

Book Review, *Business as a Calling: Work and the
Examined Life* by Michael Novak

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Books

***Business as a Calling: Work and
the Examined Life***

Michael Novak

The Free Press, Simon &
Schuster, Inc., 1996

This book will be an inspiration
to Christian educators and their
students. Michael Novak, who is

a philosopher, theologian, and
1994 winner of the Templeton
Prize for Progress in Religion
(and Stonehill College alumnus,
I'm proud to add!), offers advice
on how to have a more fulfilling
business life. He urges readers to
rethink their real reason for being
in business: not just money,

recognition, or prestige, but more importantly, to make a contribution to society. Novak's aim in writing *Business as a Calling* is "to help change the way business schools talk about people in business" (p. 4).

According to Mr. Novak, "the virtual monopoly on ways of thinking about business life exercised by economics as science and the business schools as schools of hard-nosed practicality has had an unfortunate effect upon the moral and religious dimension of economic life. It has tended to focus exclusive attention on material things, on the bottom line, on instrumental matters, on means and methods rather than ends and purposes" (p. 4), ignoring Jesus' admonition that "Man does not live by bread alone." Novak reminds us that, although usually treated separately, economics and morality are vitally linked: in order to work well, capitalism requires a virtuous worker. In fact, he points out (and has been documented elsewhere) that "moral conduct is in the long run more in keeping with probabilities of success than is immoral behavior" (p. 10). The free enterprise system rewards virtue.

Unfortunately, many people educated in the humanities and social sciences "think of business as vulgar, philistine, and morally suspect" (p. 7). Yet, in Novak's view, business is not per se

immoral nor amoral; rather, if properly practiced, it is a "morally serious" as well as "morally noble" (p. 13) venture, and therefore we can consider our careers our callings. Thus, the two major threads running throughout this book are that (1) the free enterprise system is a highly socially sound and morally beneficial achievement and (2) one can and should find purpose and meaning from one's calling.

Regarding the first thread, business is virtuous, the author points out that the point of business is to "accomplish something collectively," "to do something which is of value," and "to build community" (pp. 36-37). Business people often see their ventures as a way of giving back to society, both via products sold and philanthropy practiced through the new wealth business generates. Because business is the largest single societal institution, the moral health of society is largely dependent on business leaders' moral character. Novak points out little-known statistics which show that business people are more religious than, say, college professors, politicians, and, in fact, any of the other elites in American society, so presumably many have the requisite good moral character.

To Novak, capitalism is virtuous for two reasons: (1) it better helps the poor escape from

poverty than any other economic system and (2) it is “a necessary condition for the success of democracy, but not a sufficient condition” (p. 87), for it “(1) defeat[s] envy through open economic opportunity and economic growth, and (2) defeat[s] the tyranny of a majority, through splitting up economic interests into many different factions” (p. 93). However, to work well, capitalism must be undergirded by character and virtue. “Professionals need the virtues that the Greeks, Romans, and medieval Jews knew were important to a good life. Business life could not be conducted without them” (p. 105).

Two chapters are devoted to these virtues. In the first, “Virtue In the Modern City” Novak makes a criticism of ethics education that I first heard given by Chuck Colson in a speech at the Harvard Business School and on which several other Christian authors have written. This is that “moral education needs to focus on a training of the will” (p. 100) rather than focusing exclusively on the intellectual level. “The will is the power to carry the judgment of the mind—‘yes’ or ‘no’—into action” (p. 100). Novak uses a wonderful example of the war between reason and the passions: the alarm clock which awakens us in the early morning. Intellectually, the mind knows

that it is time to awaken, but the will (“want”) is not aligned with the mind (“ought”). He points out that the Greeks (and Enlightenment scholars, I might add), fascinated by the power of mind and reason, thought that moral judgments could be derived by these alone and did not give much thought to the will, as Christians were later obliged to do. (Aristotle, however, pointed out that virtue consists not merely in *knowing* what is right but also in having the *will* to do what is right, and Plato believed that the Socratic method, akin to today’s ethics discussions which involve a lot of interesting debate but offer little closure, should be reserved for mature men over 30 who already possess the virtues.) Thus, it was Christian thinkers—such as St. Paul, who stated in Romans 7:1, “The good that I wish, I do not do; but I practice the very evil I do not wish”; St. Augustine; and St. Thomas Aquinas—who explained the inconsistency between what we know we should do and what we actually do. As Colson has pointed out, reason alone is no match for passion, so the real issue is how to subdue the will.

Novak points out that until modern times, education in ethics stressed the virtues and character (a person’s unique package of virtues and vices). He laments the fact that our academic tradition in the U.S. has largely ignored the

concepts of virtue and character, which is not unrelated to its neglect of business as a worthy moral calling. He believes this has happened because "progressives are likely to suggest that virtue and character cannot be a straightlaced, stiff, hypocritical, and conservative moral posture from which they intend to 'liberate' us" (p. 110). Also, the public schools no longer engage in character formation, and our mainline churches have abandoned their traditional emphasis on virtue and character in favor of counseling, therapeutic methods, and social causes. Too, the entertainment media and mass media to some degree mock virtue and character and contain few illustrations of struggles for virtue and character characteristic of the Jewish and Christian traditions.

The author would have us get back to the basic virtues taught by ancient Greeks and Romans as well as the later medieval Jews and Christians. The former stressed the four cardinal virtues (practical wisdom or prudence, justice, temperance, and moral courage), to which Western tradition over the years has added others such as liberality, patience, and perseverance, to which were added the Christian virtues such as the fruits of the Spirit. Colson believes that the real solution is to submit the will to Christ, i.e., to come under His Lordship by

being born again. Only Christ can change the will and give us a new nature (a "new creature in Christ") to help us want to do what we know is right. It seems that we need less education and more regeneration!

