

An Emerging Model of Business: Enterprise and Catholic Social Teaching

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Abstract

The challenge for faculty teaching in Catholic Business Schools is how to integrate the University's Catholic heritage and tradition into the core business curriculum. Such integration is necessary if schools of business are to provide their students with a distinctive educational experience. The Living Asset Stewardship (LAS) philosophy of management developed by Joseph Bragdon and described in *Profit for Life* is an alternative to the prevailing model of management taught in most business schools and practiced by most organizations. The authors believe that Bragdon's LAS criteria and accompanying model provide a useful methodology for demonstrating the practical wisdom and successful application of many of the principles of Catholic Social Teaching (CST). Bragdon's model and its connections to CST can help business faculty more fully integrate the University's Catholic tradition into topics relevant to a business core curriculum.

Many Catholic universities and colleges are engaged in discussions about how to provide educational experiences that more fully integrate their institutions' Catholic and religious heritage. At the University of Dayton, a school with a Marianist heritage, these discussions and efforts occur not only at the university level but also within its various colleges and schools.

Five years ago, as part of a strategic planning effort, the School of Business at the University of Dayton began discussions about how more fully to incorporate the University's Catholic and Marianist heritage into its curriculum. The theme of "business as a calling" has emerged in campus programming as an outgrowth of this dialogue. For the past four years, the school has sponsored a two-day fall seminar that brings to campus a prominent executive to engage faculty, staff, students, alumni, and the local business community in a discussion

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about spirituality and faith in business and work. More recently, the participants of this seminar have successfully designed and offered for the third time an MBA elective course titled: *Business as a Calling*. Discussions now center on how to develop this theme in the undergraduate core business curriculum.

The purpose of this article is to outline an alternative management model—the Living Asset Stewardship (LAS) model—for faculty teaching core business courses that is both useful and practical for integrating Catholic Social Teaching (CST) into class discussions. The principles presented in this new model are not only compatible with CST but also good business practices. We recognize that this approach will require business faculty to become familiar with the principles of CST and to recognize the importance of integrating these principles into core business classes. These issues will be addressed together with suggestions for developing faculty support.

The current traditional model of management taught in most business schools is usually some variation of managing by objectives or managing by results. The model shown in Table A captures the essential features of this prevailing style of management.¹

The above model sees the role of management as essentially aligning and motivating employees to work toward goals and targets often expressed in numerical terms. Admitting some variation in how Management by Objectives (MBO) and Results (MBR) are practiced, this model usually involves the following assumptions:

The whole is equal to the sum of its parts. If you give each person, department, profit center, or division its numerical target, and those targets are achieved, then overall corporate goals will be met. The focus is on achieving local optimums (i.e., component unit numerical targets).

Management focus is on results/outputs and not means or processes. Maximization of shareholder wealth, expressed in terms of meeting quarterly and year-end earnings targets, becomes the litmus test for success.

Since it is necessary to align and motivate employees toward the firm's goals, performance evaluation and compensation systems must be designed with a results-oriented focus.

The role of measurements is to control people and results.

¹ H. Thomas Johnson, "Confronting the Tyranny of Management by Numbers," *Reflections* 8, no. 2 (2007): 8.

Table A. Management by Objectives and Results

Process	Give the separate parts of the organization specific goals and targets. Hold them accountable by measuring their performance against these targets.
View of the organization	The organization can be made to perform better by focusing on optimization of the performance of the parts (i.e., the component units).
Parts/Wholes	Focus is on how each separate part performs. The whole is equal to the sum of the parts. If each component unit achieves its targets, the firm achieves its numerical targets.
Assumptions about profit	Profit is the overall goal of the firm. Profit must be maximized above all else.
Control	Emphasis is on centralized decision-making, goal setting, and tight control. Employees must be motivated and aligned with firm goals if goals are to be achieved. Rewards, incentives, and negative consequences are necessary for this motivation and alignment.

