

A

VIRTUOUS

LIFE IN

BUSINESS

STORIES  
OF  
COURAGE  
AND

TEGRITY

ORATE

WORLD

E D I T E D B Y

Oliver F. Williams

John W. Houck

# ***A Virtuous Life in Business***

Stories of Courage and Integrity  
in the Corporate World

Oliver F. Williams  
and  
John W. Houck  
Editors

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# ***A Virtuous Life in Business***

To the many men and women  
whose business stories of  
virtue inspired this volume.

# Preface

The Notre Dame Center for Ethics and Religious Values in Business hosted a symposium, *A Virtuous Life in the Business Story*, on April 2-3, 1990. Important scholars from a variety of disciplines discussed the recent trends in narrative theology and the theory of virtue, which may have much to contribute to the literature on the ethical dimension of business life.

The discussion in the ethics of business today is dominated by the two major theories of principle, the deontological and the utilitarian. Yet these theories may provide only a partial picture. The point here is that much of the behavior that is cited as exemplary in the corporate world, for example the Tylenol decisions by Johnson & Johnson or the Rely product recall decision by Procter and Gamble, is not sufficiently explained as just principled action. Rather, what made the top management of these firms corporate heroes in the eyes of many is that they exhibited uncommon virtue in maintaining allegiance to their principles. This was demonstrated, for example, in the *courage* to act to protect human welfare even in the midst of incomplete information, and in the *integrity* and *humility* in communicating with consumers about possible difficulties with a product.

The discussion of virtue often is given focus in narrative theology. In 1978 the Center published *Full Value: Cases in Christian Business Ethics* which brought narrative theology in dialogue with business practice. Now it is time to assess the contribution of narrative theology and theories of virtue on the current discussion of the ethics of management. Are the current attempts to develop the ethical focus of the managers of our private and public institutions adequate? Can a retrieval of a theory of virtue yield added clarity and insight to the literature? How is virtue best promoted in a corporate culture? These and other questions occupied the scholars and practitioners who authored the essays in this volume.

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The Center for Ethics and Religious Values in Business seeks to build bridges among business, business studies and the humanities. Its programs are designed to strengthen the Judeo-Christian ethical foundations in business and public policy decisions by fostering dialogue between academic and corporate leaders, and by research and publications. The Center is under the co-directorship of Oliver F. Williams, C.S.C. (theology), associate provost, and John W. Houck (business), professor of management, College of Business Administration.

In 1978, the Center published *Full Value: Cases in Christian Business Ethics*, which was the inaugural volume of Harper & Row's Experience and Reflection series. Michael Novak commented that the book "quite successfully juxtaposes the power of the Christian story, in its biblical immediacy, to concrete problems Christians in the world of business are likely to meet." James M. Gustafson wrote about *Full Value*: "Religious traditions provide, as these writers observe, a story, for example the Christian story, which informs our moral outlook, creates our moral vision, sustains our moral loyalties, and nurtures our moral character."

In 1980 the Center hosted a national symposium, *The Judeo-Christian Vision and the Modern Business Corporation*. The *Los Angeles Times* contrasted "the competitive success-oriented style necessary for corporate promotion with the traditional Christian view of the virtuous person." The *New York Times* reported that "there there would be no facile resolution to the conflict between the values of a just society and the sharply opposing values of successful corporations." Speakers at the symposium were:

John C. Bennett, Claremont School of Theology, and former president, Union Theological Seminary, New York; Catherine B. Cleary, director, AT&T, General Motors Corporation, Kraft Inc. and Northwestern Mutual Life Insurance, and former chair and chief executive officer, First Wisconsin Trust Company, Milwaukee; Richard Eells director, Center for the Study of the Corporation, Columbia University; Denis Goulet, O'Neill professor of education for justice, University of Notre Dame; James M. Gustafson, university professor, University of Chicago Divinity School; Kenneth P. Jameson, professor of economics, University of Notre Dame; Elmer Johnson, senior partner, Kirkland and Ellis, Chicago; Burton M. Leiser, professor of philosophy, Drake University; Enda McDonagh, Huisking

professor in theological ethics, University of Notre Dame; Michael Novak, resident scholar, American Enterprise Institute, Washington, D.C.; James M. Schall, S.J., Department of Government, Georgetown University, and the Gregorian, Rome; S. Prakash Sethi, director, Center for Research in Business and Social Policy, University of Texas-Dallas; William P. Sexton, chair, Department of Management, University of Notre Dame; Edward R. Trubac, professor of finance and business economics, University of Notre Dame; Thomas Werge, chair, Department of English, University of Notre Dame; Charles Wilber, chair, Department of Economics, University of Notre Dame; and John Howard Yoder, professor of theology, University of Notre Dame.

