

The four permanent principles of Catholic social teaching are the dignity of the human person – which is the foundation of all other principles and the content of the Church’s social doctrine; the common good, subsidiarity and solidarity. They are like corrective lenses to help you see the world, your fellow human beings and your business as God sees them.

1. The Dignity of the Human Person – all humans are of a divine character

All that exists in creation is to promote that dignity, which was given to each of us by God. So your focus must shift from solely shareholder return to whatever enhances the dignity of all the people your firm deals with: employees, customers, suppliers, others in the community, and of course shareholders. If we do this, shareholder return will increase as well.

2. The Common Good – The social conditions which allow all people to reach their fulfillment more fully and easily

The common good can also be described as the fabric of society that provides the environment and “raw material” that provides the possibility for all people to achieve their potential. It understands that the human person as a person-in-community and moderates the exercise of individual freedom by appealing to the well-being of others. Favoritism, cronyism, and nepotism that may exist within your organization ultimately undermines the common good because they give undue advantage to someone who does not necessarily merit it. It undercuts organizational transparency effectively creating two realities in the same organization; one for the insiders and one for everyone else, it destroys trust, employee morale and motivation and creates “shallow roots” or complacency of those in the protected class.

One of the most basic themes in ethics is fairness, posed by Aristotle: “Equals should be treated equally and unequals unequally.”

3. Subsidiarity – Allow co-creation by addressing issues at the most local level.

It is gravely wrong to take from individuals what they can accomplish by their own initiative. Said the other way, you uphold the dignity of the human person by giving your employees the responsibility and

authority to make decisions and act to get things done. Here's a good maxim to lead by: "Hire who you trust, and trust who you hire."

It's bad business these days to have a such a top-down command-and-control management style, where even the simplest organizational changes require approval from the top. It's also contrary to the principle of subsidiarity, which requires us to adopt a system that pushes decision-making as low in the organization as possible, assuming the competence, training and appropriate discussion takes place to make the decision.

Subsidiarity is not just a principle of Catholic Social Doctrine. It's a best practice of healthy businesses!

4. Solidarity – Take care of our neighbor, as Christ reminds us often, is everyone.

As business leaders, we should know that our organizations function best when there is a common goal. A unity of employees happens when they clearly understand the mission, the annual strategy / plan, and the tactics and are working together to meet them.

Solidarity demands that we business leaders push ourselves further. We are to make conscientious efforts to improve the conditions (i.e. the dignity) of everyone our business interacts with; employees, customers, suppliers, shareholders, and the communities where we operate. We should care which of our employees who are suffering and ask ourselves and them – How can we help? How can we implement "take care of our neighbor" in our business?

Source: Compendium of the Social Doctrine of The Church – Pontifical Council for Justice and Peace