We have chosen the Living Asset Stewardship (LAS) model of management developed by Joseph Bragdon in his book, *Profit for Life*² as an alternative model to illustrate the application of CST in core business classes. Bragdon's model of management developed from his work as a private account money manager for those clients interested in socially responsible investing. Bragdon began to explore the relationship between the triple bottom line of social investing (economic, social, and environmental returns) and the culture and processes necessary to sustain those returns.³ His research led him to identify three fundamental differences between traditionally managed firms and his LAS model organizations. These differences were organized into three categories: (1) Why do we exist? (2) How do we operate? and (3) What do we stand for?⁴ From these three categories emerged eight criteria for a LAS firm as shown in Table B. Bragdon used these criteria to screen companies for inclusion in his Living Asset Management Performance (LAMP) Index, his compilation of results of the study.

Table C shows the sixteen companies out of the sixty Bragdon identified that are discussed in his book and are part, therefore, of the LAMP Index. The other forty-four companies are not identified.

In March 2007 Bragdon retained a consulting group to do an independent risk/reward analysis of the Global LAMP Index to test its validity. Their analysis covered the period 1996-2006. The LAMP Index

² Joseph H. Bragdon, *Profit for Life: How Capitalism Excels: Case Studies in Living Asset Management* (Massachusetts: Society of Organizational Learning, 2006).

³ *Ibid.*, 85-86.

⁴ *Ibid.*, 30.

Table B. Criteria Used to Screen for the Global LAMP Index³⁷

Commitment to systems or holistic thinking—focus on relationships and how the firm impacts larger systems that support it—how it defines itself and uses a more balanced approach to measuring success
Commitment to human rights—people are living assets—promote diversity in the work place—support for such agreements as the U.N. Declaration of Human Rights
A clear sense of “why we exist as a company”—profit is not an end but a means for achieving goals
Respect for employees—respect for people—treating employees as assets and partners and not just costs
Respect for nature—focus on stewardship of the environment
Respect for customers—listening and sharing with customers—connect with their values and needs—seek customer intimacy through frequent contacts and dialogue
Respect for strategic partners—respect for suppliers and other stakeholders
Respect for host communities—care and respect for local and global communities—support for health, education, and community welfare

³⁷ Adapted from pages 95-96 *Profit for Life*, Joseph Bragdon, Society of Organizational Learning.

outperformed the S&P 500 plus a number of other domestic and global investment benchmarks.⁵

Table D compares and contrasts the traditional MBO/MBR model with the LAS assumptions model, and shows links of the latter to the principles of Catholic Social Teaching.

LAS as a Methodology for Integration

The challenge for faculty in a Catholic business school is how to provide its graduates with an educational experience that is truly distinctive. This challenge is most directly related to how the principles of CST can be integrated into core business courses demonstrating that firms can both do well and do good by applying these principles. While the principles of CST may be covered in required religion/theology courses, business faculty must relate these principles to business topics in a way that demonstrates their practical wisdom and successful application.

The Living Asset Stewardship management model provides not only an alternative to other business models but also a useful methodology for demonstrating the practical wisdom and successful use of many of the principles of CST by some of the most successful global firms. While Bragdon’s description of LAS does not present all of the principles of the model in the same language of CST, the principles and practices

⁵ Joseph H. Bragdon, “Companies That Mimic Life,” *Reflections* 8, no. 2 (2007): 8.

Table C. Living Asset Stewardship Firms³⁸

1. Alcoa	9. Nokia
2. Baxter International	10. Novo Nordisk
3. Canon	11. Nucor
4. HSBC	12. Royal Dutch/Shell
5. Hewlett-Packard	13. Southwest Airlines
6. Intel	14. Stora Enso
7. Johnson and Johnson	15. Swiss Re
8. 3M	16. Toyota

³⁸ Adapted from Appendix 1: p. 332, *Profit for Life*, Joseph Bragdon, Society of Organizational Learning.

described by his model and their successful application are clearly present in the principles of CST. These comparisons are noted in column three of Table D.

