

# Business leadership in today's world: a matter of virtues

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## I. Introduction

I really enjoyed reading the document titled *Vocation of the Business Leader. A Reflection*, issued by the Pontifical Council for Justice and Peace. I was surprised, as I usually find the bulk of 'mainstream' writings about business ethics and corporate social responsibility inconclusive and even boring, at times. I am not an expert in business management, hence my attention tends not to be captured by subtleties and sophisticated taxonomies; I need to see, or to sense, a glimpse of persuasive truth; and to feel – as by contagion – the same passion for the object that the writer feels. In this document I found both: truth and passion.

I would like to elaborate on a dimension of this document which I found particularly persuasive and conducive to potential readers engaging their daily lives, be they business leaders –Christian and non Christians– or occasional interested readers like myself. This dimension consists in the 'practical' approach of the document, where practice is not reduced to 'doing', but it involves the quest for meaning of the whole person: beauty, truth, justice. In sum, the practical approach of *Vocation of the Business Leader: A Reflection* is about 'acting' according to virtue; that is, constantly tending to virtue.

## II. Business practice is not a 'doing', business ethics is not a 'code'

The document emphasizes the "*transformative developments of our era*" (VBL,

2), making it clear that in a changing world no mechanic 'code' of conduct can be assumed to suffice in dealing with the new things and promoting a good, or decent, business life for all. Quite appropriately, the document emphasizes fundamental virtues: "this is a time that calls for the witness of faith, the confidence of hope, and the practice of love" (VBL, 1), and the "development of virtues, such as solidarity, practical wisdom, justice, discipline, and many others" (VBL, 3).

Much of the economic and business ethics literature, on the opposite, disregards virtues and tends to emphasize a different approach, stressing the need for an appropriate 'balance' in decision making, managing the tensions between contrasting goals. This way of setting ethical issues is quite common in economics as well; much has been written on the discussion of how to, say, find a compromise in the trade off between efficiency and equity, which represents the archetype of all ethically loaded tradeoffs. As an example, consider the vast literature on 'sustainable development', a topic which is relevant for both policymakers and business leaders. The message conveyed by the word 'sustainability' is intuitively clear and largely appealing, but as a matter of fact there are competing and at times incompatible methods to analytically spell out what the notion of sustainability requires. As a consequence, the requirement to balance the environmental, human and social dimensions of 'sustainable development' may often lead to dead ends. In practice, the details of 'balancing' will be delegated to experts and confined within a technocratic perspective. Unfortunately, the

inevitable ambiguities of sustainability make this concept very appealing for politicians, who can gain consensus by using it in any loose way, and also for technocrats, who will actually hold the power to translate the concept into practice, weighting the competing dimensions according to their own understanding of priorities.

Reducing economic and business ethics to balancing economic objectives with other deserving non-economic objectives has another, more radical, drawback. Balancing makes sense only within a static perspective; it cannot be appropriate for managing change, and especially the deep and fast transformations we face today. In a rapidly changing environment, the keywords guiding action need to be intrinsically flexible and dynamic; not balancing pros and cons, so to speak, but keeping eyes and mind focussed on fundamentals and letting feet tread a risky path. I find a question of realism that the document takes a different approach, where virtues matter.

While the process of doing can be expressed as a finite 'mono-logical' process, acting takes the form of an open 'dia-logical' relation. Acting for another person is both doing something for him but also with him: it means (...) listening to her needs, always new and unpredictable, to transform them into problems with reference to both theory and cumulated learning; it means searching for new solutions and comparing them with new questions deriving from previously proposed solutions, in an endless path. The point of view of the *Homo agens* is 'im-perfect' by definition: in order to face the new, unpredictable things, it is necessary to continuously and freely dare, try, experiment. *Homo agens* has to be interested in others, since his action is mandated by others and he himself demands from others... (Martini, 2003: 392)<sup>1</sup>.

In order to face the transformative developments of our era, balancing

juxtaposed abstract 'values' is simply inadequate; it is just 'adding' some spiritual stuff to a pragmatic and busy day... The acting person is called to enter relationships and to face the uncertainties they imply, decidedly heading towards what is truly 'good'. This is why good business practice cannot be reduced to any doing, and business ethics cannot be fully accommodated within a code.

Much effort is needed to further explore the topic of decisions under uncertainty, within economic theory and business practice; even more so, in political decisions and international relations. Yet, we all experience the reality of having to take decisions under uncertainty – and these are usually the most relevant decisions we take in personal and in social life. How can we do that in a truly human way? How can decisions taken under uncertainty be conducive to a 'good life'? No codified answer to these most pressing questions is possible. Any acceptable answer is bound to be a constantly 'im-perfect' answer, renovating the tension to reaching the full sense of one's personal, or economic, or political endeavours. That answer needs to be open, dynamic, and unitary, that is, expressive of one's inner unity as a person.

