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The Long March Toward Moral Leadership in Business

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This paper takes up the challenge in business ethics of how to achieve compliance with a firm's or a profession's or an industry's code of ethics. Using the experiences that the authors have had in addressing this challenge, particularly in China, the paper attempts to map a solution beyond persuading institutions to adopt or adapt a code of ethics. While codes of ethics are necessary to achieve ethical integrity, they are not sufficient. What more is needed? The paper argues that a change of heart, informed by a convergence of the wisdom traditions represented by Confucian entrepreneurship and Catholic social teaching, provides a realistic basis for making progress toward moral leadership in business. The paper seeks to provide concrete practical guidance on how to walk the path toward its realization. While the argument is couched in terms that reflect the authors' experiences in China, we believe that it is relevant to doing business, not only in China, but also in the Philippines and throughout East Asia and beyond.

Keywords: Corporate codes of ethics, institutionalizing codes of ethics, compliance, moral leadership, moral virtues for business leaders and managers, vocation, Catholic social teaching, Confucian moral philosophy, Confucian entrepreneurship

INTRODUCTION

In Stephan Rothlin's essay, "Taking our Codes to China" (2013), coauthored with Kirk Hanson, there appears to be a missing link between corporate codes of business ethics and achieving compliance with them. In this paper,

we attempt to identify this missing link by highlighting the importance of moral leadership in business. What we mean by moral leadership will be spelled out with reference to the recent Vatican document now published in Chinese as well as English and other languages, "The Vocation of the Business Leader" (PCJP, 2015), referred to in this essay as "the VBL document," which examines the ethical challenges that business executives face today informed by the insights of Catholic social teaching. We supervised the translation of the document into Chinese precisely at a time when our own ethical reflections had turned toward virtue ethics and specifically the legacy of Confucian moral philosophy as a way to develop an approach to international business ethics which would make practical sense in Chinese and East Asian contexts.[1] Here, we hope to show how these influences converge in an appreciative understanding of the ideal of Confucian entrepreneurship, which we believe provides one of the most effective vehicles for addressing the challenges of moral leadership when doing business in and for China and East Asia.

Let us begin by reviewing the question of corporate codes of ethics and their effectiveness. We will argue that, while codes are necessary, they are not sufficient. Sufficiency, we believe, occurs only when there is general compliance with codes. But how is compliance achieved? With that question in mind, we seek a shift from external to internal forms of compliance. At the core of our argument is fresh insight into the significance of Chinese law, which presupposes the integration of law and ethics, not their differentiation or opposition.[2] Consistent with this model, the focus must shift toward maintaining a balance between external and internal approaches; that is, the cultivation of virtues, policies, and practices that will support effective law enforcement. Those responsible for compliance—business leaders, chiefly— must be motivated to change policies in their own firms to create a culture of compliance, working cooperatively with government regulatory agencies charged with responsibility for external compliance. Internal compliance, however, can only be realized through a collective change of heart. Moral leadership will be indispensable for this change of heart, not only among a firm's own employees and stakeholders, but also within an industry or the entire business community.

Confucian entrepreneurship, we will argue, offers the best chance of achieving the change that will make ethical considerations central to business development in China. We will show that the VBL document may serve as an important resource for maintaining the stability and effectiveness of Confucian entrepreneurship, so that in its popularity it does not devolve into just another empty slogan. Our arguments are based both on commonly available published sources as well as our own experience in organizing and conducting corporate workshops and academic seminars on the practice of moral leadership while doing business in and for China over the past 20 years.

What is Wrong with "Taking our Codes to China"?

If this was your first business trip to China, what else would you be taking? If you knew anything about Chinese business etiquette, you would probably think first about packing a selection of gifts for your prospective partners, customers, or clients. But no sooner would you be considering which gifts might be appropriate, for whom, and why, but you might be forced to consult the company code. Is there a section on gifts, bribes, and extortion? What does it say about engaging clients, attracting customers, and acknowledging government regulators and other stakeholders who may have an impact on your business plan? Does it mention, for example, the USA's "Foreign Corrupt Practices Act" (1977)? This act, to be sure, prohibits bribery and other questionable transactions involving government officials. But what about private business transactions? Are you free to provide gifts and other incentives in exchange for business? If you are following the company code, perhaps not; but you would not know for sure unless you take the code with you to China or anywhere else you hope to do business.

