operate within the various dimensions of the organization.

One way to capture how organizations work and the values that inform them is to describe the organization in terms of three broad dimensions, each with its own concerns, preoccupations and stakeholders, but held together by some overarching purpose. This three-fold model of organizational life, which originally grew out of the Greenleaf Center, is described in the three interlocking and interdependent dimensions of identity, mission, and stewardship.<sup>63</sup> This description of the organization will help develop a form of “middle-level thinking”<sup>64</sup> that can connect for practitioners their faith to organizational life by helping them to see more clearly how the various dimensions of their organizational life can concretely connect to their religious faith. The model will also help to build bridges by establishing mediating terms such as identity, mission, and stewardship that simultaneously begin to explain the specific organizational context and to point to its underlying moral and spiritual realities.

In the area of identity, the primary focus is directed internally to those who work in the organization. It is how the organization arranges the character, culture, and quality of its life. The identity of the organization is found in the interaction of the various employees, which creates a unique culture or personality in the collective life of

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63. See David Specht & Dick Broholm, *Threefold Model of Organizational Life: Testimonies and Queries for Seeing Things Whole*, in *SEEING THINGS WHOLE* (2001), [http://www.stthomas.edu/cathstudies/cst/mgmt/publications/seeingthingswhole/STW02\\_Specht.pdf](http://www.stthomas.edu/cathstudies/cst/mgmt/publications/seeingthingswhole/STW02_Specht.pdf).

64. Boswell, McHugh and Verstraeten define middle-level social thinking in the following way:

[T]hinking in the large and complex areas which lie between, on the one hand, broad values and principles and values, and, on the other, concrete action and decisions. Typically, such middle-level thinking means using a) models of society, politics or the economy; b) theories of history and of social, political and economic relationships; c) empirical observation and analysis; and d) thinking about policy and “improvement.”

CATHOLIC SOCIAL THOUGHT: TWILIGHT OR RENAISSANCE? at xv (J.S. Boswell et al. eds., 2000). See also Dean Maines & Michael Naughton, *Middle Level Thinking: The Importance of Connecting and Mediating Catholic Social Thought, Corporate Social Responsibility, and Business Practice* (Pontifical University of St. Thomas, Sixth Annual Conference on Catholic Social Thought and Management Education, Working Draft, 2005), available at <http://www.stthomas.edu/cathstudies/cst/conferences/thegoodcompany/Papers/00POSITI ON%20Paper%20MLT.pdf>.

the organization.<sup>65</sup> In its healthy state, an organization's preoccupations include creating an environment that reflects its deepest held principles, and fostering conditions within the workplace that help employees to develop. This process would include a host of issues such as job design, compensation, hiring, firing, evaluation, promotion, and training/development, and how these issues both model commitment to its principles and deal with the gaps between principle and policy.

Whereas identity is internally focused, the area of mission is externally focused on those whom the organization serves.<sup>66</sup> It is how the organization impacts the world around it, especially in terms of the customer or client. Or, in Peter Drucker's words, the mission of business is "to create a customer."<sup>67</sup> The mission of the organization is revealed in how it produces or services a "good" that is needed by others. In order for an organization to identify and deliver a customer's need or want, a high degree of creativity, insight, coordination, effort, and ongoing development marshalled on a sustained basis toward understanding the customer and the market is necessary.<sup>68</sup> An organizational mission that has the capacity to create a community of work will be one in which the organization's product or service meets the needs of the world around it. E.F. Schumacher explains that this missionary function of work enables the person "to overcome his inborn egocentricity by joining with other people in a common task . . . to bring forth the goods and services needed by all of us for a decent existence."<sup>69</sup> A community of work, then, is only authentic when it *serves* the needs of those outside it, which is the basis of *developing* those within it.

The area of stewardship focuses on "how the organization [secures and] utilizes its resources (human, financial, and material)" so that it becomes a stronger entity in the future.<sup>70</sup> The good steward sees himself as a trustee, as an inheritor of wealth whose role is not

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65. See Specht & Broholm, *supra* note 63, at 2.

66. *Id.* at 2-3.

67. PETER F. DRUCKER, *THE PRACTICE OF MANAGEMENT* 37 (1954) (emphasis removed).

68. Michael Novak explains, "The agency through which inventions and discoveries are made productive for the human race is the corporation. Its creativity makes available to mass markets the riches long hidden in Creation. Its creativity mirrors God's. That is the standard by which its deeds and misdeeds are properly judged." MICHAEL NOVAK, *TOWARD A THEOLOGY OF THE CORPORATION* 44 (rev. ed. 1990) (1981).

69. E.F. SCHUMACHER, *GOOD WORK* 118 (1979).

70. SPECHT & BROHOLM, *supra* note 63, at 4.

only to preserve what he has been given, but to increase such wealth, not simply for his own gain, but to make the company stronger for the future. A crucial dimension of this stewardship, although certainly not its only one, is how profits are managed. Does the organization have adequate profit margins? Does it carefully monitor its resources with a commitment to its sustained viability, such as current cash and investment balances, cash flow from future operations, additional borrowing, and fund raising? Another important dimension—and one closely related to stewardship—is the effectiveness of the organization's processes. Is it efficient in its use of resources? Does it continually seek to improve the quality of its service? Is it creative in doing more with less? Does it reduce waste? Without adequate profit margins and effective processes, organizations fail to get stronger and eventually lose hope to build for the future. While profit and effectiveness are necessary conditions for good stewardship, they are not sufficient. Stewardship, at its heart, is concerned with using and allocating human, material, and financial resources in ways that foster the common good. Two crucial issues under stewardship are governance and ownership.

