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Re-Engineering Management: A Biblical Alternative

Part III

by Ian Hodge

In the first two parts of this topic on management (*F.A.C.S. Report*, Vol. 13, Nos 9 & 10, September and October 1994), I presented an outline of the concept of stewardship and how I thought it worked out in practice. In this essay I want to explore further the idea of management from a biblical perspective, for this topic is clearly one that cannot fit into the confines of a couple of newsletters. Even after this instalment we will have done little more than scratch the surface.

In earlier essays I was attempting to show how the concept of stewardship applies in practice. The focus of my attention was on management, not ownership. In fact being a manager, I was to a great extent working out in the paper the very real problems that are faced in the workplace. It could be misconstrued, therefore, that my essay tried to apply the concept of stewardship too narrowly, that I was applying it only at the management level downwards. While this was certainly at the forefront of my thinking, it is not the only way I view the stewardship issue. For example, all people, in all ranks of society, are to be stewards. It applies to Prime ministers as well as managing directors; it applies to kings and queens just as much as it applies to owners of a business; and it applies to husbands and wives just as much as it applies to workers on the shop floor.

The point I was making about stewardship, however, was predicated upon the concept that the relationship between employer and employee is one of contract between equals. There is an idea in the Christian marketplace that business management requires a relationship other than the contractual model that undergirds my outworking of stewardship. Relationships are defined differently among different classes of people, and we need to know which class we are discussing before answering the question. By class, I do not mean social class: I mean relationship classes: husbands and wives, managers and underlings, employers and employees, owners and employees, buyers and sellers, master and slaves,¹ rulers and subjects.

Clearly the Bible identifies many of these relationships. Some it recognises as existing. Some, it says, are legitimate under certain conditions. Our question is which one *ought* we as Christians be attempting to establish. In other words, which is the *right* relationship?

Working Relationships

Consider the relationship of husband and wife. This relationship is defined in Scripture. The Bible sets forth patterns of behaviour for both people. It defines responsibilities for both parties. At the time of the Fall, God cursed Eve by saying that her hus-

band would rule over her (Gen. 3:16). These words, however, do not permit us to assume that the relationship between husband and wife is similar to that of a master-slave. Elsewhere in the Bible (e.g. 1 Pet. 3:1ff) it is made very clear that the husband-wife relationship is not one of master-servant. "Let the husband render to his wife the affection due her, and likewise also the wife to her husband. The wife does not have authority over her own body, but the husband does. And likewise the husband does not have authority over his own body, but the wife does" (1 Cor. 7:3,4). While the context here is one concerning "immoralities" (v.2), implying the sexual relationships between husband and wife, the picture painted here is clearly not one of master-slave subservience. Elsewhere, of course, the Bible does place limitations on the activities of a woman. She is not to teach men under certain circumstances. But this does not mean that the *relationship* between a man and a woman is akin to that of master and slave. Rather, it sets forth *functional differences* between the two parties.

Does the statement cited above contradict the one by St Paul in Eph. 5:23-24? "For the husband is head of the wife, as also Christ is head of the church; and He is the Savior of the body. Therefore, just as the church is subject to Christ, so let the wives be to their own husbands in everything." On

1. The Greek New Testament uses more than one word translated "servant" or "slave". In these articles referring to master-slave, I'm referring to the N.T. concept of "doulos."

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the one hand, the wife is to be subject to her husband in everything, yet on the other she has a legitimate authority over her husband. Are these contradictory ideas? Not if we believe that God does not contradict Himself. Therefore, we must hold both statements to be true. Again we ask: Are these words in Ephesians defining functional differences or are they defining a legal relationship such as husband and wife, master and slave, owner and employee, or king and subject?

The bridegroom, too, has responsibilities to his bride. Just as Christ loves His church, so husbands are to love their wives. Christ's washing of the disciples' feet indicates an act of humility by the King of kings and Lord of lords. It was not beneath Him to wash even the feet of His followers. For the Christian, Christ has promised much more. Despite this humble act, there is true hierarchy: Christ is still King and Law-giver.

The marriage relationship, however, does not equate with one designated master-slave or ruler-subject. Nor is it the same as one between man and man in the manager-underling relationship.