A second symposium, *Co-creation: A Religious Vision of Corporate Power*, followed in 1982, focusing on Pope John Paul II's encyclical letter, *Laborem Exercens*. *Newsweek* characterized the conference as a "free marketplace of ideas" exploring a religious vision of corporate power. Contributors to this conference included:

Ernest J. Bartell, C.S.C., executive director, Helen Kellogg Institute for International Studies, University of Notre Dame; Thomas P. Carney, president, Metatech Corporation; John B. Caron, president, Caron International; Mary Cunningham, vice president, Joseph E. Seagram & Sons; Thomas R. Donahue, secretary-treasurer, AFL-CIO; Mark J. Fitzgerald, C.S.C., professor of economics, University of Notre Dame; Denis Goulet, O'Neill professor of education for justice, University of Notre Dame; Stanley Hauerwas, Department of Theology, University of Notre Dame; J. Bryan Hehir, director, Social Development and World Peace, U.S. Catholic Conference, Washington, D.C.; David Hollenbach, S.J., Weston School of Theology; Elmer W. Johnson, senior partner, Kirkland and Ellis, Chicago; Barry P. Keating, professor of finance and business economics, University of Notre Dame; Andrea Lea, I.H.M., dean, Continuing Education, Marygrove College, Detroit; George C. Lodge, Harvard Business School; Bernard Marchland, Department of Philosophy, Ohio Wesleyan University; Amata



I.H.M., financial vice president, I.H.M. Sisters of Monroe, Michigan; Michael Novak, resident scholar, American Enterprise Institute, Washington, D.C.; and Joseph A. Pichler, executive vice president, Dillon Companies, Inc.

In December 1983, the Center assisted the U.S. Bishops' Committee charged to write a pastoral letter on the economy by convening a three-day symposium, *Catholic Social Teaching and the American Economy*. The *Los Angeles Times* observed: "About one-third of the major speakers represented conservative viewpoints, the remainder voiced moderate-to-liberal positions." The *New York Times* reported that "contentiousness is commonplace here at Notre Dame....And when dozens of business leaders, theologians and academics lined up against each other at the university this week, the debate over the economy was fought as hard as any gridiron encounter." More than 250 people attended the meeting, including the five bishops who were to draft the letter. Joining in the drafting of the working papers, and providing a religious commentary and perspectives on the theme of the symposium, were:

Gar Alperovitz, co-director, National Center for Economic Alternatives; Ernest J. Bartell, C.S.C., executive director, Helen Kellogg Institute for International Studies, University of Notre Dame; C. Fred Bergsten, director, Institute for International Economics; Daniel Rush Finn, Department of Theology and Department of Economics and Business Administration, St. John's University, Collegeville, Minnesota; Joe Holland, co-director, Center for Concern; David Hollenbach, S.J., Weston School of Theology; Elmer W. Johnson, chief counsel and group executive-public affairs, General Motors Corporation; F. Ray Marshall, Lyndon B. Johnson School of Public Affairs, University of Texas at Austin; Dennis P. McCann, professor of religious studies, DePaul University; Michael Novak, resident scholar, American Enterprise Institute; Graciela Olivarez, attorney-at-law, Albuquerque, New Mexico; Rudy Oswald, research director, AFL-CIO; Peter G. Peterson, chair, Lehman Brothers Kuhn Loeb Inc.; Joseph A. Pichler, president, Dillon Corporation, Inc.; Marina von Neumann Whitman, vice president and chief economist, General Motors Corporation; and Oliver F. Williams, C.S.C., University of Notre Dame.

