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The Ethics of Business Corporations: A Possible Lutheran Contribution

STEWART W. HERMAN
Concordia College, Moorhead, Minnesota

I. AN APPROACH TO BUSINESS ETHICS

Business corporations are the central vehicles of economic action in the United States yet contemporary Lutheran theology has had little to say about the corporation as an institution. This article will apply some key concepts in Lutheran theological ethics to explore how the church might address this vigorous institution in North American life. Two important relationships will be analyzed: that between the corporation and its employees, "organization ethics"; and that between the corporation and its social environment, often prescriptively termed "corporate social responsibility."[1] The proposal is that a discussion of business ethics pursued from a distinctively Lutheran perspective can contribute to public debate regarding both. It will be argued, first, that Lutheran business ethics can help specify those conditions under which a corporation's senior management and employees can trust each other, and, second, that civil law is needed to establish trust between a corporation and its social environment, in effect, that Lutheran ethics should endorse governmental regulation of corporations. Since the intention here is to stimulate ecumenical dialogue, at the conclusion the proposed approach is compared to other procedures for prescribing moral norms for the modern corporation.

[1]What is often loosely called "business ethics" also comprises two other areas: the relationship between the economy as a whole and the individuals and groups affected by it is usually termed "economics and ethics," while "market ethics" is concerned with the relationship between buyer and seller, whether individuals or corporate entities.

II. A RESPONDER MODEL: THE LUTHERAN ETHICS OF TRUST

According to H. Richard Niebuhr, individual and corporate agents are best understood as engaged in interpretation of and response to each other's actions; the key issue is whether they can trust each other.[2] Such a "responder" model of human agency is useful because it permits focus upon the phenomenon of trust. Trust is an indispensable substrate—too often taken for granted and ignored—for action in the dynamic, unpredictable, and often coercive sphere of market relationships.[3] Achieving mutual trust, both between management and employees and between the corporation and its social environment, is a continuing moral task.

Lutheran theological tradition provides a sturdy vehicle for articulating a business ethics of trust, but the linkage is not obvious. This is true in part because Lutheran theological ethics developed its greatest strength before the emergence of modern capitalism by explicating the relationships between individuals, within the family, and with the community and state. None of these social categories provides a good analogue of the impersonal modern corporation.[4] The corporation is legally a fictional person through which individuals may limit financial risk and receive certain kinds of legal protection while pursuing private gain. Rooted in chartered companies of the sixteenth and seventeenth centuries, the business corporation has evolved into an economic instrumentality governed at the bottom line by a narrowly economic means-end rationality.[5] The relationship of the corporation to its employees is impersonal; it rests primarily upon an exchange of work for money and other considerations. As a result the corporation does not resemble a church or a state, let alone the family or community. Moreover, Lutheran ethics provides little practical guidance for constructing and sustaining trust beyond the personal, face-to-face relations of family, friendship, neighbor relations, and church; indeed, it tends toward relativizing and mistrusting social institutions. Contemporary Lutheran theologies not surprisingly, therefore, rarely address the business corporation specifically.[6]

Given these problems, how can the Lutheran tradition speak to the business corporation? I believe that Lutheran business ethics can extrapolate from its strong emphasis upon trust between God and the believer to the new terrain presented by the modern corporation.

[2]H. Richard Niebuhr, *The Responsible Self* (New York: Harper & Row, 1963) chapters 1 and 3.

[3]Of course, a competitive market system also requires considerable mistrust to operate efficiently: wary jobhunters wisely scrutinize the conditions of employment offered; wary customers carefully examine the items for sale and comparison shop; wary executives listen to the reports of subordinates with a critical ear, and so forth. But without a substrate of trust, competition degenerates into lies, misrepresentations, manipulation, animosity, and hatred for the system. See Sissela Bok, *Lying* (New York: Vintage, 1978) and *Secrets* (New York: Pantheon, 1982).

