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IESE and the Social Role of a Business

“A business is a community of people that serves other people within a society of people.” An address given by Monsignor Fernando Ocariz at a conference entitled “The Company and its Social Responsibilities,” marking IESE's 60th anniversary.

07/18/2019

Taking part in this conference for the sixtieth anniversary celebration of IESE is a great joy for me, and gives

me the opportunity to express once again my gratitude to Saint Josemaría Escrivá de Balaguer, God's instrument to begin this initiative. My gratitude also goes out to all those who have contributed in the past and to you who are working now to turn this initiative into a Business School with great prestige that is offering an important service to society.

I also want to extend my congratulations to all the associated Business Schools that follow its example, echoing its message all over the world, each according to its specific geographic and social circumstances as well as the constitution its founders freely and responsibly gave it and the course marked by its current directors, a representation of which are here today. I unite myself in a special way to words spoken here at IESE by the previous Prelate of Opus Dei, Bishop

Javier Echevarría, with reference to IESE's work and that of centers inspired by its approach: "It has proven to be a much-needed endeavor for today's world, and will always be so. For also in this area of professional activity, Christians must be and act as salt of the earth and light of the world (cf. *Mt* 5:13-14)."[1]

The beginnings of IESE

Sixty years is a considerable amount of time, even for an academic institution that is called to endure over time, which is not the same as the monotonous repetition of the same things year after year. Since that first executive training program launched in November 1958, IESE has undergone significant changes. We notice some of them in the buildings and material resources, and in the people, strategies and policies that have resulted in professional, human and social

improvement for the thousands of women and men who have passed through its classrooms and benefited from IESE's deep and fruitful impact on society.

What motivated the founder of Opus Dei to encourage the opening of IESE was precisely this desire to leave a mark on society. Professor Francisco Ponz, who lived in Barcelona in the 1940s and is a former Rector of the University of Navarra, said that Saint Josemaría when visiting this city “once remarked on the apostolic interest of improving the formation and Christian life of the many people in Catalonia who were responsible for running all types of businesses. He pointed to the spiritual and social repercussions of helping those responsible for the promotion, direction and development of businesses to be exemplary Christians and to act in accord with the faith, with good professional and

Christian criteria, following the Church's teachings and moral principles. He said they should do so with a spirit of service towards their employees and workers and towards society in general, without being led by purely human ambitions, or simply the desire for material enrichment.”[2]

I wanted to cite this long passage because it is a good introduction to the topic I was asked to speak about today: *IESE and the social role of a business*. I will not try to enter into technical aspects of this area which are not my competence and in which you are the experts. Instead, I would like to offer some reflections based on the Social Doctrine of the Church, as Chancellor of the University of Navarra, in accord with IESE's mission statement: to “develop leaders who strive to have a deep, positive and lasting impact on people, companies and society

through professional excellence, integrity and a spirit of service.”[3]

The social role of a business

Right from its beginning, the mission of this school saw a business not just as seeking to generate return on capital, or a locale that provides employment for some people, nor even as a project that provides services to consumers and employees alike, but above all as a community of persons. This in some way anticipated the Second Vatican Council which, grounding all economic activity on the centrality of the human person, stated: “In economic enterprises it is persons who are joined together, that is, free and independent human beings created to the image of God” (*Gaudium et spes*, 68). A few years later, in the Encyclical *Centesimus annus*, St. John Paul II stressed that the “the purpose of a

business firm is not simply to make a profit, but is to be found in its very existence as a community of persons who in various ways are endeavoring to satisfy their basic needs, and who form a particular group at the service of the whole of society” (no. 35).

A business is therefore an expression of the social nature of the human person, who needs relationships with other people to satisfy his or her material and spiritual needs, to give meaning to one’s work, to provide a service to others and to society and, ultimately, to know oneself and thus reach fulfilment as a person and as a child of God. Benedict XVI wrote: “As a spiritual being, the human creature is defined through interpersonal relations. The more authentically he or she lives these relations, the more his or her own personal identity matures. It is not by isolation that man establishes his worth, but by

placing himself in relation with others and with God” (*Caritas in veritate*, 53). As a recent document from the Holy See states, “Every business creates an important network of relations”^[4]: in the first place, internal relationships within the organization; and then those oriented outside, with customers, suppliers, investors and society in general. A business is a community of people that serves other people within a society of people. Only after taking this into consideration do capital, facilities, technology and legal realities come into play.

