

Christian Ethics in Australian Business

Part 1

by Ian Hodge

Introduction¹

The subject of my address today is Ethics in Australian business. It is, I believe, one of the most crucial areas of discussion for Christian men and women. So much of our waking time is taken by our business activities. Unfortunately, much of our sleeping time is also taken up by business!

Since business is such an important aspect of life, and since we are also told in the Bible that we should bring "every thought captive to the obedience of Christ" (II Cor. 10:5), it seems appropriate that some consideration be given to the Word of God and how it might apply to the realm of business.

Also, we all know that Australia is in the midst of a recession. This is the recession "we had to have." And there are many who are offering apparent causes for its occurrence. Yet almost no one is saying that the current recession (and every recession, by the way), is a moral problem. Oh, they say that the government should do this or do that, but this simply begs the question. By what standard will we judge the actions of governments and business? And more importantly, is the recession, the worst since the Great Depression, the direct result of government and business violating the laws of Almighty God?

Space does not permit an answer all these questions. Besides, I have many more that have arisen as I've prepared this paper. So, I'll do my best to raise some questions, answer some questions, and hopefully you'll be encouraged with a better and clearer idea of ways in which we can apply God's righteous ethical standards to our business activities.

Preparation of this paper has been a challenge to me personally. I wish I could say that I have a clear record on all these ethical issues that I raise. Such would be a false representation of myself. So, I want you to know that as I raise these issues I am only too acutely aware they apply to myself also. Of course, I don't know you well enough to know what your present ethical standards are in business. Perhaps you have no problem areas! But most of what is expressed here has been observed first hand or experienced in one form or another by myself and others.

Ethical Breakdown

Ethically speaking, the world of business is at a crossroads. Any semblance of ethical standards — that is, *Christian* ethical standards — has faded or disappeared altogether. Business now operates in a realm of moral relativism, of sheer subjectivism. There are no objective standards, precepts which have been derived from outside the realm of human activity. What goes on is what men have determined.

The consequences, however, are apparent. A breakdown in business: shoddy workmanship, poor associations with customers, and even worse relationships between management and staff as well as among staff members. The results have been disgruntled business owners, dissatisfied workers, and disappointed customers. This, clearly, is not a recipe for outstanding business success.

Without standards, however, a business will perish. Whether those standards are in the realm of production techniques or in the arena of human relationships, among the staff and between staff and customers,

what is required is a valid moral code which will provide the directions for the successful business. By valid I mean, of course, valid in terms of the Bible and its moral and ethical standards as they apply to the realm of business.

It should not surprise us that there are no standards in business. The economics profession, closely associated with business, has been claiming for well over half a century that there are no moral standards when it comes to economics. For example, in *The Good Weekend*, published by *The Sydney Morning Herald* on January 18, 1992, an interview with four economists was printed. One of the questions asked of four leading economists in Australia was this: "Does economics have a morality?" Answers: 1) "If this question means do economists impose their value judgements on others when they give advice, the answer is no. If it means are economists fundamentally immoral, the answer is still no." 2) "Economists should, economics should not." 3) "Most of the economics we see today has nothing to do with morality." 4) "No."

Now these answers, for the biblical Christian, present a dilemma. If there is no moral restraint on the economics profession, how do economists limit their activities? More importantly, if they don't limit their activities and recommen-

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1. This article is a speech delivered at the annual National Citizen's Conference, sponsored by the Australian Federation of Festival of Light — Community Standards Organisations, held at "Gilbulla" Memorial Conference Centre, Menangle, January 24-26, 1992.

dations by standards laid down in the Bible, what standard do they use?

Anyway, to say economics has nothing to do with morality is plainly nonsense. Economics, among other things, is the study of how people act in the market place to increase their economic well being. People produce goods and services and attempt to trade those with other people. But this brings us to the heart of one of the Ten Commandments: "Thou shalt not steal." It was a claim by Marx that if he could abolish private ownership of property, he would abolish theft. How can there be theft if everyone owns everything?

This type of communal ownership, however, is not presented in the Bible. Even humble Naboth could reject the king's offer and remain on his land.² It was the sin of Jezebel and Ahab which eventually took Naboth's land from him. But he had the primary moral ingredient of ownership: the right of dispossession. He chose not to sell, and there was nothing *morally* wrong with his choice. In this we see that the eighth commandment establishes property rights, the right to exclusive ownership of property, goods, and services. Our patent and copyright laws, for example, rightfully extend this concept to intellectual property as well.