It may be useful to recall precisely what a code is for. Codes may come in various sizes, ranging from highly detailed guidelines intending to provide specific advice for handling almost any situation that may arise in doing business. In short, codes are succinct statements of principle meant to define the basic moral aspirations informing the firm's corporate culture. Of course, there is no perfect code of ethics, no authoritative "one size fits all businesses" statement that can be handed down from one set of managers to the next. Nevertheless, a firm's code should state general expectations for all employees, the core of beliefs and values that animate it wherever it may be doing business. In that sense, it is universal. But this universality should

not remain abstract but must be contextualized to reflect the concerns of employees in each local operation where it is to be used.

Contextualizing your firm's code for its operations in China and East Asia involves several practical steps that were well presented by Hanson and Rothlin (2013). They start by outlining global trends that favor the development of company codes. First, given the unprecedented levels of information sharing through digital media worldwide, what goes on in local markets at the periphery will surely be reported and evaluated at the center. Popular brands, including Apple Iphones, have suffered losses because of the negative impact of alleged sweatshop conditions in their manufacturing operations abroad (Rothlin & McCann, 2016, pp. 157–177). Second, the struggle against corruption has been globalized, and companies can no longer assume that "When in Rome, do as the Romans do" will be sufficient to excuse their failure to cooperate. Third, the efforts of various international organizations, such as the World Economic Forum in Davos, have made significant headway in promoting the United Nations Global Compact, targeting major multinational businesses to pledge adherence to its ten original principles, as well as its campaign for sustainable development goals (UNGC, n.d.). Such trends are creating an international business climate in which company codes become an important instrument for demonstrating the firm's commitment to topnotch standards of business ethics.

Even with such trends, there are challenges that must be addressed, if a company's code is to be launched successfully in its local operations abroad. Hanson and Rothlin (2013) rightly point out five general obstacles to be faced in developing economies: First, there is diversity in "cultural expectations and standards," meaning that there may be significant variation in how, for example, the morality of preferential hiring of one's relatives or acceptable rituals for sealing business deals are regarded. Second, there is "social and business community pressure to conform" to local practices. Anything beyond just paying lip service to the company code may be resisted as "disruptive." Third, a firm's local management, understandably, may be wedded to local practices and may require special attention to change their usual ways of doing things. Fourth, the priorities of local and national governments may not be supportive of the firm's need to change local managerial practices. Finally, a foreign business is well advised to "exercise particular caution until it develops an understanding of the local culture and

acquires trusted business partners ." After all, the foreigners easily become a "target of opportunity" for locals who are eager to profit from their cultural inexperience and ignorance of local business conditions.

Doing business in China, however, requires even greater appreciation of China's history and culture. The salient points mentioned by Hanson and Rothlin (2013) emerge from both long-term and recent developments. The weight of China's complex history and culture is evident in the "widespread conviction that everything which comes from outside China needs a profound process of adaptation and inculturation in order to become accepted and relevant in the Chinese context." The persistence of "premodern" behavior and attitudes, thought to be characteristic of an Imperial China that passed away with the revolution of 1911,[3] is striking, such as the "respect for local hierarchies" that tends to grant senior managers "the status of benevolent dictators who are accountable to no one." The past lives on in other ways, as well. What foreigners might dismiss as ancient history, such as the Opium Wars of the 19th century, perpetrated by the British Empire or the Japanese occupation in the 1930s and 1940s, are regularly featured in the news media and the film industry. They remain a living cultural memory that still influences popular attitudes toward all Western companies, not just those from the United Kingdom or Japan. As Hanson and Rothlin (2013) observe, "eruptions of such feelings can delay or derail deal-making and normal operations at unexpected moments." On the other hand, Chinese history and culture also provide abundant resources for promoting good business practices. Confucian tradition holds out an ideal of moral leadership, in the figure of the "Junzi" ("君子")—the morally refined person whose example will inspire moral behavior beyond what could be obtained through mere compliance with the law. Currently, the resurgence of interest in Confucian philosophy is an important stimulus toward greater respect for the dignity of each person and human rights, especially the rights of women and children, as well as a greater sense of environmental responsibility, not to mention the adherence to the rule of law, and the cultivation of personal virtues, like honesty, frugality, benevolence, and righteousness, that support good business anywhere and everywhere. As we hope to show further on, Confucian tradition today has yielded an ideal of "Confucian entrepreneurship" which may be our best chance of internalizing the attitudes and practices enshrined not only in the UN's sustainable development goals, but also in corporate

codes of ethics that promote them.

