

Dublin 24 October 2014

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### Ethics as “Dwelling as Being”

Thank you very much for the privilege of being invited and included in this important event. Among you, I am acutely conscious of the limited theology and philosophy I bring to my task this morning, if only because I had to look up the reference to Heidegger in the title I was given: ‘Dwelling as Being.’ For those amongst you who also do not know it, let me read it to you:

‘When we speak of dwelling we usually think of an activity that man performs alongside many other activities. We work here and dwell there. We do not merely dwell – that would be virtual inactivity – we practice a profession, we do business, we travel and lodge on the way, now here, now there. .... The way in which you are or I am, the manner in which we humans are on earth, is *Buan*, dwelling. To be a human being means to be on the earth as a mortal, it means to dwell...[it] also means at the same time to cherish and protect, to preserve and care for.’<sup>1</sup>

While I have already admitted I do not bring much academically to this task, I do bring a career lived largely in and among financial services, which has now spanned several crises. The first was the Latin American debt crisis, then the US stock exchange meltdown in 1987, the dotcom boom and bust, the self-immolation of the hedge fund Long Term Capital Management which coincided with the Russian sovereign default, then the Asian debt crisis of 1997, and most recently the global financial crisis of 2007-08, the repercussions of which we still feel today. Much more ink has been spilled on this latter than the others crises combined. I cannot help but wonder why. Is that because of the depth and severity of the crisis, the way it spread so quickly across the globe, or the fact that the people it most touched were the wealthy of the US and Europe?

In light of this history it might be difficult to argue that the financial services industry has done much to cherish and protect, to preserve and to care for. Heidegger writes as if this were a personal responsibility, but what is a corporation but a collective of individuals, whether these are owners, management or employees? I would like to speak to you today of both the individual and the collective responsibility that we have, that we have always had, and that we seem to have occasionally forgotten. The papal encyclical *Caritas in Veritate* states beautifully that ‘the crisis becomes an opportunity for discernment, in which to shape a new vision for the future.’<sup>2</sup> We should be grateful to the Fondazione Centesimus Annus for the continued opportunity to progress this discussion of a vision for the future.

Let me begin with the individual, move to the personal, and then, at the end try to link these to the collective. Scholars at the University of Chicago convinced the world to believe in

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<sup>1</sup> Martin Heidegger, *Poetry, Language, Thought*, translated by Albert Hofstadter, Harper Colophon Books, New York, 1971.

<sup>2</sup> BENEDICT XVI, Encyclical Letter *Caritas in Veritate*, No. 21.

perfect markets, where resources are efficiently allocated when we each pursue our own interest. This thinking derives from Adam Smith but misses the critical component. Smith presumed that each individual involved in the market exchange brought with him to the transaction all his ethical and moral background. People forget that. We are left with, as described by James Featherby, in his book 'Of Markets and Men,' a world where 'We have become individualistic because our focus on the individual has morphed into a belief that the interests of all are best served if we each pursue our own interests. According to this logic, there is no need to seek the welfare of others because the welfare of others is best served if I serve only my own interests. These individualistic and reductionist beliefs have blinkered us as to the consequences of our actions on others. We are no longer trained to think about the effects of our actions. We mistakenly assume that we are forever immune from the impact of our behaviour on the society and the environment in which we live, and our level of concern for others has diminished accordingly.'<sup>3</sup>

And yet, we all know, as individuals, there is nothing more lonely and meaningless than a life lived only for oneself. So we have inadvertently created a world that poorly serves the human who is meant to dwell in community with others. How does this affect the individual in the financial services industry, not only working, but increasingly being asked to work hours that mean the vast majority of his or her waking hours are spent at work?

That person wants to feel valued and respected. Each of wants to feel we are making a contribution. While some are satisfied with 'just a job,' many of us think in terms of careers and vocations, and define ourselves in no small part by what we do all day. If you are fortunate, you belong to a profession: 'doctor, lawyer, priest.' In finance, you might think of yourself as a foreign exchange trader, an asset manager, a risk officer.

This ability to define oneself as belonging to a group of professionals is increasingly useful in a world where it has been a long time since anyone spent the length of their career in one organisation. I once worked at JPMorgan. Until the late 1980s, this was an organisation that people joined to spend their career; where they were carefully and scrupulously trained in what was then called the Commercial Bank Management Programme, and moved around and up the organisation until they retired. They did not retire hugely wealthy but did benefit from a very generous pension programme. I joined in the 1990s, by which time a hire and fire mentality had set in based on each year's results, and the training programme had been dropped because staff were no longer 'loyal.' Management justified this with the line 'why train the competition?' By the late 1990s the currency of JPMorgan on your CV had been hugely devalued. Where once no one left the venerable House of Morgan, suddenly ex Morgan bankers were a dime a dozen.

I do not mean to particularly pick on JPMorgan, but that is the institution I know best, and the one who had the real gold-plated reputation for 'first class business in a first class way.'