The intersection of these three dimensions can be seen in the founding of a company. Let us take a concrete example. When Dale Merrick, Bob Wahlstedt, and Lee Johnson started Reell Precision Manufacturing in St. Paul, Minnesota, they began the *identity* of the company with four complementary aims:

- To earn a living,
- To grow personally and professionally,
- To be able to put family first, and
- To integrate their faith and work.<sup>71</sup>

These aims were not easily attainable at their former place of employment (a large, Midwestern manufacturing firm). While they had different reasons for leaving this firm, one common reality was that successful executives at their former place of employment too often paid the price of family estrangement if they wanted to advance their careers. Bob Wahlstedt, one of the founders, could see

that the higher one got in the company hierarchy, the less time one had for the things that mattered most. He had already heard about

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71. For a fuller discussion on this company, see BUSINESS ETHICS: POLICIES AND PERSONS 151-66 (Kenneth E. Goodpaster, Laura L. Nash & Henri-Claude de Bettignies eds., 4th ed. 2006) (1985) [hereinafter BUSINESS ETHICS].

the troubles executives were having with unhappy spouses and rebellious children. This was not a future he envisioned for himself. He had enjoyed an especially good relationship with his own father and knew that this had been important throughout his life. He dreamed of having a similar relationship with sons and daughters of his own. But that wasn't the only thing missing. In all of the intense effort to get the job done, to do the impossible to meet the demands of the company's customers, Bob felt himself to be disappearing. He was becoming a "company employee" and losing his sense of identity in the process.<sup>72</sup>

These three men sought work that was fulfilling, and they wanted to extend this type of work to their employees. If the three of them desired security, growth, and integration, would not other employees want the same? Thus they began to build an organization whose identity would embody these aims.<sup>73</sup>

Another reason the founders of Reell left this large Midwestern manufacturer was that they could not fulfill their mission. They were under intense organizational, time, and profit pressures, which prevented them from being proud of their work as engineers. The financial pressures shortchanged customer relationships, compromising their mission to customers. They wanted to be proud of the product they provided to their customers, which required adequate research and development for continuous improvement.

In terms of stewardship, they of course had to make a profit and create a quality product through efficient processes not only to survive, but to become stronger so as to create an even stronger

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72. Deborah Savage, Case Study No. 1 (Sept. 2000) (unpublished manuscript, on file with the Ave Maria Law Review).

73. Pope Pius XII, in a talk to the International Congress of Catholic Association of Small and Medium Sized businesses, explained that the entrepreneur and manager

foresees, orders, and directs, assuming responsibility for the decisions which he makes. His natural gifts . . . find employment in the function of leadership, and serve as a basis for the development of his personality and for creative joy. . . .

. . . [W]ill the head of the business deny his subordinates what he esteems so highly for himself?

*Small Business in Today's Economy*, *supra* note 17, at 407 (emphasis added). And if he does deny it to others, the law of the gift indicates that he also denies it to himself, since if his work does not create conditions for others to develop, he paradoxically stunts his own development.

identity and mission. Their notion of profit is best captured in the founders' welcoming message to new employees:

We do not define profits as the purpose of the company, but we do recognize that reasonable profitability is necessary to continue in business and to reach our full potential. We see profits in much the same way that you could view food in your personal life. You probably do not define food or eating as the purpose of your life, but recognize that it is essential to maintain your health and strength so you can realize your real purpose.<sup>74</sup>

### III. A COMMUNITY OF WORK: THE MORAL ORDERING OF THE WHOLE

So, what does this three-fold model as exemplified in Reell tell us about organizational life, and how does this model relate to the giving and receiving dynamic discussed in the first Section of this article? The model highlights tensions among the three dimensions, their all too frequent disorder, and the critical need to order these three dimensions to a deeper, transcendent purpose.

#### A. Tensions

An important dynamism in organizational life is not only accounting for the three dimensions of identity, mission, and stewardship, but also recognizing and understanding the "predictable and legitimate tensions among" these three dimensions.<sup>75</sup> Precisely because of these multiple dimensions, and their various corresponding accountabilities, organizational life will always be met with some degree of tension among the three. It is here that the stakeholder model

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74. BUSINESS ETHICS, *supra* note 71, at 159. Charles Handy explains:

[T]o turn shareholders' needs into a purpose is to be guilty of a logical confusion, to mistake a necessary condition for a sufficient one. We need to eat to live; food is a necessary condition of life. But if we lived mainly to eat, making food a sufficient or sole purpose of life, we would become gross. The purpose of a business, in other words, is not to make a profit, full stop. It is to make a profit so that the business can do something more or better. That "something" becomes the real justification for the business. Owners know this. Investors needn't care.

Charles Handy, *What's a Business For?*, HARV. BUS. REV., Dec. 2002, at 49, 51.

75. Specht & Broholm, *supra* note 63, at 1.

brings to the discussion a certain realism regarding organizational life. People have stakes and interests in the organization that will inevitably conflict and be in tension with others, and managers and other leaders of organizations have to find ways to adjudicate between these conflicts and tensions.<sup>76</sup> The key question is whether these tensions generate strong moral bonds of human community, or weak strains of mutual self-interest? Are the tensions *creative*, producing ways of seeing goods that include but transcend one's own good, or are the tensions *calculative*, producing zero-sum mentalities?

### B. *Disorder*

While these organizational dimensions are often in tension with each other, the temptation of organizations and their leaders will be to resolve the tensions by overvaluing one or two of the dimensions at the expense of the third, resulting in a disordered organization. Kenneth Goodpaster describes this disorder in terms of an organizational disease called *teleopathy*.<sup>77</sup> Combining the Greek roots for "end" or "purpose" (*telos*), and for "disease" or "sickness" (*pathos*), *teleopathy* is the ordering of limited objectives as supreme to the exclusion of other objectives, which distort one's larger purpose.<sup>78</sup> The key to avoiding *teleopathy* is to resist the temptation to define organizational success by performance within the single dimension of identity, mission, or stewardship.

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76. While the stakeholder *model* is problematic as an answer to organizational purpose, stakeholder *analysis* is critical to the common good. Its value as an exercise for moving the firm's management toward a detailed, circumstantial appreciation for the extent and variety of the ends that are implicated in the firm's activities should not be discounted. Moreover, the stakeholder model itself points to a real risk in the implementation of the common-good model: a distortion of the idea of community which would have the community stand over and against the person, and a demand for "service" to a "common good" which neither is, nor can be, distributed. See, e.g., YVES R. SIMON, PHILOSOPHY OF DEMOCRATIC GOVERNMENT 52 (1951) ("Although unity is an absolute perfection, there can be too much of it, inasmuch as, beyond a certain measure, the inappropriate kind forcibly displaces the proper one and destruction results."); JACQUES MARITAIN, *supra* note 55, at 76-77.

77. Teleopathy is "a habit of character that values limited purposes as supremely action-guiding, to the relative exclusion not only of larger ends, but also moral considerations about means, obligations, and duties." Kenneth E. Goodpaster, *Ethical Imperatives and Corporate Leadership*, in ETHICS IN PRACTICE: MANAGING THE MORAL CORPORATION, 212, 217 (Kenneth R. Andrews ed., 15th ed. 1989) (1955).