The external mission of a business stems from its social and relational nature: meeting the needs of other people, first by producing goods and services, but also in many other ways including innovation and creativity, developing a culture of work and service, the fulfillment of financial and social duties, the example of

dedicated service, and many other things that show how business is a great transformer of society, for good or for bad.

The social role of a business, therefore, stems from the freedom and creative capacity of many people: owners and managers in the first place, but also all the men and women who come together to carry out the business as employees, suppliers, distributors and external collaborators. This is reflected in all its daily activities: in work that is cheerful and varied at times, but also monotonous and difficult, as well as in constant effort and the exercise of the virtues needed to bring it forward each day.

Human work

Clearly a business is a privileged sphere in which human work is carried out. Certainly it is not the only one, since the variety of tasks

that make up work in the home, politics, public administration, education and so many charitable and social organizations are also important spheres of human work.

John Paul II rightly affirmed that “man’s principal resource is man himself” (*Centesimus Annus*, 32). This is a bold statement, which clashes with many current positions that perhaps are well-intentioned but that are erroneous or at least incomplete. Some of these emphasize technology, while others focus on organization, efficiency, money or power; others even look at human beings with suspicion, viewing them as predators endangering the survival of our world.

In contrast, the Second Vatican Council taught that “human activity ... proceeds from man, so it is ordered toward man. For when a man works he not only alters things

and society, he develops himself as well. He learns much, he cultivates his resources, he goes outside of himself and beyond himself. Rightly understood this kind of growth is of greater value than any external riches which can be garnered. A man is more precious for what he is than for what he has. Similarly, all that men do to obtain greater justice, wider brotherhood, a more humane disposition of social relationships has greater worth than technical advances. For these advances can supply the material for human progress, but of themselves alone they can never actually bring it about” (*Ibid.*, 35).

The social role of a business must be sought in service to the human person, who is at the same time the benefactor, promoter, creator and agent of everything that organizations carry out. At the same time that a person has dominion

over nature, produces goods and generates wealth, he in some way forges himself: he develops and fulfills himself. Here again we have all the elements that comprise the social role of businesses: the persons involved, the purpose or objective that motivates them, the management of the project, and insertion in the broad scope of the society the persons participate in and which they serve, nourished by its resources and contributing to its prosperity. When he considered the importance of the work of each person, who in turn is the center of all businesses and markets, Saint Josemaría highlighted three fundamental aspects: sanctifying our work, sanctifying ourselves in our work and sanctifying others through our work (see *Christ Is Passing By*, 45).

“If we really want to sanctify our work,” he said, “we have inescapably

to fulfill the first condition: that of working—and working well!—with human and supernatural seriousness” (*The Forge*, 698). I seem to be hearing his voice when I read, “Your buried talent, dig it up again! Make it yield ... it does not matter if in this world the results are not wonders that men can admire. What really matters is to hand over all that we are and all that we have, striving to make our talent yield, and constantly exerting ourselves in order to produce good fruit” (*Friends of God*, 47).

Business, a positive reality

These words focus our attention again on the community of persons making up any business. All those who go to work for a company each day do so for quite varied reasons, often not fully aware of them: seeking to earn a living and support a family; wanting to feel fulfilled as a

person; the desire to learn and develop skills; to enjoy career opportunities; to make friends; to help others; to feel useful; to participate in the progress of society... Some of these aims are included in the worker's contract but not all of them. In any case, a constant exchange of goods occurs every day in the workplace. A person receives a lot: not just a salary, a pat on the back for their performance or promotion possibilities, but also knowledge, skills, relationships, friendships... At the same time, each person gives a lot: time, effort, attention, enthusiasm, knowledge, experience... Workers give all this to the company and its owners, but also to the other managers and employees, to customers, suppliers and distributors, to the neighboring community, to their families and to society in general... and one receive back much from them. This includes private goods and also common

goods, which form part of the common good of a business, through which it contributes to the common good of society. And both private and common goods are received, the latter being goods created by everyone's efforts and from which everyone benefits.