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<sup>3</sup> James Featherby 'Of Markets and Men.' <http://tomorrowscompany.com/of-markets-and-men-by-james-featherby>

Citibank and Chase cut their US management training programmes back far before Morgan did.

We could talk in circles for hours about who broke the bargain first, the employee or the employer, but once that happened, the loyalty, the values, the culture and the ethics became much harder to maintain in these institutions. Staff began to think of themselves as investment bankers or traders or securitisation specialists and found their identity in their sub-profession, and the professional organisations that surrounded that sub-culture instead of the organisation. They moved up in pay the fastest by moving across institutions, and in such moves left their personnel files behind them, with a clean slate in a new shop.

People began to be called 'headcount' or 'FTE' for full-time equivalent, or even 'human capital,' instead of people. It is far easier to tell management to reduce FTE by 10% than to tell them to let go Eduard with the young family or Aisha who always goes the extra mile for a colleague. To protect the carapace of the manager, we have denied the individuality of the employee. In the worst case, we even 'outsource' hiring and firing. Remember 'Up in the Air' where companies brought in George Clooney as a 'contract firer' who told people to clear their desks? For entry level positions these days, most firms outsource the initial screening and interviewing, using management time to see only the top candidates. What does it say about an organisation's commitment to its staff, when it subcontracts its hiring process?

Is it any wonder in this environment that behaviours began to change? I will give you only a few examples from my own experience:

--I began to encounter bosses who 'did not want to be told bad news.' It is difficult for a young employee to understand how to behave about truth, when it is clear that there are only certain truths the boss wants to hear.

--I recall one fellow who worked for me, when questioned on a transaction, who replied that 'he wouldn't be around when the bonds matured.' I told him with an attitude like that he wouldn't be around tomorrow. But his was indicative of the way the thinking of staff was changing as the behaviour of their bosses changed.

--Chains of intermediation have grown so long and complex that few of those pushing buttons on phones and computer screens recognize that the money they are sending down a wire belongs to someone, represents their savings, their children's education, their home, or the funding for their retirement. It is just a number.

and finally,

-- I saw companies, particularly at Canary Wharf, give a bit for a school in Tower Hamlets or encourage their staff to volunteer, or build a green roof, as evidence of their Corporate and Social Responsibility, or CSR, while at the same time the Evening Standard was full of stories of employees leaping to their deaths. The tick box mentality applicable to regulation was also applied to corporate and social responsibility.

This dehumanisation worked towards customers as well. As a customer, you more frequently go to an ATM than speak to your banker, or when you speak to 'your' banker, you get a touch tone system that occasionally will give you a human voice when all electronic interventions fail.

In a world where global organisations have over 100,000 staff, and millions of customers, how do we put the individual, whether as employee or customer, back into that equation? We are not going back to a world of lifetime employment. Even if some who want to succeed in 'breaking up the banks,' they are still going to be huge, bureaucratic organisations.

I have been intentionally harsh in my examples here. And yet I need to say that I never, in my entire career, encountered anyone who consciously set out to do evil. People mostly want to be good, and want to be proud of what they do. They want to enjoy going to work in the morning and to be able to come home in the evening and be proud to tell their partners, and their parents and their children and their neighbours what they do for a living.

### **So how do we reintroduce the individual to the corporation?**

Where can the individual go to for support? Perhaps I had both a more difficult and an easier time than most. Easier because I was blessed with fabulous mentors and bosses at work who put up with my ceaseless questioning and helped me with the genuine ethical dilemmas I have faced at work. And I had the nerve to ask the questions and a firm ethical grounding from my upbringing that helped me know when to ask. I owe them much, but fear that the pressurized and competitive work environment of today means that fewer such opportunities exist.

In a way, my career has been more difficult because I have spent most of it outside my home country. This limits the 'community' to which I can turn and means the shared cultural values were slightly less obvious as I crossed linguistic and cultural boundaries. On the other hand, I have the support of a husband who shares my faith and values, and a loving family.

The individual employee needs nourishment: from community, from family and from faith. There is a well-known Harvard Business School professor, Clayton Christiansen, who actually found it necessary to teach students how to find meaning in life, having seen so many Harvard MBAs able at solving business problems, but incapable of seeing the bigger picture.<sup>4</sup>

Peer networks can help as can professional networks. A cushion of cash can also help, if you can actually afford to walk away from a job where you are asked to do something you think wrong. Even without such a cushion, some have the courage to do this. I commend to you a brilliant short book by Derrick Bell, an American law professor and civil rights professor called Ethical Ambition<sup>5</sup>. It is a personal memoir about how and when he felt he had to take a stand at the cost of his career, not by whistleblowing, but by walking away. He did

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<sup>4</sup> Clayton Christiansen, 'How Will You Measure Your Life?' Harvard Business Review, July 2010.

