

## THE STUDY OF BUSINESS AS A LIBERAL ART? TOWARD AN ARISTOTELIAN RECONSTRUCTION

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*The prevailing model of teaching business administration at Catholic universities does not sufficiently differentiate Catholic institutions; it does not live up to the expectations of the Church; and it underplays the potential of the Catholic Intellectual Tradition to elucidate the sphere of business. Attempting to integrate business administration into the “liberal arts” is a misguided approach, for barring an implementation of the historical liberal arts curriculum there is no non-arbitrary way of defining what the term denotes. From an Aristotelian perspective as carried on in the Thomistic tradition, reality is continuous, and all social and behavioral sciences are unified in their material object while they study persons under different aspects. Business is a region of human behavior, and its study naturally coheres with other disciplines. The practice of business is ontologically integrated into a reality that unifies man, his actions, and their results, and its study is integrated into the academic edifice through the use of the Catholic style of thought. This model facilitates a new understanding of teaching and research in business administration, in what is hoped to be a more Catholic spirit.*

### Introduction

It is a fact that education in many if not most Catholic universities has drifted in a direction where it is hardly distinguishable from that provided by secular or other religious institutions. If it continues to lay claim to differentiation, it must prioritize what its competitors can no longer do—reintegrating the edifice of knowledge, and in so doing conveying its moral purpose (MacIntyre 2006). The trend over the past century has gone rather in the opposite direction—towards an increased internal differentiation among Catholic institutions themselves by different types of ideological persuasion and spiritual styles of founding communities, and within Catholic institutions, towards an ever increasing disciplinary specialization. The brand, “Catholic university,” has suffered as its underlying reality has fizzled.

The debate about the role of business education in a Catholic university rightly focuses on its integration into the curriculum (Thomas and Anthony 1996; Naughton and Bausch 1996). But it usually starts

from premises that are themselves questionable: that the science of management is in some sense an extension of the “liberal arts”; that business education is just that plus ethics and reference to the Catholic Social Tradition (CST); and that there is a need in the first place to bring business education into the “liberal arts” core of academic disciplines that are divided by subject matters (Morris and Maraville 1999). But would this not also apply to medical, legal, teacher training, or nursing programs? Is there, then, anything left that cannot be seen as a “liberal art”? This prepares the ground for a *reductio ad absurdum*. Surely there is not much specifically Catholic about library studies?

By continuing to ask the same questions, and predictably suggesting very similar answers, the discussion over business administration in a Catholic setting risks creating its own *philosophia perennis*. If it is to advance, and produce tangible results in the curricula, teaching styles, and learning outcomes of Catholic universities, it must start at a deeper level than that of deploring the loss of integration, conjuring up the “liberal arts,” or seeing the *differentia specifica* of Catholic education in a particular attention to ethics and social responsibility. Nor will extrinsic methods such as campus institutions for encouraging service or vocation suffice for integration. All of these are important pieces in a mosaic; in a genuinely Catholic spirit, however, one must see the whole, and reconstruct it from its generative roots.

The reason for the *identité manquée* of Catholic management education lies as much with the discipline itself. As business administration has attempted to attain academic respectability, it has succumbed to an increasing internal differentiation. The various functional subdisciplines (and their sub-subdisciplines) have created a jungle of abstractions that are all too readily taken for real. Research has increasingly departed from its natural object, i.e. human action and its results in the context of the production and exchange of goods. Conceptual and methodological tools apt to structure data have instead been held to reflect reality—or even substitute for it—though they may have little or no grounding in the actions of business people. Suffice it to mention the plethora of constructs that have been postulated to explain the perfectly accessible fact of brand equity, by assuming an identity, personality, organization, character, culture, essence, design, signature, sustainability, authenticity, etc., of brands. Such theorizing has hardly led to a better understanding of brand equity, but it has produced successively higher levels of abstraction and lower degrees of realism (Grassl 1999). This idealist research agenda, which is evidenced by ever more sophisticated model specifications fitted to ever fewer actual data, emulates the perceived scientific respectability of the “model

Platonism” of economics, whether in macroeconomic general equilibrium models or in microeconomic agent-based models. Its aloofness from reality has divorced business administration from the style of thought typical of the CIT, Catholic realism demands keeping in focus the primacy of the real over the conceptual (Gilson 1990; Sokolowski 1987).

The following propositions sketch a program that does not rest on these premises about the study of management. It proposes to embed thinking about business into the CIT, which in turn comprises a style of thought consisting of formal principles of intellectual activity (or *how* to think), and a worldview composed of material principles applied to regions of reality (or *what* to think). The formal principles defining the typically Catholic style of thought take precedence over their application to particular areas.

Of all the principles characteristic of this tradition, four suffice to lay the groundwork for a new, and more genuinely Catholic, approach to studying and teaching business:

- (a) there is an objective order of things (*ordo rerum*);
- (b) reality is a whole with a vertical structure of layers (*integritas*);
- (c) knowledge is integrated by its object domain (*integratio*);
- (d) theoretical and practical reasoning are intertwined (*agere sequitur esse*).