### III. Virtue is being true to one's vocation

*"L'umano è dato affinché venga anche conquistato: questo cammino di conquista è il cammino della virtù"*(Botturi, 2011: 3)<sup>2</sup>.

This is what it means to live a virtuous life, a unified, dynamic and open life (Botturi, 2011): it means engaging one's freedom and responsibility in answering one's vocation, driving a clear path into the future that can actually change the future. Being true to one's vocation, that is conquering one's own way of being human, is an ever-unfinished business. Furthermore, we need help from outside in order to accomplish our own humanity: this is the blessed side of the 'im-perfection' mentioned in the previous paragraph. To flourish, we need to keep an open attitude towards what transcends us, to the fullness of reality, to the true sense of reality; finally, to truth.

The words 'true to' express the relational

nature of human identity, in the words of A. Scola, the 'I-in-relation' (Scola, 2010) and the inexhaustible tension to adequate aims for each action. Being 'true to truth', for example, seems to me the only adequate aim of academic research. 'Tension' is itself a relational, dynamic expression. Entering the dynamic tension to a 'full' life –not just a busy or a successful life– can heal many divides: interpersonal and social divides and divisions (employer/employees, business partners and competitors, local and global perspectives), and also inner personal divides (work and rest, family and business). Our personal freedom is called, each moment, to resist "disorder, injustice and social fragmentation" (VBL, n. 4). For Christians, tending to a 'full' life is not fancying something hazy and confused. The person of Christ, incarnated and present here and now, is Love and Truth, is Life and Way. Very simple: all divides are healed in Him; to answer the call to live a unified, dynamic and open life, we need to keep converting to Him. This is all about virtue.

I would like to quote a few impressive lines from a homily about the virtue of prudence by Pope Benedict XVI:

Prudence is something other than shrewdness. Prudence, according to the Greek philosophical tradition, is the first of the cardinal virtues. It indicates the primacy of the truth which, through "prudence", becomes a criterion for our action. Prudence demands humble, disciplined and watchful reason that does not let itself be blinded by prejudices; it does not judge according to desires and passions but rather seeks the truth, even though it may prove uncomfortable. Prudence means searching for the truth and acting in conformity with it. The prudent servant is first and foremost a man of truth and a man of sincere reason (...). In Sacred Scripture and in faith in the Church God show us the essential truth about man, which impresses the right orientation upon our action. Thus, the first cardinal virtue (...) consists in letting himself

be moulded by the truth that Christ shows us. In this way we become truly reasonable people, who judge on the basis of the whole and not on chance details. Let us not allow ourselves to be guided by what we see through the small window of our personal astuteness, but, rather, let us look at the world and at human beings through the large window that Christ has opened to us on the whole truth and thus recognize what truly counts in life. (Benedict XVI, 2009)

This is how the document expresses a similar idea: "Prudence has often been reduced to the clever actions of leaders that advance their own private interests. This is not the virtue of prudence, but a vice..." (VBL, n.76). Virtue can never be taken for granted. Each moment, each agent is called to an elan of freedom: to open the window, scrutinize the signs of time, engage reason and heart, experience that a broader and richer human experience is possible. This is the description of a true innovator, who is prudent, hence not afraid to take actions that exceeds routine, to pursue what is beautiful and just and true –what really counts in life.

#### **IV. Virtue and the whole breadth of reason**

Reconsidering virtue in non-moralistic terms is very convenient. On the personal side, it reconnects reason and affection, overcoming the risk of reducing reason to calculating and technocratic rationality on the one side, and reducing affection to subjective and fluctuating emotions. In a unified life, reason and affection (love and truth) are not separated, even potentially clashing, dimensions of personality. A well-reasoned practice of virtue becomes possible – a practice which is not instinctive, nor sentimental; neither mechanically respectful of some rational 'moral imperative'.

The notion of virtue is very powerful also in integrally understanding the social dimension as a 'whole'. We may not be used to appreciate it, as we are so accustomed to being told that the human being is completely described as

an egocentric individual, taking decisions in isolation. Economists and business people are so exposed to this narrative - even more than the average citizen - that they actually end up *believing* in mechanistic explanations of economic decisions, and finally *behaving* accordingly. The individualistic narrative, though, is not powerful enough to explain the most significant dynamisms of reality: innovation and development (curiously enough, it is so difficult to make sense of development within the individualistic perspective, that we end up keeping the expression 'miracle' in the economic lexicon! As a consequence, each decade has its own economic 'miracle'). Realizing the inadequacy of the tightly held individualistic view requires pausing, and to critically assess and appreciate one's real economic experience. To say it with Benedict XVI, we need to engage 'the whole breadth of reason' (Beretta, Maggioni, 2012). If we do it, we see that a virtuous life is actually possible, and very effective in transforming reality - up to generating a new civilization<sup>3</sup>. That is to say: virtue is not about rhetoric, it is not impossible, it is not irrelevant to structural problems.