"Taking one's code to China" can be done successfully relying on certain practical measures based on the experiences of others who have tried it. Hanson and Rothlin (2013) list eight of such recommendations:

1. *Inculturate your code.* This means to make the effort to "integrate both global consistency and local sensitivity." This requires patience and opening the process to genuine participation by local managers who will have to live by the code.

2. *Make the company code consistent with Chinese laws.* This requires assessing "the alignment of local laws (many very recently adopted) and the company's code of conduct." You should recognize the impressive recent advances in the development of Chinese law, as well as the antiquity and persistence of China's legal traditions. The challenge, of course, in China as elsewhere lies in effective implementation or compliance.

3. *Align your code with Chinese concepts and slogans of key government officials.* The policies adopted, as well as statements disseminated at the National Peoples' Congress and other important deliberative bodies, should be studied, especially for "the key phrases or slogans meant to organize and direct the path of Chinese economic and social development;" for example, Hu Jintao's concept of "Harmonious Society," promulgated in 2006. As Hanson and Rothlin (2013) observe, tying corporate norms and standards of conduct to such national objectives can strengthen corporate efforts, not only because employees understand the alignment of corporate and national goals but also because the company could occasionally secure government help in enforcing its code that it would not otherwise receive.

4. *Incorporate references to global standards embraced by the Chinese.* This requires continuous monitoring of news in China, focused on significant events, such as the endorsement of the "United Nations Global Compact," which currently lists 283 Chinese businesses (UNGC, 2018). Spreading such positive news creates a climate of acceptance that not only identifies potential allies and partners but also strengthens the credibility of the firm's own code among its employees.

5. *Publish the code in bilingual format.* Given the status of English as China's second language, especially in business and the professions, bilingual publication may seem superfluous. But Western firms operating in China will have employees who are eager to compare the actual English words with the Chinese characters chosen as direct translations. "Translation into Chinese demonstrates a seriousness of purpose and a commitment to enforce the code," in China as elsewhere.

6. *Introduce the code in a Chinese way.* It is not enough to promulgate the code by email or distribute a printed booklet, along with making an annual ritual of signing a compliance statement. Codes in China should be "introduced with considerable time available for discussion, objection, and clarification and in a workshop conducted in their own dialect." How the workshops are conducted is also crucial for reception of the code. Chinese employees must see that top management, both international and local, is committed to the code and must have the opportunity to discuss its implementation with their supervisors. Discussion of the code should be a part of the training of all new employees. Training must address the most common dilemmas employees will face to give clear and understandable signals about the type of behavior expected. Education in the code must be tailored to the several hierarchical levels within the firm, which may mean that each level will have its own workshop; for example, workshops by invitation to senior executives, middle managers, and hourly employees.

7. *Do whistleblowing in a Chinese way.* Perhaps "whistleblowing" is not a term well suited to Chinese business culture. Instead of a hotline for reporting violations, the vehicle for ongoing communications should be promoted as a "help line" designed to advise employees on how to report and receive feedback on troublesome situations. Employees using a "help line" should remain anonymous and have their complaints treated within a policy of genuine confidentiality. A Chinese "help line" will require more promotion and explanation than it may in other places where such devices are well-established. Given the customary Chinese deference to hierarchy, serious complaints involving, for example, wrong doing on the part of top

management, may have to be dealt with by the highest authority in a company — for example, by an "owner's advocate" who is a board member of the board of directors.

8. *Extending the code to business partners.* The need for achieving alignment on basic standards of business ethics clearly arises from the expectations of a firm's stakeholders, especially its customers abroad. As Apple learned in its dealings with Foxconn, companies will be held responsible for the questionable practices of their subcontractors (Rothlin & McCann, 2016, pp. 158–166). While due diligence is obviously required in the selection of partners, such is hard to achieve. As Hanson and Rothlin (2013) observe, "Chinese firms, particularly those with experience operating in an international business environment, and firms with experience in previous partnerships with Western companies can be effective and ethical local partners." The challenge is to be careful in identifying partners capable of "operating by 'international standards' as opposed to Chinese or local standards." Once again, this takes us full circle to the process of inculturation.