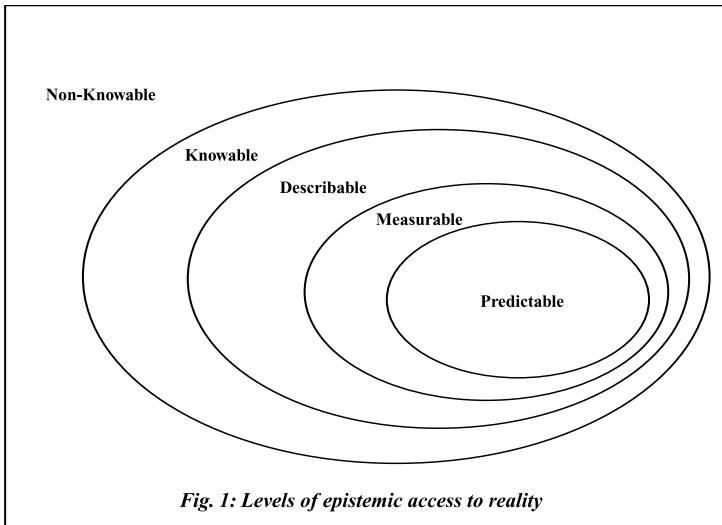
Of course these propositions, which are arranged by increasing complexity, represent but a small excerpt of the Catholic style of thought (Grassl 2008). But they suffice to direct the reconstruction of the role of business administration from a broadly Aristotelian-Thomistic perspective. It is Aristotelian by distinguishing levels of reality that can be described by the use of ontological categories. It is Thomistic by adding the distinction between formal and material objects as the basis for the unity and diversity of science. It is both in many more senses than these. But the work of reconstruction is only beginning, and many avenues for making the treasures of the CIT fruitful for our task still need to be explored (Tsoukas and Cummings 1997; Nichols 2000; Fontrodona and Melé 2002; Johnston 2004).

## The Nature of Business Administration as a Discipline

### ***Proposition 1: Business administration studies human action within a unified science***

In the philosophical realism typical of the CIT, the object defines the method that is best equipped to study it. Management science, as a behavioral or social science, studies human action and its results. It shares its material object of study with other disciplines: psychology, physiology, sociology, economics, anthropology, philosophy, history, etc. If reality is continuous—and seamlessly stretches from molecules to cells, tissues, organs, bodies, persons, corporations, societies, etc.—the study of reality must also be seamlessly connected. It may be conducted in several adjacent disciplines, but lacking discrete object domains, these disciplines will always overlap. The CIT has long held that disciplines should not be thought of as having unique subject matters at all; they are rather differentiated by the intentions of studying them (Pieper 1998: 21ff.). Several disciplines may study the same phenomena of human action, each from its own perspective and using its own theoretical vocabulary and methods, while attempting to explain the same continuous reality. For Aquinas, the diversity of the sciences is established by the diversity of aspects under which things can be known, or by their formal objects: *diversa ratio cognoscibilis diversitatem scientiarum inducit* (ST I, q.1, a.1). Furthermore, “the unity of a faculty or habit is to be gauged by its object, not in its material aspect, but as regards the precise formality under which it is an object” (ST I-II, q.1, a.3).

The diverse aspects under which something can be known correspond to different levels of complexity at which an object may be analyzed. Each ontological layer allows for a specific epistemic access, and consequently for specific methods of study. Much can be known about humans, and this knowable domain includes the describable layer, at which descriptive disciplines such as history, anatomy, literature, and art operate. A subset of describable phenomena about humans are those that are measurable in quantitative terms, which are largely studied by the natural, social, and behavioral sciences; a subset of these phenomena again is of a nomological nature and allows for predictions of human behavior (Fig. 1):



The discipline of business administration studies behavior, together with its underlying psychological correlates and its results, that is knowable, describable, and at least in some sense measurable. In fact, every task of business itself—the identification of assets on balance sheets, the comparison of candidates for a position, or the selection of a media mix for an advertising campaign—is also arranged at a particular level of complexity. These levels can be hierarchically ordered and can be represented by mathematical operations of increasing complexity (Commons and Pekker 2007). Some aspects of the material object can be predicted, if only probabilistically, such as the behavior of consumers under cognitive dissonance, or the effect of incentive schemes on job performance. But the laws on which these predictions rest are not those of business administration but of psychology, economics, or sociology. Time preference explains many phenomena in finance; peer group effects explain much of consumer behavior; and the law of diminishing returns explains decisions about production and operations. The science of management is, in philosophical parlance, “emergent” with respect to more fundamental sciences. Although it studies humans under a different aspect, it is ontologically linked to those lower levels, all being branches in what members of the CIT such as Boëthius, Aquinas, Llull, or Vico have understood as a tree of science (*arbor scientiarum*). In the footsteps of Aristotle, scholastic philosophy has devoted great attention

to the division and relationships of the sciences. It can account for two exigencies posed by modern science: the reduction, if only for explanatory purposes, of phenomena at one level to lawlike regularities found at a more basic level while preserving the ontological autonomy of the higher level (Nichols 2000). Incentive schemes rely on a theory of motivation; but this does not mean that management is nothing but psychology. Business administration is an applied discipline like medicine, pharmacology, or engineering. Just as there are no laws of engineering or medicine, there are no laws of business. Management science explains phenomena in its domain by reduction to more basic sciences; but it maintains a level of phenomena and problems that are specific to it (“supervenient”) and that are not those of any other discipline (Bunge 1996: 196f.). A Catholic philosopher of the Baroque period, like Vico, had no problem placing medicine onto the same tree of science, if at a lower level of certainty, as mechanics and physics. But in medicine—one might, *mutatis mutandis*, substitute business administration—*conscientia* outweighs pure *scientia*, or contact with the empirical and natural dominates over mathematical certainty (Miner 1998).

