LUMINOUS LEADERSHIP

CHRISTIAN VIRTUES FOR LEADING WITH INTEGRITY

José Vilata

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> *"Freely you have received; freely give."* (Mt 10:8)

The spirit of this handbook is to spread the values contained herein for the improvement of corporate management and the common good.

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" Well done, good and trustworthy servant; you have shown you are trustworthy in small things; I will trust you with greater ." (Mt 25:21)

Acknowledgments

I wish to express my deepest gratitude to those who made the creation of this manual possible:

To my wife, Ana, for being my unconditional support and the necessary balance in my life. Thank you for your patience, for your advice, and for being the constant inspiration to write about these profound and essential topics. Without your companionship, this project would never have come to fruition.

To the priests and spiritual mentors who have accompanied and enlightened me throughout these years. Thank you for your guidance, your patience, and for sowing in me the restlessness and the need to transmit the light of the Gospel to the business world, proving that faith and business can—and must—walk hand in hand.

To Artificial Intelligence, for its valuable collaboration as a tool for synthesis and reflection. Its assistance has been fundamental in clearly integrating classical values into today's complex corporate management environment, demonstrating that the most advanced technology can be at the service of eternal wisdom.

Prologue

At a time when everything is evolving at a dizzying pace and success seems to be measured solely by technological sophistication, it becomes imperative to recover the values of Christian morality in corporate management. These values are not passing trends, but an eternal compass that clearly marks the path of what is right. In management, “the end doesn’t justify the means”: the goal of maximizing profit at the lowest cost cannot justify undermining human dignity.

Behind every business process, there are always **people** who produce, consume, or endure the results of production. For this reason, the executive has a sacred mission: to ensure that every good produced contributes to the common good, allowing all actors in the chain—employees, suppliers, and collaborators—to develop, grow, and progress integrally. This is what we might call a true "human ecology" within the company.

The only way to achieve this goal is to lead by always seeking shared benefit, under the premise of a "Win-Win" approach. However, this balance does not arise spontaneously; it requires the leader to work on their own will. It is an inner battle to rid management of those vices or "capital sins" that, to a greater or lesser extent, stalk every human being, and to replace them with the constant pursuit of the **cardinal virtues** described in these pages.

I highly recommend reading this book to anyone who leads teams. I invite you to complement it with the reading of the Holy Scriptures, the original source from which I know for certain José has documented himself over many years. He has achieved something difficult: extrapolating biblical wisdom into day-today business management, using the Gospel as a tool for ethical and effective management.

Thank you, José, for being, above all else, my husband, my confidant, and my best friend. Thank you for being my life partner, the father of our daughters, and the compass that, throughout all these years, has kept me from losing my way.

Ana Darder

Author’s Note

Now that she has told you who I am, let me explain why I felt the need to write these pages.

Throughout my professional career, I have had the good fortune to converse with a multitude of employees, clients, and suppliers. On many occasions, mutual trust and respect have fostered environments where the conversation transcended purely commercial matters to delve into personal ones.

In those moments, it is common for the dialogue to drift toward the crisis of values and the morality of our current society. It is then that, without hesitation and with naturalness, I confess my identity: I am a Catholic Christian. I explain that my way of understanding life, and therefore my way of leading, is grounded in the teachings of the Church and the message of the Gospel.

On more than one occasion, after sharing this vision, I have been asked with a mixture of curiosity and innocence: "**Does your faith really help you in your day-to-day work?**"

This question was the seed of this project. I realized that many executives view religion as something private or separate from the income statement, when in reality it is the most powerful management tool I know.

This book is not a theological treatise; it is the detailed answer to that question. It is my roadmap to demonstrate that the cardinal virtues not only make us better people, but are the only path toward a corporate excellence that is human, ethical, and sustainable.

I hope you enjoy it as much as I have enjoyed discovering these answers over the years.

José Vilata

Chapter 1. Human Virtues for Leadership

A good Director must possess the ability to choose what is right; that is, they must have sufficient knowledge to distinguish good from bad, and the attitude to select what is beneficial for the company while steering away from what could be harmful.

> *"Let your minds be filled with everything that is true, everything that is honourable, everything that is upright and pure, everything that we love and admire -- with whatever is good and praiseworthy."*(Phil 4:8)

A virtue is a habitual and firm disposition to do good. It allows a person not only to perform good acts, but to give the best of themselves. For this reason, a proper training of the will is essential as a necessary complement to academic and professional education. Training the will ensures that the director is not a slave to their impulses (greed, pride, anger), but rather the master of their own actions.

To train the will, we must set ourselves the goal of progressively achieving and improving four cardinal virtues presented to us by Catholic doctrine in the Catechism (CCC 1803-1809): justice, fortitude, temperance, and prudence.

Justice consists in the constant and firm will to give God and one's neighbor their due. In the corporate realm, this virtue manifests through **Truthfulness** and **Loyalty**. To be truthful means giving partners, employees, and clients the "truth" they deserve so they can make free decisions. Loyalty is justice applied to fulfilling commitments and fostering a spirit of service toward all stakeholders.

