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Mark Ryan

University of Dayton, mryan1@udayton.edu

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Teaching the Common Good in Business Ethics: A Case Study Approach

Mark Ryan

ABSTRACT

This paper addresses the instructional challenges of teaching business ethics in a way shaped by Catholic Social Teaching (CST). Focusing on the concept of the Common Good in CST, I describe my use of a case narrative in classroom instruction in order to help students understand the concept of the Common Good and to perceive the variety of ways businesses can serve or undermine the Common Good in a small city. Through these pedagogical explorations I illustrate the distinctive vision of business ethics that flows from CST.

KEYWORDS: The Common Good; Catholic Social Teaching; Business Ethics; Case study instruction; Narrative; Pope Francis; The Timken Company

Introduction

For the teaching of business ethics today a body of standard materials is available to guide the instructor through theoretical considerations and analysis of particular issues. But what of those of us whose task is to play the tune of business ethics in a Roman Catholic key?

This paper arises out of my own challenge to teach business ethics at a Catholic university, where it is generally assumed that Catholic Social Teaching (CST) should have a role in shaping the content of such a course. That is, this body of teaching should serve as a source for shaping what we finally mean by the “ethics of business.” In this paper I will demonstrate how a particular pedagogical approach, based on a case and certain strategies for its use, is able to successfully confront some of these challenges.

I begin with a brief description of a standard paradigm for business ethics in today’s university. I then offer an overview of the concept of the Common Good, which will here represent Catholic Social Teaching as directed to business ethics, followed by a description of the challenges a teacher is likely to encounter in teaching this concept, together with its relevance to the morality of business. Next, I present the case I use to overcome these challenges in teaching the Common Good before finally discussing some general strategies for making use of the case in classroom work.

Context of Business Ethics in Today’s University

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While putting together the terms “ethics” with “business” in the academic world has taken a variety of forms, most approaches are marked by the reliance on an interpretive frame constituted by a dialectic between liberal individualism and state regulation of economic activities in some form. For instance the opening section of a popular textbook addresses, “Business Ethics: The Controversy.” The parameters of this “controversy” are set by, on one side, the “neo-liberal” interpretation of the corporation as simple contract amongst individual shareholders and representative manager.¹ The manager’s duty is to single-mindedly pursue the shareholder’s interest by endeavoring to maximize their returns. An article expressing the other side of the controversy presents a view of the corporation as having additional “stakeholders” or interested individuals and groups besides the owners.² The manager ought to make decisions that balance the interests of all stakeholders. A key argument for seeing the corporation in this light is that the state, through legislation protecting consumers and other stakeholders against harm, has implicitly ascribed such an identity to it.

Given this description of the debate, the important ethical questions to be addressed in business ethics tend to concern whether the free contract view of business can carry along with it enough ethical capital in the form of decency and fair play to justify the state’s tolerance of it as a worthwhile system, foregoing more extensive intervention.

What the shareholder and stakeholder approaches share, one may say, is a vision of social groupings as grounded in contracting individuals. The basic source, and object, of value is the rights-bearing individual. Societies, or social groups, are

instruments for producing value for the otherwise independent individual. I wish to suggest that the real interest of an approach to business ethics rooted in Catholic Social Teaching may be that it changes the parameters of the controversy. For neither the Friedmanite conception of business and state or its stakeholder alternative fundamentally challenge the neo-liberal anthropological assumptions according to which the human being is essentially the bearer of individual interests. Through its claim that the human being is fulfilled in social life, Catholic Social Teaching, the body of doctrine developed by the Catholic Church on social issues seen through the prism of the Gospel,³ places the ethical challenges of business in a different frame. Here, I will focus this frame by reference to the Catholic rendition of the Common Good.

1: Using The Common Good to Relate Catholic Social Teaching and Business Ethics

In *Laudato Si*, Pope Francis wrote, “Business is a noble vocation, directed to producing wealth and improving the world. It can be a fruitful source of prosperity for the area in which it operates, especially if it sees the creation of jobs as an essential part of its service to the common good.”⁴ Pope Francis here insinuates a path for bringing business ethics into conversation with Catholic Social Teaching. This path brings to the fore the concept of the Common Good. The Common Good, one may say, is charged with the work of “framing” matters of business that we want to morally evaluate in light of the CST. I will follow the Pope’s lead in this paper and

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focus my treatment of Catholic Social Teaching through the concept of the Common Good.

What is the Common Good? It is a concept with a long history, and one that tends to be used in many different contexts. Indeed, Pope Francis hints at this in the address just mentioned, where the term was employed both to describe the aim for (noble) businesspersons and the aim that his audience of politicians should hold dear.⁵ As my purpose is to illustrate how to teach the concept, it is sufficient to offer a broad outline out of the Common Good, noting some key peculiarities of the concept, with a promise to flesh out the skeleton later on in the discussion of the case.

For this aim, the definition from *Gaudium et Spes* provides a fitting framework. *Gaudium et Spes* defines the Common Good as “the sum of those conditions of social life which allow social groups and their individual members relatively thorough and ready access to their own fulfillment.”⁶ A few elements within this definition require some explication before proceeding.