[4]Ernst Troeltsch outlines the pre-capitalist economic ethics of Reformation Lutheranism in *The Social Teachings of the Christian Churches*, vol. 2 (New York: Harper, 1960) 554-560.

[5]Few corporations purely reflect this ideal type, but surely the "restructuring" of United States manufacturing during the 1980s has demonstrated its relevance.

[6]The only recent attempt I am aware of is George W. Forell and William H. Lazareth, eds., *Corporation Ethics: The Quest for Moral Authority* (Philadelphia: Fortress, 1980). Helmut Thielicke's massive theological-ethical corpus, beginning with his *Theological Ethics* (Philadelphia: Fortress, 1966), reflects traditional Lutheran concerns. It includes volumes on "foundations," the individual and the state, and the individual in personal relationship, but virtually nothing on the corporation.

III. TRUST IN ORGANIZATIONAL ETHICS: MANAGEMENT AND EMPLOYEES

The first task is to specify the conditions for trust between senior management, on the one side, and employees, including middle management and workers, on the other.[7] At stake from the perspective of employees are such issues as health and safety in the workplace, hiring and promotional practices—both equal opportunity and affirmative action, job security, and harassment on the job. From the perspective of management, issues include, among other things, chronic absence, sloppiness, theft, and intoxication. Trust is important to the relationship between management and employees for at least two reasons: First and most immediately, mistrust feeds upon and is exacerbated by the problems just listed with great cost to industry, workers, and society. Trustful relationships can reduce the "transaction costs" of economic life. Second, from a theological viewpoint, establishing social trust is a task appropriate to managers and employees as human creatures. This last claim requires some elaboration.

1. Trust as Human Vocation

The Lutheran conception of trust here argued primarily concerns the relationship of the believer with God. Luther was tortured by the question of how he could come to trust the intentions and actions of an apparently distant and angry God towards him, until he discovered what Joseph Sittler has called the "special grace" offered through Jesus Christ. Luther found it still more difficult to recommend an attitude of trust toward "worldly" relations. After his early enthusiasms waned, Luther doubted and eventually denied that the rule of Christ could be established temporally. Yet Luther consistently commended a vocation of loving action towards the neighbor.[8] This affirmation appears to entail a paradox: can one be said to love the neighbor whom one does not trust?

The paradox can be best resolved by defining the vocation of Christians as the calling to build trust into a world whose reliability or trustworthiness is not guaranteed. Basic trust in God liberates the Christian to proceed fearlessly into situations of mistrust and build social trust upon the solid foundation of God's love made known through Jesus Christ. Trust is not the only significant relational term in Lutheran ethics, but it is the root term. Love and justice in the world are the fruit of a basic trust in God, but they cannot take root and grow in social mistrust.

A simple and useful test for trust and trustworthiness is not difficult to devise. Whether we trust or mistrust others turns upon how we judge ourselves to be valued by them. A response of trust or mistrust in effect answers the sensitive question: How do God, my spouse, my children, my neighbor, value me? But while my response to the way others value me may be inextricably personal, it is not

[7]Trust has usually been seen as a problem only between management, representing the corporation, and workers and their unions. However, the recent waves of corporate takeovers, downsizings, and dismemberments in many cases have also abrogated the "psychological contract" between middle managers and senior management as well. See Paul M. Hirsch, *Pack Your Own Parachute* (Reading, MA: Addison-Wesley, 1987) for a description of how this psychological contract has been broken.

[8]Luther describes this life of loving action in his commentary on "The Sermon on the Mount" and in his "Treatise on Good Works," *Luther's Works*, vol. 21 (St. Louis: Concordia, 1956) 3-294, and vol. 44 (Philadelphia: Fortress, 1966) 15-114, respectively.

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confined to personal relationships nor is it necessarily subjective.[9] The test can be extended to relationships between management and employees. An employee can ask: Can I trust the company I work for? How far? Am I being valued by my company in a way which merits my trust? Am I through my actions valuing the corporation in a manner which merits its trust? Can it trust me? What relation does the trust (or mistrust) which characterizes my relationship with the corporation bear to my trust (or mistrust) in the intentions and actions of God? Similarly, a manager can ask: Am I, or is the corporation through my office, valuing employees in a manner which merits their trust? Are both of us acting in a manner which reflects the trust God reposes in us?