*Catholic Social Teaching and the Common Good* was the theme of a 1986 symposium to explore the possible retrieval of the notion of “the common good” in philosophical-economic discourse. Ralph McInerny saw the concept of the common good as needed “to draw attention to flaws in our economic thinking and policies as well as to make positive suggestions that will be manifestly in line with our tradition.” *New Catholic World* wrote: “a collection of eighteen essays...by social scientists, theologians, philosophers, business faculty, and television producers. The essays represent different points of view from both theoretical and practical perspectives....It would be a valuable contribution to Catholic social teaching if all it did was to make people aware that a concept of the common good once was alive and well. It does much more than that.” Contributors to the conference included:

Gar Alperovitz, co-director, National Center for Economic Alternatives; Ernest J. Bartell, C.S.C., executive director, Helen Kellogg Institute for International Studies, University of Notre Dame; Bette Jean Bullert, independent television producer; Gerald F. Cavanagh, S.J., Department of Management, University of Detroit; John J. Collins, professor of theology, University of Notre Dame; John W. Cooper, dean, Academic Affairs, Bridgewater College, Virginia; William J. Cunningham, research economist, AFL-CIO; Charles E. Curran, Department of Theological Ethics, Catholic University of America; Richard T. De George, university distinguished professor of philosophy, University of Kansas; Peter Mann, producer of television programs for the Diocese of Rockville Center, New York; Dennis P. McCann, professor of religious studies, DePaul University; Ralph McInerny, Grace professor of medieval studies, and director, Jacques Maritain Center, University of Notre Dame; Richard J. Neuhaus, director, The Center on Religion and Society, New York City; Michael Novak, resident scholar, American Enterprise Institute; David Vogel, Department of Business Administration, University of California-Berkeley; Charles C. West, Stephen Colwell professor of Christian ethics, Princeton Theological Seminary; Charles K. Wilber, professor of economics, University of Notre Dame; and J. Philip Wogaman, professor of Christian social ethics, Wesley Theological Seminary, Washington, D.C.

The 1987 symposium focused on *Ethics and the Investment Industry*. Much has been written in the eighties about the misdeeds of actors in the investment community; suggestions for legislative reform abound. Very little has been said about the ethical vision and institutional bonding that form the context for a humane capitalism. It is these themes, as well as the appropriate market and legal aspects, that were explored at Notre Dame. *America* said of *Ethics and the Investment Industry* that it “will be an important reference for future participants in the international business community.” The speakers and panelists were:

G. Robert Blakey, O'Neill professor, University of Notre Dame School of Law; George P. Brockway, former chair, W.W. Norton and Company; Gerald F. Cavanagh, S.J., professor of management, University of Detroit; Richard T. De George, university distinguished professor of philosophy, University of Kansas; Edward J. Epstein, contributing editor, Manhattan, Inc.; Kirk O. Hanson, Stanford Graduate School of Business; Gregg Jarrell, former chief economist of the Securities and Exchange Commission; Burton M. Leiser, Edward J. Mortola professor of philosophy, Pace University; Dennis P. McCann, professor of religious studies, DePaul University; Patricia A. O'Hara, professor of law, University of Notre Dame School of Law; John J. Phelan, Jr., chair of the boards of the New York Stock Exchange and the New York Futures Exchange; Frank K. Reilly, Bernard J. Hank professor of business administration, University of Notre Dame; Donald W. Shriver, Jr., president, New York Union Theology Seminary; Paul E. Tierney, Jr., partner, Gollust, Tierney and Oliver; Alfred C. Morley, president and chief executive officer, The Institute of Chartered Financial Analysts, and president, Financial Analysts Federation; Clarence C. Walton, Charles Lamont Post distinguished professor of ethics and professions, American College, and former president, Catholic University; John G. Weithers, chair of the board, Midwest Stock Exchange; Robert Wilmouth, president and chief executive officer, National Futures Association, and chair, LaSalle National Bank, Chicago.