“Individuals and groups”

With its reference to both “social groups” and their “individual members” the definition alludes to the claim that human beings are naturally social creatures. We cannot live properly human lives without participation in societies or social groups of different kinds.⁷ Further, not only is group life intrinsic to fulfillment for each of us, but there is also a “good” belonging to social unities themselves. We see this

reflected in the law where groups and corporations are often recognized and given status as “social persons.”⁸

“Fulfillment”

The indication that human beings are by nature social should spur us to examine what the definition has in mind by “fulfillment”—i.e., as in the fulfillment of individuals and groups. According to the anthropological assumptions of Catholic Social Teaching, human nature is both bodily and spiritual. When it comes to economic life, CST situates our dealings with material goods in the order of creation, the *telos* of which order is “the universal destination of material goods”—namely, that the goods of the earth would be shared by every member of the human family.⁹ But as we journey toward this end, *homo economicus* is not simply a consumer but also a creative and cooperative participant in renewing the conditions that meet our needs and fulfill us.¹⁰ Thus, the “conditions of social life” which allow us to flourish, or the Common Good, might be initially spelled out as our fundamentally social ways of: a) meeting bodily needs; b) providing everyone with outlets for creative work in order to make their own contributions to supporting individual and social life; c) and providing opportunities for education, cooperation and belonging.¹¹

“Conditions of social life”

Finally, the reference to “conditions of social life” alerts us to a peculiarity of the concept of the Common Good, one that flows from the complicated nature of living in multiple social groups simultaneously. Namely, the concept of the Common Good

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can only be really seen in a concrete, historical setting, or as displayed in the lives of communities.¹² Thus, it is not a fixed entity, or a static concept that one can apply to the furniture of the social world in a perfunctory manner. Indeed, real human communities are always in the process of rediscovering the goods they have in common and the Common Good of their social life as a whole. This implies the need to make discerning the Common Good one element of the activity through which we understand ourselves and order our lives together. Further, it needs to be said, that social life is not simple but complex. We cannot easily draw borders around social groups that sustain us, but it is more fitting to envision them as an intricate web or even an “ecosystem.” As we will see, business activity has a place within such human ecosystems.

Stumbling Blocks for Students and Teachers

The goal of my preliminary discussion of the Common Good is not to give a comprehensive and conceptually sufficient account of it, but rather to prepare the ground for my pedagogical use of the case and to anticipate where students are most likely to go awry in their efforts to understand it.

In particular, a certain stumbling block for students seeking to understand the Common Good deserves up-front mention.” Today’s students have been shaped by the narrative of “individualism.” This narrative trains them to see their selves as the fundamental source of value and object of evaluation. Because of this formative narrative students tend to imagine “society” only as a contract or limited partnership of isolated individuals. But in such an arrangement, the “good” of

society can only be imagined instrumentally, as redounding to each member privately. The total good is nothing more than the simple summation of private individual goods. There is no room for a truly Common Good, or a good intrinsically connected to the prerogatives and duties of membership in a group, such as victory is shared equally by members of a sporting team.

Students are shaped to imagine society according to this individualist picture not only because of the prevalence of certain ideological claims, but also because of the way the market has colonized many of the activities and institutions in which they participate. They have been taught to understand themselves as consumers, and among my students their being from economically privileged homes perhaps exacerbates this. The consumer metaphor tends to hide the importance of belonging and active participation in social groups that are necessary for human fulfillment.

Furthermore, there is an obstacle on the professional side, as standard textbooks will not provide the instructor charged to teach business ethics in the light of CST with adequate guidance into the subject. These textbooks reflect a paradigm for researching and teaching business ethics highly indebted to a “partnership” or contract model of social groups. As mentioned above, this model in effect frames the approach to cases and issues, shaping the activity of moral evaluation. The contract model implies that all value fundamentally is for the private individual and thus society is a mere instrument for creating private good. Insofar as the model primarily represents agents as rights-bearing entities, moral evaluation examines whose rights are in play as well as the benefits and costs of giving greater weight to some rights over others.¹³ It is a zero-sum game of structured conflict.

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The real advantage of Catholic Social Teaching here is that it teaches students (and professors!) to see differently, as far as the ethics of business is concerned. In distinction from the partnership model, Catholic Social Teaching frames the approach to examples by acknowledging a true plurality within social groups, some of which carry a value intrinsic to themselves that cannot be expressed in terms of, much less reduced to, individual rights. The acknowledgement of this social variety flows from the social nature of human flourishing. Students trained in this way of seeing things will learn to look for a distinctively human “ecology,” or background of social support, surrounding examples of both blameworthy and praiseworthy business activities. The same issues and examples will appear to them in a different light.¹⁴

But definitions such as I have been pursuing can only achieve so much at the outset. Pedagogically speaking definitions come into their own as students encounter the narratives that exemplify what is meant by the Common Good and related concepts. So I now turn to the example.

Part 2: The Case

The Timken company, located in Canton, OH, is a Fortune 500 company in the business of producing steel bars for a variety of uses as well as a variety of bearings and other motor related parts. In its current form, the bearings operation is an international industry leader with over 14,000 employees operating in 28

countries. In 2015, it recorded over \$2.9 billion in sales. The company's facilities include 63 plants and service centers, 91 sales offices, 26 shipping centers and 12 research centers. It is part of 5 joint ventures and operates on 6 continents. First listed on the NYSE in 1922, the business's website reports that in 2015 it paid its 374th consecutive quarterly dividend.¹⁵

Recently independent of the bearings business, the steel division of Timken is dedicated to producing special bar quality (SBQ) steel bars, seamless mechanical tubing and precision steel components. Employing approximately 1,700 workers in its main sites in northeastern Ohio, together with its warehouses in the southwestern and eastern US, Mexico and China, the steel division emphasizes its capacity to manufacture tailored products to meet customers needs.