What then differentiates management science from other behavioral and social sciences is also what establishes unity within the discipline: It studies the decisions of humans, together with the effects of such decisions, with regard to the use of resources of various types for the production and exchange of goods and services. This includes production, operations and organization, marketing, financial management, accounting, etc., always in relation to the condensation of previous human decisions in the form of legal, economic, technological, and political environments. The functional disciplines of business administration are as continuous—as much part of a whole—as is the discipline itself. This claim to the unity of science is deeply entrenched in the CIT. However, differently from the neopositivist variant, unity is not grounded in a common methodology of research but in a common ontology, i.e. in seeing reality as a structured and emergent whole that is in principle accessible to the human mind. No consilience needs to be brought about, contrary to recent suggestions (Wilson 1999), where there is a natural continuity within a hierarchical order (*ordo rerum and integritas*). Not only are the functional disciplines of business unified in their material object; they are continuous with, and emergent from, other sciences. The style of thought of the CIT applies equally to all fields of knowledge (*integratio*). In this perspective, then, management studies are naturally integrated into a university.

***Proposition 2: Business administration studies structures subsisting in its material object***

Business administration studies the structures subsisting in human beings, their decisions, actions, relationships, and products. The ontological objectivism characteristic of the CIT assumes these structures to be independent of human cognition or volition. It is typical of the CIT not to collapse levels or categories. Business is a region of reality with its own phenomena. The discipline that studies it deals with a finite number of tasks: finding natural domains within undifferentiated phenomena; ranking alternative options; formulating effective strategies; optimizing portfolios under constraints; developing predictions; assessing the effectiveness of means to achieve given ends; measuring results, etc. These tasks are the same across all subdisciplines of business. At a higher level of abstraction, the basic cognitive operations—identification, classification, induction, deduction, evaluation, etc.—are the same across all disciplines.

Aquinas held that the structures of reality and those of the mind are isomorphic. Already Aristotle had taught that “thought and the object of thought are the same” (Tavtov vovç kai vontov) (Met. XII, 1072b 21), for thought is intentional and participates in its own object. This implies that cognitive operations can be mapped onto ontological categories. An example shows how a common-sense ontology (as defined, for example, in Smith 1997, 1999; Lowe 2002) may lead to an inventory of cognitive operations (which may be derived from Bloom’s Taxonomy or from one of its extensions) (Marzano and Kendall 2006). Thus a common-sense ontology of agents and objects, their properties, and their relations in space and time, can be developed against the background of Aristotle’s categories. This ontology is then mapped onto cognitive operations. For each of the latter, formal principles of the CIT define rules of success. The material principles (including those of the CST) are here disregarded, for they constitute the worldview rather than the style of thought proper to the CIT. For each cognitive operation, examples from marketing tasks can be presented, and it can be shown how principles arising from the CIT can shed light on them (Tab. 1).

Definition, for example, is a basic cognitive operation. A good definition is not arbitrary or merely stipulative but assigns to the name associated with a *definiendum* something that makes it what it is. A successful definition involves classification, by placing the *definiendum* into a higher-order category, and by pointing out where it differs from other instances of that category. Boëthius and others have used the rule *definitio fit per genus proximum et differentiam specificam* as the criterion for real definitions. Tasks of definition arise frequently in

marketing, and consequently marketing science must study them to gain insight into successful practices: In materials management, incoming products must be identified on inventory lists; customers are classified by products bought or loyalty status; and portfolio analysis first identifies strategic business units and then classifies them by relative market attractiveness and relative competitive strength. Such tasks will be accomplished successfully if they are not done on an ad hoc basis but follow the principle of naturalness—recognizing customers or products for what they are, for the true value consumers attach to them, recognizing what is the truly distinctive force motivating consumers, or recognizing natural segments among them. This requirement is captured by the Aristotelian idea of looking for what makes something what it is (το τι ην ειναι). It is one thing, as a criterion for effective market segmentation, to require maximum homogeneity within and maximum heterogeneity across segments where similarity is measured by freely chosen parameters according to the marketer's best judgment; it is quite another thing to expect markets to be segmented by essential structures, along Socrates' recommendation to carve up reality "according to the natural formation, where the joints are" (διατέμνειν κατ' ἀΑρθρα) (*Phaedrus* 265e). The latter, more demanding, requirement must be founded on a conception of essential structures that marketing needs to reclaim (Grassl 1999). There has been much discussion on criteria for detecting distinct preference clusters that can then be understood as "natural" market segments (Myers and Tauber 1977). But most researchers have either rejected any clear notion of naturalness or reduced it to operationalist or instrumentalist criteria—accepting any basis of segmentation if it improves predictive power. However, the latter can be judged only *a posteriori*, at significant sunk costs. Tools such as cluster analysis, factor analysis, and latent class analysis are typically expected to detect "natural" segments based on a great variety of variables about persons and products—natural, geographical, psychological, social, economic and other properties that stand in particular relations of dependence, inclusion, implication, etc., to each other. Such structures, however, are not considered in standard multivariate analysis, for they would depend on an elaborate ontology.