This statement is open to being tested by anyone: just take the wealth of material and immaterial achievements we gratuitously inherited from past generations - discoveries, innovations, beautiful buildings made of steel or stone, poetry and art. It is only rational to ask: How did that wealth materialize? What, and who, made that possible? These rational questions deserve reasonable answers. The inheritance we count upon represents the detectable sign of real people, who toiled and worked with a purpose, following what they felt really counted in life. They heeded the call of beauty, truth, justice; they acted with courage and prudence, with passion and intelligence, innovation and creativity, driven by the reasonable hope to better the human condition. Being true to their vocation, they created material and immaterial realities that keep speaking to us about the meaning of human life.

Admiration for the real people that, in a far or near past marked the world with detectable signs of virtue, make it possible to live a virtuous life in the present. We learn

by sympathy, admiration and imitation: these are the easiest steps towards re-appropriating the full breadth of reason and appreciating the full breadth of virtue -not reduced to their 'moralistic' side. Searching for a virtuous life is reasonable, as we can experience the transformative power of virtue and the possibility of a truly 'good life' (Scola, 2010), living a 'whole' human experience overcoming fragmentation, schizophrenic dualisms, segmentation (VBL, 4). Nothing short of virtue, in fact, can address the complex challenges of our times: not technocratic presumption, not sentimental benevolence. There is indeed "no substitute for sound judgement (practical wisdom) and right relationships (justice)" (VBL, 59).

#### **V. Business culture: witnessing 'good' deeds and giving 'good' reasons**

By being true to one's vocation and living a virtuous business life, day after day, we contribute to the common good, that is the deed of a good life in common. Realizing the full effectiveness of good deeds, though, also requires the effort to provide a reasonable and convincing narrative to those who see those deeds. Critical and systematic reflection upon 'good practice' becomes culture - that is, the synthetic expression of one's integral identity. Providing reasons for the hope that one has (1 Pet 3, 15) is a clear vocation for Christians, and this is a matter of faith. "The synthesis between culture and faith is not only a demand of culture, but also of faith (...) A faith that does not become culture is a faith not completely received, not fully thought, not faithfully lived" (John Paul II, 1982)<sup>4</sup>.

Appropriate narrative and communication not only valorises 'good' business actions; they also nourish critical self awareness, so that virtuous practice becomes culture. When deeds of virtue and charity are witnessed in business, this opens new reasonable questions in both those who act and in those who see their actions: Why do these good things happen at all? What can we learn from them? How can we find new ways to advance the good experiences? How can we transfer what we learnt to others?

There are many wonderful practical experiences of business, such as economy of communion enterprises, reciprocal gift economies, hybrid forms of commercial entities between profit and not-for profit, and so on. The witness of deeds of charity and practices of virtues is a language that speaks to all people of good will, as admirable experiences can be shared and can attract imitators: this requires a narrative rich enough to be appealing to both intelligence and affection. The sort of 'codified' communication which is so typical of business ethics literature would be particularly inadequate; should the specificity of the virtuous practices mentioned above be reduced to the application of codified form of profit sharing/distribution, or to the adherence to some specific form of legal structure, those practices would risk losing their flavour.

If the questions about 'why' and 'how' are not continuously asked, even a vibrant experience would risk being reduced to some 'best practice'. In our global world, where technocracy often becomes a new form of ideology (*Caritas in veritate*: 14), 'best practices' are simply not enough: their inner drivers go unmentioned, and the common mentality remains unchallenged; hence, the transformative potential embodied in 'good' practices remains obscured. On the opposite, the systematic and critic awareness of why those deeds and practices occur allows experience to become a building block of a resilient business culture, one that can allow 'good' practices to be sustained even through hard times.

To say it more radically: the transformative, healing potential of these experiences rests in their being open to the transcendent, in a form of acting which "implies both *receiving* and *giving*" (VBL, 65). "*Receiving*: The first act of the Christian business leader, as of all Christians, is to receive; more specifically, to receive *what God has done for him or her.*" (VBL, 66) "*Giving*: The second act to which the Church calls the business leader is *giving* in a way which responds to what has been received." (VBL, 71)

The agent for renewing business culture is the full person: mind and spirit and deeds.

Knowledge is never purely the work of the intellect. It can certainly be reduced to

calculation and experiment, but if it aspires to be wisdom capable of directing man in the light of his first beginnings and his final ends, it must be "seasoned" with the "salt" of charity. Deeds without knowledge are blind, and knowledge without love is sterile. (*Caritas in veritate*, n.30)

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1 Translated into English by the Author.

2 In English, "Being human is a gift to be conquered; this path of conquest is the path of virtue".

3 See Benedict XVI, 2008, on monasticism and the formation of Europe.

4 Translated into English by the Author