78. *Id.* at 217; see also THE BLACKWELL ENCYCLOPEDIA OF BUSINESS ETHICS 627-28 (Patricia H. Werhane & R. Edward Freeman eds., 1997).

The most likely disorder for business, although certainly not the only one, is the overemphasis of stewardship at the expense of identity.<sup>79</sup> An organizational *stewardship* that has the capacity to create a community of work will be one where the resources, especially profits and effectiveness, are used to serve the mission and identity of the firm in such a way that resources are replenished for the future. Yet, in business, the practitioner is constantly tempted to value the limited goal of wealth and its creation over other dimensions, such as identity and the growth of employees. *Teleopathy* occurs when businesses and their leaders view wealth maximization as the supreme guide for action.<sup>80</sup> Wealth, like sex, power, fame, food, and drink, is corrupting principally in the direction of excess, and so needs an extrinsic limit; the limit of right possession of wealth is the opportunity to serve the common good and to distribute such wealth justly.

It is precisely at this point that we can begin to see why a view of the corporation as a “society of shares” (the shareholder model) is so deficient. Because a corporation as a society of shares instrumentalizes all relationships to shareholder value, it fails to respect the “wholeness” of human relationships when it comes to employees, customers, suppliers, and communities. It reduces these relationships to parts, and fails to take them for what they are, namely “wholes.”<sup>81</sup> Within this society of shares, the other various stakeholders are not considered full members. Wal-Mart, for example, has been accused of reflecting this disorder. It seeks to maximize returns to shareholders by providing the lowest possible prices to customers. It achieves this by driving its labor and supplier

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79. John Paul II has called this disorder “economism” (or a disordered stewardship). *Laborem Exercens*, *supra* note 1, ¶ 13. Other forms of disorder are “consumerism” (a disordered mission where the consumer is king) and “entitlements” (a disordered identity that focuses on the rights of employees to the neglect of their duties).

80. Goodpaster, *supra* note 77, at 217.

81. It is important to note that the very word “Catholic” means not only universal, but in the Greek—*Katholikos*—means “through-the-whole” or “throughout-the-whole” (*kath* or *kata*, through or throughout, *holos*, whole). Especially through the eyes of faith, seeing things whole means more than balancing the existing various interests of each of the various parties of the organization as described above in the stakeholder model of organizations. Rather, to “see things whole” means going beyond balancing interests to ordering the various parts of the organization into an integrative whole grounded in the life of the Trinity. Like our own work to overcome our own personal fragmentation, this work is never completely done nor easy, but it is an important signature of the Christian vocation in work.

costs to the lowest possible level.<sup>82</sup> The worker relates to the firm only from the outside through a contract, as one more input or service hired by those who have been entrusted with managing this society of shares. Thus, employees are always considered as parts, instruments to the wealth of shareholders. In terms of the three-fold model, Wal-Mart has succeeded in terms of mission and stewardship, but has failed in terms of identity.

The shareholder model does not have the capacity to create a community of work that draws upon the relational dimensions within which people have been created. The employees will have a hard time giving to a company when management is only in the mode of taking from them. Such companies, informed by the shareholder model, reflect in many respects an “anonymous society,” a society of things (e.g., capital and shares) that moves throughout the globe in impersonal ways, searching for the highest returns, *disconnected* from the concerns of the communities in which it momentarily resides.<sup>83</sup> This type of institutional living creates a fundamental obstacle to forming a community of work and living out one’s vocation as created in the image of God. Even within economic institutions, this communion should not be one where the value of the person is subsumed in the collective to be instrumentalized for wealth maximization, but one in which the person’s identity should be developed, not alienated.

This does not mean that the instrumental value of the firm (e.g. profitability, efficiency, and productivity) is unimportant. But it is only one dimension of the organization, namely, stewardship. To ignore the obviously instrumental character of work is to ignore the necessary survival of the organization, which results in poor stewardship. The point here is that in order for the instrumental rationality not to dominate organizational practice in a way that reduces people to mere parts, managers and trustees, as well as all employees, need a larger vision to frame and order the instrumental tendencies of economic life—that is, they need to see things whole. If

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82. There have been many articles in the last few years contrasting Wal-Mart’s labor practices to those of Costco, highlighting the fact that Wal-Mart and Sam’s Club practices are not some mechanistic force but a value statement. See Christine Frey, *Costco’s Love of Labor: Employees’ Well-Being Part and Parcel of Success*, SEATTLE POST-INTELLIGENCER, Mar. 29, 2004, at C1; International Brotherhood of Teamsters, *Costco: The Only Company Wal-Mart Fears*, Nov. 24, 2003, [http://www.teamster.org/04news/hn\\_040211\\_6.htm](http://www.teamster.org/04news/hn_040211_6.htm).

83. See JEFF GATES, *THE OWNERSHIP SOLUTION* 2-15 (1998).

we spend a third to a half of our waking hours treating people as parts in our pursuit of wealth for shareholders or our own particular interests, we begin to deny the “image” in which we are created and ordered for authentic and life-giving relationships.<sup>84</sup>

### C. Order

The disease of *teleopathy* can only be cured by the prescription of an integrity that demands an ordering of the parts to the whole, or stated in more Trinitarian terms, wholes to the whole. This entails an ordered moral life within the organization. While there are legitimate and predictable tensions among the three dimensions, the metaphor of balancing the three dimensions and their various stakeholders is not robust enough to create an immune system against *teleopathy*—that is, the stakeholder model does not have the moral resources to create a sustainable community of work. Balancing interest or stakes will eventually result in a calculative tension among the various stakeholders, each of whom will eventually experience that they are on the wrong side of the calculus.<sup>85</sup>

In order to build a community of work, the organization and those who work in it must (a) recognize the deeper moral and spiritual principles underlying each of the three dimensions, and (b) order this richer understanding of these three dimensions to a larger transcendent purpose through the *complementarity* of the three dimensions of the organization. These recognitions will not eliminate tensions among the various stakeholders, but they will foster creative tensions resulting in the organizational conditions that increase the

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84. In an advertisement for the consulting firm Accenture, Tiger Woods states: “To accomplish more, sometimes you need to see less. Go on. Be a Tiger.” Accenture, Print Advertising, [http://www.accenture.com/Global/About\\_Accenture/Company\\_Overview/Advertising/PrintAdvertising.htm#blocking](http://www.accenture.com/Global/About_Accenture/Company_Overview/Advertising/PrintAdvertising.htm#blocking) (last visited Jan. 14, 2006). While certainly such a statement carries with it a degree of realism, it also reflects one of the major reasons why there is so much *teleopathy*. If we were to give the three-fold model an advertisement, we might state the following: “To be more, sometimes you need to see things whole. Go on. Be a Human Being.”

