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The Purpose and Practice of Business (and Everything Else…)

American business people have had, for the last few decades, a consensus response to a very important question: What is the purpose of a corporation? Answer: To maximize the wealth of its shareholders … a conception which is encapsulated in its own ‘maximization of shareholder value’ (MSV) label and theory. In practice, MSV has made raising short-term share price the primary business objective.

This is a relatively recent notion, the seed idea of which was first advanced by Milton Friedman in his famous 1970 opinion piece in the NY Times entitled, “The Social Responsibility of Business is to Increase its Profits.” Then in 1976 two business academics, Michael Jensen and William Meckling, published “Theory of the Firm: Managerial Behavior, Agency Costs and Ownership Structure.” This hugely influential article argued for compensating CEOs with substantial grants of stock, or stock options, to better ensure that they were motivated to act for the good of shareholders.

But it was in the 1980s when business people themselves embraced in a big way this new understanding of corporate purpose. They were especially influenced by Jack Welch’s 1981 speech “Growing Fast in a Slow Economy” in which he made clear that, henceforth, General Electric’s primary objective would be to return maximum value to shareholders. This conception of corporate purpose has reigned supreme in America ever since. (It got considerable, but less, traction in other English-speaking countries, and very little traction in Europe.)

This understanding of business purpose is, however, deeply at odds with the view of Scripture. In fact, it leads to business operating in direct opposition to God’s good work in the world. But because the maximization of shareholder value conception is so pervasive — and because the church has failed to articulate the biblical alternative — even devout Christian business people are deeply influenced by the larger business culture’s demonstrably unhealthy understanding of purpose.

Thoughtful readers of Scripture might counter that nowhere does the bible communicate a conception of business or corporate purpose. True, of sorts, but only in the most literal sense. There is no bible verse, of course, along the lines of, “Thus saith the Lord: ‘The purpose of business is …’” Despite that, Scripture offers very clear evidence of God’s intent for both the purpose and practice of business — provided one reads the bible looking for its metanarrative, i.e., looking for the forest rather than just the trees.

In John 10:10 Jesus describes his (and his Father’s) overarching purpose: “I came that they [my followers] may have life, and have it abundantly,” (ESV). In fact, Scripture has a special word to describe this abundant life — ‘shalom.’ It means perfect full flourishing in every dimension of life. In other words, human flourishing that encompasses our spiritual, physical, relational, economic, social
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justice, and artistic dimensions — a harmonious prosperity pervading every aspect of life. This is the intrinsic, hallmark character of God’s kingdom.

All of which was lost through sin at the Fall. Ever since, God has been on a determined mission to restore his kingdom and its shalom character here on earth. The decisive elements of this restoration mission are, of course, the birth, death, resurrection and (eventual) second coming of Jesus. But throughout his earthly ministry, we continually see Jesus acting to further flourishing: those who were hungry are well fed; those whose physical condition was broken — the blind, deaf, lepers, and lame — are made whole; even a young couple’s wedding celebration about to be ruined is, instead, made more joyous. These all make visible and emphatic God’s shalom restoration mission.

Remarkably, Jesus says that his followers are meant to join him in this very same mission. “Whosoever believes in me will also do the works that I do; and greater works than these will he do, because I am going to the Father,” John 14:12 (ESV). These works to be done by his followers are, in fact, the very same “good works” Paul refers to in Ephesians 2:10 when he says, “We are God’s handiwork, created in Christ Jesus to do good works, which God prepared in advance for us to do,” (NIV). In other words, just like Jesus himself, his followers are meant to do the works which help restore on earth God’s kingdom and the shalom which is its hallmark.

Nowhere is this more true than in that aspect of our lives to which we devote far and away the most time and energy — our vocations. Meaning that the work of educators, and physicians, and government officials, and scientists, and artists, and the clergy, and yes, the work of business people, is all meant to enlarge human flourishing. In fact, every (legitimate) vocational endeavor is meant by God to further his abundant-life mission and, in so doing, further his kingdom.

Which means that God’s grand purpose for business generally, and for every particular business, is that it add to human flourishing. Or put more simply, business is meant to make people’s lives better. So, by the way, is government, and education, and science, and art … and street sweeping. Of course the particular ways in which any vocation enlarges human flourishing are specific and distinctive. Government is meant to create order and justice; education is meant to enlarge knowledge and understanding; the clergy are meant to guide us toward God and his ways. Each vocation is meant to make its own distinctive contributions to human flourishing. Each is meant to make our lives better in the ways for which they are particularly suited.

So how about business? In what way(s) is business meant to add to human flourishing? What is the distinctive contribution business is meant to make to shalom and the advance of God’s kingdom? As a way into answering this question, it’s helpful to ask another: How is business meant to be practiced so that it does, indeed, enlarge shalom, so that it does make our lives better?