Managers value employees in a manner which merits either trust or mistrust. Wages, hiring and human-relations practices, working conditions, attitudes towards union activity and other such factors all convey or imply the value the company places upon its employees. Similarly, managers and employees express the value they attach to the relationship by the quality of their work, the care they take with company property, their patterns of absence or tardiness, the sobriety or intoxication they bring to the job, and the problems of theft and industrial espionage. These are all indicators for which practical measures have been developed and so provide at least a partial, objective basis for defining the level of trust between the corporation and its constituent individuals.

2. Trust and the Reality of Institutions

A caution derived from the implications of finitude is in order here: the kind of valuing and trust attainable in a corporation differs substantially from that attainable in a church, due to their different natures. The corporation is an institutional instrument directed towards a variety of private ends—profits for shareholders, survival of the organization as a source of income for management and employees, products for customers, and business for suppliers. Operating under the pressures of a market economy, management and employees are constrained to value each other according to economic criteria, that is, impersonally and instrumentally.[10] A congregation of the church, in contrast, is organized not by a means-end rationality oriented to particular economic ends, but by what might be termed an "ontological" rationality towards an inclusive, salvific vision.[11] Church members relate to one another not around economic exchanges, but around a set of beliefs and symbolic practices reflecting that vision. The intrinsic rather than instrumental worth of the individual usually receives emphasis. The contrast is rooted in the fact that the corporation is grounded in contract, the church in

[9]This definition of trust is particularly useful for a church located with Western capitalism, in that it coheres with, without being confined to, the private, preference-defining mentality encouraged by a market economy.

[10]Of course, the rigor with which employees and management must value each other instrumentally and impersonally varies according to the extent to which the corporation can escape the pressures of the market. Some laudable companies resolutely refuse to lay off employees in lean times; others provide imaginative services which kindle extraordinary loyalty.

[11]Paul Tillich develops a similar contrast between "controlling knowledge" and "receiving knowledge" in his *Systematic Theology*, vol. 1 (Chicago: University of Chicago, 1951) 94-105.

covenant.[12] Under conditions of creaturely finitude, neither management nor employees have the luxury of valuing and trusting each other relative to the "all in all." Such expansive valuing is reserved for symbolic, sacramental events, as when managers and workers worship in the same church and experience those occasional intense experiences of transcendence, moments when they are empowered proleptically to trust all creation.

Despite radical differences in form, church and corporation can learn from each other. On the one hand, the experience being valued comprehensively within a church provides a horizon of possibility which should serve to norm the economic relationships which constitute the corporation. God, viewed from the context of the church, is seen to value us in part for our humanity in a manner more or less reflected by family, friends, and other close or more distant personal ties. A corporation therefore should respect the dignity of its employees. The instrumental value which management and employee attach to each other should be based principally upon an exchange normed by justice.

On the other hand, the instrumental valuing out of which trust is constructed within the corporate context can serve to remind us that the value God places upon us even within the church is not exclusively intrinsic or merely personal. Because we are endowed with spirit or the capacity of indefinite self-transcendence, trusting and being trusted in work involves and requires the experience of being valued relative to a larger aim or value.[13] That is to say that instrumental valuing is not by its nature contrary to divine purposes. A principal message of Jesus in all four Gospels is that we are servants engaged in building up the kingdom. Just as God in the context of the church values us as laborers in the vineyard, so God in the context of a corporation values us at least in part for our utility towards economic ends larger than our personal welfare. The command to build up can be obeyed within a corporation, but it places a heavy burden upon management. A mutual trust between employee and corporation requires vision and leadership oriented to a larger good, the good of the social environment of the corporation.[14]