85. In terms of corporate governance, Robert Greenleaf explains that “[s]electing trustees to represent constituencies in the institution in order to make the trustee group a balanced political body dilutes trust,” because when one is on a level of interests the pressing question is, *do I have mine?* ROBERT K. GREENLEAF, *THE INSTITUTION AS SERVANT* 7 (1972). While stakeholder boards are better than shareholder boards with maximizing mentalities, stakeholder boards tend to be dominated by a “logic of interests” rather than a “logic of responsibilities.”

probability of establishing a community of work. A few words on each of these two points are in order.

D. *Deeper Understanding Within the Catholic Social Tradition*

As mentioned above, the three terms of identity, mission, and stewardship have the capacity to serve as middle-level terms that inspire the imagination to see work in a larger moral and spiritual context, and simultaneously push those who lead the organization to consider the concrete dimensions of organizational life. The Catholic social tradition has developed “integrity-evoking” principles that deepen the moral and spiritual understanding of organizational life and open one to a Trinitarian vision.<sup>86</sup> The more deeply these dimensions are understood, the more likely the temptations of *teleopathy* can be overcome and the more profoundly one understands why business should be understood and operated as a community of work.

Take, for example, the dimension of identity, the organizational dimension that the Catholic social tradition has articulated best among the three.<sup>87</sup> Two important principles from this tradition which relate in a special way to this part of the organization are the “dignity of work and its subjective dimension” and “subsidiarity.”<sup>88</sup> These two principles help us to understand the importance of work and how it should be structured in the organization. The dignity-of-work principle points us to the fact that when we work, we affect and change objects outside, or beyond ourselves. Yet, the work of a person is not only an activity that terminates in objects. The worker, whether manager, doctor, teacher, or janitor, changes not only the world, but she also changes herself as a *subject*. Because we are changing through our work, and because this change will either enhance or suppress our dignity, we must participate in the direction of our work. This is why John Paul II explains that “the (primary) purpose of any kind of work that man does is always man himself,”

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86. See Aline H. Kalbian, *Integrity in Catholic Sexual Ethics*, 24 J. SOC’Y CHRISTIAN ETHICS 55 (2004).

87. For a further discussion on the principles in mission and stewardship, see Michael Naughton, *Catholic Social Tradition: Teaching, Thought and Practice*, in SEEING THINGS WHOLE, [http://www.stthomas.edu/cathstudies/cst/mgmt/publications/seeingthingswhole/STW10\\_Naughton.pdf](http://www.stthomas.edu/cathstudies/cst/mgmt/publications/seeingthingswhole/STW10_Naughton.pdf) [hereinafter Naughton, *Catholic Social Tradition*].

88. See ALFORD & NAUGHTON, *supra* note 14, at 36-37.

so that “man does not serve work, but work serves man.”<sup>89</sup> Because organizations have a powerful formative effect on people, everything within the organizational realm must be judged in light of whether it protects or undermines human dignity.

While few people would deny the dignity or value of the person, such a principle has become so banal that it rarely evokes the transcendent mystery in which this dignity is grounded, namely, that the person is created in the image of a Trinitarian God and destined for fulfillment in the Kingdom. It also tends not to evoke the concrete commitment of what this mystery implies, namely, that people have priority over things, labor over capital, persons over technology, and that leaders of organizations must seek the *development* of people associated with the organization. Because of the origin and destiny of each person, her life is intrinsically valuable and sacred, and hence ought never be treated as *merely* a means to some organizational plan.

It is this dignity of work principle and its subjective dimension that gives rise to the principle of subsidiarity, which explains that organizations should be structured in such a way so as to push control to the lowest level appropriate, giving primacy to individuals and smaller groups within the organization who are affected by particular decisions.<sup>90</sup> Decisions that belong to a lower level should not be usurped by a higher level, thus ensuring that participation is strong and that people in the organization flourish as a result. Subsidiarity comes from the Latin *subsidio*, which means “a help or reserve.”<sup>91</sup> Organizations should be structured in a way that helps people to develop. If the workplace is to be a community of work, employees should have an active role in making it so. They should have routine, structured opportunities to have a voice in their work, and to participate in decisions that affect their working conditions. This right to participate carries with it responsibilities of active listening and maintaining clear lines of authority and accountability.<sup>92</sup> As an organizational principle, subsidiarity guides the level at which

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89. *Laborem Exercens*, *supra* note 1, ¶ 6.

90. See generally McCann, *supra* note 54; Michael Lower, *Subsidiarity and Employee Participation in Corporate Governance*, 2 J. CATH. SOC. THOUGHT 431 (2005).

91. See Lower, *supra* note 90, at 441.

92. Stephen Bainbridge argues that Catholic Social Teaching and in particular John Paul II's notion of participation suffers from bad theology and moral argument, as well as from a lack of empirical evidence. See Stephen M. Bainbridge, *Corporate Decisionmaking and the Moral Rights of Employees: Participatory Management and Natural Law*, 43 VILL. L. REV. 741 (1998).

authority, responsibility, and accountability best serve the organizational purpose of building a community of work.

E. *Relationships Among the Three Dimensions*

When each of the three dimensions of identity, mission, and stewardship is more richly described for what it is,<sup>93</sup> they together set the conditions for an organization to become a community of work, precisely because they begin to connect to the deeper anthropological realities of the person as made in the image of God. These richly described organizational dimensions also create a vision of their *complementarity*, which becomes an ordering principle in fostering the *purpose* of the organization.<sup>94</sup> For these three dimensions to be in a relationship of complementarity, it must be recognized that each dimension is lacking something that is in the other. "Thus, to complement is to make up for a deficit that exists in the other."<sup>95</sup> The contribution of each of the organizational dimensions is neither identical nor equal, but each is necessary to the success of the organization. A community of work is a place in which people participate in different ways and with specific responsibilities, whether they supply the necessary capital for the company's activities or take part in such activities through their labor. Any attempt to create an organizational vision that fails to recognize this complementarity among the three organizational dimensions and their respective stakeholders will result in distorted relations and in a failed community of work.

