

# Principles of Catholic Social Teaching for Business Ethics

## Human Dignity

Catholicism teaches that human beings are created in the image and likeness of God and have infinite worth. Each individual maintains an inherent dignity by virtue of the fact that he or she is a person. Perhaps the most important implication of this principle for business ethics is that the primary goal of any business enterprise should be the well-being of the human person, not the pursuit of profit. This undoubtedly sounds strange in our culture, particularly to corporate shareholders, but it is the foundation for any Catholic business ethic. Profit is necessary for a business's continued operation, and there is nothing intrinsically wrong with earning a profit. However, profit is a means to an end, not an end in itself. From the perspective of CST [Catholic Social Teaching], the moral justification for business involves the contribution it makes to human flourishing, how it corresponds its activity with God's plan for creation, and how it "unfolds" God's kingdom on earth.<sup>1</sup> The ultimate goal of business is meeting human needs, not the accumulation of profit. Business exists to serve people, not the other way around.<sup>2</sup>

Pope Leo XIII spoke to the importance of recognizing human dignity in business in his encyclical *On the Condition of Labor* (1891). According to the pope, "Each requires the other; capital (understood as owners) cannot do without labor nor labor without capital." Here the pope recognizes a fundamental truth: in order for any business entity to succeed there needs to be mutual cooperation between ownership and labor. Workers have an obligation to honor agreements with owners, and owners have an obligation to respect their workers and recognize the inherent dignity of their labor. The pope continued with a stern warning to the business owner:

His great and principle obligation is to give to everyone that which is just . . . [and he] should remember this—that to exercise pressure for the sake of gain upon the indigent and destitute, and to make one's profit out of the need of another, is condemned by all laws, human and divine.<sup>3</sup>

Leo XIII's call for mutual respect between ownership and labor was made during the height of the Industrial Revolution, but it is vitally important for Catholic ethics today. Corporations have a duty to treat their employees with respect and, as the U.S. bishops claimed, every economic decision and institution "must be judged in light of whether it protects or undermines the dignity of the human person."<sup>4</sup> Fortunately, some corporations are seeking to do just that. The restaurant chain Chick-fil-A is probably best known for being closed on Sundays, but the company also fosters a culture that highly benefits its employees. Employees receive fair pay, are eligible for college scholarships, and no one has ever been laid off. As proof of the respect that it maintains toward its employees, Chick-fil-A's turnover rate averages forty percent, compared to the industry average of three hundred percent. Another example is ServiceMaster, a publicly traded, \$3.5 billion corporation whose brands include Terminex, TrueGreen-Chemlawn, and Merry-Maids. CEO Bill Pollard unabashedly explains that the corporation's overall objective is "to honor God in all we do," and one of the primary ways it does this is through its commitment to its employees. In many businesses front-line service workers are ignored or even demeaned, but ServiceMaster "seeks to recognize the image of God in every employee," resulting in the "recognition of the employee as an individual worthy of dignity and respect."<sup>5</sup>