Sin is evident within the corporation when senior management or employees fail to value each other appropriately. Either side may fail to do justice to the spiritual dimension of the other or to struggle against the limits of finitude in economic exchange. It is not uncommon for management and employees to reduce each other to objects of manipulation and domination. More subtly, sin occurs when employees or management fail to respond to and trust each other in a manner appropriate to the way they are being valued. For example, management may chain enterprising employees to deadly procedure and routine, or employees may fail to

[12]In some respects this contrast between corporation and church breaks down. Both are constrained to do what they need to do in order to survive, and this may lead to a convergence in tactics. Peter Berger offers an illuminating if cynical account of United States denominational churches caught up in marketplace-like competition for members. See *The Sacred Canopy* (New York: Doubleday, 1969) chapter 6.

[13]The same point has been made in non-theological terms by economist John Kenneth Galbraith who argues that people who work for a corporation want to believe that its aims are congruent with the good of its community, in *The New Industrial State*, 3rd ed. (New York: New American Library, 1979) chapter 14.

[14]The Trinity Center for Ethics and Corporate Policy in New York City and the Center for Ethics and Corporate Policy in Chicago are examples of programs which encourage this kind of business leadership and vision.

respond to sincere initiatives of management. As a result, trust often is not an appropriate response by employees to management or vice versa. The church should be wary of sanctifying unjust relations. Irenic or prophetic calls for reform are appropriate when either the corporation or its constituent individuals value each other in terms which exhibit mistrust.

In sum, from a Lutheran perspective, the root relationship between a company and its employees, as between God and the believer, needs to be trust. Further, these two spheres of trust are not utterly distinct. While ultimate trust rightly reposes only in the trustworthy nature of God as revealed in Christ, the vocation of Christians includes constructing and sustaining relations of trust in the social world. A distinctively Lutheran ethic in a corporately organized economy can perform the useful service of articulating the grounds of such a trust—between employees, management, unions, and the corporation—which would cohere with a fundamental trust in God.

IV. TRUST AND CORPORATE SOCIAL RESPONSIBILITY

The second distinctive contribution Lutheran ethics can make to ongoing economic debate is a specification of the conditions for trust between a corporation and its social environment. This second task is more difficult than the first, for it involves a broader array of social actors. At stake are not only the social dimensions of employment, but knotty questions regarding consumer protection, layoffs, plant closings, pollution, and resource depletion. The question is: Does the corporation value its social and natural environment so as to merit public trust or mistrust?[15]

Since the great waves of strikes in the late nineteenth century, the United States public has manifested a deep and abiding mistrust of corporate power. This mistrust has generated episodes of legislative reform, and twenty years ago even sparked a "corporate social responsibility" movement on the part of many businesses to regain public trust. Nevertheless, during the past quarter century, a continuing series of problems and scandals has only fueled public mistrust: cover-ups regarding automobile safety and bribery in overseas aircraft sales; the manipulation of oil prices and accidents in the nuclear power industry; the selling of flammable clothing and dangerous birth-control devices; the discovery of abandoned toxic waste dumps and fraud in Pentagon procurement; the milking of customers in the financial services and savings and loan industries; and the escalating practice of lobbying Congress for corporate benefit. The list seems endless.

To be sure, there are corporations which police their own effluents, deal fairly and generously with their communities, listen and respond to their customers, and perhaps even resist the temptation to manipulate politics. Some business ethicists and apologists argue that enlightened corporate interests naturally will coincide with what is good for society, while critics assert that private interests usually are at war with public good. Both sides have ample evidence to support their claims.

As a result, it is not surprising that theological discourse tends to swing helplessly between uncritical affirmation and prophetic denunciation of corporate

[15]A more balanced treatment would also need to address the obverse question, omitted due to the constraints of this essay: Does the social environment value corporations in a manner meriting their trust?

behavior. A preacher or conference speaker can build on a theology of creation to celebrate the awesome generative power of organized economic forces, or can appeal to the law-gospel dialectic to denounce the self-interest at work in all economic activity. I have heard both. But neither pattern provides a helpful model for thinking through the value and trustworthiness of corporations, because neither addresses the distinctive nature and behavior of the large modern corporation. A more adequate description is needed. The following, albeit oversimplified, model, therefore, is proposed as a device for helping us think through the question, when can a corporation be trusted?