Implementing these steps, of course, requires a very high degree of close collaboration between the firm's top management and its local executives. The local executive team in China, for example, should be led by Chinese, supported as needed by expatriate staff, who should collaborate in developing the "inculturation" process. The local managers will likely be "the best source of ideas for doing this successfully without abandoning the firm's global standards." The question whether a Chinese national or a foreign passport holder should be a Western company's top officer in China has some bearing here. Having a foreign executive promoting and enforcing the code may make it seem "more foreign and less practical" in the minds of the local employees. A Chinese executive may be more effective in advancing the code, particularly if he is credible and consistent in his support for it. Ideally, he would be the most persuasive champion, if the code is to take root in China. Whatever the composition of the leadership team, the most important key to success is "to create a system of accountability — of monitoring and auditing compliance with the code." Accountability means that there are real consequences—and perceived as real—for ignoring the code, merely paying

lip service to it or actual violations of it. Any inconsistency on compliance issues will, alas , convey a signal that the management team is not serious about the code. Given Chinese assumptions about the privileges of hierarchy, it is essential that the code be seen to apply equally to all members of the firm and not just selectively enforced upon lower level employees. As Hanson and Rothlin (2013) observe, "existing hierarchies can be respected without thereby exempting them from accountability to the code." Accountability must be shared collectively, just as trust must be mutual.

Confucian Entrepreneurship and the Challenge of Inculturation

In spite of the difficulties presented by a business climate that remains skeptical about the relevance of international standards, Hanson and Rothlin (2013) urge foreign firms doing business in China to bring with them their corporate codes of ethics. The key is finding a way to inculturate the codes, enabling them to emerge as a product of genuine efforts to achieve mutual trust and cross-cultural understanding. Such a strategy not only places a significant burden upon the firm's top management locally, but it also suggests that, while the recommendations given are necessary, they are hardly sufficient for making the codes an accepted routine in your local operations. What is missing, we contend, in an understanding of moral leadership, is how it can be promoted among a firm's local managers and employees.

Inculturation involves careful attention, for example, to China's own traditions of moral leadership. The most salient of these is the current discussion of the ideal of "Confucian entrepreneurship" advanced by the founder of Alibaba, Jack Ma, among others. Here is a general description:

Confucian entrepreneurs can be defined as those who apply traditional Chinese cultural values in respect to maintaining the moral beliefs of Confucianism in all aspects of business practice… Confucian values were applicable to positive interpersonal relations in business practice and in the workplace, in regard to successful human resource management in particular. These values included: trustworthiness, Ren (compassion, humanness), Li (ritual, etiquette), harmony, and tolerance of others. These values of interpersonal relations can generate a more successful human resource management. Business philosophy can be guided by Confucian values of long-term orientation, resistance to corruption, and nurturing of

guanxi (relationships), which can be utilized for improvement of networking and developing positive business connections… This view of practice could have the potential to create entrepreneurs who perform ethical business practice. Under Confucian values, if businesses are governed righteously, they will succeed. (The Confucian Weekly Bulletin, 2015)

What this suggests is that China's own indigenous traditions of religious and moral wisdom are being reinterpreted as resources for advancing moral leadership in business and the professions.

Our own contributions to this effort are readily available, starting with our chapter in Springer Verlag's *International Business Ethics: Focus on China* arguing for "The Natural Priority of Moral Virtue" (Rothlin & McCann, 2016, p. 23–46). There, we focused on the ideal of *Junzi* (君子)—usually translated as the "gentleman" or "superior person"—who embodies Confucian virtues of benevolence (*jen,*) and righteousness (*yi,*), cultivated through the study and practice of ritual propriety (*Li,*). While such virtues may seem antiquated and incompatible with today's highly competitive business world, they are embraced by Confucian entrepreneurs who understand their own need for self-cultivation and personal renewal. Johnny Hon, a highly regarded business leader and philanthropist in Hong Kong, for example, described the process of self-cultivation inspired by Confucian wisdom: "I need to learn more, I need to become a better person. I need to learn more skills, I need to learn. And to have that attitude I think is important and that stops the ego from taking over what you want to do underneath." (Thompson, 2018 , p. 31). Contemplative practices common to Confucian and other traditions of moral wisdom enable entrepreneurs to acquire the habit of self-critical objectivity that enhances their capacity to make continuous progress despite adversity and setbacks in achieving their goals.