Fortitude ensures firmness in difficulties and constancy in the pursuit of the good. It is synonymous with tenacity and is deeply linked to integrity. Tenacity is the strength that allows an executive to maintain intensity over the years and withstand market crises without abandoning projects at the first sign of difficulty. It is also connected to integrity, as fortitude is required to resist pressure from shareholders who seek personal interests over the company's mission.

Temperance moderates the attraction of pleasures and provides balance in the use of created goods. In management, **It is reflected in the management of one’s work ethic**. A "temperate" executive is one who maintains a balance between work and rest, understanding that work must not override the necessary rest or devotion to family. Likewise, integrity demands acting with austerity, utilizing company resources responsibly and soberly, while avoiding superfluous spending or ostentatious luxury.

Finally, **Prudence** is the central, organizing virtue. Catholic doctrine indicates that prudence disposes practical reason to discern our true good in every circumstance and to choose the right means of achieving it.

VIRTUE	CORPORATE DIMENSION & INSPIRATION
PRUDENCE	**Vision and Decision-Making:** Capacity for analysis, risk management, and choosing the most ethical and effective path. *"Be cunning as snakes and yet innocent as doves"* (Mt 10:16) *"Which of you, desiring to build a tower, does not first sit down and count the cost...?"* (Lk 14:28)
JUSTICE	**Legitimacy and Trust:** Truthfulness, loyalty to commitments, and fairness in the distribution of profits and recognition. *"To give them their due."* (CCC 1807) *"The truth will set you free."* (Jn 8:32) *"Well done, good and trustworthy servant; you have shown you are trustworthy in small things"* (Mt 25:21)

VIRTUE	CORPORATE DIMENSION & INSPIRATION
FORTITUDE	**Character and Resilience:** Courage to venture and tenacity to stand firm during crises without compromising integrity. *"In the world you will have hardship, but be courageous: I have conquered the world."*(Jn 16:33) *But anyone who stands firm to the end will be saved."* (Mt 24:13)
TEMPERANCE	**Self-Mastery and Balance:** Control of the ego and an orderly industriousness that respects rest and family ecology. *"What good will it will it be for someone to gain the whole world yetforfeits their soul?"* (Mt 16:26) *"Come away... and rest for a while."* (Mk 6:31) *"Anyone who is trustworthy in little things is trustworthy in great"* (Lk 16:10)

A leader with virtues builds trust, and trust is the most valuable and hardest asset to acquire in any organization.

Let us develop these virtues in the light of the New Testament and the doctrine of the Church.

Chapter 2. Fortitude

"In the world you will have hardship, but be courageous: I have conquered the world" (Jn 16:33)

Fortitude is, perhaps, the virtue that provides the most "strength" to an executive's character. Within the context of Catholic doctrine, it is defined not as the absence of fear, but as the capacity to endure and the audacity to act despite it.

For a leader, fortitude is the backbone that prevents other virtues from crumbling when pressure mounts. This virtue is not an isolated act of heroism, but an habitual disposition deployed across three critical dimensions of leadership:

I. Endurance and Venture

Following classical tradition, fortitude operates through two movements: *to endure* and *to venture* (or to undertake).

<u>1. The Dimension of Endurance</u>

We often think of fortitude solely as "attacking" problems, but its deepest manifestation is the ability to stand firm in the face of prolonged adversity.

- Patience and Constancy: In the business world, results are not always immediate. Fortitude allows the executive to endure periods of "lean times" without falling into despair or making erratic strategic shifts.
- Resilience in the Face of Failure: This is the capacity to absorb a blow—a loss of market share, a failed product—without breaking the morale of the leader or the team. A strong executive is one who projects security when the environment is chaotic.

2. The Dimension of Venture

This is the strength to go on the offensive when the organization's well-being requires it.

- Initiative and Audacity: It means having the courage to undertake new projects that carry inherent risks. A manager lacking fortitude remains in their "comfort zone" out of fear of criticism or loss of status.

- Confronting Conflicts: Fortitude is essential for having difficult conversations—such as letting go of someone who damages the company culture, confronting a partner acting unethically, or admitting a personal mistake before the board of directors.

II. Tenacity: Fortitude Over Time

If fortitude is the engine, Tenacity is the long-range fuel. It is the virtue that allows today's intensity to be sustained over the years. Tenacity is the "golden mean" between two managerial pathologies:

- Deficiency (Inconstancy/Weakness): The director who abandons projects at the first sign of difficulty, or who changes strategy every week depending on which way the market "wind blows." This breeds deep insecurity within the team.

- Excess (Stubbornness/Obstinacy): The director who clings to the past. In business, this usually manifests as "we have always done it this way." It is a resistance to change that ignores the signs of the times (technology, changes in consumer habits).

Tenacity does not mean clinging to "old wineskins" (obsolete processes); rather, it means having the constancy required to craft "new wineskins" (digital transformation, new business models) that preserve the "wine" (the essence and core values of the company).