Historically these two functions of Timken were joined. When Henry Timken moved his ball bearing business from St. Louis to Canton, Ohio in 1915, he sought to place it strategically between Pittsburgh's steel mines and automotive manufacturing centers in Detroit. Thus, the company would link key segments of the supply chain of the burgeoning automotive industry. The website for "TimkenSteel" explains that Henry's "Timken Roller Bearing Company" first entered the steel business two years later, in 1917, in order to provide the steel that would go into the fabrication of his bearings.¹⁶ These two complementary operations, bearings and steel, had existed under one company roof. The family always saw the two dimensions of Timken as mutually supportive. But all this would change with the spinoff of the steel operation from bearings business that was completed in late June 2014. It is the story, beginning in 2012 and concluding around June 20 2014, of the

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splitting of the company into two independent concerns that provides the basic case study for my lesson.

The issue of the relation of form and content in the presentation of the case to students is significant. I present it through a narrative in the form of a newspaper article of a distinctive kind. Contextualizing the events in broader social and economic trends, it recounts the events both retrospectively and prospectively, offering rich descriptions of circumstances. It is titled “How Wall Street Bent Steel” and its author is Nelson B. Schwartz, a writer for the Business Section of the *New York Times* who frequently writes about the ways broader economic shifts, including manufacturing changes in the US, impact the lives of ordinary human beings. Schwartz opens his account of the showdown between Tim Timken, the great-great grandson of Henry Timken, and a firm of “activist investors” based in California by describing how “the chain of events that’s put everyone in Canton, Ohio, on edge started with a few keystrokes 2,400 miles away in a bland suburban office building in San Diego.”¹⁷ The typers, business analysts, work for a firm of a particular kind and with a distinctive history.

In regard to its basic purpose, Relational Investors, LLC describes itself as a company that “invests in and strives to create long-term growth in publicly traded, underperforming companies that it believes are undervalued in the marketplace.”¹⁸ In other words, it seeks out companies whose stock performance it believes can be improved by certain interventions. Handling funds amounting to over \$6 billion, it boasts that it represents some of the world’s largest pension funds. The executive team of Relational includes its founders, Ralph V. Whitworth and David H.

Batchelder, who learned their trade working under T. Boone Pickens, the well-known corporate raider. To “unlock value” in target companies, Relational finds ways to intervene in corporate governance and pressure companies to make certain structural changes. Timken’s stable performance and conservative business style seem to have made it an attractive target for Relational’s intervention.

Once Timken had been discovered by Relational as a prime target for takeover, its representatives began pressuring Timken’s board to split the concern into two companies that would trade independently: one for the steel operations, and one for bearings—with the goal of driving up stock values quickly. Timken’s board, headed by Tim Timken, resisted this move. So Relational began accumulating shares to reach the threshold where they would be required to make a public filing. To avoid the negative associations of the public with “corporate raiders,” they allied themselves with the California State Teachers Retirement System (CALSTRS) in order to begin a campaign to capture the necessary support among shareholders to force a vote on the split.

In the lead up to the vote, public campaigns were waged by both sides. To bolster their claim that Timken should be re-structured and split, Relational/CALSTRS argued that Tim Timken’s compensation was excessive, the board had too many local representatives, and that excess cash not immediately invested ought to be delivered promptly into the hands of the shareholders. In arguing against the split, Tim Timken and his board retorted that the expertise of the steel business allowed the company to innovate superior bearing products, and the volatility of the steel market was offset by the more financially stable bearing

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market. Relational was able to drum up the necessary support among shareholders and win the vote. In the end, the campaign to split claimed victory with 53% of the voting shareholders on their side.

Narrative and Ethical Discernment: Discovering The Common Good

Before continuing with the case and the issue of my use of it to help students see how businesses may both cultivate and subvert the Common Good in a locality, let me briefly spell out some advantages of presenting a case in the form of a rich journalistic narrative that presents various personal perspectives on the events its reports. These advantages, I claim, will pertain to teaching business ethics generally, and they are especially fitting when the instructor's mandate includes teaching students to morally evaluate businesses in light of Catholic Social Teaching represented here through the concept of the Common Good. Such a form is able to:

1. Resist the reductionist effects inherent in the abstract way economic theories represent human behavior, desire and deliberation.
2. Engage students' capacity of imagination and spark their capacities of emotional response to people and actions. (Implicitly, the use of narrative recognizes the cognitive significance of emotions.¹⁹)
3. Allow students to enter more fully into the case through imagination and sympathy, for instance by adopting one of the personal perspective on events portrayed in the narrative.
4. Provide a context and source material for role-play or debate as a dramatic, in-class learning activity.

These advantages are especially fitting when the Common Good is brought into the conversation because the “field” of ethics implied by this term is broad. It is not, that is, limited to crises or circumstances where an obvious rule or law applies. Rather, many of the activities of ordinary life are raised by considerations of the Common Good into the light of ethical significance. Put differently, if we succumb to the prejudice that “morality” names a confined sphere of human behavior that has little to do with ordinary life, we (and our students) are unlikely to catch the ethical import of many of those activities that contribute to the Common Good. The relation between form and content in narrative makes it difficult to draw narrow boundaries around a special sphere of ethics.²⁰

In his recounting of the events, Schwartz gives voice to an array of real people both local and foreign to Canton, in a way that draws deeply on the potentialities of journalism as a narrative form capable of drawing the reader sympathetically into the lives of others. His breadth of perspective, only hinted at in my summary, encourages students to do the sort of imaginative work necessary to see how several local characters would feel themselves quite personally invested in the fate of Timken during its crisis. Likewise, those characters representing the outsiders who seek to change the company for their own interests might also garner sympathetic response insofar as they seem to be caught up in a broken economic system, their slogans identifying themselves as “heroes” for the common shareholder notwithstanding.

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Following the narrative description of the case permits students to see the various connections of a business to its surrounding human ecology, or the way in which local people, businesses and institutions have a giant “stake” in what Timken does and whether they succeed. For example, reading about the development of Timken over a 100 year span, while noting the continuity symbolized in the family name itself and in the lore about the founder’s ingenuity, shows how the story of the business and the story of the town are integrated. Description of the company’s long historical tie to Canton thereby displays how and why the endurance and growth of the company might itself be of deep interest to the citizens. They are understandably proud of their city’s company.