The key feature of LAS is the distinction between living assets (people and nature) and nonliving assets (capital). Bragdon believes that living assets are more important to the productivity and longevity of companies than nonliving assets because living assets are ultimately the source of nonliving assets. He defines LAS as “caring about people and the things people care about.” The logic of his management philosophy is simply this—you take care of the things you value the most.

Bragdon believes that LAS is the core of an emergent new theory of management.⁶ He draws a sharp contrast between the approaches to management of LAS firms versus non-LAS firms (See Table D for a brief comparison of the two models). LAS leadership has adopted strategies and management practices very different from the prevailing model of management. LAS companies focus more on distributing power and decision making throughout the organization by empowering employees. Instead of focusing on managing by objectives and results, LAS companies focus more on managing by means as a way of connecting all of the firm’s stakeholders to decisions that reflect their values and ideals.⁷

Perhaps the clearest distinction between the two management models is how they treat their living assets. Many traditionally managed firms, through policies and practices, place more emphasis on nonliving assets. These firms focus on managing themselves as finely tuned machines that are efficient, organized, target driven, tightly controlled, and results oriented. They see profit as the end goal, with people and

⁶ Bragdon, *Profit for Life*, xi-xii.

⁷ *Ibid.*, 2.

Table D. Two Approaches to Management³⁹

Prevailing/Traditional Model	LAS Model	Catholic Social Teaching
Focus on capital assets	Focus on living assets	Dignity of the Human Person and Work Solidarity
Firm as isolated machine Newtonian physics/ predictability	Firm as integral to web of life Living system/randomness	Solidarity Common Good
Competition as primary Profit as the primary end Employees as replaceable	Cooperation as primary Profit as a means to a higher end Employees as precious assets	Solidarity Common Good Dignity of the Human Person and Work
Employees as needing direction	Employees as self-organizing	Subsidiarity
Learning as a cost	Learning as an opportunity	Dignity of the Human Person and Work
We are watching you	We trust you	Subsidiarity
Defend your turf/get ahead	Use teamwork/share	Solidarity
Periodic feedback	Continuous feedback	Dignity of the Human Person and Work

³⁹ Adapted from Table 4-2, p. 76, *Profit for Life*, Joseph Bragdon, Society of Organizational Learning.

nature as the means to that end. LAS companies, on the other hand, see themselves as living/organic systems; they are communities of people with diverse skills, closely integrated with nature and society, and focused on serving life. They place a higher value on living assets. For them profit is a means; the end is fulfilling their missions and serving the needs of their primary stakeholders.⁸

Faith, Catholic Social Teaching, and Business

Catholic Social Teaching is a time honored set of beliefs and themes.⁹ These themes represent practical reasoning by the community and a set of basic principles resulting from this reasoning which can guide and shape behavior and decisions in all professions. These beliefs and themes are updated as new issues and problems arise regarding important social questions. This ongoing process of applying CST to new and emerging issues, such as the effects of globalization on competition,

⁸ Ibid., 3-4.

⁹ United States Catholic Bishops, *Economic Justice for All: Pastoral Letter on Catholic Social Teaching and the U.S. Economy* (Washington, D.C: United States Catholic Conference. 1986), nos. 4, 5, & 6.

third world debt, and the impact of business on the supply of natural resources, keeps the church in touch with current events and issues in both the economy and the work place.