> *"Neither is new wine put into old wineskins. If it is, the skins burst and the wine is spilled and the skins are destroyed. But new wine is put into fresh wineskins, and so both are preserved."* (Mt 9:17)

Tenacity is the "perseverance" (or importunity) blessed by Christ:

> *"I tell you, though he will not get up and give him anything because he is his friend, yet because of his impudence he will rise and give him whatever he needs."* (Lk 11:8)

A tenacious executive does not take "no" for an answer when they know a credit line or a key decision is vital for the company's survival. That "impudence" is tenacity in its purest form.

III. Integrity

Fortitude reaches its fulfillment in Integrity, or "unity of life." It requires heroic courage to be the exact same person in the boardroom as in one's private life. This is not always easy; it demands an inner strength that human beings often lack on their own, obtaining it instead through the grace of God. Integrity manifests in two traits of a "great soul":

- Austerity and Responsibility: In management, austerity is not stinginess, but the responsible and sober use of resources. An executive with integrity avoids superfluous spending and ostentatious luxury at the company's expense, understanding that they are a steward, not an absolute owner.

- Magnanimity**:** This is the capacity to undertake great things without seeking to feed the ego or gain personal brilliance. The executive with integrity keeps their eyes on elevated goals that benefit the entire collective of the company, looking far beyond the short term.

This is the "clear eye" spoken of by Matthew:

> *"The eye is the lamp of the body. So, if your eye is healthy, your whole body will be full of light, but if your eye is bad, your whole body will be full of darkness. If then the light in you is darkness, how great is the darkness!"* (Mt 6:22-23)

The "eye" represents the manager's intention. If the intention is whole and clean, their entire management will be transparent and consistent. If the intention is divided, the entire organization is darkened by mistrust.

An executive driven by fortitude is distinguished by three critical traits:

- Ethical Firmness: The ability to say "no" to a lucrative but morally questionable business deal. In a highly competitive environment, this requires heroic courage.
- Protection of the Team: A strong leader acts as a shield for their subordinates, assuming responsibility before upper management and refusing to "throw employees to the lions" to save themselves.
- Overcoming the Fear of "What People Will Say": Fortitude frees the executive from the need to always be

popular. A strong leader pursues what is right, not what is easy or pleasing.

However, beware: it is vital not to confuse fortitude with stubbornness or aggressiveness. If fortitude lacks prudence, it can degenerate into recklessness—risking everything pointlessly. And if it lacks temperance, it can turn into authoritarianism or anger.

Case Study: The Expansion Dilemma at "Global Supplies Inc."

Context

You are the Managing Director of a family-owned industrial components supplier. After three years of unwavering tenacity, you have successfully stabilized the company following a supply chain crisis that nearly drove it into bankruptcy. Now, a golden opportunity arises: a major investment group wants to inject capital to double production within six months.

The Conflict

However, the investment group has imposed two conditions that deeply test your fortitude:

- Pressure on Integrity: To expedite permits for the new plant, the investor suggests making a "facilitation payment" to a local government official. They argue that "that is just how things work around here."
- The Risk of Stubbornness: The Board of Directors, made up of members of your own family, radically opposes the expansion out of fear of losing control, despite technical

prudence reports indicating that this is the only way to avoid becoming obsolete.

Challenges for the Executive

To resolve this case by applying the virtue of Fortitude, the manager must act on two fronts:

- Exercising Integrity: You must flatly refuse the bribe. Fortitude provides the strength to resist the temptation of quick success at the cost of breaking ethical consistency and your "unity of life." You must be willing to lose the investment rather than lose the integrity of your conscience.
- Exercising Tenacity: You must not abandon the expansion plan simply due to your family's fear. Fortitude drives you to undertake the arduous task of convincing the "old wineskins" (Mt 9:17) of the necessity for renewal, maintaining the intensity of your effort despite the misunderstanding of those closest to you.

Questions for Reflection

1. Do I have the courage to say "no" to a business opportunity if it implies compromising my ethical values, even if no one would ever find out?
2. Am I assuming my responsibility to "step up" and face the Board for a necessary decision, or am I hiding behind excuses to avoid conflict?
3. Is my persistence in this plan true Tenacity (the pursuit of the common good) or is it Stubbornness (personal pride and a refusal to back down)?

Desirable Outcome

An executive with a well-formed virtue of Fortitude will seek a third way: they will reject the corrupt investment (Integrity) and patiently and constantly seek new partners or alternative financing (Tenacity), leading the transformation of the family business without fracturing justice, yet refusing to yield to stagnation.

Chapter 3. Temperance

Temperance is the virtue that acts as the stabilizer of an executive's personality. According to the Catechism, it is the virtue that moderates the attraction of pleasures and provides balance in the use of created goods. For a leader, it does not mean rigidity or abstinence, but sovereignty. A director lacking temperance is a slave to their impulses, which makes them predictable and vulnerable to their environment.

This "self-mastery" is deployed across three fundamental axes:

I. Mastery Over Ego and Ambition

Success tends to inflate pride. Temperance helps the executive keep their feet on the ground, managing both power and the desire to stand out.

- A temperate leader does not need to be the center of attention. They listen more than they speak and recognize that success is a collective effort, thereby avoiding "leadership isolation," where no one dares to correct them.
- Ambition is the engine of growth, but without temperance, it turns into greed. This virtue allows a leader to say "enough" when faced with an expansion that threatens the health of employees or the company's ethical standards.