And again, at the metanarrative level, Scripture provides a clear answer. All human conduct is meant to fulfill the ‘Love your neighbor’ First Principle of God’s moral universe. This applies to our individual conduct, of course, but it applies just as much to the larger arenas of human endeavor. Business, government, education, the arts — each vocation furthers flourishing through the particular ways by which it loves and serves its neighbors.

Business does this by creating value … in two quite different ways. On the one hand, business creates a staggering array of products and services explicitly
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designed to add value to the lives of customers. This happens by necessity, since customers buy only if they believe a product or service will add even more value to their lives than the loss of economic value required for its purchase. In other words, customers spend their money precisely because they believe that, despite its cost, a product or service will make their lives better.

Provided customers do, in fact, find a company’s products meaningfully valuable, the company also has opportunity to create an entirely different kind of value. When customers buy its products at a price above the resource costs of production, a company has added (economic) value to those resources and gets to harvest this increase in value as profits. Which means the company does something unique, and extraordinarily important — it enlarges human wealth. Provided this wealth is then broadly shared rather than narrowly hoarded, this becomes another important way in which business creates value for its neighbors and furthers human flourishing.

Several important implications flow from this metanarrative understanding of God’s intent for the purpose and practice of business. Let’s consider a few of the most significant.

The Kingdom Significance of Business

There are no second-class vocations. God means every (legitimate) vocation to join him in fostering human flourishing and reestablishing shalom on the earth. Jesus preached the kingdom of God, fed the hungry, healed lepers, gave sight to the blind, turned water into wine. In every instance — not just when he was preaching — he was furthering his and his Father’s abundant-life mission. In every instance he was thwarting the “steal, kill and destroy” mission of the enemy and advancing God’s kingdom. In every instance he was fostering human flourishing and defeating death with life.

This is an especially important message for Christian business people. Many of us have, at least at times, felt like our choice of vocation has made us second- or third-class citizens in the kingdom of God (or at least in our church). Pastors and missionaries are first-class citizens, of course, because they point people towards salvation. Doctors and teachers and social workers and the like come next because their professions are explicitly intended to help others. And then, ranking somewhere down toward the bottom, are those of us in business.

Nonsense. Every vocation is meant to serve God’s abundant-life mission through the particular ways in which it fulfills his ‘Love your neighbor’ command — business very much included. In fact, there are good reasons to see business as an especially valuable kingdom calling. Consider: The diversity of ways in which business adds value to people’s lives is staggering. Think of the incredible benefits of computer and communications technologies. Of food production in all its vast array. Of medical technologies like pacemakers and prosthetics, or of life-saving medicines. Or the benefits of travel via planes, trains, and automobiles. Or of good homes in which to live and raise families. All these, and countless more, are the blessings of business. In fact, no other arena of human endeavor comes close to the number and variety of ways in which business enlarges human flourishing.

Business is God’s Partner in Provision

But there is more. God’s foundational relationship with humankind is that of Provider. Scripture makes clear that it is God, ultimately, who provides for our
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physical needs — who sustains us with food, shelter, and the like. In fact, without him acting as Provider, we humans disappear, and quite quickly. Though God could do this great work miraculously and single-handedly, he prefers to partner with people. Notably, Deuteronomy 8:17-18 tells us that the ability to create wealth is a gift from God. And since only business enlarges human wealth, the thrust of this passage is that God chooses to do his great work of material provision in partnership with a very specific group of people — those in business. That’s right, business people are God’s chosen partners in sustaining and prospering all of humankind! A very high calling indeed! And even that understates the kingdom significance of business, since it is business alone that provides the economic wherewithal that makes possible the shalom blessings of government, education, the arts, even the church.²

**Wealth Creation is Secondary**

Nevertheless, it is imperative that business people remember that of the two ways in which business creates value, one of these — wealth creation — is necessarily a byproduct, a derivative, of the other. When business makes creating value for others its priority, it prospers nicely as well. But when it makes its own profits the priority (for example, by making MSV its principal objective), it moves from service to selfishness, from serving others to serving itself at others’ expense. Which means it moves from fulfilling to violating God’s ‘Love your neighbor’ First Principle. And instead of creating value, it begins to extract value. In a moral universe in which we eventually ‘reap what we sow’ (Galatians 6:7), such selfish business behavior proves both toxic and unsustainable.

**Business and the “Greater Works”**

Let’s revisit for a moment Jesus’ words in John 14:12: “*Whoever believes in me will also do the works that I do; and greater works than these will he do, because I am going to the Father.*” Honestly, I spent many years perplexed by these words. If Jesus healed the sick and fed the hungry with just a word, what were these “greater works” … and why over the subsequent millennia had we seen little evidence of miracles eclipsing those of Jesus?