This complementarity does not remove the tensions within organizational life among the three dimensions, but it does push us, unlike the shareholder and stakeholder models, to define more accurately the unity that holds an organization together; the lack of which definition, as I asserted at the beginning of this paper, is one of

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93. See Naughton, *Catholic Social Tradition*, *supra* note 87.

94. Pope John Paul II has utilized this notion of complementarity in terms of husband and wife and laity and priest. In a speech to bishops he explained that "What 'the Church needs is a deeper and more creative sense of complementarity between the vocation of the priest and that of the laity.'" Zenit News Agency, *Laity Must Not Be Clericalized Nor Clergy Laicized*, *Says Pope*, (May 9, 2002), available at <http://www.zenit.org/english/visualizza.phtml?sid=20368>; POPE JOHN PAUL II, *THE THEOLOGY OF THE BODY: HUMAN LOVE IN THE DIVINE PLAN* (1997); CHRISTOPHER WEST, *THEOLOGY OF THE BODY EXPLAINED* (2003).

95. Kalbian, *supra* note 86, at 61.

the reasons for the various corporate scandals.<sup>96</sup> An analogy to the family can be helpful here. While many people recognize the male/female complementarity, too often a wife's contribution is seen as complementing the husband, as his helper. While husbands and wives are to serve each other, the purpose of marriage and the family cannot be collapsed to the service of either husband or wife; otherwise an oppressive hierarchy is established. There must be a mutual subjection for a greater purpose that includes, yet goes beyond, either husband or wife.<sup>97</sup>

In a similar way, the purpose of the organization cannot be collapsed to maximizing shareholder wealth, or exceeding customers' wants and needs, or satisfying employees. In the shareholder model, for example, with its maximizing ethic, employees eventually see themselves not as members of a community, but as expendable parts in an anonymous society of shares.<sup>98</sup> This has become quite evident in this age of globalization where employees are "outsourced" without a sense of mutual service for a greater good. John Paul II was quite clear that the purpose of business cannot be "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."<sup>99</sup> And what makes a community of persons is its reflection of the Trinity as a communion of persons—a dynamic of giving and receiving that binds people together into one entity.

The purpose of the corporation, then, is to order its three dimensions in a complementary relationship where an authentic community of work is created that contributes to the common good and brings forth God's kingdom. Peter Heslam explains that when George Cadbury, a devout Quaker, took over the family chocolate business with his brother in 1861, "he would pursue business neither as an end in itself nor as a route to individual riches but as a means of serving humanity and extending God's kingdom."<sup>100</sup> When the complementarity of the three dimensions is ordered toward the

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96. See *supra* text accompanying notes 1-24.

97. See Pope John Paul II, *Mulieris Dignitatem* [Apostolic Letter on the Dignity and Vocation of Women] ¶ 24 (St. Paul ed. 1988) [hereinafter *Mulieris Dignitatem*].

98. See *supra* notes 75-76 and accompanying text.

99. *Centesimus Annus, supra* note 34, ¶ 35.

100. Peter Heslam, *George and the Chocolate Factory*, CONNECTING WITH CULTURE, Feb. 9, 2005, <http://www.licc.org.uk/culture/george-and-the-chocolate-factory>.

common good, and thus contributes to the further development of civilization and God's kingdom, an authentic community of work emerges. The good of this community is shared by employees, customers, suppliers, and owners, as well as the larger community. While it may seem odd to say that a chocolate company can contribute to the common good, if one follows the process from picking the cocoa bean to consuming the chocolate, many people in many different countries are impacted by this process, and the purposes of those in control of this process will go far in determining whether the common good is served or not.

It is important to take time here to explain what this ordering principle of complementarity contributes. This notion of complementarity among the three organizational dimensions of identity, mission, and stewardship recognizes the reality that the interaction among the three dimensions creates something more than each dimension can achieve alone. It is not a *fractional* complementarity of  $1/3+1/3+1/3=1$ , nor is it a numerical complementarity of  $1+1+1=3$ .<sup>101</sup> Rather, it is an integral complementarity where a synergy of forces joined in cooperative—but differentiated—union creates something new. What is created is more than the sum of the contributing parts, which is why the purpose of the organization should not be reduced to any one of the three dimensions of the organization. This is precisely because the combination of these dimensions creates a new force in the world, which, when rightly ordered, contributes to the common good and God's kingdom. This is why the purpose of the organization is "transcendent": it is a reality that cannot be measured fractionally or numerically, but rather—and again, if it is rightly ordered—is felt in the dynamic collaboration of forces of human beings working together, made in the Trinitarian image of God.

So what exactly is created in this complementarity? If it cannot be measured, has the complementarity really created something new? What is new are the relationships, the communions, between the people who are connected by the corporation. An analogy can be helpful here. When we speak of the Father, Son, and Holy Spirit, we do not speak of them as an aggregate of individuals, but rather as a community of persons in relationships that we call the Trinity.<sup>102</sup> In an analogous way,

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101. See Prudence Allen, R.S.M., *Person and Complementarity in Fides et Ratio*, in *THE TWO WINGS OF CATHOLIC THOUGHT* 36, 67 (David Ruel Foster & Joseph W. Koterski, S.J., eds., 2003).

102. Fr. Robert Barron explains that for Augustine, the category of relationship within this Trinitarian understanding was revolutionary. Barron points out that

our being is found in our relationships with others and with God. When people work with each other, and when the work is good work, they create relationships that have the capacity to foster growth in those who are in such relationships, and these relationships image more clearly the giving-receiving dynamic of the Trinity. Within a rightly ordered corporation, a *communion of persons* takes place, namely, the relationships between and among persons that foster the flourishing of those within the relationships.

This is why the common good is so important in describing the nature of organizations. A defining feature of the common good in the Catholic social tradition, which sets it in opposition to any form of liberalism or utilitarianism, is that it is realized “among those who pursue it . . . [as] a common life of desire and action.”<sup>103</sup> Our Trinitarian and social nature decrees that we develop authentically only through our participation in right relationships with others in an array of institutions: family, school, church, commonwealth, and *work*. If we fail to order our pursuit of personal and private good to a common life in relationships with others, objectively we are not left as neutral “non-participants,” but we are left isolated with only our private interests, having denied the Trinitarian image in which we were made.