Applying the principles and themes of CST in business and the workplace offers business professionals new insights to be explored and used as they deal with complex issues and decisions. The Church benefits from the experience of professionals who attempt to advance the themes of CST in concrete situations in the workplace and then to assess the results in light of their experiences.¹⁰

Such a continuing exercise of practical reasoning and assessment yields a set of basic principles and themes that can provide business students, and later business professionals, an opportunity for reflection and judgment in light of new issues, problems, and challenges. Catholic business schools have an obligation to educate professionals to be wise technically, and also to be morally grounded. CST is a vital resource for mediation and integration between the liberal arts and business.¹¹

“Business as a calling” is ultimately a challenge to the character of those called into the business professions and business enterprises.¹² Firms that have good people and good cultures are more effective not only from an economic standpoint but also in terms of what they can accomplish for society.¹³ These connections are not always obvious. The companies whose practices are highlighted here pursue many of the themes and principles of CST, albeit under different titles or names.

An examination of the principles of LAS reveals that they are not merely a set of techniques or tools, or the management flavor of the month. These principles are deeply ingrained in the social and cultural fabric of these firms because leadership was willing to move beyond the conventional wisdom of traditional management thinking. The firms embodying LAS principles have a deeply held core belief in the respect and dignity of people, which implies a role and purpose of business that transcends the quest for profit.

¹⁰ Pontifical Council for Justice and Peace, *Compendium of the Social Doctrine of the Church* (Washington, D.C. USCCB Publishing, 2004), no. 53.

¹¹ *Ibid.*, no. 7.

¹² United States Catholic Bishops, *Economic Justice for All*, no. 25.

¹³ Martin E. Marty, “Non Religion, Religion and Spirituality,” in Oliver F. Williams, C.S.C., *Business, Religion and Spirituality: A New Synthesis* (Notre Dame, IN, University of Notre Dame Press, 2003), 44-45.

Principles of CST

We have identified four principles from CST that are most relevant to issues that would be part of any core business curriculum using LAS: (1) the dignity of the human person and work; (2) the common good; (3) subsidiarity; and (4) solidarity. There are other important elements in the Church's social teaching, but we are covering only those parts that bear directly on business, LAS, and Bragdon's eight criteria for selecting LAS firms.

Dignity of the Human Person and Work

In this principle of CST, the Church declares that human life is sacred and that the dignity of the human person is the foundation of a moral vision for society. The belief in the inherent dignity of the human person is the foundation for all of the principles of CST. In the context of business and the economy, this principle expresses the view that each person should be recognized as a member of the communities required to support his or her needs.¹⁴ Hence, all economic activity must be shaped by moral choices. The economic and business decisions of various firms and institutions should be judged by how they affect the dignity of the human person, and support the viability of the communities to which they belong and the locales in which they live. Therefore, this means the economy exists for the person, not the person for the economy.

Inherent in this principle is the belief in the dignity of work.¹⁵ More than a way to make a living, work is a way people participate in God's act of creation. People take pride in their work, and thereby contribute to the good of others and to society as a whole. A person's work is linked to his or her dignity. If the dignity of work is to be protected, then the basic rights of workers must be protected. Among employee rights are productive work, decent working conditions, and adequate, fair wages.

¹⁴ Pontifical Council for Justice and Peace, *Compendium*, cf. Chapter 3, 49-65; 120-121, nos. 270 & 271.

¹⁵ Helen J. Alford, O.P. and Michael J. Naughton, *Managing as If Faith Mattered: Christian Social Principles in the Modern Organization* (Notre Dame, IN.: University of Notre Dame Press, 2001), 70-76.

One of the purposes of work is the development of the worker.¹⁶ Colleagues want and deserve to share in the responsibility and creativity involved in the work process. Staff members are persons, not just “resources” or “costs.” Engaging them as persons yields great results for the firm, for staff members, and for society.¹⁷ Organizations must strive to preserve the dignity of all people regardless of their race, religion, ethnicity, socioeconomic standing, stated positions, and/or present circumstances.

This principle of CST reflects a number of Bragdon’s Global LAMP Index criteria, especially those related to respect for employees, customers, and a firm’s strategic partners. Also embedded in this principle of CST is a commitment to human rights and a larger purpose for the firm beyond making a profit.