<sup>5</sup> Derrick Bell, Ethical Ambition. Bloomsbury, New York and London, 2002.

this through a deep and abiding faith in God to help show him the way, and with the support of his family and his community who helped support him in doing what was right.

### **But we also have to change the collective, the corporation.**

Even if an employee has the strength and support of family, faith and community, it is difficult to come to work every day if what you are being asked to do is incongruent with your own beliefs and ethics. How can you be fair at home and unfair at work; truthful with friends but not colleagues or customers?

The Heidegger passage I quoted at the beginning might lead you to believe that you can separate dwelling from working, but I believe that would be the wrong interpretation. To the extent dwelling as being is what I have been asked to consider, it is incongruous, indeed schizophrenic, to ask someone to believe or act in one way at home, and another at work.

So at some stage the collective, the corporation and its behaviours must be considered as well so that what we are asking the individual as employee, as shareholder or as customer, indeed as any stakeholder, is not inconsistent with his beliefs and ethical framework in his life as a whole.

As stated in *Caritas in Veritate*, ‘Efforts are needed – and it is essential to say this – not only to create ‘ethical’ sectors or segments of the economy or the world of finance, but to ensure that the whole economy – the whole of finance – is ethical, not merely by virtue of an external label, but by its respect for requirements intrinsic to its very nature. The Church’s social teaching is quite clear on the subject, recalling that the economy, in all its branches, constitutes a sector of human activity.’<sup>6</sup>

Where should this begin is the difficult question. It seems to me the corporation is the right unit. Concretely, you cannot treat customers fairly, and not treat employees fairly. You can’t short the supplier and benefit the shareholder in the long term. You can’t treat senior management well, and the contract cleaners poorly. The first step is remembering there is a human being at the beginning and at the end of *any* and *every* transaction. It is here that senior staff must model the behaviours they want the rest of the firm to adopt. Such fundamental issues must pervade the company’s mission, and be consistent throughout its management structures, its product design, its performance management systems and its customer service. And here is as good a place to start as anywhere.

### **How to do this in a globalized financial system?**

More problematic is that finance and business have globalized. And while it is difficult enough to talk about values and ethics in the heterodoxy of modern London, whatever our religion tells us about mission and conversion, we need to find a vocabulary in our search for the common good that works for all faiths, and no faith, without losing its value and its

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<sup>6</sup>BENEDICT XVI, Encyclical Letter *Caritas in Veritate*, No. 45.

meaning in the saying. And even if the grounding of those behaviours stem from different beliefs, if the results are the same, should we care?

Interestingly, I have noticed lately that the Christian vocabulary of the common good, equality and stewardship is being, in many ways, usurped by business. This can be interpreted in either of two equal and opposite ways. The first is that the Church has been remarkably successful in providing an alternative narrative of behaviour in finance, based on the work of organisations such as this one, Blueprint for a Better Business, or even St Paul's Institute as well as the community of believers working in business and finance. More cynically it is possible that business is borrowing the language of the Church to whitewash its behaviour. Here it matters deeply whether the effort is real and sincere or a veneer of reform amounting to little more than a public relations campaign.

How will we know? The proof will be in changed behaviour: the treatment of employees, of customers, and the retention of staff, as well as the treatment of outsourcers and their environmental footprint.

The individual will recognize change in the financial services community when he or she can bring his or her authentic self to work; where what they are asked to do in the course of making their living not only does not contradict the values they maintain in their lives but provides support for those beliefs. They will contribute to the definition and fulfilment of the purpose of the corporation that gives it its license to operate because it fills a social purpose as well as enriching its shareholders. Most of you were fortunate enough to have been called to a vocation; and yet every human has a vocation within them also. If we are, in Heidegger's words, to cherish and protect, to preserve and care for, this must not be something we do only in our leisure, or to assuage our conscience or an angry population. Only then will the individual dwell, as Heidegger wrote he was intended to.

Some of you may have noticed that on Sunday 12 October, the Annual IMF/World Bank meetings held a session on Ethics and Finance presented by the Managing Director of the IMF Christine Lagarde, the Governor of the Bank of England, Mark Carney, and the Archbishop of Canterbury. The auditorium was packed. This subject is gaining momentum; it is our job to ensure that it includes a fundamental backbone of Christian teaching that integrates the individual and the corporation in the community.

Anglicans and other Protestants are sometimes jealous of the deep and serious work done on Catholic Social Teaching. The magisterium of the Catholic Church gives clearer and more directed answers. We Protestants, certain only that none of us knows the will of God, shuffle towards positions often way too slowly, rather as the great poet of this city, Yeats, would have us 'slouching to Bethlehem.'<sup>7</sup> To try and reconstruct the ethical framework for employees and employers across boundaries and beliefs may be even a slower shuffle, but one that, as WH Auden wrote, is worth 'every farthing of the cost.'<sup>8</sup>

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<sup>7</sup> WB Yeats, 'The Second Coming.'

<sup>8</sup> WH Auden, 'Lullaby.'