Described by one noted theologian as “the most powerful leader in the world,” Pope John Paul II has authored two documents that may have

much to say to our times: *On Human Work (Laborem Exercens)* and *On Social Concern (Sollicitudo Rei Socialis)*. Is the religious social teaching in these documents in such contrast to the prevailing wisdom of political economy that they might properly be called countercultural? Does this teaching offer a new vision, a strikingly different way of interpreting economic events? To address these issues, the Notre Dame Center for Ethics and Religious Values in Business convened a symposium in 1989 on the recent teaching of the Catholic Church on economic ethics. The assembled business executives, labor leaders and scholars included:

Ernest J. Bartell, C.S.C., executive director, Helen Kellogg Institute for International Studies, University of Notre Dame; Robert Benne, professor of philosophy and religion, Roanoke College, Virginia; Richard T. De George, professor of philosophy, University of Kansas; Teresa Ghilarducci, professor of economics, University of Notre Dame; Denis Goulet, O'Neill professor of education for justice, University of Notre Dame; Leslie Griffin, professor of theology, University of Notre Dame; J. Bryan Hehir, counselor for social policy, U.S. Catholic Conference, Washington, D.C.; John Langan, S.J., professor of Christian ethics, Woodstock Theological Center, Georgetown University; Dennis P. McCann, professor of religious studies, DePaul University; Michael Novak, senior scholar, American Enterprise Institute, Washington, D.C.; James E. Post, professor of management and public policy, Boston University; Ricardo Ramirez, C.S.B., bishop of Las Cruces, New Mexico; S. Prakash Sethi, professor of business policy, Baruch College, New York; Paul Steidlmeier, professor of management, State University of New York; Lee A. Tavis, C.R. Smith professor of finance, University of Notre Dame; Theodore R. Weber, professor of theology, Emory University; Preston Williams, professor of theology and contemporary change, Harvard Divinity School; J. Philip Wogaman, professor of Christian social ethics, Wesley Theological Seminary, Washington, D.C.; and John Howard Yoder, professor of theology, University of Notre Dame.

The University of Notre Dame and its Center for Ethics and Religious Values in Business hosted an international symposium in 1991

to anticipate the sesquicentennial celebration of the University (1842-1992) and to focus on another timely anniversary—one hundred years of Catholic Social Thought.

One writer suggested that Catholic Social Thought is the best thing the Catholic Church has done in the last one hundred years! Although disputed and controversial, this observation by our commentator clearly pointed to the importance of Catholic Social Thought as a powerful voice of social assessment and leadership. The tradition of the Church speaking out to the world on social justice questions started in 1891 with Leo XIII's *Rerum Novarum*; there was the U.S. Bishops' 1919 statement anticipating the New Deal Reforms; then there were the conciliar documents of Vatican II; more encyclicals and regional statements of South American Bishops at Medellín and the South African Bishops on apartheid and, in the 1980s, the U.S. Bishops' *Economic Justice for All*. The Catholic Tradition paralleled efforts of other world religions, as demonstrated, for example, by the Protestant Social Gospel movements, by several meetings of the World Council of Churches, and by the Jewish teaching of covenantal justice.

The scholarly presentations examined two major questions: First, what has been the lasting contribution of these writings over the last hundred years? Specifically, how effective have they been in directing economic, political and social thinking by leaders in business, the Church, government and labor, and has there been any discernible ecumenical impact? And second, today and into the next few decades, what is the unfinished agenda for this tradition of religious writings? A broad selection of representatives were invited from business, labor, government, the Church and the academy to participate in this celebration and to explore the record and future of these writings, namely:

Jean-Yves Calvez, S.J., *Études*, Paris, France; Agostino Cardinal Casaroli, former secretary of state, Vatican; Joan D. Chittister, O.S.B., Benedictine Sisters, Eire, Pennsylvania; M. Shawn Copeland, O.P., Yale Divinity School; Richard T. De George, university distinguished professor of philosophy, University of Kansas; Amitai Etzioni, university professor, George Washington University; J. Bryan Hehir, counselor for social policy, U. S. Catholic Conference, Washington, D.C.; Peter J. Henriot, S.J., former director, Center for Social Concerns, St. Ignatius Church, Lusaka, Zambia; Theodore M. Hesburgh,

C.S.C., president emeritus, University of Notre Dame; Msgr. George G. Higgins, scholar of labor relations, Catholic University of America; Denis E. Hurley, O.M.I., archbishop of Durban, Republic of South Africa; Richard P. McBrien, Crowley-O'Brien-Walter professor of theology, University of Notre Dame; Dennis P. McCann, professor of religious studies, DePaul University; Mark G. McGrath, C.S.C., archbishop of Panama; Michael Novak, senior scholar, American Enterprise Institute, Washington, D.C.; Peter J. Paris, Elmer G. Homrighausen professor of social ethics, Princeton Theological Seminary; William Pfaff, author and political journalist, Paris, France; Paul E. Sigmund, professor of politics, Princeton University.