Furthermore, in the narrative students tend also to see that the owners and heads of the company, parts of this family tradition, are indeed actively involved members (citizens) of the community in Canton. The article tells how Ward J. Timken, Jr. (“Tim”), the former company head and current head of Timken Steel, can be spotted around town in his signature sport coat and blue jeans. He can often be found eating at the local diner. Tim and his family reflect the traditions of “old style conservatives,” who, while they are quite wealthy, do not flaunt their wealth by living lavishly. These habits facilitate solidarity with their neighbors. This conservatism is also reflected in their financial decisions for the company such as the avoidance excessive borrowing.²¹

As citizens of Canton, moreover, the Timkens want a vibrant town as their home. The article therefore notes how they helped the downtown board create an Arts district by funding the building of the Canton Museum of Art. Insofar as a thriving

town requires citizens who can support themselves comfortably and schools that successfully educate their children, it is natural that the company has decided to sustain good paying, union jobs for many of their local employees, and has helped the local public school system succeed. Furthermore, Schwartz's narrative displays how Timken's success is directly related to the viability of several local businesses that supply it with materials or services. The business community of Canton itself exists largely within a symbiotic network. As job training in most corporations has transitioned from on-site programs to local colleges, the company has partnered both with local high schools and community colleges to develop programs and build facilities needed to train future Timken employees. ²²

Perhaps most important, the story offers student readers a window into wise management decision making, a prudence directly related to the flourishing of the business *in this place*. During the deep economic recession of the early 1980's, the company put \$450 million into the building of a new, state-of-the-art steel mill on the outskirts of the city.²³ In 2014 the first steel blooms of their Jumbo Bloom Vertical Caster were produced, the first fruits of \$225 million investment, part of which went to renovating the steel mill. Because of these investments, the company established for itself a dominant position in the international market for high-end steel used in the manufacture of precision medical equipment and deep-sea Oil pipes, among other uses.

What all these aspects of the narrative permit students to see is that the company's loyalty and long-term outlook is intimately related to the local

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perspective of its managers, who are also deeply active members of the Canton community.

Summary

To sum up, there are a variety of ways, direct and indirect, in which Timken contributes to the Common Good of its locale, understood as cultivating the bases for the flourishing of individuals in the community of Canton and for the flourishing of the community of Canton as a whole, both economically and spiritually. These include:

1. the fact of its success as a business with slow and steady growth over the course of nearly a century.
2. the example of its managers' commitment to the business's sustainability, reflected in a consistent trajectory of decisions spanning nearly 100 years that serve this end.
3. the provision of good-paying jobs to many of their local employees (Schwartz notes that typical wages for Timken's unionized steelworkers averages \$90,000 annually total compensation. Recall that generating jobs was the form through which businesses can contribute to the Common Good mentioned by Pope Francis.)
4. providing opportunities for other local businesses that supply Timken with materials to run profitably
5. contributing to Canton's health and allure as a place to reside (This is in the company's interest because of its desire to attract future employees from afar. Recall Timken's efforts to get Canton's arts district up and running.)

6. contributing to the success of local institutions dedicated to social renewal through educating new generations (The company's donations have helped the local, public school system rebound from hard times and perform at higher standards. Its partnerships with community colleges have expanded the quality of those programs.)

Implicit in most of these examples is an intrinsic connection between (managerial) business decisions and a *local* frame of reference. In other words, to serve the Common Good in these ways flows naturally from a manager's ties to the locality. It also illustrates how business activity that serves rather than harms the Common Good often requires a 'local' perspective for which the interconnections between businesses and other social activities and institutions and the individual human lives that animate them are clear and present. Such business activities will be best served by a local center of decision-making. This illustrates a principle of Catholic Social Teaching related to the Common Good, namely that of "subsidiarity."

The Flip Side: Business Subverting the Common Good

The other side of the coin, when it comes to teaching this case, is illustrating how business activity can fail to serve the Common Good. A segue to this discussion is provided by the fact that the threat to Timken's continued contributions to the Common Good in Canton came from a business located over 2,000 miles away, in San Diego, CA. If managerial decisions that support the common good of a locale are importantly shaped by the familiarity of the managers, we might suspect that interventions in decision making that originate from afar will undermine it.

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The narrative of the case reflects this tension, as it recounts a contest, even a battle, between two businesses, or types of business, with the fate of the Common Good hanging in the balance. Relational Investors and CALSTRS seek a good—namely, value for the shareholders. This is reasonable, and can itself be related to the Common Good insofar as for the retirees the payment is a condition necessary for life. But it is the single minded pursuit of this good, without due consideration for the social impact of their activities that compels the reader of this narrative to see Relational's business activity as predatory upon the system that supports human flourishing in Canton. A lack of appreciation of Timken's symbiotic relation with the city of Canton results in their running roughshod over the network that serves the Common Good there. Relational's intervention jeopardizes those very activities through which, if my use of the narrative has been plausible, Timken directly and indirectly contributes to the Common Good in Canton.