The Common Good

As used here, common good is a framework describing a business’s commitment to citizenship and civic involvement to promote and contribute to the general welfare. The emphasis is on creating, collaborating, and contributing, not only on competing and complying.¹⁸ It recognizes that each sector of society has resources that it can uniquely provide to insure the maintenance of a healthy community. It is important, therefore, that businesses build collaborative relationships with other sectors in order to promote the common good.

We are all interdependent and interconnected. Each person has unique gifts to contribute to some desired outcome. We all have a responsibility to promote the common good. In the context of business, how we organize and carry out work directly affects the human dignity of others, and the capacity to create a sense of community and promote the common good. Workplace policies and practices that promote internal competition, often sacrifice the individual for the success of their particular team. Such practices foster an attitude of win-lose versus win-win and thereby detract from efforts to bring about some agreed upon common goals for the whole organization. The LAMP Index criteria promote respect for host communities and a commitment to systems or holistic thinking, which is clearly linked to the principle of the common good.

¹⁶ Pope John Paul II, “Laborem Exercens: Through Work,” 1981, http://www.vatican.va/holy_father/john_paul_ii/encyclicals/documents/hf_jp-ii_enc_14091981_laborem-exercens_en.html, no.15.

¹⁷ Alford, et al., *Managing as If Faith Mattered*, 38-55.

¹⁸ Pontifical Council for Justice and Peace, *Compendium*, nos. 164-167.

Subsidiarity

The principle of subsidiarity in a business context allows those who are most involved with and most qualified for a particular action to make as many decisions as possible. Those most familiar with a task or process are empowered to take responsibility for managing it.¹⁹ Subsidiarity is closely related to the first principle of human dignity because it demonstrates a respect for the talent, initiative, and commitment of those engaged in work. The Church affirms the basic dignity of the human person as someone who should be accorded a minimum level of participation in the community.²⁰ In the context of work, this means that participation in the design and improvement of one's work increases the worker's human dignity.²¹ Such sharing of responsibility and the use of talents insures optimum investment of staff competence. Bragdon's focus on treating employees as living assets and partners, and his holistic thinking criteria, centered on relationships, link to the subsidiarity principle.

Solidarity

The principle of solidarity affirms that we are all united regardless of where we live and work. Leadership should foster loyalty among employees and a win-win spirit of cooperation, instead of the win-lose attitude of internal competition found in so many organizations.²² Our "togetherness" has global dimensions in an interdependent world. In the context of business, this principle would foster an attitude of allegiance to and cooperation with one another in our workplace. Loyalty to all stakeholders—not just to one group—would be the key to creating a culture of cooperation. In the language of business, "all one team" is the proper attitude and hoped for outcome. There is a direct connection between this principle and Bragdon's respect for host communities' criterion with its focus on care and respect for local and global communities, his respect for nature with its clear stewardship of the environment focus, as well as his respect for employees, customers, and other stakeholder criteria.²³

¹⁹ Alford, et al., *Managing as If Faith Mattered*, 77-78.

²⁰ Pontifical Council for Justice and Peace, *Compendium*, 81, no 186.

²¹ *Laborem Exercens*, no. 9.

²² Pontifical Council for Justice and Peace, *Compendium*, 84-87, nos 192-195.

²³ Alford, et al., *Managing as If Faith Mattered*, 78.

Integrating LAS with CST

Bragdon's eight LAS criteria shown in Table B provide the basis for the model of management presented in Table D and their connection to our four principles of CST. A useful methodology for faculty interested in integrating LAS with the principles of CST is presented in Table E. This table provides a brief summary of some of the key criteria and core LAS principles practiced by seven of the sixteen firms discussed by Bragdon. The last column in this table also shows the integration of these LAS principles with our four principles of CST.

These examples provide a useful starting point for integrating CST into the discussion of topics covered in a business core curriculum. The following illustrations of seven LAS firms are not meant to be comprehensive or prescriptive. Rather they are intended to illustrate how CST might be integrated in core courses using LAS.