So even the most selfish people, those who perhaps view their work exclusively as a means to satisfy their own personal interests, end up serving clients, helping their colleagues, striving to improve their God-given talents. But the most important thing is not the results but the change and growth that each person experiences. Business is, without a doubt, a great transformer of persons, as I already mentioned: for good or for bad.

St. John Paul II said that businesses are established as communities of persons sharing the same goal: in its

very existence a business is a community of persons coming together to provide a service to society (cf. *Centesimus annus*, 35). Goods generated by that human community are not only those based on commercial relationships. As Benedict XVI stressed: “the *principle of gratuitousness* and the logic of gift as an expression of fraternity can and must *find their place within normal economic activity*” (*Caritas in Veritate*, 36).

This might seem like a utopian vision: commercial businesses today have a poor reputation and the media constantly remind us of their mistakes. Certainly, reasons exist for this pessimistic view; we know very well the weaknesses and errors we human beings are capable of. But that is not the last word.

When Saint Josemaría met with teachers, staff, students and alumni

of IESE in November 1972, he told them, “People look at you with suspicion because you handle money. But I don’t. Society owes you all the jobs you create, and the country owes you its prosperity. So many people are in debt to you for what you contribute to the life of your country. The work you do, therefore, is very Christian. I admire your work, the jobs you carry out ... My children, your business endeavors are immersed in the Gospel. Our Lord looks at you with affection, and I too look at you with special affection.”

But that conversation didn’t end there, with praise for people engaged in business and managers. Rather Saint Josemaria reminded them of their duties: “Don’t forget the Christian meaning of life. Don’t rejoice in your success. And don’t despair if some undertaking fails.” In other words, he reminded them that

it is legitimate to try to achieve good returns on capital, but always shunning the temptation to seek money, power and personal success above all else.

During that same 1972 meeting, when a former student asked about the first virtue an entrepreneur should strive for, Saint Josemaría responded right away, as something very clear to him: “Charity, because justice alone is not enough. Justice alone is dry, and leaves many holes to fill.” And he added, “But don’t talk about charity: live it!” In *Christ is Passing By* he insisted: “A person or a society that does not react to suffering and injustice and makes no effort to alleviate them is still distant from the love of Christ’s heart” (no., 167). Some years later, in the Encyclical *Caritas in Veritate*, Benedict XVI expressed it this way: “*Charity goes beyond justice*, because to love is to give, to offer what is

‘mine’ to the other; but it never lacks justice ... I cannot ‘give’ what is mine to the other, without first giving him what pertains to him in justice ... charity transcends justice and completes it in the logic of giving and forgiving.”(6)

The terms people use in the business world today are probably different: justice and charity have given way to social responsibility, solidarity and sustainability. But the change in terminology should not hide the reality. Sometimes ideologies and the media try to present Christian morality as a set of prohibitions, burdens and obligations that end up suffocating us. Or as something private that each person can live at home behind closed doors, but not out on the street because it has no place in public life. And for some people today, economic problems are merely technical problems requiring

technical solutions alone, without an appeal to people's consciences.

But if a business is a community of persons, it is not valid to judge it only on one aspect of its results: financial benefits, profitability, efficiency, or market share. As we said earlier, persons need to be the protagonists and beneficiaries of a company's efforts. Let us listen once again to Saint Josemaría: "God is calling you to serve Him in and from the ordinary, material and secular activities of human life. He waits for us every day, in the laboratory, in the operating theatre, in the army barracks, in the university chair, in the factory, in the workshop, in the fields, in the home and in all the immense panorama of work. Understand this well: there is something holy, something divine, hidden in the most ordinary situations, and it is up to each one of you to discover it"(*Conversations*

with Monsignor Escrivá de Balaguer, 114).