II. Emotional Control

Temperance regulates passions, especially anger in the face of failure and euphoria in the face of success.

- When a subordinate makes a serious mistake, a temperate director does not react by shouting. They maintain their composure to analyze the situation, fostering an environment of psychological safety where the team can innovate without fear of disproportionate emotional retaliation.

III. Industriousness: Temperance Applied to Effort

"The one who is unwilling to work shall not eat." (2 Thes 3:10)

Industriousness is a moral virtue that consists of working well, with intensity, and toward a transcendent purpose. For an executive, industriousness is a dynamic balance among three pillars: professional efficacy, restorative rest, and family ecology.

1. Industriousness as the "Sanctification of Work"

In Catholic doctrine, work is not a punishment, but a participation in God's creative work. Industriousness is not just "being busy"; it is about execution. It is not about working longer hours, but about making every hour yield its maximum potential. This requires order and prioritization, avoiding the fragmentation caused by poorly managed emergencies.

The Parable of the Talents is the foundational text for any manager. Here, industriousness is not optional; it is an accountability report before the One who granted us our capabilities.

> *"A man, going on a journey, summoned his servants and entrusted his property to them. To one he gave five talents, to another two, to another one, to each according to his ability. He who had received the five talents went at once and traded with them, and he made five talents more. So also he who had the two*

> *talents made two talents more. But he who had received the one talent went and dug in the ground and hid his master's money."* (Mt 25:14-16, 18)

The sin of the third servant was not malice, but omission, fear, and laziness. Industriousness demands "trading" with the company's resources so they bear fruit, not merely preserving them.

A diligent director does not leave things half-done. Excellence in small matters is what builds moral authority in great ones.

> *"One who is faithful in a very little is also faithful in much, and one who is dishonest in a very little is also dishonest in much."* (Lk 16:10)

Christian industriousness is service. If a director works intensely only for prestige or money, they are efficient, but not necessarily virtuous under the lens of the Gospel.

> *"For who is the greater, one who reclines at table or one who serves? Is it not the one who reclines at table? But I am among you as the one who serves."* (Lk 22:27)

Jesus, being the Master and Lord, positions Himself as a servant, setting an example of humility and self-giving.

<u>2. Rest: The Virtue of Temperance Applied to Effort</u>

Industriousness is not at odds with rest. Biblically, God Himself rested on the seventh day. For an executive, resting is a strategic decision. An exhausted leader loses prudence (the ability to judge clearly) and becomes irritable, damaging the workplace climate. Rest allows one to step back from daily problems to see the company's "full roadmap." Without pauses, industriousness degenerates into workaholism, which is a vice, not a virtue.

> *"Come away by yourselves to a desolate place and rest a while. For many were coming and going, and they had no leisure even to eat."* (Mk 6:31)

3. Family: The Focal Point and Purpose of Effort

For any executive with a family, the institution of the family is the cornerstone of purpose. Catholic doctrine teaches that one's primary duty is the family. A director who succeeds in business but fails at home has poorly managed their will.

Family prevents the executive from falling into selfishness; one works for and for the sake of others. If this direction is lost, corporate effort becomes sterile and void of human content. An executive must ensure that the virtues practiced at home (patience, forgiveness, generosity) are the very same ones brought to team leadership.

4. Dangers to Watch Out For

It is crucial to note that the enemy of industriousness is not simply doing nothing. When this virtue fades, vices emerge that corrode the organization:

- Squandering (Wastefulness): Superfluous spending on corporate luxuries that drains cash flow.
- Burnout: A leader lacking temperance knows no limits and demands inhumane paces, confusing exploitation with commitment.
- Sloth (Executive Acedia): This is not "doing nothing," but rather taking refuge in easy operational tasks to avoid

facing difficult strategic decisions, or doing only what one enjoys instead of what the company actually needs.

Temperance as Freedom

Saint Augustine defined this virtue as love keeping itself entire and incorruptible. For the executive, temperance represents true freedom:

- Freedom from the need for external approval.
- Freedom from the urgency of immediate results that compromise the future.
- Freedom from unmanaged stress.

In summary, if Fortitude is the engine that allows you to move against all odds , Temperance is the steering and braking system that ensures you do not crash at the first turn of success. Excellence in managing time and one's own impulses is what builds the moral authority to lead major projects.

Case Study: The Launch of "BioTech Solutions"

<u>Context</u>

You are the Chief Operating Officer (COO) of a promising biotechnology company. After months of intense industriousness, the team has achieved a breakthrough that will allow them to pitch their product to a round of international investors in two weeks. The success of this presentation will define the financial future of the company for the next ten years.

<u>The Conflict</u>

The pressure is at an absolute maximum, and the environment tests your temperance on three distinct fronts:

- Imbalance of Industriousness: The team is exhausted. Some executives propose working 16 hours a day, weekends included, under the motto "we will rest once we sign." You notice that fatigue is beginning to cause serious technical errors.
- Use of Resources: The budget for the presentation is generous. The Commercial Director suggests renting a luxury suite and organizing lavish dinners to "impress" investors, even though the company is not yet generating profits and the resources are, in essence, funds entrusted by founding partners.
- Personal Conflicts: Due to stress, you feel the temptation to react harshly to a subordinate who has made a minor mistake. Your patience is stretched to the limit, and the impulse to "vent the tension" is strong.