The *Junzi* (君子) is contrasted typically with *Xiaoren* (小人)—literally the "small man," who is mean-spirited in lacking the ability to look beyond his own immediate needs. As a model of entrepreneurial behavior, the *Xiaoren* is focused exclusively on short-term gain, heedless of the losses or costs imposed on others, incapable of trusting or being trusted by others. Therein lies the path toward business failure and self-destruction. The *Xiaoren* cannot achieve any permanent success in business—or any other endeavor, for that matter—because he inevitably becomes his own worst enemy. Confucian teaching assumes that people are naturally disposed toward goodness, at the least cost to themselves and others. This openness to goodness is a resource for advancing best business practice, since people will naturally gravitate toward policies that work to achieve harmonious relationships for all concerned. Clearly, the credibility of the firm's code of ethics in China may well depend upon management's skill in aligning it with the notion of Confucian entrepreneurship, which resonates deeply with traditional moral wisdom. Confucianism is the East Asian way of doing well while doing good.

For all the potential latent in the ideal of Confucian entrepreneurship, there are also certain risks, as is evident in the history of China's government over the past millennia. As the *Confucian Weekly Bulletin* (2015) points out, "It has been argued that Confucian values such as obedience, respect for authority, and emotional control are not naturally compatible components of a common entrepreneurial standard." They can degenerate into negative attitudes and behavior; "for example, lack of initiative and innovation (due to the possible disruption of the existing order and threat to social harmony), [unless] righteousness and profitableness are balanced equally". As is well known to any Chinese struggling with conflicting ethical obligations to family and society, the Confucian ethic of filial piety (*xiào*, 孝) can become a straightjacket, imposing a hide-bound conservatism that makes pleasing one's aging parents the ultimate test of righteousness and benevolence. Maintaining the integrity of the family—ostensibly the key concept animating Confucian morality—can become a source of social irresponsibility.

There are Confucian remedies for the moral cancers that may grow through its teachings. What keeps *Junzi* from becoming *Xiaoren*, only more subtle and hypocritical because their crimes are motivated only for the sake of their families, is an ever more intense practice of self-cultivation. "Reverential carefulness" is how Confucius (551–479 BCE) describes it:

Zi Lu asked what constituted the superior man. The Master said, 'The cultivation of himself in reverential carefulness.' 'And is this all?' said Zi Lu. 'He cultivates himself so as to give rest to others,' was the reply. (Analects 14:42; Kindle Edition, Locations 2690–2693)

Giving rest to others means that others may be put at ease because they know that their leaders and colleagues are also looking out for their best interests. They can trust them. Reverential carefulness is a habit of mind, the fruit of the practice of self-cultivation, which enables persons to detach

themselves from the ways of the world and its all-too-human striving for pleasure, recognition, and power over others. Without such detachment, any claim to moral leadership is spurious. Nevertheless, achieving this state of reverential carefulness is easier said than done. Perhaps there is need for a vision of human existence[4] that goes beyond Confucius' proverbial agnosticism about the ultimate meaning of life.

Strengthening Confucian Entrepreneurship: The Vocation of the Business Leader (Vbl)

Our own approach to strengthening Confucian moral wisdom is informed by the worldview that brought us to China and East Asia; that is, Catholic social teaching (CST). Informed by the principles and priorities of CST, we have attempted to follow the example of Matteo Ricci, SJ (1552–1610 CE), one of the first Jesuit missionaries to China, especially in his theory and practice of Friendship with the Chinese people. Of particular relevance to our concern here with the spiritual foundations for inculturating corporate codes of ethics is CST's recent statement, "The Vocation of the Business Leader" (VBL), issued by the Vatican's Justice and Peace Commission (PCJP, 2011).[5] Recently, this document has been translated into Chinese, and we have attempted to distribute it in various workshops and seminars promoting business ethics in China.