The question is what kind of relationship is it when we come to the concept of stewardship? Both husband and wife clearly have a responsibility to be good stewards. But the concept of stewardship does not deny the concept of hierarchy. In the democratic model, everyone is equal. In the biblical model, stewardship and democracy are not the same. The Bible talks about hierarchy, that is levels of authority, but it also talks about stewardship. The Scriptures do not pit these ideas against one another: rather, they are complementary

concepts, helping us understand how God wants us to live our lives.

There is often confusion at another point. Terminology indicating a relationship such as "master-servant" is used in Scripture. For example, in I Peter 2:18 it states: "Servants, be submissive to your masters with all fear, not only to the good and gentle, but also to the harsh." This injunction is clearly to those *who are already slaves*. But an important question remains: Does the Bible *require* that the employer-employee relationship be one of master-slave? Is entering into employment the same as entering into slavery? Or, to put this another way, should our law courts enforce a master-slave relationship between employer and employee rather than the concept of individual contract that it does now?

There are further difficulties with the master-slave picture. The word slave conjures up an inability for a person to either enter into, or to exit out of, certain relationships and activities. A servant is not free if the master can dictate a number of issues to him. Slavery usually resides where the master can give certain directions which the slave cannot refuse. It is the right of refusal which helps clarify the slavery position, and a free man will retain the right of refusal. The exception to this is where the free man has *contracted* to fulfill certain obligations. He does not have the right to refuse these (unless he's prepared to pay the penalty), but this does not make the relationship one of master-slave: it is one of free contract.

We can no more argue that the modern worker is a slave because he's obligated to fulfil certain employment conditions than we can that the employer, by entering into the contract, also becomes a slave. When employing labour, the employer also obligates himself to the employee: he promises to remunerate him, to provide him with the resources necessary to fulfil his obligations. If the employee is a slave, then so too is the employer. Thus, we can see that the terminology of master-slave is wrong. It does not properly define the phenomenon under discussion.

There is even a greater difficulty in the modern world to even begin applying the concept of master-slave to the employer-employee relationship. How is the word employee defined? It is customary to refer to employees as those who have continuous employment. But consultants brought into a

firm are equally selling their labour to a company. Is this relationship one of master and slave? I have deliberately used the words "selling their labour" to indicate that contemporary employment concepts are those of the marketplace, buying and selling. Is every seller to become a slave to the buyer for the duration of the contract? If so, what biblical evidence is there, if any?

These questions, however, are contingent upon determining who is the buyer in any contract. When a person enters a store to purchase a new watch, we usually call him the buyer. But we could equally call him the seller. He is a seller of money, looking to exchange his money for a watch. The watchmaker, on the other hand, is a buyer of money, wanting to trade his watches for cash. Who is a slave of whom? If the seller is to be slave to the buyer, then everyone is a slave and none are the masters. On the other hand, if the buyers are the masters and each party is a buyer, then both are the masters. They effectively cancel each other out.

Thus the master-slave picture cannot be applied where the individual is free to contract himself. It is an inappropriate model for business, and if we are to have a master-slave business model then we need to return to the pre-abolition era.

Now the Bible also talks about another relationship: that of ruler and subject. Not only does the Bible declare that the relationship between God and His creatures is one of Master and servant, at other times it is expressed as one between Ruler and subjects. Are these two ideas contradictory? The answer is no. They are stating the relationship in different terminology, using a range of words to paint different pictures of the relationship. They expand and broaden each other, complementing one another in this diverse relationship between Creator and creature.

Differences

Neither the marriage pattern, the master-slave model, nor the ruler-subject relationship fit the complex business organisation. This is because the modern business organisation is not the same in all respects as these other relationships. If we use the same words to describe different things we can only add confusion to the issue. Therefore, the terminology of these other relationships should not be used: it is already designating something

else. Precise thinking requires precise definitions.

When two *men* agree to do business, which pattern should we use: the one of master-slave, husband-wife, or the one of subject-ruler? One of these would fit the business model only if it were the same as one of them in all respects. And it clearly is not. Businessmen and women do not somehow become married, with one taking a subservience under the other as do a husband and wife. Nor can we say that in so doing they have entered into a relationship where one rules over the other unless the contract requires this, but this is not the normal arrangement in business).

In business two (or more) parties contract with one another on agreed matters. That agreement may be verbal or written, but it is nevertheless a contractual basis. We see this pattern in the parable of the labourers in the vineyard (Matt. 20). The landowner came to an harmonious agreement with the labourers that he employed during the day. There was no compulsion: each party agreed to the conditions of employment, even though some later complained that their colleagues had a better deal than they. To be sure, the labourers had to render service for the day, but the obligation of rendering service as a result of entering a contract is not the same as a subject-ruler, master-slave, husband-wife relationship.