Table E. Examples of Integrating the LAS Model and Catholic Social Teaching

Company	LAS Principles	Catholic Social Teaching
Toyota	Respect for people principle, empowering employees, team work, focus on safety and health of employees, concern for the environment	Subsidiarity, solidarity, common good, dignity of work/person
Hewlett Packard	Service to humanity, profit as a means and not an end, organization as a living community	Common good, solidarity
Nucor	Five stewardship principles: commit to employees, strive for world class innovation, locate in small communities, environmental leader, keep management lean	All four principles of CST are embodied in Nucor's five stewardship principles
Nokia	Employee coaching and mentoring, encourage employee experimentation, self-organizing teams, distributed decision making	Subsidiarity, solidarity, dignity of person/work
Johnson & Johnson	Mission: alleviate pain and disease, J&J credo puts focus on responsibility to employees, customers, suppliers, community, the environment	Common good, solidarity, dignity of person/work
Southwest	Servant leadership, respect for people, employee empowerment to solve problems	Dignity of work/person, solidarity
Canon	Corporate philosophy that looks to the common good of all, employee empowerment, subsidiarity	All four principles of CST are present

Toyota is the best example of a firm that represents LAS management. Faculty should have no difficulty discussing *Toyota* in any core business course since its culture, management, marketing, and manufacturing philosophy are the envy of both manufacturing and nonmanufacturing firms. Respect for people is one of the pillars of the *Toyota Way* culture. This provides ample opportunity for discussing LAS characteristics and their connection to CST with regard to empowering employees to take responsibility for continuous improvement and problem solving. *Toyota* also has some of the highest environmental, health, and safety standards in their industry which clearly affects the common good.²⁴ The *Toyota Production System (TPS)* and *Toyota's* management philosophy are directly related to the principles of the dignity of the human person and subsidiarity. Employees are seen as valuable assets who are in the best position to improve the processes that are the key to providing superior quality and customer satisfaction. Employees feel valued, respected, and vested in the firm's success.²⁵ Teamwork, trust, respect, and cooperation are hallmarks of the *Toyota Way* and are consistent with the principles of solidarity and the common good.

The ideals that are an integral part of the *Hewlett Packard (H-P)* culture are unusual in today's business environment. They focus on service to humanity and on processes that respect life rather than profit alone. These ideals relate directly to the principle of the common good and the dignity of the human person. Profit, according to David Packard (cofounder of H-P) "is not the proper aim of management; it is what makes all of the other ends and aims possible."²⁶ With a business model priority on the advancement and welfare of humanity and the environment, H-P provides an opportunity to discuss the aim/purpose of a business, and the stockholder versus stakeholder view of the corporation. Such discussions would be appropriate in a core finance, economics, or management class. The H-P culture views the organization as a living community in which employees are able to find a higher meaning and purpose at work.²⁷ This view of the firm is consistent with the principles of solidarity, common good, and the dignity of the human person/work.

Nucor would be worth studying in any core business class. It is now the largest domestic steelmaker, both by tonnage produced and by stock

²⁴ Bragdon, "Profit for Life," 16.

²⁵ *Ibid.*, 17.

²⁶ *Ibid.*, 29.

²⁷ *Ibid.*, 30.

market capitalization. It has an A1 credit rating, the steel industry's highest.²⁸ Nucor follows five stewardship principles: (1) commit to employees; (2) strive for world-class innovation—employees are encouraged to observe, learn, and innovate as they work; (3) locate in small communities—allows the firm to be close to employees and community and make a difference; (4) be an environmental leader; (5) keep management lean—based on trust and the running of divisions independently at the local level with self-directed teams.²⁹ Since 1969 Nucor has not had to lay off an employee for lack of work. Its culture of employee empowerment, teamwork, and a sense of ownership—plus the free exchange of ideas on improving operations—make it ideal for discussing the four principles of CST.