Our understanding of market structures could be much improved if the criteria of segmentation themselves followed a pattern that reflects a common-sense categorial structure of reality. Such models rely on philosophical realism; they have predominantly been developed by exponents of the CIT from Aquinas via Brentano and Ingarden to present-day work in applied formal ontology. All such approaches will downplay the proliferation of supposedly explanatory concepts as

arbitrary constructs, because they will regard universals as inherent in reality and structures as there to be discovered (Sokolowski 1987; Smith 2004). Such reconstruction of regional ontologies has been achieved for physics, geography, biology, medical science, law, and parts of the social world; the vast and rewarding field of business still waits to be studied “from ground up.” The discipline has not yet produced much research to this purpose (Hunt 1991; Grassl 1999; McKelvey 1997, 2003; Perry, Riege and Brown 1999). Most work is being done in computer science and information technology, on business process management, knowledge engineering, and enterprise ontologies. The moderate success of these ventures is largely due to an insufficient, and sometimes downright arbitrary, philosophical bases, but also to little guidance coming from business administration. A *ressourcement* of the business discipline is a challenging task. Researchers who follow the realist stream of the CIT, and presumably have not been infected by the various relativisms that plague social science, could contribute knowledge and wisdom to it.

***Proposition 3: Action follows from being***

Thomistic thought has long advocated the principle that action flows from the being of a thing (*agere sequitur esse*). This principle is in one spirit with St. Matthew’s “You will know them by their fruits” (Mt. 7:16). The nature of unobservables can therefore be inferred from their effects. Action is ontologically dependent, and thus distinct (but not separate) from actors and objects. This has the further implication that, for the CIT, theoretical and practical reasoning are intertwined. They had already been so for Aristotle, for whom virtue was a habitual disposition (ἕξις), and practical wisdom—being good at thinking morally—was an intellectual ability. For Aquinas, the theoretical (“speculative”) and practical intellect are not distinct powers (*ST I*, q.79, a.11), one reason for this being that the object of the intellect as such is truth (*obiectum intellectus est universale verum*) (*ST I-II* q.2, a.8). Therefore, “it is the part of a wise man to arrange and to judge” (*sapientis sit ordinare et iudicare*) (*ST I*, q.1, a.6).

Catholic thought has never been haunted, as was Hume, by an “is-ought problem,” i.e. the derivation of claims about what ought to be from statements about what is. Positive and normative science are not separate, and particularly not in the social and behavioral sciences. In the tradition of natural law thinking, of ethical realism and cognitivism, what is good and right can be discovered by diligent reasoning, and normative propositions can then be true or false. Values are part of reality; they are structures subsisting in human beings and manifest themselves in their decisions, actions, relationships, and products.

For Aristotle, there are four causes of things, and the final cause (τέλος) is that for the sake of which a thing exists or is done (*Phys.* II, 194a ff.; *Met.* I, 983a 25ff.). Aquinas placed the final cause highest in the hierarchy of causation. The teleological nature of a thing imparts to it also a moral status. Business can, in this perspective, have several purposes: it can be conducted for the sake of a common good such as a clean environment, or of particular goods such as self-actualization, material profit, or help for the poor. Whatever the final cause may be, it is part of the intention of businessmen, and its study is part of the discipline itself. As in welfare economics, positive and normative considerations may overlap, and there exists an inherent trade-off between normative generality and technical problem solving (Montes 1998). In the broadly conceived realism that is characteristic of the CIT, distinctions of fact and value are merely of a methodological nature. This is the exact inverse of Kant's approach, which postulated three materially distinct realms of reality—pure reason, practical reason, and judgment—to be penetrated by the same formal method of transcendental reasoning. For the CIT, reality is one—if stratified and complex—but methods of accessing it differ, and they constitute the different disciplines. Since science is not considered to be value-free, questions of values are a proper part of the study of business. Moral valuation is part and parcel of human action, and so of the discipline of business administration that studies an aspect of human action. It would be a logical consequence to integrate business ethics into the curriculum rather than treat it separately.

Catholic universities can lay no claim to a monopoly on teaching or researching business ethics. But their motivation for doing so is different. It originates at a deeper level than a due diligence in the light of public scandals, a concern with the common good, or even a call to justice as part of the natural law. The reason for the importance of ethics at Catholic institutions derives from an ontological principle—that the factual and normative spheres of reality cohere. Values are part of reality, and this postulate (found in Catholic thinkers from Augustine and Aquinas to MacIntyre and Spaemann) receives confirmation from the empirical sciences of biology, anthropology, sociology, and economics. For the CIT, a value-free science is not only not desirable; it is impossible. If this is so, intellectual activity involves making moral choices, and the Catholic tradition has developed a basis for such in a type of virtue ethics that is different from both Humean utilitarianism and Kantian deontology. It is, to paraphrase the title of Scheler's *magnum opus*, a material ethics of values and cannot be reduced to a merely formal principle of choice. This is the deeper reason for

mandatory ethics courses or for Peace and Justice Centers. Yet the purpose of *agere sequitur esse* and *integratio* may be served better if ethical, social, and generally philosophical considerations are built into learning in all areas rather than showcasing Catholicism in separate institutions. A Catholic university may have to reconsider its adorning epithet should such integration no longer be possible.

### **Teaching Business Administration in a Catholic Spirit**

#### ***Proposition 1: Teaching business administration requires a new model***

The established paradigm of teaching business administration is being challenged from several vantage points (Thomas and Anthony 1996; Bennis and O'Toole 2005). Eminent management scholars have questioned the heavy reliance on economic assumptions and models such as rationality, maximization, agency theory, and transaction cost economics (Ghoshal 2005). Even more scholars have criticized management studies for being based on a reductionist anthropology and a defective view of ethics. MBA programs in particular have come under attack for being intellectually empty and morally blind. And practitioners often add the most damning criticism—that teaching and research in the discipline adds little to improving management decisions.

Catholic universities have, since their origin in the Middle Ages, been organized around theology and philosophy as unifying disciplines. If management theories indeed lack an adequate philosophical base and the ultimate goal is “to go from the pretence to the substance of knowledge” (Ghoshal 2005: 87), one would expect that these institutions more than others would be well placed to provide more sustainable fundamentals. So far Catholic universities have hardly lived up to this expectation.