Aquinas explained that, “a man’s will is not right in willing a particular good, unless he refer it to the common good as an end.”<sup>104</sup>

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we know the Father is only the Father in relation to something. The Father would not be the Father without the Son. We know the Son is the Son only in relation to the Father. We know the Holy Spirit is nothing but the relation between the Father and the Son. All three of the Trinitarian persons exist . . . toward another, in the presence of another, for the other. They are essentially relational. . . .

For Aristotle, we are talking nonsense. A relationship is accidental, derivative. There is me; there is you, and we have a relationship. You and I are substances . . . . A relationship is accidental. . . . [But for Augustine and the Catholic tradition] God is in his substance nothing but a set of relationships. . . . What St. Augustine saw now is precisely that God is like a family. Not so much a thing, not so much a being, but God is a family of persons, a set of relationships . . . .

Robert Barron, *Augustine’s Critique of Rome: A Theological Reflection on Violence and Non-Violence*, Address to John Carroll University’s Institute of Catholic Studies (Mar. 16, 2005), in *PRISM*, Summer 2005, at 6, 7.

103. SIMON, *supra* note 76, at 49.

104. THOMAS AQUINAS, *SUMMA THEOLOGICA*, Part I-II, Question 19, Article 10 (Fathers of the English Dominican Province trans., Christian Classics 1981) (1911) [hereinafter *SUMMA THEOLOGICA*]. Aquinas points out,

When we begin to order our particular goods to a common life of desire and action, we begin to establish relationships that are real communions and not merely contracts or mutually self-serving exchanges. These relationships are *communions of persons* imaging, however cloudily, the *communion of persons* in the Trinity.<sup>105</sup> We bestow on one another "'communications' or signs aimed at producing 'communions'" such as the virtues of solidarity, justice, loyalty, trust, patience, and so forth.<sup>106</sup> While these virtues are first and foremost qualities internal to the person, when they are practiced in collaboration with others within a corporation, they create bonds of communion, *communion of persons* in the corporate life they are in; that is, they begin to form a "community of work."<sup>107</sup> It is precisely in

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The common good of many is more Godlike than the good of an individual. Wherefore it is a virtuous action for a man to endanger even his own life, either for the spiritual or for the temporal common good of his country. Since therefore men engage together in warlike acts in order to safeguard the common weal, the soldier who with this in view succors his comrade, succors him not as a private individual, but with a view to the welfare of his country as a whole: wherefore it is not a matter for wonder if a stranger be preferred to one who is a blood relation.

*Id.* Part II-II, Question 31, Article 3.

105. Throughout his visits worldwide, John Paul II would speak to business and labor groups about understanding the workplace as a community of persons or a community of work. To a group of business leaders in Milan, Italy, he said,

This concept of enterprise as a community of persons constitutes the source of the exacting ethical requirements of all those who, directly or indirectly, have to do with the social and economic life of the community. As you well know, in a truly human economy, enterprise cannot be identified only with the holders of capital, since it is fundamentally a community of persons characterized by the unity of labor, in which personal services and capital serve for the production of goods.

DIGNITY OF WORK, *supra* note 4, at 14.

106. JONATHAN BOSWELL, *COMMUNITY AND THE ECONOMY* 25 (1990); SIMON, *supra* note 76, at 65-66; Robert C. Solomon, *The Corporation as Community: A Reply to Ed Hartman*, *BUS. ETHICS Q.*, July 1994, at 271, 276 (1994). Simon points out that the common good has a powerful hold on the consciences of people, even when it is radically misunderstood:

People of debased conduct and skeptical judgment still find it natural to die for their country or for such substitute for a country as a gang. And during the golden age of individualism the conscience of men, in spite of what the theorists had to say, often recognized the common good and served it with devotion under such improper names as "general interest" or "greatest good of the greatest number."

SIMON, *supra* note 76, at 50.

107. See *Sollicitudo Rei Socialis*, *supra* note 30, ¶ 32. According to Virgil Michel, following Aquinas, the common good and the individual good are intrinsically connected for two reasons:

these communions that we reflect God's image. I image God, like virtue, as an individual, but "we" also image God as a community, most intimately in marriage, most profoundly in church, but also most concretely in our work.<sup>108</sup>

This brings me to a rather odd position, a position that when I started writing this paper, I did not anticipate I would come to. The corporation, like any institution, is made in the image of God. This statement, particularly in light of the recent scandals of corporations, seems blasphemous, since it seems to profane the sacred; yet, throughout the tradition of the Church, there has always been this radical idea that God's creative activity is imprinted throughout all creation. Of course, whenever we speak of the Trinity, we are speaking analogously, and we have to be careful of modeling the Trinity to fit our ideas; nonetheless, it is difficult to get away from the idea that the Trinity reflects in a certain way an institution, that is, a stable structure of social interaction, and that our image of the Trinity is not only in terms of our personhood, but our person in relationship to other persons.<sup>109</sup> Theologians have made connections to how the institutions of church and family can image the Trinity and the reason for this is that

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The first is that one's own good cannot exist without the common good of the family, or of the state, or of the realm. The second is that man as part of a household or state must also consider what is good for himself precisely as such a part of a larger whole. The goodness of parts is impossible without their proper proportionate relation to the whole.

VIRGIL MICHEL, O.S.B., *The Common Good*, in *THE SOCIAL QUESTION* 24, 25 (Robert L. Spaeth ed., 1987) (citation omitted) (citing *SUMMA THEOLOGICA*, *supra* note 104, Part II-II, Question 47, Article 10).

108. These communions do not happen automatically nor through any technique; rather, they happen through a lifetime of deliberative intentions of "my" relating to "you" as an other. These bonds of communion create culture, which increases the probability that people will be more humanized through corporations. This culture is expressed internally in the organization where conditions are created to foster the growth of employees. This culture is also expressed externally in the wider society that fosters conditions to grow as a whole. Minnesota, despite the cold, has a high quality of life in part because of the progressive character of its people in creating highly participative companies which also participate in solving the problems of the community. While the corporation is not responsible for the common good as the state is, the corporation's existence, when properly ordered, contributes to the common good in a real and essential way. But it will contribute to the common good most fully when it sees itself not as a society of shares or interests, but as a community of work. See WILFRED BOCKELMAN, *CULTURE OF CORPORATE CITIZENSHIP: MINNESOTA'S BUSINESS LEGACY FOR THE GLOBAL FUTURE* (2000); Center for Ethical Business Cultures, <http://www.cebcglobal.org> (last visited Jan. 16, 2006).