A chapter is devoted to three virtues Novak finds to be of particular relevance to business and which satisfy a human need for personal commitment, excellence, and mastery: (1) creativity and other intellectual capital (which is the primary basis for wealth creation), (2) building a human community, and (3) practical realism. Regarding the latter, Novak alludes to today's prevalent relativism: "In academic circles today, realism is regarded as outmoded. There is only one opinion: yours, mine, and those of billions of others" (p. 128). Novak would probably agree with those who argue that business professors are better suited to teach business ethics than liberal arts professors trained in philosophy or religious studies because "some who work in the field of business ethics were first trained in ethics, with a liberal arts background, and tend to think of business corporations as morally naked, unless hung with baubles and jewels from ethics to disguise the nakedness. They see no ethical dimensions inherent in business activities" (p. 138). Another problem is that

“professors, with their professional interest in ambiguity, have always shown discomfort in the fact of the rhetoric of business corporations, with their emphasis on getting past ambiguity in order to act successfully” (p. 137).

Novak sums up his ideas on business ethics by proposing a new definition: “It means imagining and creating a new sort of world based on the principles of individual creativity, community, realism, and the other virtues of enterprise” (p. 133).

In another chapter Novak outlines “seven plus seven corporate responsibilities” (p. 134). The first set of corporate responsibilities consists of virtues which are inherent to business and constitute its primary moral duty. These seven internal responsibilities are to: (1) satisfy customers with goods and services of real value; (2) make a reasonable return on the funds entrusted to the business corporation by its investors (which, I might add, should happen if the first responsibility is being practiced; (3) create new wealth; (4) create new jobs; (5) “defeat envy through generating upward mobility and putting empirical ground under the conviction that hard work and talent are fairly rewarded” (p. 143), including avoiding practices that incite envy such as conspicuous privilege, ostentation, and unusually large

salaries or bonuses; (6) promote invention, ingenuity, and progress in the arts and sciences; and (7) diversify the economic interests of citizens so as to prevent the tyranny of the majority.

The second set of responsibilities concerns ethics, since they derive their source of authority from outside business itself, i.e., from religious convictions, moral traditions, humane principles, and human rights commitments. These seven external responsibilities are to: (1) establish within the firm a sense of community and respect for the dignity of persons; (2) protect liberty’s political roots (since the survival of business depends on the survival of free institutions, businesses should encourage their employees, retirees, and shareholders to participate in politics); (3) respect the law; (4) uphold social justice (since for its welfare and survival business depends on its members being active in civil society, e.g., volunteering for civic activities and being good citizens in the local community); (5) communicate frequently and fully with investors, shareholders, customers, employees, and other constituencies; (6) contribute to making the surrounding society a better place by taking a leadership role in society; and (7) protect the “moral ecology of freedom” (p. 151). Regarding the latter, Novak points out that most

executives have not accepted responsibility for the wholesomeness of the TV environment. Specifically, too many businesspeople are underwriting television programs laced with sex and violence and which slander the business community as inherently evil.

Novak meets potential objections to business as a virtuous enterprise head on by tackling three controversial issues which have received massive media coverage: profits at the expense of morality, exorbitant executive compensation packages and income inequality, and the downsizing which often occurs when businesses "re-engineer." Novak offers suggestions for how business executives can take the lead in reforming these much-aligned business practices. For instance, he proposes that business leaders organize members of their professions to meet the basic needs of the homeless. Concerning downsizing, he recommends personal ownership of a portability in health care and other benefit plans (which, since this book's writing, has become politically popular). Too, he devotes a chapter to the difficult issue of business and human rights, pointing out that businesses can insert a wedge of liberty into closed societies, bringing them into contact with the ideas and practices of free

societies, such as democracy and moral purpose, and raising up successful business leaders who offer a political alternative to military or party leaders.

Regarding the second theme, business as a calling, Novak points out that to identify a calling and find purpose in one's work, one must have the ability to do the job and derive enjoyment from it. Throughout the book, Novak enlivens his theoretical musings with anecdotes of famous people (e.g., Sir John Templeton, founder of the Templeton Growth Fund, and David Packard of Hewlett-Packard) and not-so-famous folk "called" to business. Many pages are devoted to the famed steel industrialist and philanthropist Andrew Carnegie who, it has been pointed out elsewhere, formulated two key tenets of corporate social responsibility: the charity principle (more fortunate individuals must assist less fortunate members of society) and the stewardship principle (businesses and wealthy persons should see themselves as stewards, holding their property in trust for the benefit of society as a whole). Upon retiring, Carnegie was almost able to fulfill a youthful pledge to give away all of his hard-earned wealth, believing that it is a disgrace for an accumulator of great capital to die without giving it all away. In the final chapter

Novak encourages successful business people to follow Carnegie's example of living modestly and giving away their wealth. Leaving a large legacy to their dependents tends to "breed dependency, weakness, and uncreative lives" (p. 194). Bequeathing it for public purposes often leads to the testator's original purposes being thwarted by foundations whose stewards have different values than the benefactor.

This book should certainly be assigned reading in business ethics courses. It could generate lively classroom discussion on both the educational issues as well as the practical issues raised regarding ethics and social responsibility. It can help straighten out misperceptions of business as an evil institution. And it just might open the eyes of those students who, when asked why they are majoring in business, reply, "to get a good job and make lots of money." We would do well to pass it along to our friends in the business world as well. If business people thoughtfully read this book with an open mind, the result could be a more fulfilled, more enlightened, and better respected business community with far fewer ethical infractions.

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