Application of the Virtue of Temperance

The temperate executive acts as a balanced steward of both their own energy and the resources of others:

- Moderation of Impulse (Self-Mastery): Temperance allows you to restrain the reaction of anger. Instead of a harsh reprimand, you use reason to correct the subordinate, maintaining a professional and constructive workplace climate.
- Management of Industriousness (Family Ecology): As a steward of talent, you intervene to establish rest shifts. You decide that Sunday will be a day of total disconnection so the team can recharge and be with their

families, understanding that a "burned-out" team is ineffective and that duty toward the family is sacred.

- Right Use of Goods (Austerity): You reject superfluous spending. You opt for a presentation that is impeccable in content and elegantly sober in form. You know that the investor's "healthy eye" will value efficiency in capital deployment far more than unnecessary ostentation.

Executive Examination of Conscience

1. Am I the master of my impulses and emotions, or does my current mood (stress, euphoria, fatigue) dictate how I treat others today?
2. Is my industriousness orderly and effective, or am I falling into blind activism that neglects my health and my family?
3. Do I manage the company's budget with the same sobriety and care with which I would manage the bread for my own children?
4. Do I know how to say "enough" in time to preserve my own unity of life and that of my team?

Desirable Outcome

By applying Temperance, the executive ensures that the team reaches the presentation day in optimal conditions of mental clarity and health. The company projects an image of solidity and responsible austerity, and the leader reinforces their moral authority by demonstrating that they are capable of governing themselves before attempting to govern an organization.

Chapter 4. Justice

Justice is the social virtue by excellence. While Prudence and Temperance perfect the executive from within, Justice perfects them in their relationships with others. For a leader, justice is the bedrock of authority: a director may be brilliant or bold, but if they are unjust, they will be perceived as a tyrant, and the organization will disintegrate.

The Catechism defines justice as "the moral virtue that consists in the constant and firm will to give their due to God and neighbor" (CCC 1807). In the business world, "giving what is due" extends far beyond the legal minimum wage:

- To the employee: Not just a salary, but recognition, training, the proper tools to work, dignified treatment, and time or flexibility when their family faces difficulties.
- To the shareholder: Transparency, honesty, and a diligent stewardship of their capital.
- To the client: A product or service that delivers exactly what was promised, at a fair price, and without deception.
- To society: Respect for the environment, the proper payment of taxes, a positive impact on the community, the transfer of knowledge, and social contributions.

The just man, frequently evoked in the Holy Scriptures, is distinguished by the habitual rectitude of his thoughts and his conduct toward his neighbor:

"You shall do no injustice in court. You shall not be partial to the poor or defer to the great, but in righteousness shall you judge your neighbor." (Lv 19:15)

"Masters, treat your bondservants justly and fairly, knowing that you also have a Master in heaven." (Col 4:1)

In business, this will to give everyone their due is deployed across three integrating pillars:

I. The Dimensions of Corporate Justice

For an executive to be just, they must balance three key dimensions:

- Commutative Justice: This is honesty in contracts and covenants. If you promised a performance bonus based on objectives, justice obliges you to pay it. If you sell a service, it must possess the agreed-upon quality. Without it, the market collapses.
- Distributive Justice: This is perhaps the most challenging for a leader. It consists of allocating burdens and benefits proportionally. It does not mean giving everyone the exact same thing, but rather distributing based on need, responsibility, and merit.
- Legal or Social Justice: This is compliance with the laws and regulations aimed at the "Common Good." A just executive does not seek legal or ethical shortcuts to benefit their company at the expense of general welfare.

II. Truthfulness

Justice is impossible without **Truthfulness**. It is impossible to "give everyone their due" if one operates from a glossed-over reality. Truthfulness and sincerity constitute the foundation of trust in corporate leadership. Without them, leadership is pure artifice.

Truthfulness is not merely "not lying"; it is an ethical management of reality that demands both fortitude and prudence.

<u>1. Truthfulness: Between Clarity and Confidentiality</u>

Truthfulness consists of aligning words and actions with reality, which involves two fronts:

- Against Falsehood: Refusing to dress up results or conceal risks. Transparency with partners and employees is what grants legitimacy to a leader.
- Against Indiscretion (The Prudence of Silence): Being truthful does not mean being an "open book" without criteria. The executive must have the fortitude to protect professional secrecy. In a family business, this is critical: knowing how to say "no" to a relative who demands confidential information simply because they are an owner.

> *"Let what you say be simply 'Yes' or 'No'; anything more than this comes from the evil one."* (Mt 5:37)

This teaching of Jesus demands absolute integrity. If the director says "yes" to a plan, it must be a real commitment. If they say "no" to an improper request for information, they must stand by it firmly, avoiding the half-measures that breed confusion.

2. Sincerity: The Courage to Share Reality

Sincerity is the absence of deceit or pretense. In management, it manifests as the ability to communicate the "whole truth," even when it is painful (low profits, the need for restructuring, personal mistakes).