This “something holy, something divine, hidden in the most ordinary situations” is, in its deepest reality, God’s love, which precedes us, accompanies us and always watches over us; it is God himself, because “God is love” (*Jn 4:8*). The call to discover God’s love in everything and to respond to that love is ultimately the universal call to holiness, which God made Saint Josemaria see clearly in 1928, when He inspired Opus Dei. He wanted Saint Paul’s message to reach every man and woman: “This is the will of God, your sanctification” (*1 Thess 4:3*): seeking holiness in work and ordinary life, because “while being fully involved in his everyday work, among other men, his equals; busy, under stress, the Christian has to be at the same time totally involved with God” (*Christ is Passing By, 65*). “Only

in this way can we set about this great undertaking, this immense, unending task of sanctifying all temporal structures from within, bringing to them the leaven of redemption” (*Ibid.*, 183).

Perhaps in professional work, a person first seeks to fulfil what is spelled out in a work contract, in order to have a right to the agreed-upon salary. But soon one realizes that work changes us on the inside, generating knowledge and skills and giving our efforts a new meaning. One discovers the value of serving others, collaborating in shared tasks, with the awareness that one forms part of something greater than oneself. And this in turn opens up new horizons... until the person becomes aware of God, as the ultimate goal of our life.

I return to some other words of St. Josemaría, from a homily he

delivered on 8 October 1967 on the campus of the University of Navarra: “There is no other way. Either we learn to find our Lord in ordinary, everyday life, or else we shall never find Him. That is why I can tell you that our age needs to give back to matter and to the most trivial occurrences and situations their noble and original meaning. It needs to restore them to the service of the Kingdom of God, to spiritualize them, turning them into a means and an occasion for a continuous meeting with Jesus Christ” (*Conversations with Monsignor Escriva de Balaguer*, 114).

A Christian business manager

But let us return to the community of persons that is each business, which we said transforms society because it transforms persons. Now I want to address especially the students and alumni here who run these

companies, as well as the teachers and staff of the Business Schools whose main task is to develop and guide the skills, knowledge and virtues of those who run these businesses.

I will take as a starting point some words from the *Compendium of the Social Doctrine of the Church*: “The roles of business owners and management have a central importance from the viewpoint of society, because they are at the heart of that network of technical, commercial, financial and cultural bonds that characterizes the modern business reality” (no. 344). What at first sight seems like a highly technical approach immediately points to personal responsibility, and especially care for persons. Pope Francis expresses it more directly: “Business is a vocation, and a noble vocation, provided that those engaged in it see themselves

challenged by a greater meaning in life; this will enable them truly to serve the common good by striving to increase the goods of this world and to make them more accessible to all” (*Evangelii Gaudium*, 203).

What is the primary task of a business executive? Forgive me for interfering in what falls to you. Certainly, to convene, train, guide, demand from, encourage, nurture, and sometimes heal the human team that will carry out the company's activities. Naturally, one person alone cannot oversee all these functions, unless it is a microenterprise. But especially if we're talking about a human team, where tasks are shared among various managers, no one – no matter how technical their job may seem – can neglect their responsibility towards other persons. Of course, we shouldn't forget other essential tasks usually entrusted to a

manager, such as planning, organizing, directing, coordinating and evaluating. But these tasks are also always carried out through interpersonal relationships. A business is ultimately a place where life is shared with others, and everyone is responsible for making life there agreeable, but especially the managers. Hence the need for managers to be very aware of the importance of each person, not only or mainly because of what he or she contributes to the company but because of who that person is.

In any case, let's not be utopian. A good manager will always have defects, like everyone else; he or she will make mistakes but should recognize and rectify them, starting over without becoming discouraged. "A Christian is not a neurotic collector of good behavior reports" (*Christ is Passing By*, 75) and always acts with freedom. God "does

not want the forced service of slaves; he prefers to have children who are free” (*Friends of God*, 33).