The denial of morality in economics should come as no surprise when it comes from non-Christians. After all, these are people who are in rebellion against their Creator. They, like Eve, wish to be their own god, determining for themselves what is right and wrong, good and evil (Gen. 3:5). For too long Christians have been inundated with ideas that agree with the notion there is no morality outside a very narrow range of social issues such as abortion or homosexuality. Jacques Ellul, in his book, *Money and Power*, argues against the idea that there can ever be a truly Christian system for money management. He denies outright any concept that God has provided us with the necessary standards to decide, for example, which economic system men should follow. The choice cannot be made in terms of Scripture. "In fact, neither theology nor Scripture gives us any criteria for evaluating one system against another."³ While Ellul is speaking in the context of money and economic systems, there seems no reason to limit his ideas to these realms.

Practically speaking, unfortunately, this idea is what has bombarded the Christian community from all quarters, from both outside and within the faith. There are no biblical standards, we are told. The Bible offers no blueprint for economic matters, we are informed. And if it offers no moral foundations for economics, then it hardly offers guidelines for business as well.

But the commandment forbidding theft refuses to go away — unless we tear quite a few pages out of bible in an attempt to eliminate its constant recurrence. This commandment has ramifications in the world of business. The ban against stealing, for example, prohibits the use of false measurements in business transactions. It also indicates that employees are required to put in an honest day's work for a fair day's pay. Thus, despite what Ellul asserts, we can confidently say that both Scripture and theology (because it is derived from Scripture) provide us with the *necessary* criteria for evaluating competing systems.

By What Standard?

When Scripture is abandoned as the criteria for business activity, what will replace it? More importantly, what *has* replaced the Scriptures as the standard in business? The answer to this question is simple: *money*. Far too easily, money is the new criteria by which all things are measured. For example, notice how the average business treats you as a customer. So long as they get their money, they are content. Here's another example. When businesses are obtaining suppliers, they readily drop one supplier in favour of another, and their selection criteria is often based on one fact alone: *money*.

A good example of this happened to me just recently. I was called into a manager's office and told I was paying too much for computers. I hold purchasing responsibilities for all computer equipment in the company, and this middle level manager had heard that the "going price" for a 386 computer system was around \$2,400 when we had budgeted for the year a price of \$3,500 per machine. Now it is perfectly true that computers can be bought at this lower price. But two things became obvious in this discussion. I asked one simple question, or at least I thought it was a simple and fair question to ask. I wanted to know what brand of equipment was available at this lower price, was it the same brandname we were paying the higher price for, and if not, was it as reliable. I also wanted to know if the supplier offered the same backup and support we obtained from our current supplier, and would the prospective supplier give us an extended warranty as did our current supplier. What was frustrating to me was that these questions were considered irrelevant to the discussion, or if not irrelevant, they appeared that way, since I received no answer to them. It was as if they were of little consequence to this manager who felt his budget was being spent unnecessarily.

There are other examples. Some businessmen change their suppliers almost as frequently as some people change their underwear. Well, that may be an exaggeration, but it makes the point. They change suppliers at the merest whim. The supplier upsets them at some point, so they drop their current supplier and go to another, just like some men and women drop their current spouse for another.

The result of this kind of relationship is detrimental to any business in the long run. Business relationships are like marriage relationships: they need to be improved over time. But if we are to improve our relationships, we must first learn to base our relationships on something other than money. We might select, for example, honesty and integrity in the business firm, rather than the price as our basis for doing business. We might rather deal with a completely honest person and pay a higher price, than pay a lower price to someone who displays very little moral character.

Little wonder in all this that consumers are dissatisfied. They are not getting the attention they deserve.

A word of qualification, however, is in order. I am not suggesting here that businessmen should not buy at the cheapest possible price. Pricing, along with other factors of a business, is always important. What we must guard against, however, is making money (i.e. prices) the *criterion* by which we build our relationships with other people.

Also, while I am referring to businessmen in this essay, the principles apply to every person. Each individual is a consumer. The consumer buys from retailers, and our relationships with our retailers should not be based on money concerns alone. Retailers, in turn, buy from their suppliers, and so on up the chain of production. The question at each point is this: what standard will be used in making our business decisions?

The Purpose of Business

We cannot understand the ethical foundations of business without first realising the nature and purpose of business from a biblical perspective. For the average person, business means a job, a place where money can be obtained to buy the necessities of life — plus any luxuries that can be afforded after that. This, however, indicates a misconception about business and provides the false basis for judging everything in terms of money. If we only see business as our means of obtaining money, we are already using money as the basis for decision making, rather than the ethical standards of God.