1. Three Pressures That Define Corporate Responsibility

The impact of corporations upon society, for good and ill, derives from a triangulation of forces which are as expressive of finitude as of fault. These three forces include: a) market pressures upon the corporation and its interest-driven response; b) the moral pressures of its community; and c) the legal and regulatory pressures exerted by governmental bodies. The social responsiveness and responsibility of a corporation—its trustworthiness—takes shape by enactment or default in a tug of war among these three forms of pressure. Since all three involve agencies which are fallible and partial in the outworkings, a priori theological judgments are of little use. The trustworthiness of the corporation depends upon what kind of balance is achieved in response to these pressures.

The first kind of pressure is the economic logic of the corporation itself. It derives its power from the forces of local, national, and global markets as these intersect with its own urge to survive and secure a profit. Corporations are motivated to carve out and enlarge spheres of autonomous action within the conditions and constraints that beset them. They view their world through particular lenses, anchored as each is in a particular social and economic locale; global reach does not guarantee global vision. As explicitly economic actors they are encouraged by market forces to value the elements of their world as either resources or constraints.

Such strategic economic thinking offers prima facie reasons for mistrust because it is "reductive." It implicitly or explicitly instrumentalizes and so devalues the communities and cultures of human and nonhuman life, particularly with reference to their past and future. For example, the appetite of United States fast-food consumers, conjoined with a chain's desires to cut costs and attract more customers, drives the chain to secure cheap Brazilian beef and so decimate forests vital to the planet's oxygen supply.

The second kind of pressure consists of the moral values of communities as these find expression within and outside the corporation. Values such as solidarity, respect, generosity, and service can function to resist the reductive logic of economic efficiency in the pursuit of corporate interest. Inside the firm there are managers and workers whose consciences are nourished by the moral sentiments of communities external to the corporation. Indeed, the corporation is a membrane to some extent permeable to the values of its host communities. At the managerial level, such values may find expression in social audits and other initiatives which attempt to incorporate externalities into corporate planning and onto the balance sheet. Outside the firm, various stakeholders—shareholders, customers, satellite businesses—have expectations which also can apply a countervailing pressure to set

limits upon the economic rationality of the firm. In response to egregious environmental or other problems, pressure groups can also form to focus moral pressure into sharply-pointed political pressure.

Of course such moral pressures exerted by a community are no less fallible than the values of the corporation it hosts. Thus a corporation of color-blind vision, which values its employees strictly according to merit and fosters relations of civility and order, can also in turn leaven the mores of a local bigoted or violent environment. Corporate responsibility of that kind can provide a counterweight of good sense to rash or foolish actions by municipal or state authorities.

When the first two kinds of pressure are in balance, a complex and beneficial moral texture can result. The community needs organized economic resources and action, while the employees of a corporation can derive some protection against the reductive economic logic of the firm from moral constraints imposed by the host community. A corporation then can be trusted to the extent that internal and environmental moral pressures suffice to circumscribe or offset the market pressures operating upon it and through it.

However, the awesome interplay of economic forces can neutralize such moral restraints. While advocates of "corporate social responsibility" assume that corporations can be the moral masters of their own destiny, recent trends dispel such easy optimism. Business corporations are exceedingly vulnerable to economic pressures; they are not nearly as firmly anchored as communities. Companies now proudly describe themselves as "market-driven," "technology-driven," or "customer-driven." Such language is hardly the description of moral autonomy. More importantly, a decade-long frenzy of forced mergers and leveraged buy-outs has imposed sharp restrictions on the autonomous capacity of corporations to be voluntarily moral beings. Corporations have not only been dismembered and downsized but have acquired huge debt loads which reduce their scope for action. Added to this is the globalization of competition which has reduced the resiliency of communities through the imposition of sudden plant closings, layoffs, and the exodus of manufacturers from the United States.