- Avoiding Toxic Paternalism: Hiding the reality from the family so they "do not suffer" is a lack of sincerity that usually ends in a worse crisis when the truth inevitably comes to light.
- Accepting Criticism: A sincere director prefers criticism grounded in reality over praise born out of ignorance.

"And you will know the truth, and the truth will set you free." (Jn 8:32)

The executive must commit to transparent reporting before the shareholders. Concealing problems within a family business creates a bondage of secrets. Only the truth allows the family and the executives to make free and responsible decisions. Sincerity frees the leader from the burden of keeping up appearances.

3. Truthfulness, Prudence, and Fortitude

For truthfulness to operate as an executive virtue, it must be articulated by two others:

- Prudence: To know *what* to say, to *whom*, and at *what moment*. Not every truth must be spoken at any given time, but whatever is spoken must always be true.
- Fortitude: To resist the pressure of influential family members. Truthfulness requires courage so as not to yield to the political convenience of the moment.

4. The "Hatred of Falsehood" in Management

In the New Testament, falsehood is associated with darkness. A director who manages under shadows loses the capacity to guide.

> *"But whoever does what is true comes to the light, so that it may be clearly seen that his deeds have been carried out in God."* (Jn 3:21)

An executive who acts with truthfulness does not fear audits, shareholder meetings, or dinners with partners. Their management is "luminous," which fosters an environment of psychological safety throughout the entire organization.

III. Loyalty: Justice Over Time

Loyalty and integrity represent the backbone of an executive's character. If truthfulness is "speaking" the truth, integrity is "living" it, and loyalty is "sustaining" it over time and toward people. In corporate management, these virtues transform a simple contractual relationship into a commitment of honor and service.

Loyalty is not blind obedience; rather, it is exactness in the fulfillment of duty and gratitude toward those who collaborate on the project. A loyal executive is distinguished by two key attitudes:

- Fulfillment of Commitments: A loyal executive is someone whose word is as good as a signed contract. They deliver on promises to suppliers, employees, and partners, especially when circumstances are adverse.
- A Spirit of Service: Christian loyalty does not only look upward (toward power or the owner); it looks toward all

stakeholders (employees, clients, society). To be loyal means protecting and caring for those who help you drive the company forward.

"His master said to him, 'Well done, good and faithful servant. You have been faithful over a little; I will set you over much. Enter into the joy of your master.'" (Mt 25:21)

Loyalty is rewarded with trust. An executive who is faithful in the stewardship of others' resources and in the treatment of their subordinates proves that they are worthy of greater responsibilities.

"Greater love has no one than this, that someone lay down his life for his friends." (Jn 15:13)

In the corporate world, "laying down one's life" translates into stepping up and defending the team, taking responsibility for failures, and refusing to look for external scapegoats just to protect one's own prestige. This is true loyalty toward human capital.

<u>The Conflict of Loyalties</u>

At times, an executive faces pressures where loyalty to an owner clashes with integrity toward the company. The New Testament is clear: truth and the common good stand above favoritism.

"No servant can serve two masters, for either he will hate the one and love the other, or he will be devoted to the one and despise the other. You cannot serve God and money." (Lk 16:13)

One cannot be faithful to the company's mission and, at the same time, to the whims or personal interests of a partner that harms the organization. The executive's ultimate loyalty belongs to the Good and the Mission of the company.

Justice as "Equity"

An excellent executive knows that justice is not a cold application of rules. Sometimes, a rigid rule can be unjust. This is where equity emerges: the ability to examine the specific case.

For example, if a brilliant employee's performance drops due to personal grief, "cold" justice would demand a sanction. "Executive" justice understands that what is owed to that person at that moment is support and flexibility.

Strategic Benefits of Justice

An executive who integrates truthfulness and loyalty into their justice reaps:

- Organizational Peace: It eliminates the perception of favoritism, which causes the majority of internal conflicts.
- Moral Authority: The team accepts difficult decisions because they trust the leader's fairness.
- Talent Retention: The best professionals seek ecosystems where merit is recognized and a person's word is law.

The Risk of "False Justice"

The executive must beware of *selective justice*—meaning being just only to those they like—or *populist justice,* which means giving everyone whatever they ask for just to avoid conflict. True justice frequently requires Fortitude to say "no" to unjust demands, even when they come from influential people.

Case Study: The Restructuring of "Northern Logistics"

Context

You are the Managing Director of a transportation company. Following an internal audit, it is discovered that one of the business lines will no longer be profitable in the medium term due to a change in environmental regulations. If that division is not closed within a year, it will jeopardize the financial stability of the entire company.

The Conflict

The situation tests your virtue of Justice (understood as giving everyone their due) across three distinct dimensions:

- Justice Toward Partners (Truthfulness): Some board members suggest withholding the news for now so it does not affect the company's valuation ahead of a potential bank loan application. This implies "dressing up" future forecasts.
- Justice Toward Employees (Loyalty): There are 40 workers in that division. If they are notified now, they might start looking for other jobs, making it difficult to fulfill existing contracts over this final year. A sector of the management team proposes notifying them only with the legal minimum (15 days' notice) to ensure they stay until the end.
- Justice Toward Clients: There is a strategic client about to sign a three-year contract with that specific division. They are unaware that the business line will shut down in twelve months.