Business finds its proper place in the Cultural Mandate of Genesis 1:26-28. Here man is created by God and placed on

2. See I Kings 21:1ff for the whole story of Naboth and the eventual theft of his property.

3. Jacques Ellul, *Money and Power* (Downers Grove, IL: IVP, 1984), p. 24.

earth to "be fruitful" in all that he does. Man, made in God's image, is to be re-creative with God's universe and fashion it, mould it, change it, for the ultimate glory of God and for the benefit of his fellow man. Only God can create *ex nihilo*, out of nothing. Man, on the other hand, can only re-fashion, or re-create, what God has already made. This is why, in economic language, the ultimate equation is raw materials and labour.

In our work and labour, however, there is an in-built desire to achieve personal satisfaction at what is accomplished. While it is possible to gain a certain amount of self-satisfaction at a completed task, our ultimate contentment is achieved when others appreciate our efforts and speak highly of our accomplishments. Thus our labour must not be for our own benefit alone, but for the benefit of others as well.

In the nature of things God has ordained that only in serving the needs of others will our own needs be met. None of us can produce all the goods and services that we enjoy. We are dependent upon an economic system of exchange, and interchange is only possible when we bring to the market something which others want and are willing to obtain by exchanging some of their own produce.

Thus, the purpose of work is the glory of God and the supply of goods and services for our fellow man. The first and last purpose of business, at the human level, is therefore *human relationships* – not money! And human relationships require a moral and ethical standard for them to proceed on a successful basis. Money is clearly incapable of providing an ethical standard, since it is an inanimate object. Only persons supply ethical standards, and the ultimate Person for this task is the Lord Jesus Christ, of whom God the Father said: "Hear ye Him" (Matt. 17:5).

Ethics in Purpose

Clearly there is an ultimate ethics in the purpose of business. This is evident once the question of which goods and services are to be produced is addressed. While the supply of goods and services demanded by others is a necessary ingredient in making a business decision, this does not imply that we should produce whatever the market demands. There may well be a market for pornography, but we may not supply these demands. There may well be the demand for medical services to abort the life of the unwanted unborn, but this is insufficient grounds to supply the service.

Consequently, the purpose of business must be governed by a standard other than merely the demands of consumers. This standard is the Word of God. It alone demands our total allegiance, and to supply the market with something that God's Word says is immoral is clearly an act of sin.

It is popular in some circles to think that any kind of limitation on the market is to be against liberty and freedom. However, what is liberty? For many, liberty is anarchy, a cloak for doing whatever people think they'd like to do. But this is not the biblical view of liberty.

The antithesis to anarchy is totalitarianism. Total control is clearly despised by most citizens. They falsely conclude, however, that the alternative to totalitarianism is anarchy, that only when the individual is a law unto himself is it possible to have liberty and freedom.

The Bible, however, has a different perspective. True liberty is obtained only when the "royal law" (James 2:8) is

upheld. This royal law is also described as the "law of liberty" (James 2:12). Thus man's true freedom is obtained only when he is most obedient to the laws of God.

This issue was thrashed out in the seventeenth century by the Westminster divines. In chapter 20 of the Westminster Confession of Faith, on the topic of Christian liberty, the framers of the Confession had this to say:

God alone is Lord of the conscience, and hath left it free from the doctrines and commandments of men, which are, *in any thing*, contrary to His Word; or beside it, in matters of faith, or worship. So that, to believe such doctrines or to obey such commands, out of conscience, is to betray true liberty of conscience: and the requiring of an implicit faith, and an absolute and blind obedience, is to destroy liberty of conscience, and reason also (emphasis added).

In other words, man's liberty is obtained when he is not conscience bound by any of the commandments of men which disagree with the law of God. If we obey these false instructions because we feel *conscience* bound to do so, it is an indication that we are slaves of those issuing the wrong commands. But Christians may not become slaves to another, since we are the bondservants of Jesus Christ, who has purchased us with His precious blood (1 Cor. 7:23).

Freedom in business, just as freedom in worship or freedom in anything else, is obtained insofar as men and women are obedient to the commandments of God. God alone, as our Creator, is able to determine our true needs and the necessary ethical standards that our nature, now fallen, requires.

Ethics in Management

Recently, I was speaking with a Canadian businessman now living in Australia. He brought to my attention something that he had noticed about Australian businessmen: they hate to make decisions. Procrastination, it seems, is king. This man had lived in the United States as well as Canada before moving to Australia, and upon my questioning a little deeper, he did not think that American businessmen, especially, have such hesitancy in making decisions.

Needless to say, his comments got me thinking. Why is it that there would be such hesitancy in business making decisions in Australians? Now I asked myself this question for two reasons, not only because of this man's observations but because I can sympathise with the comment. I too find it difficult to make decisions – at least at times – and the critical decisions are often postponed until the last minute.