The VBL document provides a comprehensive understanding of the moral and spiritual challenges that business and professional men and women face today. Its tone is sympathetic yet firm in its appeal to the principles of CST, which are presented in a series of steps that are meant to have universal appeal and not focused exclusively on any one culture or situation. Central to the VBL perspective is the recognition that humanity is wounded and in need of spiritual healing. The wound is not simply personal but cultural and institutional, affecting all efforts to achieve the common good. As the Executive Summary observes, "obstacles to serving the common good come in many forms—lack of rule of law, corruption, tendencies toward greed, poor stewardship of resources—but the most significant for a business leader on a personal level is leading a 'divided' life."

What, then, is the "divided life"? The VBL document describes a "fragmentation" that "can ultimately lead to idolatry." Consistent with its

Christian sources, it quotes Jesus' warning: "No one can be the slave of two masters. He will either hate the first and love the second or be attached to the first and despise the second. You cannot love both God and money" (Mt 6:24)." Business leaders, it suggests, run the risk of losing their integrity and thus "will fill the void of purpose with a less worthy substitute. The divided life is not unified or integrated: it is fundamentally disordered and thus fails to live up to God's call." (VBL, 10). Deeper inquiry into the pathology of "the divided life" suggests its resonance with what Confucius observed in the *Xiaoren*. While Confucius invites his followers to take up the Way of the *Junzi*, based on the assumption that all people have a share in *Tianming* ( ), the "Mandate of Heaven," the VBL urges business leaders to respond prayerfully to their Divine calling or "vocation":[6] "[W]hen they pursue their vocation, [business leaders are] motivated by much more than financial success. When they integrate the gifts of the spiritual life, the virtues, and ethical social principles into their life and work, they may overcome the divided life and receive the grace to foster the integral development of all business stakeholders" (VBL, Executive Summary). The VBL Way, not surprisingly, involves a renewal of the business leader's Christian faith commitment, grounded for Catholics in the Mass and Sacraments:

"When the gifts of the spiritual life are embraced and integrated into the active life, they provide the grace needed to overcome the divided life and to humanize us, especially in our work. The first act to which the Church calls the Christian business leader is to receive the sacraments, to accept the Scriptures, to honor the Sabbath, to pray, to participate in silence and in other disciplines of the spiritual life. These are not optional actions for a Christian, not mere private acts separated and disconnected from business…. Sacramental worship is not an escape from the world of business—it gives us the space to see more deeply into the reality of the world and to contemplate God's work." (VBL, 68–69)

Receiving "the space to see more deeply into the reality of the world and to contemplate God's work," the VBL document helps business people to understand and respond to four basic challenges affecting their work today: "(1) globalization, (2) new communication technologies, (3) the financialization of the economy," and "(4) cultural changes…in particular, the challenge of individualism and accompanying moral systems of relativism and utilitarianism" (VBL, 17) which stand as obstacles to the exercise of

business leadership today. Each of these is given sufficiently detailed analysis so that people in business can recognize them in their own work.

Once these are understood, of course, the question is how to deal responsibly with them. The VBL perspective does not expect business leaders to abandon their vocations in some misguided search for a utopian alternative. Rather, it seeks to provide resources for maintaining one's focus, acting with integrity, to mitigate the negative consequences of each of these. The resources for coping with the four discerned challenges are already inherent in the settled principles of CST, namely, human dignity and the common good, and the principle of subsidiarity as a guideline for balancing or harmonizing the values inherent in each. There is nothing new in what the VBL document has to say about each of these points in CST, but they are presented in ways that resonate impressively with the overall emphasis on spirituality. Human dignity, for example, is rooted in the basic affirmation of Christian faith that humanity is "made to the image and likeness of God" (Genesis 1:26), an affirmation that transcends the optimistic reading of human nature advanced by European Enlightenment. The common good, by the same token, is theologically grounded in "the social nature of human beings, reflecting the community of the Trinity" (VBL, 34).

The appeal to the principle of subsidiarity points out the need for "creating subsidiary structures" that will enable one's employees to flourish as a community of persons—each of whom is assumed to have family ties and responsibilities—engaged in a common enterprise. Here is the VBL's agenda for "creating subsidiary structures" in organizing and managing a business:

"To define the scope of autonomy and decision-making at every level in the company. The business leader should allow these to be as significant as possible, but set clear limits so that decision rights do not exceed a person or group's access to the information required to make the decision, and so that the consequences of their decisions do not go beyond their realm of responsibility.