The received model of teaching business in a Catholic setting is to abide by curricula as they are used elsewhere, enriched by a course on business ethics or on the CST. In addition, general education requirements may involve philosophy, or theology, or both. The drawback of this model lies in the fact that students tend to “compartmentalize”: Content studied elsewhere typically does not spill over. Cases of decision-making studied in business ethics are often treated in isolation from the material covered in other business courses. Most Catholic institutions have also given in to the relentless pressure for an ever stronger specialization even within business administration. The creation of fields such as strategic management, e-commerce, international business, or human resource management, was driven neither by a discrete object domain nor by demand from the business

sector, but by forces within academe. This division, too, does not “carve up” reality in any natural way that would comply with Socrates’ criterion.

Under this model, there is very little that is specifically Catholic to teaching business administration. It does not fulfill the expectation of *Ex corde ecclesiae* that Catholic universities should engage in a “continuing reflection in the light of the Catholic faith upon the growing treasury of human knowledge” (§ 13). Attempts at integrating Catholic management education with liberal learning, vocation, professional competencies, and community service (Naughton and Bausch 1996) are commendable steps. But by dwelling on institutional arrangements, such a program largely rests on an extrinsic integration. It will be intrinsic and foundational only if it also integrates the principles of the CIT both formally and materially, particularly through the style of teaching.

One of the necessary if not yet sufficient conditions for teaching in a Catholic style is to ask for underlying reasons, or to uncover causal patterns. If the CIT understands faith as locating intellectual efforts in a radically meaningful universe, the decisions of producers and consumers, too, can be understood. It is by a certain “inner logic” that particular business strategies are a better fit with a given micro- or macro-environment than are others. By the same logic, pursuing market penetration beyond a critical threshold becomes an inefficient strategy because gains in share will be outweighed by marginal costs. Patterns of product diffusion, in the simplest form of the Bass model, depend on market potential and rates of innovation and imitation. All of these point to truths about the business world that we can discover, test, and understand, whatever the appropriate methods may be (Perry, Riege and Brown 1999; Hunt 2002).

Aquinas insists that “every statement of truth, no matter who makes it, is from the Holy Spirit” (*omne verum, a quocumque dicatur, a spiritu sancto est*) (ST I-II, q. 109, a. 1). Truths about the sphere of production and consumption, which takes up a significant share in our lives, are of equal value and dignity with others. What is crucial for the standing of a discipline is that it judges phenomena from their deepest causes. Without doubt, business administration can—and often does—do exactly this.

***Proposition 2: Integration of business into a “liberal arts” education is unwarranted***

Some deem this purpose to be served by an integration of business studies into the “liberal arts” core of an institution. However, there are grave difficulties for any consistent definition of the “liberal arts” by virtue of what is studied or taught. The traditional seven *artes liberales*—the *trivium* and *quadrivium*—are (with very few exceptions) no longer taught in American academe. They would exclude the study of history, social science, fine art, philosophy, and religion. They would involve a standardized canon of “great books”—Johannes de Sacrobosco’s *De Sphaera* (ca. 1220) was the textbook on astronomy used at nearly all universities between Paris and Bologna, Salamanca and Cracow, Vienna and Oxford, for about 400 years. According to their original purpose, the liberal arts would be propaedeutic to higher education rather than being part of it. In fact, with the exception of a brief window in the 12th century, the study of the liberal arts was never a purpose in itself. For Plato and Aristotle, it served the purpose of *paideia*, the educational ideal of human excellence; from the 13th century onwards, with the expansion of the newly-founded universities, it prepared for a higher type of study—that of philosophy or, for Aquinas, of theology (McInerny 1986). Already in this perspective, a “downward” integration of studying business into the liberal arts appears unwarranted. Quite on the contrary, in the view of nearly all writers between antiquity and the age of humanism, the liberal arts are pathways (*viae*) toward higher-order studies including those of the practical arts (Hubbard 2001).

There are even stronger historical reasons for questioning the “liberal arts” myth in the American context. Since the mid-1800’s, a *sui generis* notion of the “liberal arts” has developed in the United States which, by including or excluding specific disciplines by virtue of their subject matters, has become ahistorical at best and otiose at worst. Some accounts exclude the natural sciences (although music and astronomy were part of the *quadrivium*) and thus reduce the “liberal arts” to the “humanities”. Others again include the sciences or—under the heading of the “extended liberal arts”—comprise all professional disciplines including computer science, social work, law, medicine, and business (Morey and Piderit 2006). The taxonomic definition of liberal arts curricula by disciplines has become an arbitrary exercise.

Already in antiquity, Varro added, to the seven liberal arts, two more: medicine and architecture, and Pliny the Elder stretched the term to include agriculture and crafts (Hadot 1984). Aquinas wanted to counteract the proliferation of the “liberal arts.” But he also found an

explanation for the prevailing confusion: The seven liberal arts simply do not adequately “carve up” the domain of the knowable (*septem liberales artes non sufficienter dividunt philosophiam theoreticam*) (*Exp. sup. lib. Boethii De Trin. III, q.5, a.1, ad 3*). They violate the naturalness Socrates had demanded of any effective segmentation. In the 13th century, with the recovery of books by Greek and Arabic authors, already more “basic science” was known than could fit the traditional divisions. This set in motion a history of semantic expansions until, by the 15th century at the latest, the *artes liberales* had been supplanted by the *studia humanitatis* as a first step towards the higher-order disciplines of natural science, law, medicine, philosophy, or theology (Proctor 1998).