Bringing his story to a close, Schwartz points to a list of facts found in an investor presentation from November 2013 that indicate just how Relational's interventions have changed how the Timken company does business. It reveals how the company's pension fund contributions will soon decrease from almost one third of cash flow to nearly zero. Timken's capital spending will decrease by 50%. On the other hand, the percentage of cash flow Timken uses to repurchase shares—a technique companies use to instantly boost the price of their own stock—will rise from 12% to 50% over the next 18 months. These changes reflect a shift of managerial goals: from the steady building of the business and the support of its employees to the immediate maximizing of shareholder returns. More deeply, they

tell of a reversal of practical logic: from a long-term perspective flowing from the manager's local perspective and their membership in the Canton community to an approach equally reasonable but only from the distant and short term perspective of the California investors. Indeed, this logic was born out in fact, as shortly after the split, Relational had *divested entirely* from Timken, having netted a 75 percent gain (\$188 million) in over the course of two years time. Their logic and behavior characterizes companies like Relational. As their language of “unlocking value” implies, they see “undervalued” companies like Timken metaphorically as a locked safe containing treasure that that can (and perhaps *should*) be quickly appropriated by themselves and the other individuals who hold shares in the company, or who might be persuaded to become shareholders in order to share in the spoils.

PART 3: Teaching the Common Good for Business Ethics

In this final section, I will describe more fully how I aim to help students see the case in light of the Common Good, and, in turn, how this way of seeing the case leads to a particular kind(s) of moral evaluation(s). While I offer examples of how an instructor might go about teaching the case, my intention is not to offer a specific lesson plan so much as to illustrate the method for teaching the concepts in relation to the case.²⁴ I begin by demonstrating how to help students arrive at a deeper understanding of the Common Good by bringing two aspects of the definition—namely, the *telos* of human flourishing in relation to intrinsically social forms of life—to bear on examples from the narrative. Next, I discuss how a personal perspective within the narrative can be used to facilitate the drawing of connections

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between case examples and the Common Good, giving life to the abstract definition and spurring both imagination and understanding. Finally, I offer an example of how the instructor can use the Common Good in order to morally evaluate the case or certain agents within it.

Excursus: Revisiting the Definition

Before turning to teaching strategies, let me briefly review what I said about the definition of the Common Good in part one. *Gaudium et Spes* defined the Common Good as “the sum of those conditions of social life which allow social groups and their individual members relatively thorough and ready access to their own fulfillment.” I recall from my earlier discussion of the topic that the word “sum” here signifies that the definition is in fact a shorthand summary of a wide variety of examples that bear a family resemblance to one another. Its logical parameters flow from the claim that we are inherently social by nature. Human fulfillment is simply not to be achieved as isolated individuals; we thrive as members of groups of different kinds. This means that there is a social dimension to all goods we pursue for our flourishing, from clean air to meaningful work. So the individual and social good are distinguishable, but certainly not fundamentally opposed; indeed, they are two narrative strands that must be woven into a whole, coherent story. Looking for instances of overlap amounts to discerning local regions of the Common Good.

Teaching Strategies

1. Illustrating the Concept

Following the lead of Pope Francis, who linked business ethics to the Common Good, I define the pedagogical task as helping students to identify locations in the narrative that seem to reveal that the Timken company is positively involved with the Common Good for the people of Canton—that is, where it is helping to sustain those social conditions that make it more likely that individuals and groups can flourish. A first way to do this is simply to direct students to an aspect of the case where the Common Good is incarnated, and lead them in examining it in light of the definition. The question one wants to get students asking is, “Is *this* the Common Good? Does this count?” Again, it is important to note that student grasp of the concept and their ability to see it exemplified in aspects of the case occur in tandem. It is not, that is, a matter of taking a self-evident concept and simply applying it to bits of phenomena.²⁵

For example, I might point to Timken’s sponsorship of a downtown arts district in Canton. Many Midwestern cities have substantial urban centers, signs of a once bustling commercial, cultural and civic life. And many have also seen those city centers abandoned in whole or in part, as industry shifts and the flight to the suburbs have led both businesses and families to pick up and leave. What results is a hollowed out remnant of a way of life, subject to blight and decay. What to do with these hollowed areas is a question faced by public officials and concerned citizens in many such towns. Revitalization movements like this one ought to be seen in light of this basic problem.

In 1970 the Timken foundation provided the funding for the state of the art building in which the Canton Museum of Art resides. Timken has more recently

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funded outstanding exhibitions the museum has been able to run. The arts museum, again, is one of many ways Timken has supported the revitalization of downtown Canton. Is sponsoring an arts district in a mid-size Midwestern city the Common Good in action?

To help students respond to this question, I open a line of inquiry related to both human flourishing and the intrinsically social character of an enterprise. What do arts districts/museums have to do with human flourishing? Further, why is creating an arts museum not the sort of thing that can be accomplished as mere individuals contracting together? In what ways, that is, might this enterprise be an expression of our intrinsically social nature? If one can coherently connect the example from the case with these two one can feel assured one has given students an opportunity to begin to make this difficult concept their own.

With regard to the first, human flourishing, an instructor might lead students to confess that a good life could not consist entirely in work and that true leisure is not simply “vegging out” in front of a screen. Drawing on their own experiences, the instructor might prompt them to consider the role of creative expression in their lives, asking them to reflect on how it has impacted them. In addition to several soccer and football players, one of my students reported her involvement in the art of “scrapbooking”—the making of albums to memorialize personal and family histories. I once had a student who belonged to a family of accomplished bagpipe players, where fathers had been initiating their children into the craft for generations. The point is that projecting a broad conception of creative activities is likely to draw out many personal examples. I then ask, “Would you somehow be

'less yourself' without it?" From there it is a short step to recognizing that the arts represent active, meaningful and enriching use of leisure time.

Having suggested a tie between participating in the fine arts and flourishing, I move on, asking, "Why would such an essential human good be impossible to understand or bring about if societies were merely individuals entering into a contract with each other?" At first glance, students may not see why an individualist conception of society is inadequate here, or why the enjoyment of the arts should not be conceived on the model of private consumption.