109. MIROSLAV VOLF, *AFTER OUR LIKENESS: THE CHURCH AS THE IMAGE OF THE TRINITY* 235 (1998).

the Trinity is a communion of persons. But if work is the place where people spend a majority of their time, can we not, in an analogous way, speak of the corporation as a communion of persons that images the communion of persons of the Trinity? Of course, no corporation reflects this communion perfectly, and many distort this image beyond recognition, but when corporations are at their best, when their identity, mission, and stewardship are understood complementarily and when they contribute to the common good, their community of work, reflects the communion of persons within the Trinity.

### CONCLUSION

In conclusion, let me focus on whether the giving dimension articulated throughout this paper is possible in today's market economy, and what role the dimension of receptivity plays in developing a robust community of work.

#### A. *Giving in Work*

After this articulation of a Catholic, Trinitarian, and communitarian vision of the organization, the reader may ask, "Fine, but what planet do you live on? What companies reflect such a vision?" The presumption here is that this idea of a "community of work" is not practical within our market-oriented system. Especially for those who hold to the "society of shares" or shareholder model of the corporation, there is a presumption that any understanding of the corporation besides "maximizing shareholder wealth" is simply idealistic and unworkable. To answer this objection, we simply have to look at *all* corporations. We must recognize empirically that we find all three visions of the corporation operating today: shareholder—society of shares; stakeholder—society of interests; and a community of work.<sup>110</sup> While the "publicly traded corporation" will tend toward a society of shares or a society of interests model, privately held corporations take all shapes.

One of the most interesting forms of a community of work can be found in the Focolare movement's practice of "Economy of Communion."<sup>111</sup> Within this model, there are close to eight hundred

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110. See *supra* text accompanying notes 1-24.

111. See GOLD, *supra* note 32, at viii.

businesses that have been developed worldwide, all based upon a more Catholic, communitarian understanding of the corporation.<sup>112</sup> Other types of businesses that follow the community-of-work model would be cooperatives. Mondragon Cooperatives, for example, was inspired and guided by the vision of Fr. Don José Maria Arrizmendiarieta, whose theology and philosophy of work was grounded in the Catholic social tradition.<sup>113</sup> Mondragon is a complex of businesses in the Basque region with over 30,000 workers and over six billion dollars in annual sales.<sup>114</sup> In the U.S., there are numerous companies—most of which are small to medium in size and privately owned, some of which are employee owned—that simply cannot be explained by the shareholder and stakeholder models.<sup>115</sup> Either through a deeply religious outlook or through a strongly humanistic and communitarian orientation, these companies are building imperfect but authentic communities of work.

The point here is that there are communities of work that are efficient, profitable, and sustainable. The question is not whether a community of work functions or not;<sup>116</sup> the question is whether

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112. *Id.*

113. See David Herrera, Laborem Exercens, “Traditional” Organizations and the Democratic Mondragón Model, in *WORK AS KEY TO THE SOCIAL QUESTION: THE GREAT SOCIAL AND ECONOMIC TRANSFORMATIONS AND THE SUBJECTIVE DIMENSION OF WORK* 235, 235 (2002).

114. *Id.*

115. Examples of such privately owned companies include Reell Precision Manufacturing, Ouimet Industries, Herman Miller, and Service Master.

116. Actually, recent evidence suggests that governance mechanisms within the shareholder model may not generate the results predicted.

The increased reliance on equity-based forms of executive compensation has resulted in a stronger alignment between executives and shareholders, driven largely by stock options. That is, executives today hold greater percentages of firm equity than they did during the early 1990s. Despite the increase in equity-based compensation during the past decade, extant research has not provided compelling evidence of a strong relationship between executive compensation and shareholder wealth at the firm level. A recent meta-analysis of pay studies, for example, showed that firm size accounted for eight times more variance in CEO pay than did firm performance.

In sum, while issues of control over executives and independence of oversight have dominated research and practice, there is scant evidence that these approaches have been productive from a shareholder-oriented perspective. These results suggest that alternative theories and models are needed to effectively uncover the promise and potential of corporate governance.

entrepreneurs, employers, and managers can transcend the cultural biases of economic liberalism that pervade today's business schools, corporations, and popular culture, and decide that they can create communities of work that will foster the growth of people.

Of course, the companies mentioned above are not publicly traded. As Mark Sargent explains, "The largest challenge for this understanding [of a community of work] . . . is finding a meaningful way to talk about the public corporation, with its highly fluid set of stakeholders, most of which have very specific, impersonal and often transient relationships to the corporation, as a 'community.'"<sup>117</sup> Here we have to face some difficult structural questions of the law, markets, bureaucracy, and so forth. Have publicly traded companies become so large and impersonal, so driven by external forces of disconnected investors, so paralyzed by legal restrictions, as to be crippled in reflecting a community of work?

There is no doubt that large publicly traded companies will encounter significant obstacles to creating a community of work as outlined in this article. When these companies are impersonal, disconnected from communities in which they reside, and financially driven, there is little chance that they will reflect a community of work, and Christians and people of good will should be aware of what impact such corporations have on their lives and souls. But two things need to be noted. First, we need again to take a look at all publicly traded companies, and we find that not all of them are the same. There is a huge difference between a Medtronic and a Tyco. Medtronic, for example, still retains a strong connection to its mission "to restore health, and extend life."<sup>118</sup> It has created since its founding a strong identity such that those who work for the company feel connected as dignified members of the enterprise.<sup>119</sup> And the company has had a leadership, especially its past president, Bill George, that has not capitulated to outside investor pressures to make financial gain the purpose of the company.

People who work in corporations can reflect authentic communities within their department and division even when the larger company fails to reflect the principles of such a community.

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117. Sargent, *supra* note 4, at 573.

118. Medtronic, Our Mission, <http://www.medtronic.com/corporate/mission.html> (last visited Jan. 10, 2006).

119. See BILL GEORGE, AUTHENTIC LEADERSHIP: REDISCOVERING THE SECRETS TO CREATING LASTING VALUE (2003).

Obviously, this is a precarious situation, but we live in a fallen world, and we have to recognize that no firm reflects perfectly a community of work. We are sinful people, and no community, including the Church, will reflect a model of perfection. People will find themselves in less than perfect situations, although more often than not they can find ways to foster conditions that bring out the best in themselves and in others; however, if they are not properly oriented to a community of work, they can find themselves more focused on their own particular interests and less on creating bonds of communion with other stakeholders.