Since the historical meaning of the term has been abandoned, in American education today the “liberal arts” stand for little more than some form of general education—an education that was earlier (and one might add: could again be) provided at the secondary level. Not given to semantic prevarication, the Catholic Church has never used the term in its Magisterium on education (neither in *Gravissimum Educationis* nor in *Ex Corde Ecclesiae* or in *Fides et Ratio*). The Jesuit *Ratio Studiorum* (1599) makes only cursory reference to the term because it emphasizes more the methods than the subjects of liberal education. The Carnegie Foundation for the Advancement of Teaching has abandoned the use of the term “liberal arts” as no longer appropriate but has retained that of “liberal education” as a style of education the purpose of which is general learning rather than application. And a growing number of scholars, particularly also from Catholic circles, question the ubiquitous use of the term “liberal arts” for a form of education that shares next to nothing with a given historical model (McInerny 1986; Hubbard 2001; Haldane 2004). For the Catholicity of education, this term is dispensable, but not so is a comprehensive, classical education in the sciences, in history, classical and modern languages and literatures, mathematics, philosophy, religion, music, and art.

In the interest of truth, disclosure, and fidelity to history, Catholic institutions in the United States should follow suit and abandon the claim to provide a “liberal arts” education. They generally do not. History shows that exercises at myth-building will at some point invariably be stopped by a hard confrontation with reality. Remedial instruction in orthography, grammar, arithmetic, or history neither fits the purpose nor the practice of the liberal arts in a tradition that reached, with at least some degree of continuity, from the 5th century BC to the 15th century AD. This tradition has, for good reason, petered out, and no semantic trickery can prolong it.

In the CIT, Catholic institutions have a deeper tradition to draw upon if they care to appropriate, cultivate, and transmit it. While its material principles have changed over time, its formal principles—the Catholic style of thought—have remained rather invariant since its origins in the early Church Fathers. It can serve as a basis for research and teaching throughout the disciplines. In business administration, the CIT involves the CST, as the application of the formal principles of the CIT to material questions concerning the nature of man, society, work, property, and the economy. It also involves the Catholic Moral Tradition as the basis from which to make individual ethical choices.

***Proposition 3: Business administration can be part of liberal education***

The “liberal arts” as a historical term must be distinguished from liberal education as a model of education that is timeless (Hubbard 2001). Aristotle introduced this sense of “liberal” (ἐλευθεριον) as “that which is enjoyed for its own sake” (*Rhet.* I, v, 7). Aquinas wrote that every discipline is “called liberal which is directed to knowing” (*Sent. lib. Met.* I, l. 3 n. 8), and Newman built on this idea when he claimed that no subjects are by their nature excluded from the academy, for it is its goal that defines liberal learning, not its subject matter. Some of the preeminent members of the CIT—Dawson, Maritain, Pieper, or MacIntyre—have all cherished liberal education because it best fits a Christian anthropology and a Catholic culture. The goal must be knowledge and understanding for its own sake. But then accounting and marketing can be taught liberally while history and English, if merely training archivists or journalists, can be taught in a “servile” manner. If directed towards the acquisition of knowledge, business administration can be a subject of liberal learning, particularly if it is well integrated into the edifice of all human knowledge. Aquinas himself suggested as much when answering the old question why some of the sciences are called arts. He wrote that “these are called arts among the other sciences because they involve not only knowledge but a certain work which is directly a product of reason itself; for example, producing a composition, syllogism or discourse, numbering, measuring, composing melodies and reckoning the course of the stars” (*Exp. sup. lib. Boethii De Trin.* III, q.5, a.1 ad 3). According to Aristotle’s definition of arts as “productive sciences” (ποιητικαι επιστημαι—*Met.* VI, 1026b, 5; IX, 1046b et pass.), the arts deal with the production of things: “All Art (τέχνη) deals with bringing some thing into existence; and to pursue an art means to study how to bring into existence a thing which may either exist or not, and the efficient cause of which lies in the maker and not in

the thing made” (*Eth. Nic.* VI, 1140a 1). The liberal arts may well have a different purpose than the practical arts; but the liberal arts, too, Aquinas later concluded, were directed towards operational knowledge—grammar at correct syntax, logic at syllogistic reasoning, rhetoric at the making of speeches, geometry at measuring, etc. (McInerny 1986). Where, then, is the ontological divide that reputedly separates the “practical” from the “liberal” arts? Instead of erecting clear divisions, the CIT actually closes perceived gaps between business and the “liberal arts”—the principle of *agere sequitur esse* at work.

Such assimilation is, from a Catholic vantage point, not even necessary to safeguard the status of business administration within the edifices of science and academe. “Deep integration” has always existed. With reference to Aristotle, Aquinas pointed out that “it is a part of wisdom to prove the principles of other sciences” (*ad sapientiam pertinet probare principia aliarum scientiarum*) (*ST I*, q.1, a.6). In this perspective, the value of business administration is already given by its being an empirical “testing ground” for lawlike generalizations formulated in economics or, more deeply, in psychology. Contrary to some contemporary thinking in the business discipline, it is therefore not a matter of reintegrating business with economics, psychology, and sociology after the field had gained academic independence (Agarwal and Hoetker 2007). In the ontological perspective of the CIT, they had never been separated in the first place, and any apparent autonomy has merely been due to institutional or political factors (Morris and Maraville 1999). Created in the image of God, human beings, as the material objects of business studies, retain their properties at all levels of analysis, and also in their interactions with other denizens of an incarnate world. Business administration studies one region at one level of human existence. This new and integrative model achieves that “higher synthesis of knowledge” (*Ex Corde Ecclesiae*, § 16) which the Church expects of her universities. And most of all, by following a “holistic” approach that aims at understanding, it has a good chance of serving students better than does the conventional paradigm.

