The Vocation of the Organizational Leader

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Goals for the Webinar

• In 2012, the Pontifical Council for Justice and Peace published a first-of-its-kind reflection on the “Vocation of the Business Leader.”

• In this webinar, we will:
  1. Review the key ideas of the document
  2. Consider the application of these ideas to the situation of contemporary healthcare.
The “Vocation of the Business Leader”

- The document is the product of a discussion between the PCJP, scholars and business leaders about the nature of business in light of the encyclical *Caritas in veritate* (2009).

- The document represents the first time that an official Vatican publication acknowledged that businesspeople have a “vocation,” a “genuine human and Christian calling.”

- Pope Francis has called this “a noble vocation.”

http://www.stthomas.edu/cathstudies/cst/research/publications/vocationbusinesslead/
The Vocation of Management and the Situation of Healthcare

- The Evolution of Healthcare:
  - From physicians/nurses to teams of professionals
  - The diminishing presence of sponsoring communities
  - Rising expectations and increasing costs
  - Continuing tensions between professional judgment and organizational unity
- The fuzzy line between for-profit and not-for-profit
The “Business” of Healthcare

- A business is “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.” (Pope St John Paul II, *Centesimus annus*, 35)

- In recent decades, the practice of healthcare has become more institutional and more business-like.

- That is, the practice of healthcare has become more *organizational* and adopted the model of business management.
The “Business” of Healthcare

- The “for-profit” vs “not-for-profit” distinction
  - The distribution of excess revenues
  - The source of revenues
  - Similar or different goals?

- Healthcare as a blend of for-profit and not-for-profit

- Healthcare is not merely transactional

- Room for professional judgment?
The Vocation of Management
Successes and Failures

• “When managed well, [organizations] actively enhance the dignity of employees and the development of virtues, such as solidarity, practical wisdom, justice, industriousness and many others.” (“Vocation of the Business Leader,” 3)

• “Without guiding principles and virtuous leadership, [organizations] can be places in which expediency displaces justice, power corrupts wisdom, technical instruments are detached from human dignity, and self-interest marginalizes the common good.” (“Vocation of the Business Leader,” 4)
The Vocation of Management
Getting Personal

- The “divided life,” the “split between the faith which many profess and their daily lives.” (Gaudium et spes, 43)

- “The manifold pressure that [organizational] leaders face may lead them to forget the Gospel call in their daily professional activities. It may seduce them into believing, falsely, that their professional lives are incompatible with their spiritual lives. They may then concentrate excessively on material resources and/or worldly success.” (“Vocation of the Business Leader,” 12)
The Vocation of Management
The Good that Management Does

- Without effective leadership and good management, an organization cannot achieve its mission.
- What sort of leaders and managers do we need?
- When managers function well, they attend to three general objectives:
  1. To generate goods and services that meet the genuine human needs of customers (patients).
  2. To organize the work of others toward effectiveness and efficiency.
  3. To create wealth wisely and well, and to distribute it justly.
The Vocation of Management
Foundational Principles

- Human Dignity
  - Each person, regardless of age or condition, is an image of God and possessed of an irreducible value.
  - This value, or dignity, is not an achievement or a gift but a fundamental characteristic of the person.
  - As images of God, human persons flourish in reasoning well, choosing in accord with the truth, and living socially.
  - A minimum of material resources is necessary for human flourishing.
The Vocation of Management
Foundational Principles

• **Common Good of Civil Society**
  - “The sum total of conditions which allow people, either as groups or as individuals, to reach their fulfillment more fully and more easily.” (*Gaudium et spes*, 26)
  - Businesses and non-profit organizations contribute to the common good by providing needed goods and services, organizing good work, and managing wealth wisely and well.
The Vocation of Management
Deep and Abiding Purposes

• All organizations should seek to:
  • address genuine human needs through the creation, development and production of goods and services;
  • organize good and productive work;
  • use resources to create and share wealth* and prosperity wisely and well.