In the absence of effective moral resistance to the reductive economic logic which drives business corporations, a third source of pressure becomes necessary to protect human and non-human communities: legally sanctioned regulatory action by governmental bodies. By "regulatory action" is meant here those structures of legally imposed rules and enforcement intended to protect the health, safety, and economic welfare of the consumer and the general public, as well as the viability of the environment.

Regulation often is viewed as a dirty word or a blunt tool for a sensitive market economy. During the past ten years political debate about the appropriateness of specific kinds of regulation has been clouded by knee-jerk hostility to all governmental influence in the market. This climate has often intimidated advocates, and hence little constructive theological discussion has taken place regarding what degree of public regulation is needed or appropriate. Nevertheless, here, too, Lutheran ethics has a heritage of reflection about civil law which can be applied to questions of the kind and degree of regulation required to protect the public and moderate its mistrust of corporations.

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2. One Lutheran Prescription for Regulation and Responsibility

A specifically theological recommendation might begin by appraising the options open to corporations. According to a recent study, the relationship between corporations and their social environment could evolve along one of three diverging paths: 1) companies might retrench in strictly economic rationality, forswear notions of social responsibility, and presumably resist government control in order to retain their autonomy; 2) companies might embrace the idea of social and political responsibility in principle, and work within the political system to influence governmental regulation in their favor; or 3) companies might embrace the more ambitious idea of partnership with the federal government and take an active role in formulating and implementing national "industrial policy."[16]

I believe that a reformist position located between (1) and (2) is best. It would cohere with two Lutheran convictions: that civil law serve to restrain anarchic social as well as individual forces, and that the division of labor among functionally different sectors of society be respected. Lutheran ethics provides grounds for affirming the vocation of corporations to pursue private economic objectives within the limits of social responsibilities legislated and enforced by governmental bodies. Accordingly, the economic rationality which drives corporations can be endorsed as a powerful and useful tool, but one which promotes disorder when unrestrained. The question is: what kind of restraint is appropriate and how shall it be applied? Inadequate is the widespread belief that the market supplemented by the consciences of managers and other moral pressures—the first two types of pressure described above—will suffice to regulate the economic rationality of firms. To adherents of this view, government regulation is anathema.

Lutheran theology, in contrast, affirms the value of civil authority as a framework for ordering economic authority.[17] Of course, all kinds of human organizations are subject to partial and distorted vision caused by finitude and sin. However, corporations in their very structures are oriented towards private goods, while governing bodies are charged with defining the general good in such areas as environmental protection, resource conservation, consumer protection, and the health and safety of both the public and workers. The democratically constituted civil structures for making and enforcing societal responses to the impacts of corporate activities, therefore, can be seen as an adequate, even if inevitably flawed, reflection of the manner in which God intends economic affairs to be regulated.[18]

Two qualifications need to be voiced. First, the Lutheran ethics proposed here does not call for an endorsement of all regulation; governmental regulation can be excessive. In general, that regulation merits firm public support which protects human health and safety; guarantees the integrity of transactions from fraud,

[16]John R. Meyer and James M. Gustafson, "Epilogue: For Whom Does the Corporation Toil?" in Meyer and Gustafson, eds., *The U. S. Business Corporation: An Institution in Transition* (Cambridge, MA: Ballinger, 1988) 225-26.

[17]For one recent example, see the subsection entitled "Government" in *Economic Justice*, a Social Statement adopted at the Tenth Biennial Convention of the Lutheran Church in America (New York, 1980) 5.