Reading these challenges as a natural part of the learning process, the instructor would do well here to dig deeper into both the example and the concept. One aspect of this suggests digging deeper into experiences students have likely had. "Could the benefit of acting in a play, or being an audience member, really be understood as a private one?" "Are not the relationships developed themselves an un-substitutable part of the activity's reward?" "Does not creative expression constitute a form of communication, often bringing us into new relationships with others?"

Considering who uses public institutions like this one brings out another aspect of their relationship to the Common Good. The instructor may point out how typical it is for contemporary art museums to offer family oriented exhibits and activities for children. Families clearly are not mere contract-societies but are intrinsically social, and the rearing of children is essential for the Common Good of a family as well as to other social groups children will eventually join as members.

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Yet another dimension entails asking students to consider how a community decides to invest in the creation of an arts museum. These decisions are always born and carried out in *common* deliberations, as boards made up of volunteers work together intensively to explore and plan these kinds of projects. Often each member provides a distinct skill as they endeavor to discern community needs and attend to practical obstacles to carrying out their plan. Such cooperation clearly serves a goal transcending individual interest in any form.

2. Narrative and Personal Perspectives

Through the presence of personal perspectives, Schwartz's narrative of the Timken case provides another avenue for helping students to identify the intersections of businesses and the Common Good. Personal perspectives are created through recounting interviews with particular individuals that contain short, biographical narratives. For instance Adrian Allison is superintendent of the Canton City School District. His mother worked for 30 years at Hoover, a major employer in Canton's past which has since completely shut down its operations there. The beginning of the end was when the Hoover family sold the company in the 1980's. After a series of new owners, the company wound up with a Hong Kong company that closed the Canton plant in 2007, sending the jobs to China and Mexico. Having personally felt the effects of Hoover's story as a child, he draws a fitting analogy to current events. "It's legitimate concern for the community. If the [Timken] family left, the fear is it would end up like Hoover did."

As the instructor I note that Allison's narrative is significantly shaped by two roles he plays. First, he is the son of a working mother who was an employee at one

of Canton's main employers in decades past: Hoover. Second he is the head administrator of one of Canton's important public institutions. Personal stories such as his are simultaneously the stories of social groups.²⁶ The story-line generating Allison's perspective suggests there are relevant comparisons to be made between, on one hand, the story of the Hoover company as it impacts Allison's mother, and, on the other, the story of Timken in relation to Allison himself. The isomorphic character of these stories—i.e., the existence of big company employer in a small city imperiled by larger economic structures—invites the comparison. Instructors might ask students how likely it seems that the two stories will end up with similar outcomes. And, if so, what would be the consequences for Allison? Further, students should be invited to reflect on how the fear Allison expresses is related to his biography, particularly his mother. Do all of us have feelings shaped by our personal histories? And, do these feelings index genuine moral value that may be obscured or overlooked by the standard business ethics frame?

Personal stories such as this one help students to identify where business activity intersects with the pursuit of the Common Good by making visible the variety of ways a business's activities intersect with the well-being of the local community. I noted above that Timken has in the past helped keep the city schools running.²⁷ At this point, I might ask students to spell out why the public school superintendent might have reasons particular to his role to be concerned about the future of Timken. Having in view the kind of relationship that seems to exist between the school system and Timken, one can further ask students in what ways functioning schools, with satisfied teachers and administrators, and adequate

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educational resources, contribute to human flourishing as well as attract the next generation of quality employees to Canton? Again, the follow up question would be why it would be impossible to achieve this good merely as a set of discrete individuals entering into a contract. In these ways, the personal perspective is operationalized to help students better grasp the concept of the Common Good that eludes the contract-thinking frame.

3. *The Common Good and Moral Evaluation*

At this point, I transition from the goal of conceptual clarification to that of employing the concept of the Common Good in making moral evaluations. The basis for this, which draws on the preceding analysis of the Common Good, is the claim that sound practical reasoning and moral decision-making must be aware – even attentive – to the matrices (*Gaudium et Spes's* “conditions”) of support for human flourishing, importantly including the life of social groups as well as that of individuals and contracted associations. Understanding the Common Good, in other words, require seeing that good moral reasoning is based upon knowledge of the complex systems of support that sustain both individuals and social groups within a locality. This kind of knowledge, or familiarity, flows naturally from engagement or belonging. Those who reside at a distance from a particular place will find it difficult to acquire such knowledge. As a result, given the power to intervene, their ignorance makes them prone to blunders, doing more harm than good. I should further point out that grasp of the Common Good will not merely impact where

students come down on actions of business persons portrayed in the case, but will effect *what* they highlight as morally significant.

Take, for example, the perspective of Phillip Larrieu, who enters Schwartz's story to give voice to the (distant) perspective of the California State Teachers Retirement System (CALSTRS), an investing group handling a fund of approximately \$187 billion. Larrieu is quoted to the effect that Timken's business model needs to be changed because it is unfair to shareholders—i.e. his clients in the category of retired teachers. Said differently, Timken's use of its revenue to make large investments geared to future viability, or in its employees, is out of line. In sum, Schwartz writes, Larrieu holds that, "if the money couldn't be invested in the business now or in the foreseeable future, it should be returned to shareholders, who are, after all, the owners of the company."

As the instructor, I typically point out to the students that the claim that the money Timken has been investing in infrastructure, employees, etc. belongs to the shareholders invokes a popular dictum about the nature of business in a capitalist economy. This particular dictum, I also note, locates Larrieu's perspective in the 'social groups as mere partnerships among individuals' viewpoint. We are therefore not greatly surprised when we learn that CASLSTRS has claimed "the social impacts of separation are insignificant."²⁸ Apparently pressed by the journalist to consider the now much more likely prospect that the Timken will be bought about by an industry giant, leading ultimately perhaps to a Hoover-esque future, Larrieu responds, "I'm not sure it could be taken out without Timkens' approval, but I can't

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say it's not possible. It's a tough environment. But my job is to make the highest return to pay for the teachers' retirement."