*To foster health is to create a kind of wealth
The Vocation of Management
Practical Principles

Meeting the Needs of the World

• In order to contribute to the common good, organizations must produce *goods that are truly good* and *services that truly serve*.
  • A good or service addresses a genuine human *need* when it makes a real contribution to individual human flourishing.
  • We must not be distracted by seeking to supply mere human *wants*. 
Meeting the Needs of the World

Business leaders ought to maintain solidarity with the poor by being alert for opportunities to serve otherwise underserved populations and people in need.

An orientation to serve the common good—solidarity—means that we will always be alive to opportunities in which we can serve persons and not merely increase efficiency or maximize profit.
The Vocation of Management
Practical Principles

• Organizing Good and Productive Work
  • Leaders must foster the special dignity of human work.
  • “It is a scandal when dead matter comes forth from the factory ennobled, while men are corrupted and degraded.” (Pope Pius XI, Quadragesimo anno, 135)
  • Good work is productive, well-organized and mindful of the fact that persons are deeply shaped, for good or ill, by the work that they do.
Organizing Good and Productive Work

• Leaders ought to embrace the idea of *subsidiarity* and provide opportunities for employees to exercise appropriate freedom and judgment as they participate in the work of the organization.

• With the good of the organization and its mission in mind, leaders must take the risk of permitting employees to exercise their intelligence and freedom to make judgments about how the work is to be done.
The Vocation of Management
Practical Principles

• Creating Wealth Wisely and Well
  • Leaders must be good stewards of the resources—whether capital, human or natural—which are at their disposal.
  • Leaders have a duty to use resources as a trust: to avoid waste, to be mindful of the needs of other people and future generations, and to respect the natural environment.
Creating Wealth Wisely and Well

- Leaders must allocate justly all of the benefits and burdens associated with their operations among all of their relevant stakeholders, including customers (patients, *et al*), employees, investors, creditors, suppliers and their communities.

- Leaders must not only work to create wealth but they must also take responsibility to ensure that rewards and risks are distributed justly.
Christian Witness and the Divided Life

- Do I see my work as a gift from God, as an opportunity to participate continuing creative and redemptive activity?
- Am I living an integrated life or do I separate what I believe from the work that I do?
- Am I praying and receiving the sacraments regularly?
- Do I believe that taking the dignity of all persons seriously in my decision-making will promote integral human development and make my organization more efficient and more successful?
The Vocation of Management
An Examination of Conscience

• Meeting the Needs of the World
  • Do I see the responsibilities of my organization (and my position) as extending to all of the constituencies who benefit from and contribute to its life, not merely to the owners or trustees?
  • Do I regularly assess the degree to which my organization offers goods and services that address genuine human needs?
  • Do I remain alive to opportunities to serve the poor and neglected?
  • Does my organization make every effort to take responsibility for the externalities and unintended consequences of its activities?
The Vocation of Management
An Examination of Conscience

- Organizing Good and Productive Work
  - Do I provide working conditions that allow employees appropriate autonomy at every level? Do I assume the risk attached to accepting the decisions of others?
  - Are the jobs and responsibilities in my organization designed to draw upon the full talents and skills of those doing the jobs?
  - Am I honest with my employees about their performance?
  - Do I place the dignity of all employees above profit margins?
The Vocation of Management
An Examination of Conscience

Creating Wealth Wisely and Well

- As a leader, am I committed to deliver fair returns to providers of capital, fair compensation (wages and benefits) to employees, fair charges and prices to customers (patients) and suppliers, and fair taxes (and services) to local communities?
- In anticipation of economic changes, does my organization take care that employees remain employable through appropriate training and variety in their work experience?
- Do we honor our responsibility for the natural environment?
Chaplains in healthcare have typically focused most of their attention on patients and their families.

Can chaplains play additional roles in the organization?
- Can chaplains help staff to avoid the problem of the divided life and seek integration?
- Can chaplains help managers to ensure good work for all?
- Can chaplains help staff to recognize human dignity in all its forms and to attend to the common good in all operations?