While these biblical models do not fit the employer-employee relationship, neither can they be used to describe the relationship between staff and managers or among employees themselves. Two employees working side by side, one a manager, the other working under his jurisdiction, is not the pattern of marriage, and the Bible never claims that it is. Rather, there are different rules governing this kind of relationship, even though there are similarities with marriage. These similarities occur because there are two human beings involved. But the admission of similarities does not mean they are the same in *all* respects.

When shareholders or members elect directors, the directors are responsible, and should be held accountable, to the aims of the organisation that the owners (shareholders or members) determine. Unfortunately, in a public company the concept of ownership becomes a little blurred, not because ownership itself does not reside

somewhere, but because the complexity of the relationships can make it difficult to see where true ownership resides. Ultimately, it is in the shareholders, which is why shareholders and members have certain rights. They can apply to have a Company wound up under certain circumstances. They can appoint and dismiss directors. They can hold the directors accountable for the proper use of the company's funds. They can complain if the directors fail to manage the company properly so that the aims and purposes of the company are thwarted. They can demand that the directors represent *all* shareholders, even those in the minority, since their views, as shareholders (i.e. owners) are entitled to be considered in the affairs of the company. While *ultimate* responsibility for the organisation resides with shareholders, there are delegated duties and responsibilities for all workers in the organisation, from the board of directors to the staff member at the lowest rung of the corporate ladder, probably the junior clerk.

Managers are to be good stewards in their positions as managers.² So too are the workers below the management level. The concept of stewardship thus applies to *all* levels of the organisation, not just to those at the bottom of the corporate ladder. Directors are to be good stewards in their position as directors. In order for them to fulfil their duties, shareholders must supply them with the resources (e.g. capital) to operate the company according to shareholders' wishes. Directors must pass on resources to managers, and managers to workers.

Service

In the earlier essays, I argued that stewardship required four ingredients in order for it to be applied in practice. These were responsibility, accountability, measureability and empowerment. Not even the consumer at the end of the production chain can escape this requirement. The consumer too is to be a steward. He is to be responsible for paying for the goods, and can be held accountable if he fails. There must be measureability to see if he has achieved this (e.g. finance records), and he must have some kind of power to enter into the arrangement. (For example, minors cannot enter into some business relationships.) To be

sure, the consumer does not obtain all these ingredients of stewardship from the organisation he is buying from. But they exist nevertheless.

Mutual service is clearly the pattern in the business organisation. Directors are appointed by shareholders (or members) in order to serve the interests of *all* members. The management team is appointed to functionally apply the directions of the Board which represents the shareholders or members. Staff are employed below the managers in order to complete the tasks that are necessary to deliver goods and services to the ultimate master at the human level: the consumer. In these mutual relationships — shareholder, director, manager and worker — each of them serves the others in some way. The workers serve the managers in one way, while the managers serve the workers in another. All of them serve the customer. And what a taskmaster is the fickle customer! He demands goods and services on time, when he wants them, at prices he's willing to pay, and in good order and condition. Furthermore, he probably wants a money-back guarantee to protect his purchase, a lifetime warranty, and no service calls, thank you. This is the supreme master-servant relationship. But it is not the model of management.

Within the organisation, management relationships cannot be called anything but contractual while the freedom for a person to negotiate the terms and conditions of his labour exists. Workers today are free to join, or not to join, an organisation on the terms of employment that are offered. They are free to leave when they like, usually as long as they give two or four week's notice. They are free to leave and find other jobs. At review times, they are often free to argue for a salary increase and other conditions. Employers cannot demand that a person join their employ. They can demand loyalty and integrity from those who accept offers of employment.

What the Bible appears to be talking about when it uses the terminology of service is not that of defining legal relationships, but of defining attitudes. We are to serve one another with humility, doing our best for others to help them in their callings before God. This is an important aspect of the biblical work ethic. And while we are to serve one another, this does not make someone a slave to another. In fact, the Bible

2. In the New Testament, the manager, or one in charge, is called a steward (Matt. 20:8; Luke 16:1ff).

forbids us to voluntarily enslave ourselves to anyone (I Cor. 7:23).