What is the relation between Larrieu's distance from the city where Timken is located, the simple dictum he uses as a functional definition of a business corporation, and his rather callous attitude toward the local webs of support within which Timken is implicated? This question ought to guide the instructor's approach to this element of the case. How, I might ask students, are we to account for the discrepancy between Larrieu's callousness and Allison's trepidation?²⁹

The Common Good, as a lens for looking at moral decisions, made with respect to business, shows its difference by what it makes visible to the evaluator. Larrieu's indifference can be seen as flowing from ignorance, understood as a lack of engaged knowledge of, or familiarity with, local networks—of individuals, groups and institutions—needed for flourishing. In other words, Larrieu sees the (near term) consequences of splitting Timken as merely a set of facts that don't seem to change much. After all, the Timken name persists over the company, and no one will be laid off immediately. What he does not account for is the subtle webs of relation—the trust—that identify the company with the town in pursuit of their Common Good. To him it's nothing personal, whereas for Allison the discrete facts are taken up into a narrative that links Timken and the Common Good of his city. Students may remain torn between the conclusion I have just expressed and the claim that Larrieu is just being realistic. That they wind up confused, in this way, is not a bad thing. Whether or not they ultimately judge Larrieu blameworthy is not as vital as their experiencing the tension between, on one hand, the perspective of the

Common Good and, on the other, the perspective both individualistic and detached from local knowledge that is perhaps embodied in the financial system that allows—encourages, even—such events to occur. Crucial is the instructors' commitment to teaching that the Common Good, as a component of CST, makes a difference when it comes to sharpening the perception of moral values inherent to business activity.

Let me finally suggest two directions for further consideration by instructors. If it is likely that stakeholder theory of the corporation has been introduced to your students, it could be fruitful at this point to compare it to the concept of the Common Good. To what extent does stakeholder theory seek to attend to those webs of social support so central to the approach based on the Common Good? Further, in what ways does stakeholder theory remain indebted to the view of societies as contracts inimical to the Common Good approach? And if it does, is it then likely to overlook that human ecology I have claimed good moral reasoning in business must include?

Secondly, as both the traditional shareholder theory of the firm and the stakeholder alternative, tend to rely heavily on legal regulation as a source of acceptable behavior, it may be helpful to draw out and identify an inclination many students have to equate moral reasoning in business with the straightforward application of an already explicit law or rule. The problem is that this paradigm renders simple what is really complex and time-consuming: developing the skills of attending to webs of support in real societies, the very skills of attention the narrative approach offered in this paper aims to cultivate.

Conclusion

I began by stating the need for strategies for teaching business ethics in light of concepts from CST such as the Common Good. After offering a provisional definition of this complex concept, I presented a case that I claimed was well suited for the teaching of this concept. Finally, I outlined a few teaching strategies for using the case to help students grasp this difficult concept, as well as gain a preliminary sense of how the Common Good—as representative of Catholic Social Teaching—makes a difference to the moral evaluation of business in our day.

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¹ The editors chose to represent this view with Milton Friedman's famous article on the "The Social Responsibility of the Business is to Increase its Profits." Donaldson, T. et al. (eds.), 2002, pp. 33-38.

² The spokesman on this side is Ed Freeman, in his essay "Stakeholder Theory of the Modern Corporation." Donaldson, T. et al. (eds.), 2002, pp. 38-48

³ Though it has earlier antecedents, by "modern Catholic Social Teaching," historians typically mean the teaching developed in Papal and other church documents inaugurated by Pope Leo XIII's *Rerum Novarum* in 1891, and developed continuously in both papal and other official documents of the Catholic Church.

⁴ Pope Francis, 2015, #129

⁵ He reminded our elected statesmen of their calling to lead their fellow citizens by protecting their dignity “in the demanding pursuit of the common good, for the is the chief aim of all politics.”

⁶ Paul VI. Vatican Council II. 1965, # II.26

⁷ Pius XII works analyzes the distinctions among social bodies in *Mystici Corporis*.

“In a natural body the principle of unity unites the parts in such a manner that each lacks in its own individual subsistence; on the contrary, in the Mystical Body the mutual union, though intrinsic, links the members by a bond which leaves to each the complete enjoyment of his own personality. Moreover, if we examine the relations existing between the several members and the whole body, in every physical, living body, all the different members are ultimately destined to the good of the whole alone; while if we look to its ultimate usefulness, every moral association of men is in the end directed to the advancement of all in general and of each single member in particular; for they are persons.” (*Mystici*, 61)

⁸ The form of a social group varies from families, to labor unions, churches or nations. The history of the concept of social group, or “society,” with special public standing, or “dignity,” is traced by Russell Hittinger in his seminal article, “The Coherence of Catholic Social Doctrine.” Key to the history is a developing distinction between the unity of a single organism (“natural unity”) and the “unity of order” (*unitas ordinis*) of social unity characteristic of a group of the kind in question. Unlike the unity of a human being, where to separate the parts of mind and body would destroy the organism, the unity of social body permits the individual parts or

members to come and go while the social body persists. This explains somewhat the definitions need to refer to individuals as well as social groups, for the former have an existence that transcends membership in any one group. See also Pius XII, *Mystici Corporis*, 61 (above), and John Paul II's reference to social groups as "subjective unities" in. Further, social unity is ordered toward unified action, and social bodies will be distinguished by the ends for which they act.