Nokia is a fourth example. The network is a metaphor for a living system and the organizing principle of a LAS approach. LAS firms foster networks that utilize the collective insight, wisdom, and gifts of all employees. *Nokia* does this and more by engaging the hearts of all constituents. *Nokia's* stated mission is to connect people.³⁰ This philosophy speaks to the principles of subsidiarity and solidarity. The dignity of the human person and work is also reflected in *Nokia's* culture of coaching, mentoring, and encouraging employees to experiment and have fun. Distributed decision making and self-organizing teams recognize the value of those closest to operations, and is another example of the principles of subsidiarity and solidarity.³¹ Faculty teaching a core management class could connect the principles of CST to these key aspects of *Nokia's* culture.

Johnson & Johnson's (J&J) mission is “to alleviate pain and disease.” The credo states J&J's priorities to the people it serves. These priorities are a responsibility to employees, customers, suppliers, distributors, communities, the environment, and stockholders.³² This credo reflects the principle of the common good. The J&J credo would also be an effective way to introduce a class discussion of the stakeholder versus stockholder view of the corporation. It is also one of the best examples of a mission statement expressing the belief that a company can do well and do good.

²⁸ *Ibid.*, 59.

²⁹ *Ibid.*, 60.

³⁰ *Ibid.*, 64.

³¹ *Ibid.*, 133.

³² *Ibid.*, 209

One of the best examples of servant leadership, wherein leaders at every level serve the career growth and wellbeing of employees, is found in the culture of *Southwest Airlines*.³³ The hallmark of this culture is a genuine concern for the welfare of its employees. As a result, a sense of loyalty and team spirit permeates the workforce. Southwest hires for attitude, rather than credentials and appearance, believing that skills can be taught. Employees share in company profits and are encouraged to have fun at work. The company has consistently followed a no layoff policy. Its open and sharing culture encourages employees to take responsibility for solving customer problems, based upon a marketing strategy which defines value from the standpoint of the customer. For a core marketing or management class, the success of Southwest, with its servant leadership management philosophy and its respect for employees, provides fertile ground for a discussion of three CST principles: dignity of human persons and work; subsidiarity; and solidarity.

Canon's corporate philosophy, *kyosei*, looks to the common good of all "communities, nations, the environment and the natural world."³⁴ Few companies can match its eco-stewardship, innovation, free cash flow, and shareholder returns. Bragdon calls Canon a LAS exemplar.³⁵ Its corporate philosophy speaks directly to our CST principle of the common good. Canon gives employees the freedom to pursue insights that might lead to eco-effective solutions; in turn, they respond with hundreds of thousands of ideas and innovations. Bragdon points out that the principle of subsidiarity is also present in Canon's culture.³⁶ Any core management class addressing issues of mission, vision, core values, and culture could easily engage its students in a discussion of Canon's philosophy and its direct connections to the principles of CST.

Obtaining Faculty Support

Our purpose has been to demonstrate a methodology for integrating the principles of CST into core business courses. We believe that LAS and the management practices and policies noted by our seven firms provide examples of how this integration can occur. However, it will be important to develop a strategy and rationale to obtain business

³³ Ibid., 52.

³⁴ Ibid., 36.

³⁵ Ibid., 37.

³⁶ Ibid., 152.

faculty support and ownership of what we propose. We believe the steps we outline below can help with this process.

CST certainly falls within the scope of what faculties in the College of Liberal Arts are expected to cover. While courses in religion and theology will usually be part of any business student's general education, business faculty are interested in an educational experience that integrates liberal arts and professional studies, thus providing a distinctive educational experience for their students. Making appropriate connections between CST and the core business curriculum is one way to demonstrate the practical wisdom of this distinctive professional educational experience. Effective integration requires the efforts of both liberal arts and business faculty. Given the increasing costs of attending Catholic universities, such efforts will also become increasingly important in the future. The integration we are proposing will assist in making the case that the core business curriculum in a Catholic university is distinct from that provided in a state or other private university.