A legitimate question arises here. Is it an accurate reflection of the Bible to say that the individual has ownership in his labour, and therefore has the freedom to contract out his services to whomever he chooses? Provided we keep our categories straight, the answer can be both 'no' and 'yes'. At the theological level the individual owns nothing: God owns everything. At the practical realm, the realm of human relationships that are governed by the theological implications, there is ownership. It is required by the model of stewardship in order for true responsibility, accountability, etc. to be upheld. It is also required so that the law courts can enforce the prohibition against theft. It is not the ownership that God possesses, and should not be confused with it. Perhaps there should be another word to define it, but the convention is now established and difficult to change. But without a concept of ownership at the human level, it is difficult to apply the eighth commandment, "Thou shalt not steal."

Dr F.N. Lee has presented an interesting insight into the question of property rights. Dr Lee writes:

Scripture anchors private property in the Triune God Himself, before the foundation of the world! In Him, the propriety of private property is immediately apparent. For the Father, the Son, and the Spirit have Each, from all eternity past, always possessed some "private property" which the Other Two of Them never have and never will possess. (Compare Mal. 3:6 with Rom. 11:28,36 and James 1:17.) Only the Father possesses paternity (Heb. 1:5-8). Only the Son possesses filiation (John 1:14-18). And only the Spirit possesses procession (John 15:26). Paternity is the private property of the Father; filiation is the private property of the Son; and procession is the private property of the Spirit — alone! Each of the Three Persons' private property is intimately connected to His own individual personality quite distinguishable from that of Each of the Other Two Persons (Luke 3:21-22). As the great modern Reformed theologian William

Geesink rightly remarks: "Property rights root in eternity, and precede all man-made laws."³

Man, made in the image of God, also possesses property rights in himself. This is why property rights are at the centre of God's law. (Slavery is the transfer of property rights from the slave to his owner.) Those rights are clear in the sixth, seventh and eighth commandments. The prohibitions against murder, adultery and theft imply some kind of ownership: a person to his life or spouse or goods and chattels. The ninth commandment forbidding slander also means there are property rights in a person's character and integrity. If a person has these things they should not be taken away by slanderous and malicious comments.

If individual property rights establish the individual in some form, then the biblical model of relationships is contractual. The covenant model is not the right one, especially for business, since a covenant is something that is imposed by a superior on an inferior. God did not sit down with Abraham and come to some kind of agreement. He made certain declarations, stating clearly the consequences of obeying or disobeying His instructions. It is the aspect of imposition which distinguishes a covenant from a contract.

John Murray defines slavery as "the property of one man in the labour of another." While it may be possible to agree with him that slavery is not intrinsically wrong, he is clearly right when he argues that "it does not follow that we ought to seek to perpetuate slavery." Furthermore, he argues, "the Scripture as redemptive revelation . . . is calculated to promote conditions under which slavery would be wrong."⁴ This explains why the Christian West has experienced economic growth, overtaking other civilisations such as

the Chinese, and providing improved living conditions for millions of people around the world. This does not mean that every corporation has been biblical. What it does suggest is that there has been a sufficient influence of Christianity in the business environment in one form or another for it to be the motivating force behind the Western world.

The current trends to change management styles to a more decentralised model fit with the biblical pattern of property rights and contract. This does not deny hierarchy, nor does it abolish the prerogatives of ownership that belong to the business owners. But it also preserves the property rights of the employees as well. And it is having a radical change on business in the '90s.

Conclusion

In order for corporate management to satisfy the concepts of the Bible, it is necessary that individual property rights, mutual contract, freedom to negotiate, together with stewardship and all that it implies, be established in the workplace. This does not mean that this is an exhaustive list of requirements. In these essays, however, I've tried to outline at least some aspects of the workplace.

Without the establishment of the biblical guidelines, it will not be possible for us to evaluate what is going on in the workplace today. Change is in the air. The older patterns of militarism are giving way to a more decentralised model. This is not democracy necessarily, since I am not attempting to abolish hierarchy. What I do think is necessary is that conditions that meet an employee's psychology, his gifts, his temperament, and his ambitions, make an ideal environment to work out his calling under God. Stewardship is one aspect of that calling.

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3. Dr Francis Nigel Lee, *Christian Private Property Versus Socialistic Common Property* (unpublished essay, 1985).

4. John Murray, *Principles of Conduct* (London: Tyndale Press, 1957), p. 100.