Is there something that explains this phenomenon? I think there is, and it is intimately tied up with the whole matter of Christian faith and what it means to live the Christian life. Consider Abraham, who offered up his son Isaac on an altar. He had been the recipient of God's promises, that he would be the father of many nations, and his children would be as numerous as the stars in the sky. Now Abraham was being asked to sacrifice the only human means of achieving that goal, his only son Isaac. It is evident from the text that Abraham trusted God to the point that although he did not know how God would fulfil His promises, Abraham certainly had confidence that God would indeed be faithful to His covenant.⁴

It is precisely this unknown aspect of the future that makes many people hesitate. We long for a crystal ball, an infallible prediction that the actions we are about to take, especially in business, will make us all independently wealthy before too long. But without that surety, we hesitate. We procrastinate.

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4. This account is found in Genesis chapter 22. Verse five, when Abraham told his servants that he and Isaac would go on alone, but "we will come back to you" indicates he expected both of them to return.

We refuse to act, hoping against hope that some flash of brilliant light will provide the necessary inspiration to make the necessary decision. It goes without saying, that no one likes to make a wrong decision and appear foolish in the sight of family, friends, and business colleagues. But it is uncertainty about the future that can so readily cause us to mismanage our businesses by refusing to make the decisions necessary for good management.

Unlike Abraham, we think that God is not our friend but someone who has little concern for our welfare. Despite the promises throughout Scripture that He will bless us if we are faithful and obedient to Him, we ignore these promises, rather telling God that if He would just bless us first we'd give Him all the allegiance in the world. We turn God into a fairy godfather, thinking that He has some obligation to prove Himself time and time again to our faithless hearts. Once he has satisfied our requirements, we then say we'll move ahead in confidence and full trust in His promises.

Is it any wonder we have a poor relationship with God? We turn the whole of the Christian religion on its head, because we don't have the faith that is required of us. Truly, the words of Jesus apply even in this age and in this country: "Ye of little faith" (Matt. 6:30).

Business of any kind involves predicting the future. To be sure, we cannot predict it accurately, since we are creatures with limited knowledge. But we can surely act, not on the basis of our own knowledge, but on the basis of the knowledge that God has given to us in the Scriptures. When we base our decisions confidently on the Word of God, then we need not hesitate, nor put off making those hard decisions that commit time, energy, and financial resources to an unseen goal. But we have the confidence that our labours are not in vain if we are truly God's children.

This attitude of faith, I think, explains the observation by my Canadian friend. It explains why in the United States, where there is more commitment to Christianity than Australia, businessmen do not have the difficulty that Australians have in making firm and difficult decisions. In simple terms, they have more faith.

The question of faith is the most important to consider when it comes to this matter of ethics and business. If we are not willing to trust God, the Father of all Truth, how can we expect to trust our fellow worker, the people we employ, our suppliers, or our customers. Without faith, it is too easy to

think that the staff and the suppliers are all ripping us off, and that the customers don't care one bit about the problems we're having making ends meet and meeting tight deadlines.

Faith, true uncompromising faith, even though it is as small as a mustard seed, is all that we need. For, when it all boils down, it is not faith *per se* that is important: it is the *object* of our faith that is critical. God alone is the key to faith, not faith itself.

But faith in God is believing all that God has told us and obeying His commandments for, as the Scriptures tell us, "they are not burdensome" (I John 5:3). How, then, do these commandments apply specifically to business, and in what ways would our business habits and practices change in the light of these moral instructions from on high?

More will be said later about financial considerations and ethical questions that are raised. But something must be said at this point about the financial management of a business.

For many people, the question of debt is a pragmatic one: can I afford to make the repayments? If the answer is yes, then debt, that is borrowing money, appears to raise no particular moral question. So long as repayments are made on schedule, it is thought that this satisfies any ethical questions relating to debt.

But this begs the question. It *assumes* that the issue of debt itself, and not the other aspect of meeting repayment schedules, is not a moral issue. Well, on the basis of what the Bible has to say about debt (e.g. Rom 13:8; Prov 22:7; cf. I Cor. 7:23; Deut. 15:1ff), it is clear that the very question of debt cannot be confined to merely meeting the repayment schedules. We are commanded in Romans 13:8 to "owe no one anything." Elsewhere in Scripture, being in debt is described as slavery (Prov. 22:7), yet we are clearly commanded in the New Testament (I Cor. 7:23) that we may not *voluntarily* enter into slavery to anyone. We are the bondservants of Jesus Christ, and we are not at liberty to enter into bonded servitude to another master. Elsewhere, our Lord tells us that we cannot have two masters, for it is impossible to serve two masters at the same time. Ethical business management therefore requires that we manage our finances according to the moral requirements laid down by Christ our King.

(To be continued)

APOLOGIES!

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