The kind of integrative experience proposed in this article can also be used as a means for increasing business faculty interest in the university's Catholic and religious heritage. Providing necessary integration between Bragdon's model and CST will require developing workshops or seminars on the principles of CST. An approach used at the University of Dayton involved a one semester interdisciplinary seminar of liberal arts and business faculty. The purpose of the conversation was to give participants an appreciation for the respective discipline and research interests of others. Built around the theme "Business as a Calling," it covered both the principles of CST and the University's Marianist heritage. The best evidence for its success is that all who participated agreed both that the dialogue needs to continue, and to "team up" when appropriate.

Another way to gain faculty support for the proposed integration is to form an interdisciplinary summer faculty study group. It would include faculty from the College of Liberal Arts and those teaching core business classes. This study group could explore the principles of CST and effective ways to integrate discussion of the principles into core business class discussions. Instructional materials, demonstrating the applications of CST to material covered in their classes, could be developed for core business faculty. Reading and discussing Bragdon's book would be a useful starting point for the study group.

One final advantage of our proposal is that the model is a definite challenge to the "shareholder only" theory that is usually the paradigm of most business school faculty. This theory holds that the only purpose

of a business is to maximize shareholder value. The opposing view, the stakeholder model, asserts that a business has responsibilities to a wider segment of society, including employees, customers, and community. The stockholder versus stakeholder controversy is usually framed as an “either/or” argument. We believe this is a false dichotomy. Bragdon’s presentation and discussion of LAS clearly shows the “both/and” thinking that exposes this fallacy. The success of the firms Bragdon presents provides a compelling case for studying these firms’ management philosophy, policy, and practices.

Synergy between LAS and CST

Bragdon’s model and CST—a secular system and a spiritual system—support each other and contribute wisdom to a core business curriculum. First, CST gains from LAS theory. The success of Bragdon’s LAMP Index firms offers testimony that application of CST principles works in actual practice. Second, the CST themes are precious resources whose applications are boundless and useful. Social encyclicals over the past 120 years give testimony to that evolving applicability, in that each addresses issues current to its writing. We find that our colleagues and students are genuinely interested in exploring such a vision. LAS is thus grounded in a grand tradition common to many religious faiths. This realization helps engender a sense of calling to something higher than simply the bottom line, a sense of persons and the community, and the values needed to support both. This nexus lends a sense of nobility to the calling of business professionals, a sense of mission: of duty to use one’s gifts to sustain a humane and prosperous society.

Third, relating to business professionals practicing many of the LAS principles yields additional resources to call upon in educational settings, particularly those executives and leaders of LAS-type firms. At the University of Dayton we invite business students to interact with business professionals who can show how CST principles are practical and beneficial to their businesses’ success. We provide for such interactions at our fall seminar and in our MBA elective course, both titled: *Business as a Calling*. We sponsor at least six luncheons each semester for our undergraduate students, where they meet local business professionals and discuss business ethics. These encounters make our CST principles credible and practical. They provide models for our students to emulate.

Summary

The Living Asset Stewardship model of management provides an excellent methodology for business faculty who wish to integrate a discussion of CST into core business classes. The case can then be made that some of the most successful firms in the world do well and do good, utilizing a management model that embodies a number of the core principles in CST. Incorporating this discussion in a core business curriculum provides an opportunity for Catholic business schools to bridge the gap that often exists between the liberal arts and the business professions. This approach can give business students a deeper appreciation of the practical wisdom of using CST. Such an understanding will also help business faculty at Catholic universities provide a distinctive educational experience for their students. Thus, students are better able to integrate their faith and work and see business as a calling.

An important benefit of incorporating LAS in core class discussions is that faculty can invite executive role models into the discussion. These individuals can speak not only to their own vocation or calling to business but also to the value and wisdom of living out and integrating their own faith and work, thus witnessing to the principles of CST.