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Publications by the Center include:

*Full Value: Cases in Christian Business Ethics*  
*Matter of Dignity: Inquiries into the Humanization of Work*  
*The Judeo-Christian Vision and the Modern Corporation*  
*Co-Creation and Capitalism: John Paul II's "Laborem Exercens"*  
*Catholic Social Teaching and the U.S. Economy*  
*The Common Good and U.S. Capitalism*  
*The Apartheid Crisis*  
*Ethics and the Investment Industry*  
*The Making of an Economic Vision*

Articles have appeared in *California Management Review*, *Business Horizons*, *Theology Today*, *Business and Society Review*, *Horizons*, *Journal of Business Ethics* and *The Harvard Business Review*.

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# Part I

## *Business Stories as Sources of Virtue*

“Tell us a story.”  
“That’s only a story.”  
“Is that story true?”  
“Is that the whole story?”

Stories and storytelling have come recently to command a new kind of attention. This interest does not stop with tales but extends to all kinds of narrative and recital, indeed to narrativity itself as distinct from other kinds of discourse. We have long known what a large role fabling, saga, and epic have played in various cultures but we have new reasons for scrutinizing it. On the one hand it begins to dawn on us that a story, a fiction, reveals more than we had thought. One can say that the story tells more than what the storyteller tells. On the other hand we are less assured today as to what we have learned to tell ourselves about life and the world in other kinds of discourse.

Amos N. Wilder

Thus I believe that we have in the vision of Dag Hammarskjöld and that of Martin Luther King a oneness, a wholeness, a holiness not otherwise available to them or to us. Their lives witness to their vision, even as they challenge the depth of our own. So there comes the question, not so much of the suitability of their vision to their own circumstances, but of the justification of our present way of life when held against theirs. Thus theology is drawn by its biographic material to face a challenge not only to its propositions, but also to the selfhood of its practitioners.

James Wm. McClendon, Jr.



## 2 A Virtuous Life in Business

Narrative is unpretentious in its effect. It does not have, even from God, the dialectical key which will open every door and throw light on the dark passages of history before they have been trodden. It is not, however, without light itself. Pascal drew attention to this light in distinguishing, in his *Memorial*, between the narrated “God of Abraham, Isaac and Jacob” and the God of rational argument, the “God of the philosophers.”

Johann Baptist Metz

...the consistency necessary for governing our lives is more a matter of integrity than one of principle. The narratives that provide the pattern of integrity cannot be based on principle, nor are they engaging ways of talking about principles. Rather, such narratives are the ones which allow us to determine how our behavior “fits” within our ongoing pattern.

Stanley Hauerwas and David Burrell

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In 1978 the editors of this volume, Oliver Williams and John Houck, published *Full Value: Cases in Christian Business Ethics*, the inaugural volume of Harper & Row’s Experience and Reflection series, which brought narrative theology into dialogue with business practice. We tell this story:

Once upon a time there once was a father who has two sons. The younger son says, “Father, I want to be my own man. Give me my inheritance early. I’d like to go out and begin my life.” So the father gives him the inheritance. The younger son goes out and squanders his money and has a great time. He has all kinds of friends—every-one likes someone with easy money and who has a good time.

Then Jesus goes on to say that, a little time later, the younger son has no money and is literally in the gutter. One day the young son says, “Hey, I don’t have to live in the gutter; I can go back and work on my father’s farm. The servants there live better than I do now.” So he decides to head back home to be a hired hand. “At least I’ll have a roof over my head.”

Jesus describes this picture of the young son walking down the road. The father, looking out of the farmhouse, spies his son.