⁹ "God gave the earth to the whole human race for the sustenance of all its members, without excluding or favouring anyone. This is *the foundation of the universal destination of the earth's goods.*" Pope John Paul II, 1991, #31. While John Paul II is often credited with emphasizing this concept, it is important to note that the idea has deep roots in CST and church history.

¹⁰ For the theme of "participation" as an individual's right in the light of justice, see *Economic Justice for All* (USCCB, 1986, #15).

¹¹ David Hollenbach has emphasized the link between the common good and "non-instrumental" values in modern societies. While social life is "necessary [instrumentally] to meet a person's needs for food, shelter, familial nurturance in childhood, basic education, the protection of public safety, etc.," social interaction is also intrinsically valuable as the ground of common action and meaningful relationships. He further writes, "the common good of a republic fulfills needs that individuals cannot fulfill on their own and simultaneously realizes non-instrumental values that can only be obtained in our life together. These non-instrumental values include the relationships that come into existence and public speech, joint action,

and shared self-governance...They are goods that, by their very nature, cannot be enjoyed privately.” pp. 81-83

¹² As Russell Hittinger writes, “the Aristotelian-Thomist ontology of unity of order is meant as a point of departure for empirical and moral investigation. It allows us to begin correctly...”

¹³ Freeman’s piece mentioned in note two spells out this dynamic. See Freeman, Ed. “Stakeholder Theory of the Modern Corporation” in Donaldson, T. et al. (eds.), 2002, pp. 38-48

¹⁴ In a poignant passage from the encyclical *Caritas in Veritate*, Pope Benedict XVI articulates what is missing from the individualist picture of society, here in its ‘state plus market’ conception. His reference to “communion” is, I believe, closely related to the common good. “When both the logic of the market and the logic of the State come to an agreement that each will continue to exercise a monopoly over its respective area of influence, in the long term much is lost: solidarity in relations between citizens, participation and adherence, actions of gratuitousness, all of which stand in contrast with *giving in order to acquire* (the logic of exchange) and *giving through duty* (the logic of public obligation, imposed by State law). In order to defeat underdevelopment, action is required not only on improving exchange-based transactions and implanting public welfare structures, but above all on gradually *increasing openness, in a world context, to forms of economic activity marked by quotas of gratuitousness and communion*. The exclusively binary model of market-plus-State is corrosive of society, while economic forms based on solidarity, which find their natural home in civil society without being restricted to it, build up

society. The market of gratuitousness does not exist, and attitudes of gratuitousness cannot be established by law. Yet both the market and politics need individuals who are open to reciprocal gift. (Benedict XVI, 2009, # 39.)

¹⁵ N.p., n.d. *The Timken Company*. Web. May 18, 2016. <http://www.timken.com/en-us/about/Pages/CorporateOverview.aspx>.

¹⁶ N.p., n.d. *TimkenSteel*. Web. May 18, 2016. <http://www.timkensteel.com/who-we-are/corporate-overview>

¹⁷ Schwartz, 2014.

¹⁸ N.p., n.d. *Relational Investors LLC*. Web. May 18, 2016. <http://www.rillc.com>. The website has shut down since I accessed it. The page now simply states that the firm concluded all its business activities in December of 2015.

¹⁹ Cf. Nussbaum, M, 1990, 40-43.

²⁰ See Nussbaum, M., 1990, pp. 3-10.

²¹ Schwartz, 2014

²² Berger, S. 2013, pp. 189-190.

²³ Schwartz, 2014

²⁴ As far as the kind of learning aimed at here, what we are after is to bring students into encounter with a concept, and progressively make them more capable of using it in description and critical evaluation.

²⁵ To describe the order of learning, the following aphoristic formulation occurred to me: 'students will come to see that the common good is *this* (i.e., case example); students will come to see this as the *common good* (definition).' The point is that

students will come to grasp the concept of the common good in the same moment as they come to see the new relevance of the case depictions.

²⁶ Instructors might at this point reflect on ways to indicate to students how businesses can be part of a web or network of social support. The virtue of narrative is in its ability to display such webs or networks of support within a community

²⁷ Indeed, my students from the area have told me that the high school football stadium there bears the “Timken” name.

²⁸ The PowerPoint presentation created by CALSTRS that makes this claim also states that after the proposed split the Timken family will still have ownership prerogatives, the employment levels will remain the same and two independent companies will remain headquartered in Canton. Yet this is belied by the fact that the split will make Timken a likely target for leveraged buyout, and the large multinational likely to acquire it will have no particular loyalty to Canton.

The following comes from the Schwartz article: “Rating the stock a buy, Jefferies said, ‘Acquisition interest likely high; potential acquirers plentiful, though TMST not looking to sell cheap,’ the day before it began trading. Analysts at Gabelli & Company reached a similar conclusion. ‘We believe an acquisition has better than even odds one to two years out,’ the firm said in a report weeks later. That TimkenSteel had little debt and an overfunded pension plan at the time of the spinoff, Gabelli added, makes its balance sheet ‘ripe for a sale.’”

The PowerPoint in question was once available at www.unlocktimken.com. As the site is no longer live, I owe my access to it to Dr. Terence Lau, Associate Dean

of the School of Business Administration at the University of Dayton. He used The Way Back Machine to gain access.

²⁹ Reviewing the retirement fund's argument with students, an instructor should point out that it is true that no jobs will be lost immediately, and that the family maintains ownership for the present. But seen in the broader light of Timken's history in Canton, these are surface facts. They don't do justice to the web of relations that have formed between company and town. Put differently, taken as CALSTRS takes them, these facts would make the fear of locals like Allison seem irrational. But when you acknowledge their place in the economic story of places like Canton—where large, loyal companies become a part of the web of support and then are bought by an industry giant and shut down—the fear becomes well grounded.