

# Leadership

By Peter K.A. Turkson

## Vocation of the Business Leader

When businesses and market economies function properly and focus on serving the common good, they contribute greatly to the material and even the spiritual well-being of society. Recent experience, however, has also demonstrated the harm caused by the failings of businesses and markets. The transformative developments of our era—globalization, communications technologies, and financialization—produce problems alongside their benefits: inequality, economic dislocation, information overload, financial instability and many other pressures leading away from serving the common good. Business leaders who are guided by ethical social principles can, nonetheless, succeed and contribute to the common good.

Obstacles to serving the common good come in many forms—lack of rule of law, corruption, tendencies toward greed, poor stewardship of resources—but the most significant for a business leader on a personal level is leading a “divided” life. This split between faith and daily business practice can lead to imbalances and misplaced devotion to worldly success. The alternative path of faith-based “servant leadership” provides business leaders with a larger perspective and helps to balance the demands of the business world with those of ethical social principles. This is explored through three stages: seeing, judging, and acting, even though it is clear that these three aspects are deeply interconnected.

**Seeing** the challenges and opportunities in the world of business is

complicated by factors both good and evil, including four major “signs of the times” impacting business. Globalization has brought efficiency and extraordinary new opportunities to businesses, but the downsides include greater inequality, economic dislocation, cultural homogeneity, and the inability of governments to properly regulate capital flows.

Communications technology has enabled connectivity, new solutions and products, and lower costs, but the new velocity also brings information overload and rushed decision-making.

Financialization of business worldwide has intensified tendencies to commoditize the goals of work and to emphasize wealth maximization and short-term gains at the expense of working for the common good.

The broader cultural changes of our era have led to increased individualism, more family breakdowns, and utilitarian preoccupations with self and “what is good for me.” As a result we might have more private goods but are lacking significantly in common goods.

Business leaders increasingly focus on maximizing wealth, employees develop attitudes of entitlement, and consumers demand instant gratification at the lowest possible price. As values have become relative and rights more important than duties, the goal of serving the common good is often lost.

**Judging:** Good business decisions are those rooted in principles at the foundational level, such as respect for human dignity and service to the common good, and a vision of a business as a

community of persons. Principles on the practical level keep the business leader focused on:

- Producing goods and services that meet genuine human needs while taking responsibility for the social and environmental costs of production, of the supply chain and distribution chain (serving the common good, and watching for opportunities to serve the poor);

- Organizing productive and meaningful work recognizing the human dignity of employees and their right and duty to flourish in their work, (“work is for man” rather than “man for work”) and structuring workplaces with subsidiarity that designs, equips and trusts employees to do their best work; and

- Using resources wisely to create both profit and well-being, to produce sustainable wealth and to distribute it justly (a just wage for employees, just prices for customers and suppliers, just taxes for the community, and just returns for owners).

**Acting:** Business leaders can put aspiration into practice when they pursue their vocation, motivated by much more than financial success. When they integrate the gifts of the spiritual life, the virtues and ethical social principles into their life and work, they may overcome the divided life, and receive the grace to foster the integral development of all business stakeholders.

Business leaders are called upon to receive—humbly acknowledging what God has done for him or her—and to give—entering into communion with others to make the world a better place. Practical wisdom informs his or her approach to business and strengthens the business leader to respond to the world’s challenges not with fear or cynicism, but with the virtues of faith, hope, and love. ■

Peter K.A. Turkson is president of the Pontifical Council for Justice and Peace, which produced “The Vocation of the Business Leader” in March 2012. The above is an edited version of the document’s executive summary.

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