Application of the Virtue of Justice

A just executive acts with a firm will to respect the rights of each party, grounded in truth and the fulfillment of one's word:

- Exercising Truthfulness (With Partners and the Bank): Following the principle of "Let your 'Yes' be 'Yes' and your 'No' be 'No,'" you decide to report the identified risks clearly. Justice demands that the bank and partners have the truthful information owed to them so that their consent to loans or investments is free and not the result of deception.
- Exercising Loyalty (With Employees): You reject utilitarian secrecy. You decide to inform the workers well in advance, offering an internal relocation plan or severance packages higher than the legal minimum in exchange for their commitment to finish the year. Loyalty is mutual: you provide them with the truth and respect they deserve as individuals, and they respond with professionalism.
- Justice in Negotiation (With the Client): Sincerity prevents you from signing a three-year contract knowing you can only provide service for one. You propose a transitional contract or assist the client in finding a new supplier for when your division closes, thereby protecting your company's reputation and integrity.

Executive Examination of Conscience

1. Am I providing my collaborators with all the information they need to make free decisions about their future, or am I hiding data for the company's convenience?

2. Is my language simply "Yes, yes; No, no," or do I use ambiguities to avoid truly committing myself?
3. Do I fulfill my promises to suppliers and clients with the exact same rigor that I demand they fulfill theirs with me?
4. In my decision-making, do I seek to give everyone their due, or do I chase self-interest at the expense of others' rights?

Desirable Outcome

By acting with Justice, the executive may face immediate operational difficulties, but they build the most valuable asset of any organization: trust. In the long term, the company will be recognized for its integrity, attracting better partners, employees, and clients who value the security of dealing with someone who always gives everyone their due.

Chapter 5. Prudence

Prudence is, without a doubt, the most important virtue for an executive. In classical tradition and within the Catechism, it is called the *auriga virtutum*—the charioteer of the virtues. Just as a chariot driver guides the horses so they neither run wild nor come to a halt, prudence guides fortitude, justice, and temperance so they act at the exact right moment and in the proper measure.

For a business leader, prudence is not "caution" or "fear of risk," but rather **practical wisdom**: the ability to make the right decision at the right moment.

The Decision-Making Process

A prudent executive does not decide out of blind instinct; instead, they follow a mental process that the Catechism and philosophy divide into three distinct steps:

- Deliberation (*Consilium*): This is the phase of listening and analysis. The prudent leader seeks information, consults their team, examines data, and studies precedents. They do not rush.

- Judgment (*Judicium*): After analyzing the options, the executive must judge which path is the best *here and now*. This is the moment to evaluate which alternative is both the most ethical and the most effective.

- Command or Mandate (*Praeceptum*): This is the most crucial part of prudence. Once the path has been decided, action must follow. Prudence that does not culminate in action is not a virtue; it is mere speculation.

The Components of Corporate Prudence

For an executive to be truly prudent, they must develop—in addition to humility—the following faculties:

- Memory of the Past: Refusing to repeat mistakes. Learning from the company's previous crises.
- Docility: The capacity to accept advice. A manager who believes they know everything is, by definition, imprudent.
- Circumspection: Analyzing current circumstances. What worked three years ago may not work today due to shifts in the market or technology.
- Foresight: The ability to anticipate consequences. This is strategic vision: how will this decision impact the company in five years?

Prudence in the Gospel

Jesus was highly emphatic in demanding that His followers should not be naive when facing the complexity of the world, particularly when it comes to managing resources.

<u>The Calculation of Means and Ends</u>

An executive cannot base their strategy on wishful thinking or unrealistic desires. They must evaluate their resources before launching into competition.

> *"For which of you, desiring to build a tower, does not first sit down and count the cost, to see whether he has enough to complete it? Otherwise, when he has laid a foundation and is not able to finish, all who see it begin to mock him..."* (Lk 14:28-29)

Prudence demands feasibility plans, realistic budgets, and solid financial resource management. Ignoring economic reality is not faith; it is imprudence.

Astuteness and Simplicity

The executive operates in a competitive, sometimes hostile environment. Christian prudence is not weakness; it is a superior intelligence that knows how to navigate complex markets without losing integrity.

> *"Behold, I am sending you out as sheep in the midst of wolves, so be wise as serpents and innocent as doves."* (Mt 10:16)

The "prudence of the serpent" is the acumen needed to detect threats, negotiate to one's advantage, and understand power dynamics. The "simplicity of the dove" ensures that this intelligence is never used for malice or deception.

Why is Prudence Vital for Today's Leadership?

In a Volatile, Uncertain, Complex, and Ambiguous (**VUCA**) environment, prudence serves as the ultimate compass:

- Managing Uncertainty: It allows a leader to distinguish between a calculated risk (necessary for innovation) and suicidal recklessness.
- Balancing Interests: It helps determine when to prioritize the short term (liquidity) versus the long term (investment).