It is important that business managers have a spiritual dimension in their lives, which is not simply adding some pious practices to their busy schedule each day but requires a truly Christian way of being and acting. One important aspect here is “unity of life,” which means having clear principles and criteria for making decisions, and being coherent in applying them. Another key aspect which every Christian should strive for is the positive effort to sanctify one’s professional work, which means not only doing it well technically, but offering it to God in service to others.

The future

In a society frequently dominated by secularism where the only value seems to be the accumulation of

wealth and power; in an individualistic and utilitarian environment where the prevailing ethical framework ultimately leads to relativism... is there room for a School of Management like this one, inspired by the Christian message from its very start? Clearly, the answer is yes. IESE's sixty years of existence show clearly that a Christian view of life is not only compatible but is an excellent foundation for a proper understanding of business and its role in society, guiding the training and growth of managers who aspire to technical and human excellence.

As part of the University of Navarra, IESE does not have its own economic or social theories; there are many theories in this area that, to a greater or lesser degree, are compatible with the anthropological and ethical guidelines of the Social Teaching of the Catholic Church. The mission

statement of IESE simply states that “the ethical and moral values of the school are based on the Christian tradition. These values highlight the inherent rights and dignity of each person, who we consider the most important element in any organization and in society in general.” And in another place we read: “We seek to foster integrity, a spirit of service, professional excellence and a sense of responsibility in all those who pass through our school.” These values, based on Christian truth, can be shared by people of any creed, including those with no religion at all.

In any case, the humanistic and ethical content of what is taught at IESE is not a substitute for the professionalism you promote among managers and executives, but rather forms part of it. In fact, the lack of certain virtues and values often

indicates poor professional quality, when this is measured not exclusively by external results (income, profits, sales, reputation, social recognition, etc.), but also by internal learning (virtues), the ability to transform persons and their influence on other people (colleagues, employees, etc.).

For those of you working in IESE or in other institutions inspired by its ideals, and for all those who will come in the future, these words of Saint Josemaria about the role of the university in general are very timely also today: “A university does not have its back turned to any uncertainty, worry or need of people today. Its mission is not to offer immediate solutions. But in studying problems with scientific depth, it also moves people’s hearts, overcomes passivity and awakens sleeping forces, educating citizens eager to build a more just society. With its all-

encompassing work it helps to break down barriers that hinder mutual understanding between men, to diminish the fear of an uncertain future, and to foster—with love for the truth, justice and freedom—true peace and concord among hearts and nations” (*Address in Pamplona, 9 May 1974*). How timely these words are today, spoken more than a quarter of a century ago!

This is the task that falls to you, professors, managers and employees, students and former students of IESE, as well as those taking part in this anniversary celebration and who carry out your work in other Schools and Universities.

I said at the beginning that sixty years was already a respectable age for an academic institution. IESE has done a good job, and I congratulate you for it. But much remains to be done: new generations reach your

classrooms every day, your programs multiply, you are present in ever more countries, your research work receives well-deserved praise...

Having reached this point, I remind you once again of what Saint Josemaría said to those business people and managers present at that meeting in November 1972: “Don’t forget the Christian meaning of life. Don’t rejoice in your success. And don’t despair if some undertaking fails.” With this outlook you can – we can – always undertake our work “joyful in hope” (*Rom* 12:12), as Saint Paul wrote to the Romans.

[1] “Directing Companies with Christian Outlook,” in *Dirigir empresas con sentido cristiano*. Pamplona: EUNSA, 2015, 47-48.

[2] Testimony of Francisco Ponz Piedrafita, October 1998. Francisco Ponz was Professor of Animal Organography and Physiology at the University of Barcelona between 1944 and 1966, and Rector of the University of Navarra from 1966 to 1979.

[3] See <https://www.iese.edu/about/mission-values/>

[4] Congregation for the Doctrine of the Faith and the Dicastery for Promoting Integral Human Development, Oeconomicae et pecuniariae quaestiones.

Considerations for an ethical discernment regarding some aspects of the present economic-financial system, 17 May 2018, no. 23.

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