## Conclusion

Within an Aristotelian-Thomistic perspective, then, business administration as an academic discipline can be rather self-confident. As it has done with other Platonic dualisms, this perspective undermines any categorical and exclusive division between the theoretical and the practical, by revealing the intentional relatedness of the two. As the “liberal arts” are directed toward *praxis*, the “practical arts” involve

reasoning. Within the conception of the academic enterprise as developed by the CIT, the question of integrating the study of business into the “liberal arts” does not even arise. On the contrary, business administration has its own place, with multiple relations to other disciplines in an intellectual endeavor that serves a single purpose.

It is for similar reasons that Cardinal Newman, that beacon of liberal education, included a medical school in the Catholic University of Ireland. He did not think that medicine counted among the liberal arts, and he was ambiguous as to whether the natural sciences did. Although with some anxiety, Newman realized that professional education is better offered within than outside a Catholic university (Pellegrino 2008). For it, too, can be taught from the spirit of the CIT, not even to mention Catholic thought on bioethics and social policy.

Within a traditional view of education as has been fostered by the CIT, an applied field such as business administration may indeed have a prominent role. Since it studies the principles of good decision-making, it supports the formation of practical wisdom. For Aristotle, practical wisdom (*φρόνησις*) is concerned with particulars, because it deals with how to act in particular situations. The inductive approach from case studies that is practiced widely in business administration fits the bill. Students can study the principles of action, but applying them in the real world, in situations one could not have foreseen, requires prudent judgment based on experience of the world. If such an approach incorporates a realistic psychology which, in the tradition of Aquinas and Brentano, is based on the intentionality of mental acts and of action, it can provide a firmer framework for the understanding of successful management than can the prevailing approach. The latter has replaced intentionality by a universal causal determinism and is now often held responsible for poor explanations of corporate performance (Ghoshal 2005). The malaise that is widely felt among scholars of business administration warrants a fundamental rethinking of objectives, models, theories, and methods. Aristotelian thought—and its continuation in the CIT—offers itself as a promising solution.

Such new approach will not belittle the role of values in teaching business administration at Catholic universities. Thoughtless consumerism will still be an issue in courses on marketing. Social policy will remain an indispensable ingredient of economics curricula. If anything, an even stronger emphasis on business ethics can be expected; but it will be less of an add-on, as an oftentimes sole vestige of Catholicism. The principles of the CST will be shown not to be a supplement but an intrinsic part of the Catholic worldview deeply integrated with its metaphysics and not only with its moral theology

(Koterski 2007). But the Catholic worldview itself should also be taught and studied in a Catholic style. By teaching students *how* Catholics typically think—in Maritain’s felicitous phrase, by “distinguishing in order to unite”—they not only learn the methods of critical and productive thinking; they also learn one of the fundamental marks of Catholicism: *sentire cum ecclesia* (St. Ignatius of Loyola).

In his thoughts on education, Aquinas distinguishes two different forms of learning: instruction (*disciplina*) and discovery (*inventio*) (*De Veritate* q. 11, a.1; ST I, q. 117, a.1). The first requires a teacher whereas the second is a matter of discovery or learning by oneself, by “applying common self-evident principles to particular subject matters, and then proceeding to some particular conclusions, and then from these moving on to other conclusions” (*Veritate* q. 11, a.1). It is *inventio*, the spontaneous discovery of structures in reality, that is most important. But this is not so for reasons expected today, i.e. having to do with the individuality of students or the authenticity of the learning experience. The Latin verb *invenire* means “to find,” or “to discover,” but not “to create.” Aquinas rejected the idea that “particles” of knowledge could be conveyed from teachers to their students: “our knowledge of things is not brought about through the understanding of the signs, but through the understanding of things more certain, such as the principles (which are presented to us through signs)” (*ibid.*). But more certain principles are located at more fundamental levels within an emergent structure of reality. The domain of business, as a region of human action, is nonetheless autonomous since at each higher level of systemic complexity new properties and characteristics arise. No reductionism need be assumed, and no consilience is necessary, for the Aristotelian tradition preserves the autonomy of ontological structures regardless of the choice of methods. But whatever methods we use, our choice is from a finite toolbox that is shared by all sciences. The CIT would thus suggest a well-founded and thoroughly natural integration.

Through the *disciplina* we provide, certainly across all the more narrowly defined disciplines, we can help students on their own paths of *inventio*, by gathering evidence, comparing cases, recognizing patterns, measuring phenomena, evaluating, predicting, and planning actions. This, then, may be the specifically Catholic in management education: making students see for themselves that the tasks of business are the same as those involved in other areas of life; that they are mirrored by the study of business as they are in other disciplines; and that all conceptual work and model-building has but one goal—better to understand our world and thus to make better decisions both in a technical and an ethical sense. In the Christian view, this work of

melioration is the calling of mankind in an incarnate world (Gen. 2:15; James 2:14). It will be well served by the proposed type of integration at which Catholic universities should strive. This vision goes much beyond the often somewhat trite call for greater interdisciplinarity. It calls for nothing less than an unabridged Catholicity of our intellectual work, as teachers and researchers, in business administration and beyond.