"To provide employees the needed tools and training and to ensure that they have the knowledge and skills to carry out their tasks.

"To establish a corporate culture of trust so that those to whom tasks and responsibilities have been given will make their decisions with genuine freedom. The company informed by subsidiarity nurtures mutual respect and shared responsibility among all personnel. It allows employees to clearly appreciate the link between good results and their sincere engagement.

"This last point about decision-making is what distinguishes subsidiarity from delegation. Someone who delegates confers responsibility or decision-making power, but it can be taken back at any time. So delegation does not call employees to the same level of excellence and genuine engagement as do arrangements governed by the principle of subsidiarity, and thus, the employees are less likely to grow and to accept their full responsibility."(VBL, 49)

Though such prescriptions may seem no different from what enlightened management consultants would advise, they do indicate that what the VBL document proposes is not only based on common sense, but is also open to development and dialogue with other faith perspectives and wisdom traditions. The Catholic Church makes no exclusive claim to practical know-how on managing a business. Indeed, the VBL document explicitly recognizes the inherent claims of "prudence," meaning respect for the expertise of those with the experience of managing businesses and what can be learned from them. But it does suggest that "prudence" needs to be understood, in relation to the other virtues, like justice and compassion, to which it must properly be ordered:

"When business leaders face particular problems which need specific solutions, their actions are informed by "a prudential evaluation of each situation". This prudential judgment is not only a market-based or technical assessment. Prudence has often been reduced to the clever actions of leaders that advance their own private interests. This is not the virtue of prudence, but a vice separated from the requirements of justice. True prudence informs the mind of the business leader by asking the right questions and discerning the best courses of action for building good and just companies which can contribute to the common good." (VBL, 76)

One last observation about the VBL document may be useful here. It ends with an "Appendix;" that is, "A Discernment Checklist for the Business Leader." While Catholics may recall the practice of using a "particular examen of conscience" in daily devotions intended to scrutinize one's progress in avoiding sin and living more consistently by faith, such a device is virtually nonexistent in the documents of CST. In VBL, such is included to demonstrate that business leaders—particularly, Catholic and Christian

business people—should be challenged personally by the points presented in it. If readers have understood the VBL document, then they are called upon to practice it or to begin changing their personal and professional practices to become more consistent with it. Such a checklist is a handy way to help readers to measure their progress. The questions asked are general and open-ended, but they do follow the outline of points presented in the document as a whole.

Such a checklist may help us to recognize the point of convergence with Confucian entrepreneurship and the wisdom tradition that supports it. The processes of self-cultivation recommended over the centuries by Confucian scholars often involved devices like this particular examen. It might be argued, in fact, that the chief classic containing the teachings of Confucius, the *Lunyu* (Analects), is itself an extended exercise in mutual accountability within a community dedicated to following the Way of its master. Each chapter of the *Lunyu* provides a series of stories, snippets of conversations between the Master and his disciples, exploring the nature of the Way and how to make progress in it, often organized according to specific themes of practical significance to its followers. A careful reading of the Confucian classics—not only the *Analects,* but also *The Great Learning* (*Daxue*), *The Doctrine of the Mean* (*Zhongyong*), and the *Book of Mencius* (*Mengzi*)—suggests that there is a practical convergence between their pedagogical approach, as well as moral values, and those enshrined in CST and the VBL document. To be sure, at the level of depth-dimension, that is, the metaphysical beliefs and assumptions or worldviews, if you will, there is significant divergence between Christian theocentricism and Confucian agnosticism. Nevertheless, for practical purposes, they can and ought to make common cause in China, at least, in the spirit of Confucian entrepreneurship. The ideal of the *Junzi* as business leader and the notion of Christian business leadership proposed in the VBL document converge on most, if not all, matters of managerial and professional practices. There is nothing that would prevent a Chinese Christian from becoming and identifying with Confucian entrepreneurship. The underlying spiritualities may diverge, but the invitation to achieve and sustain moral integrity in business is convergent.