What the shareholder and stakeholder models describe is what we look like not so much when we are at our worst, but what we look like in our mediocrity. They foster societies of shares and interests that generate calculative mentalities that create enclaves of interests, not communities of character. A community of work, as articulated in this article, describes what we look like when we are at our best. No doubt this can become idealistic, but it is a model of organizational life that has the capacity to tap “the power to build a community,” and community-building contributes significantly to the common good and brings us closer to God’s kingdom.

### B. *Receptivity*

Finally, it is important to recognize that the fullness of community and consequently our own development will not occur perfectly in a business or work organization. One must take care not to expect more from temporal communities, such as a corporation, than they can give.<sup>120</sup> This is a danger for those who identify their lives totally with their work, even when they value their work principally for the goods it distributes to others. We need to be careful of over-investing ourselves in our work. This is an increasing problem for those in business and professional life today. Business people and professionals invest such an extensive amount of time and energy in their work communities that their other communities, such as family, church, and civic associations, suffer from neglect, as does these individuals’ need for rest and receptivity.

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120. One must also guard against expecting more from theology than it can give. The complexity of organizational life cannot be completely captured by theological categories or organizational models.

Christopher Bartlett and Sumantra Ghoshal, see this problem as an opportunity in disguise:

Institutions like churches, communities, even families, which once provided individuals with identity, affiliation, meaning, and support, are eroding. The workplace is becoming a primary means for personal fulfillment. Managers need to recognize and respond to the reality that their employees don't just want to work for a company; they want to belong to an organization. More than just providing work, companies can help give meaning to people's lives.<sup>121</sup>

Yet, the problem with this perspective is that a community of work cannot replace other communities, especially the Eucharistic community and the family community. A corporation, by itself, does not have the resources to "give meaning to people's lives," let alone to make itself an authentic community. This will come from the culture, and especially the community in the culture that is bounded by a love that helps people to love their neighbor as themselves, not simply on an occasional or instrumental basis, but as a life-long project. Yet, this ability to love, which is the basis of all authentic communities, will not occur without a restoration of transcendence, of receptivity, of a grace that moves us from our own particular self-interest and narrow notions of the good. We all have the inherent capacity to love, but many of our loves tend to be a momentary burst of good will that fades when the emotion wears off. The possibility for a community of work in a corporation remains doubtful without a strong culture that returns the larger society to a religious-moral view of the human person as receiver and not only as giver. The crucial cultural institutions here are religion, family, and education.

However important the corporation has become, it cannot become one's only, or even one's primary, community. This leads to a life not of fulfillment but of tragedy. The organization comprises what Aquinas calls a "temporal common good."<sup>122</sup> We would not go wrong

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121. Christopher A. Bartlett & Sumantra Ghoshal, *Changing the Role of Top Management: Beyond Strategy to Purpose*, HARV. BUS. REV., Nov.-Dec. 1994, at 79, 86.

122. See ALFORD & NAUGHTON, *supra* note 14, at 64. Aquinas would call "common goods" those aspects of the human community that help us grow in virtue. As Sherwin says:

Specifically, the temporal common goods [sic] is the totality of all those goods which promote virtuous living and which can be shared by all. The "common good

by reading “temporal” as “temporary” in the sense of “provisional, and due to be replaced.” The fullness of the City of God transcends the corporation. A life dedicated only to a corporation will eventually lead to a life of exhaustion. What the ecclesial community points to is an “eschatological reality that surpasses all . . . human goods.”<sup>123</sup> This does not mean that this temporal and economic community is “shabby” or worthy of neglect. What happens in this community is significant because it affects our contribution to the common good and consequently to our salvation, but it is a community that alone cannot bear the weight of leading us to salvation. Or, put another way, our work as a community is linked, but not equated, with our salvation. Here we need to center ourselves in the ecclesial and Eucharistic community, a community that in affirming the real presence of Christ will help us to see that presence in all aspects of our life, including the corporation, which will move us to build an authentic community of work.

I believe that only a conversion to this theological reading of the person and community will unsettle the shareholder and stakeholder versions of the corporation and move them from their restrictive notions of the good. For some, such a reading will recall a political theocracy of sorts, but that interpretation would be unfair. What a theological understanding of a community of work points us to is that the goods of the corporation are not the highest goods in human life,

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comprises many things” and “is produced by many actions.” First, there are bodily goods such as food and clothing the resources for which must be present in order for the community to flourish. There are higher goods such as peace, tranquillity and the security of the community. There are the goods of the soul such as love and delight . . . Then there are those goods that are specifically directed to promoting virtue: the laws of the state, the customs and training provided by the family, and the teaching of the Church. The whole of all of these goods which make up the cultural heritage of a people, and which promote the full human life—that contemplative life which leads to God—this totality is the temporal common good.

Michael Sherwin, *St. Thomas and the Common Good*, 70 *Angelicum* 307, 319-20 (1993) (citations omitted) (quoting *SUMMA THEOLOGICA*, *supra* note 104, Part I-II, Question 96, Article 1). Hence, there is a sense in which all goods in this life are particular, even those which benefit us all and which we all need in order to live a good and happy life. This realization is behind the statement of Adler and Farrell that virtue is “essentially common” and “existentially individual.” M.J. Adler & Walter Farrell, *The Theory of Democracy* (pt. 2), 3 *THOMIST* 588, 600 (1941) (emphasis removed).

123. DAVID HOLLENBACH, S.J., *THE COMMON GOOD AND CHRISTIAN ETHICS* 124 (2002). John Finnis explains that “An attempt, for the sake of the common good, to absorb the individual altogether into common enterprises would thus be disastrous for the common good, however much the common enterprises might prosper.” FINNIS, *supra* note 12, at 168.

but limited goods that are good precisely when they create communions with others. They are in this sense indispensable but insufficient for the realization of such a communion. This does not mean that a full accounting of the theological meaning of the corporation must be assented to by every person in a business; but it does mean that without a serious theological engagement on the meaning of a corporation as a community, our “growing inability to situate particular interests within the framework of the common good”<sup>124</sup> will continue leaving us with dysfunctional corporate societies of shares and interests.

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124. *Centesimus Annus*, *supra* note 34, ¶ 47.