Then one day I realized my error. As far as Jesus was concerned, that they were miraculous was never what was important about his miracles. In fact, he seems purposely to wield his supernatural power in the least conspicuous ways possible. No, what Jesus considered important about his miracles was their outcome, not their method — hungry people were fed, hurting people were helped … *human flourishing was furthered.* Jesus was not saying that the deeds of his followers would, compared with his miracles, be greater displays of supernatural power. Rather, he was saying the scope of their beneficial effect would be larger. More people would be helped, more human flourishing would ensue.

This has particular relevance for business. Because companies make a profit from their activities, they can (largely) fund their own growth. Operated well, in fact, a company can expand almost indefinitely — what business people refer to as the ability to scale. In turn, the scope of a company’s beneficial impact can expand indefinitely as well.

This is unique among the arenas of human endeavor. For government, or education, or science, or the arts, or religion to expand, they need funding from elsewhere. As a result, their scope of impact is naturally constrained. Not so for
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business, which grows under its own power. As a result, business is an especially potent means by which the followers of Jesus can have a “greater works” impact on human flourishing.

By way of example, let’s recall the story of Barnhart Crane and Rigging. On two occasions, Jesus provided a meal to several thousand people. Through their company, Alan and Eric Barnhart provide well-paid employment to more than a thousand employees — in other words, tens upon tens of thousands of meals, and all the rest of the elements of provision, year after year after year. Jesus preached the good news of the kingdom of God to thousands across Palestine. Allocating 50 percent of annual profits to fund evangelism, Barnhart has underwritten the preaching of the gospel to millions across the globe. Consider as well that Jesus may have healed hundreds, but the effect of a pharmaceutical company’s life-saving drug may save hundreds of thousands. As these examples attest, business is especially capable of the “greater works” impact of which Jesus spoke.

Business — A Double-Edged Sword

The ability of business to scale under its own power means that it can help — or hurt — a great many people. It can be an incredibly powerful engine for blessing … or for blight. It can foster human flourishing or, just as easily, human floundering.

The potent ability of business — and business people — to cause harm is hardly an abstract concern. Over the last several years, we have been subject to a seeming tidal wave of stories of business misbehavior and malfeasance. Though reminders hardly seem necessary, here are a few:

- General Motors consciously allowing a defective ignition switch to continue killing customers, and others, for over a decade.
- Our biggest banks admitting to massive fraud and other illegalities and, as a result, paying tens of billions of dollars in fines. As if we don’t well remember, these behaviors cost millions of Americans their homes and jobs.
- BP systematically short-changing safety for profits — leading directly to the Deepwater Horizon blowout that killed 11 workers and fouled over 16,000 miles of U.S. shoreline. Clearcut logging that resulted in a mudslide obliterating Oso, Washington and killing 43 of its residents.
- The world’s largest private employer, Walmart, controlled by the world’s wealthiest family, paying wages so low that many workers make ends meet only through poverty-assistance benefits funded by U.S. taxpayers.

Unfortunately, the list goes on and on. Which raises an obvious question. Why does business misbehavior seem so prevalent? After all, we don’t often read about teachers practicing their profession in ways that are broadly harmful … or nurses … or scientists … or the clergy. Why is it so often business, and business people, that seem to behave so badly?

There are, I believe, two factors. One is specific to the last few decades, the other is much more longstanding. The ‘maximize shareholder value’ conception of business purpose elevates the interests of business owners above all others. As a result, it has provided a covering justification for selfishness on a grand scale — a selfishness which always proves toxic. But there is another factor as well. Individuals who crave riches rarely self-select into medicine, or education, or
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3. All who follow Jesus are meant to testify to the good news of salvation, not just the clergy. But only the clergy (pastors, missionaries, etc.) do so vocationally, i.e., in witnessing to Jesus, only the clergy are fulfilling the primary thrust of their vocation. The other arenas of human endeavor are meant to fulfill the abundant-life shalom mission of God in distinctly different ways. Not lesser ways, simply different ways.

4. “Love the Lord your God with all your heart and with all your soul and with all your mind and with all your strength,” Mark 12:30 (NIV), is the First Principle of God’s spiritual universe. It provides the foundation for our understanding of God and our relationship to him. Morality, however, concerns itself with our conduct toward others and, as well, toward the rest of God’s natural creation. Which makes ‘Love your neighbor’ the First Principle of God’s moral universe.

For much more on the application of ‘Love your neighbor’ to business, see “Christian Business or Godly Business?” and “Business and its Neighbors.”

5. This does not imply, however, that business has more kingdom importance than other vocations. True, government, or education, or the arts, or even the church, could not function without the economic wherewithal provided by the wealth-creation capabilities of business. But neither could business function without the order and civil services and physical infrastructure provided by government, or the knowledgeable workers provided by educators, or the breakthroughs that come through science. All vocations are meant, together, to serve the abundant-life mission of God.

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