We started this reflection by asking, in a self-critical way, "What is Wrong with Taking your Code to China?" We argued that, while codes of

ethics and other instruments for achieving compliance with external norms may be necessary, they are not sufficient. What they lack is what Confucian entrepreneurship—in either its commitment to China's traditional practices of self-cultivation or its commitment to living by one's Christian vocation—may yet supply. Compliance is too modest an expectation. What is needed is a change of heart, the kind of change that can only occur as a result of engaging in spiritual practices that enable us to discern truthfully ourselves and the world in which we must act responsibly. The long march toward moral leadership has brought us face to face with the natural priority of virtue and its cultivation through spiritual practices, commonly available in the diverse wisdom traditions of China and East Asia.

Endnotes

1 It is useful to note that terms like "vocation" (in Chinese: "*zhaohuan*", "召唤") are still perceived as too heavily loaded with religious connotations for the taste of censors and need to be replaced with the more neutral term "mission" (in Chinese: "*sheming*", "使命"). See the Chinese translation of "The Vocation of the Business Leader" (PCJP, 2015).

2 Laszlo Ladany, the Chief Editor of "China News Analysis" (1953–1982), for example, recognized in the lawyers of the Tang dynasty a model for combining ethics with the law, which continues to inform Chinese jurisprudence to this day (Ladany, 1992).

3 As Bruno Frey (1990, p. 83) and Barbara Krug convincingly argue, neither the Revolution of 1911 nor the Cultural Revolution stretching from 1966 to 1976 could abolish the patriarchal structures deeply engrained in China.

4 One such vision is Mozi's (470–391 BCE) doctrine of universal love (Jian'ai, 兼愛), currently being reconstructed by many Chinese philosophers. Mozi's doctrine suggests an ethical rationalism, closer in spirit to Kant and Mill, insofar as any valid moral obligations must apply equally to all persons and should not be qualified by the nature of existing relationships among persons. The implication is that there is a limit to hierarchical claims of privilege and a limit to the claims of families upon their members. Universal love is precisely that, namely, a principle that overrides all categories of privilege or priorities based on status hierarchies. Rather than regarding Mozi and Confucius as locked-in contradiction, the revisionist tendency is to see them as complementary perspectives, with Mozi providing a metaethical principle that stabilizes and thus helps clarify Confucius' practical wisdom.

5 The CST in general and the VBL document in particular serve as an important resource for people based in the Philippines, seeking to do business ethically in China and East Asia. The legacy of CST has shaped the cultures and history of the Philippines over several centuries. It is a resource for all Christians, Catholic and Protestant, and finds common cause with the ethical teachings of Islam, honored in Filipino Muslim communities. Establishing a common moral ground, demonstrating the basis for mutual understanding between Chinese and Filipino business communities, is a priority in our work developing pedagogically effective materials for teaching international business ethics, as well as providing consultancy services to businesses seeking to expand their commitments to corporate social responsibility and corporate philanthropy. For more information, consult our website, *www.rothlin.org.*

6 The comparison of Christian "vocation" discourse and Confucian teaching about "*Tianming*" is a useful way to understand both the differences in these two perspectives—the one emphatically theistic, the other modestly agnostic—and the possibilities of moral consensus evident in their converging practical consequences (McCann, 2014).

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Enhanced Framework for Undergraduate Psychology Practicum

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Having deconstructed the undergraduate psychology practicum program (Lamzon, 2015), I strongly suggest that practicum be part of the curriculum and be treated as a required subject, not simply an elective. To further prepare students for practicum work, I propose a practicum framework (Figure 1) aligned with the K to 12 thrust and outcomes-based education (OBE) for which immersion and other forms of exposure are considered important elements in meaningful learning. The framework also integrates the service learning component, community extension services, and the research component which are all aimed at preparing students to become competent professionals.

This enhanced practicum framework indicates that practicum exposure has three phases: orientation, pre-practicum, and actual practicum, and starts from the first year level up to the fourth year level. As a result of the gradual and well-planned exposure, they are expected to familiarize themselves with the different areas or specializations of their chosen field and, thus, develop a love for lifelong learning that is among the benefits indicated in the Philippine Qualifications Framework (PQF).

As illustrated in this proposed framework, during the orientation phase, it can be seen that immersion is the common strategy that runs across all year levels. For the first year level in particular, students are expected to be exposed to