<b>Cognitive operation</b> <i>(adapted from Marzano &amp; Kendall 2006)</i>		<b>Ideas derived from CIT</b>	<b>Marketing tasks</b>
1. Definition	<ul style="list-style-type: none"> <li>• Identification</li> <li>• essential / accidental properties</li> </ul>	<ul style="list-style-type: none"> <li>• <i>definitio fit per genus proximum et differentiam specificam</i> (Boëthius)</li> </ul>	<ul style="list-style-type: none"> <li>• problem analysis</li> <li>• study of pertinent cases</li> <li>• environmental scanning</li> </ul>
2. Classification	<ul style="list-style-type: none"> <li>• abstraction recognition of essential properties</li> </ul>	<ul style="list-style-type: none"> <li>• <math>\tau\omicron\ \tau\upsilon\ \tau\eta\nu\ \epsilon\iota\nu\omega\iota\lambda</math> – that which makes something what it is (Aristotle)</li> </ul>	<ul style="list-style-type: none"> <li>• analyzing value chain activities</li> <li>• portfolio planning</li> </ul>
3. Measurement (= $1+2+n_0$ )	<ul style="list-style-type: none"> <li>• quantification of objects and relations</li> </ul>	<ul style="list-style-type: none"> <li>• precision of a science constitutes its certainty (Aquinas)</li> </ul>	<ul style="list-style-type: none"> <li>• multi-criteria scoring of consumer attitudes</li> <li>• salesforce productivity</li> </ul>
4. Comparison (= $3+n_1$ )	<ul style="list-style-type: none"> <li>• sorting objects</li> <li>• quantitative or qualitative evaluation</li> </ul>	<ul style="list-style-type: none"> <li>• structuredness of reality (<i>integritas</i>)</li> <li>• grades of being</li> </ul>	<ul style="list-style-type: none"> <li>• perceived customer value</li> <li>• supply chain solutions</li> </ul>
5. Ordering (= $4+n_2$ )	<ul style="list-style-type: none"> <li>• horizontal and vertical structuring</li> <li>• seriation (time series)</li> </ul>	<ul style="list-style-type: none"> <li>• <i>ordo rerum</i></li> <li>• <i>scala naturae</i> – Great Chain of Being</li> </ul>	<ul style="list-style-type: none"> <li>• definition of objectives</li> <li>• value chain activities</li> <li>• steps in NPD process</li> </ul>
6. Pattern recognition (= $5+n_3$ )	<ul style="list-style-type: none"> <li>• identification of similarities and differences</li> </ul>	<ul style="list-style-type: none"> <li>• <i>universalia in rebus</i></li> <li>• <i>diversi, sed non adversi</i> (Anselm of Laon)</li> </ul>	<ul style="list-style-type: none"> <li>• consumer behavior patterns</li> <li>• market segmentation</li> </ul>
7. Inductive reasoning (= $6+n_4$ )	<ul style="list-style-type: none"> <li>• inference from particulars to universals</li> <li>• theory building</li> </ul>	<ul style="list-style-type: none"> <li>• <i>per visibilia ad invisibilia</i> (Richard of St. Victor)</li> </ul>	<ul style="list-style-type: none"> <li>• positioning analysis</li> <li>• competitive parity method in budgeting</li> </ul>
8. Deductive reasoning (= $6+n_5$ )	<ul style="list-style-type: none"> <li>• inference from universals to particulars</li> </ul>	<ul style="list-style-type: none"> <li>• <i>esprit de géometrie vs. esprit de finesse</i> (Pascal)</li> </ul>	<ul style="list-style-type: none"> <li>• environmental scanning</li> <li>• industry analysis</li> <li>• new idea generation</li> </ul>
9. Optimization (= $6+7+n_6$ )	<ul style="list-style-type: none"> <li>• maximization or minimization under constraints</li> </ul>	<ul style="list-style-type: none"> <li>• directedness of being</li> </ul>	<ul style="list-style-type: none"> <li>• retail site selection</li> <li>• media allocation</li> <li>• marketing mix budget</li> </ul>
10. Causal reasoning (= $6+n_7$ )	<ul style="list-style-type: none"> <li>• cause and effect</li> <li>• powers and agency</li> <li>• chance and probability</li> </ul>	<ul style="list-style-type: none"> <li>• four causes (Aristotle and Aquinas)</li> </ul>	<ul style="list-style-type: none"> <li>• promotional incentives</li> <li>• test marketing</li> <li>• packaging design</li> </ul>
11. Prediction (= $6+7+n_8$ or $6+8+n_9$ )	<ul style="list-style-type: none"> <li>• extraction of regularities</li> <li>• uncertainty reduction</li> </ul>	<ul style="list-style-type: none"> <li>• measurement of time (Augustine)</li> </ul>	<ul style="list-style-type: none"> <li>• sales forecasting</li> <li>• estimating customer equity (lifetime value)</li> </ul>
12. Planning (= $3+4+11+n_{10}$ )	<ul style="list-style-type: none"> <li>• selection among alternatives</li> <li>• reasoned evaluation</li> </ul>	<ul style="list-style-type: none"> <li>• good is what is <i>conveniens naturae</i> or <i>conveniens rationi</i></li> </ul>	<ul style="list-style-type: none"> <li>• marketing objectives</li> <li>• mission compatibility</li> <li>• marketing auditing</li> </ul>

*Explanation: Cognitive operations build on each other; with nx being an emergent element.*

**Tab. 1: Hierarchical Structures in Cognition and in Marketing**

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