- Communication: Prudence dictates *what* to say, to *whom*, and at *what moment*, avoiding damaging leaks or hurtful words that demotivate the team.

The Risk of "Imprudence by Omission"

We often assume that being imprudent means "overdoing things." However, for an executive, negligence or the failure to make a decision out of fear of making a mistake is one of the greatest forms of imprudence. Prudence forces you to decide when time is running out.

In conclusion: Prudence transforms the executive into an "architect of reality." While others see only problems or wishes, the prudent leader sees the concrete path to turn the company's purpose into a sustainable reality.

Case Study: The New Business Line Dilemma at "TechInnova"

<u>Context</u>

You are the Chief Executive Officer (CEO) of a technology firm that has enjoyed moderate and stable success. An opportunity arises to acquire an artificial intelligence startup that promises to revolutionize the market, but it requires committing 60% of your company's cash reserves.

<u>The Conflict</u>

The situation tests your virtue of Prudence (right reason in action) through its three fundamental steps:

- Memory and Information (The Past): Driven by audacity, some younger directors ignore the fact that the company already attempted a similar expansion five years ago, which failed due to a lack of technical infrastructure.

- Discernment (The Present): There is intense external pressure. The media and investment partners are pushing for the acquisition to happen "now," before the competition gets ahead (the wisdom of the serpent). However, the innocence of the dove obliges you to examine whether this purchase is truly a good for the company or merely a move driven by professional vanity.
- Foresight (The Future): You must calculate whether, after the purchase, you will have enough "oil in your lamp" (cash reserves) to weather the first months of integration if revenues do not materialize as quickly as expected.

<u>Application of the Virtue of Prudence</u>

A prudent executive is not one who remains motionless, but one who moves guided by right reason:

- Deliberation (Counsel): You do not decide alone. You seek the counsel of the "old wineskins" (experienced experts) to avoid repeating past mistakes, and you analyze the data with strict rigor.
- Judgment (Choice of Means): Following the analysis, you determine that the acquisition is beneficial, but the "means" (paying 60% in cash) is imprudent. You decide to negotiate a deferred payment plan or seek a strategic alliance to minimize financial risk.
- Execution: Once the safest and most ethical path is decided, you act with firmness. Prudence is not paralysis;

once reason has spoken, the virtue commands the execution of the plan without hesitation.

Executive Examination of Conscience

1. Have I sought counsel from people with more experience, or have I been carried away by the self-sufficiency of believing I know it all?
2. Am I making decisions based on real data ("counting the cost of the tower"), or am I letting myself be driven by the fear of missing out?
3. Have I considered the long-term consequences of this decision, ensuring that I maintain reserves for the unforeseen?
4. Is my decision the result of serene reflection or impulsive haste?

Desirable Outcome

By acting with Prudence, the executive averts the financial disaster of a reckless expansion. The company grows sustainably, resources are deployed intelligently, and the leader maintains the "steward's peace" that comes from knowing the right thing was done using the proper means.

Epilogue: The Director as a Steward of Talents

As these pages draw to a close, the image that must remain engraved in the heart of anyone who leads is not that of an absolute owner, but that of a faithful steward. Biblical wisdom and Catholic doctrine invite us to understand that a company is not merely a collection of financial assets, but a community of people who have been entrusted to our responsibility.

To be a director within this framework means recognizing that every resource, every technology, and above all, every human talent is a received "gift" that must be multiplied. Industriousness, tenacity, truthfulness, loyalty, and integrity are not mere ethical ornaments; they are the indispensable tools to fulfill our mission: to make the company bear fruit with perseverance.

Accountability: An Act of Justice

Virtuous leadership always culminates in accountability. This is true not only before shareholders or the market, but also before one's own conscience and before the One who entrusted us with the capabilities to influence the lives of others.

- Before the Company: Accountability is rendered by the leader who has prudently managed the means to achieve strategic ends without compromising the future.
- Before the People: Accountability is rendered by the director who has served their team, promoting their development and protecting their dignity and that of their families.

- Before Oneself: Accountability is rendered by the person who has maintained their integrity, achieving that "unity of life" where there are no shadows or facades , but only the light of truth.

A Call to Luminous Action

Prudence, as the organizing virtue, must now be your daily compass to know when to be "wise as serpents" in the marketplace and when to be "innocent as doves" in human relations. Leadership is not a privilege for self-interest, but a noble burden that, carried with greatness of soul and austerity, becomes a path of sanctification and service to the common good.

May this pocket book be a constant reminder that your deepest success will not be measured solely by the balance sheet, but by the trust generated and the legacy of virtues left in those around you. At the end of the road, the greatest reward for any executive will be to hear those words that give meaning to every effort:

> *"Well done, good and faithful servant; you have been faithful over a little, I will set you over much"* (Mt 25:21).

About the Author

José Vilata (Valencia, 1967) is a Software Engineer, entrepreneur, and founding partner of several companies, most notably the technology firm EDICOM CAPITAL and the wealth management firm VIDA WEALTH MANAGEMENT. He remains fully active in the corporate world, holding senior executive and board-level positions. In his personal life, he actively participates in and collaborates with various Christian formation platforms and retreats.