[18]Luther's conceptions of the "orders of creation" and the role of civil law bring to bear on the problem a heavier hand than is necessary. Human societies have not remained as static as the semi-feudal German principalities he knew. Two emphases can be retrieved from Luther: his criterion of the need to establish order and restrain disorder as the justification for law in its first or civil use, and his suggestion that different functional spheres in society not meddle with each other.

deception, manipulation, and the like; and preserves the viability of the biosphere. Second, the administration of regulation is not automatically just. Some firms, particularly larger ones, may be more adept and have more resources to bend regulation to their interests than other firms. Ingenuity and vision are required to engage in continual reform of regulatory processes. Vigilance is required to scrutinize quick market-oriented fixes proposed or endorsed by industry. A healthy suspicion is warranted, not because corporations are evil, but because, like any human agents, they express partial interests and limited vision.

The arguments above are intended to be suggestive rather than conclusive. Proposals based upon different emphases in Lutheran theology and ethics no doubt can generate different results. If the above affirmations do have weight, some criteria for the trustworthiness of corporations can be specified.

First, the primary social responsibility of corporations is good corporate citizenship: to obey and respect legitimately constituted laws and regulations *in letter and spirit*, and not to seek to subvert the processes by which such laws are generated and enforced. I am not challenging the usefulness of having corporate views on legislative and regulatory matters. But certain activities—whether undertaken by corporations or others—distort these processes: 1) extensive donations by corporate political actions committees to members of Congress, congressional candidates, state senators, representatives, etc.; 2) lobbying groups representing private interests which extract exemptions from regulations and exert inordinate influence over the course of legislation and regulations; and 3) industry representatives who develop a close liaison with regulatory bodies, resulting in the blunting or co-opting of regulatory intent.

Second, the spheres of economic production and civil governance should be kept distinct. The social responsibilities of corporations should be defined in the political sphere and not by the corporations themselves. Corporations have a right to contribute openly to public debate about the appropriate extent of regulation, even though they have no political representation, technically speaking. There should be no "industrial policy" recruiting governmental assistance for targeted growth industries. While global competition exerts strong pressures for an industrial policy of close government-industry partnership, the potential for corporate domination of such a partnership appears significant enough to warrant the utmost caution. Similarly, the government should not encourage or permit close university-industrial collaboration for essentially commercial purposes.[19]

These suggestions will not appear attractive to corporations beleaguered by global competition and other merciless economic forces. The strict functional separation proposed here directly contradicts the movement toward a government-industry partnership which is now gaining steam in the United States. But neither will an industrial policy of government-industrial partnership serve to reduce

[19]These two affirmations suggest at least three implications for the praxis of the church: First, the church should support enlightened regulation which places the general interests of the public as well as such things as worker health and safety, equal opportunity and affirmative action, and consumer and environmental protection ahead of economic interests of particular companies and industries. Second, the church should stand ready to provide moral support to corporations which abide by the law and are harmed by the illegal and unfair actions of others. Third, the church should stand ready to provide a shelter of conscience for "whistleblowers" and those managers and workers pressured to benefit the corporation by bending or breaking the law.

public mistrust of corporate intentions and behavior. As Luther was aware, civil lawfulness and respect for functional boundaries is a necessary presupposition for binding a society together.

V. ETHICS OF TRUST VS. OTHER MODELS

During the past twenty years, the Roman Catholic tradition has contributed perhaps more than any other religious tradition to reflection on the modern business corporation. Much of that work assumes a teleological, or perhaps more properly, an axiological model of ethics. This model defines what is good by reference to values and purposes characteristic of an ideal state of affairs. Overarching values such as the common good, human dignity, justice, or solidarity are the norms against which business practices are to be measured.[20] Some approaches to business ethics prefer a deontological model, where the right is defined by principles and rules.[21] Yet other texts utilize a "narrative" model of ethics, where the good is defined by the characteristic virtues of a community.[22] This variety has the merit of focusing comparative attention upon different methods of reflecting about moral issues.

An important presupposition of at least two of these models is that the relationships between management and employee and between the corporation and its social environment permit a significant degree of human choice and autonomy. The teleological image, for example, presents humans as makers or builders, for whom the world presents itself simply as raw material. The narrative model, on the other hand, celebrates the action of both heroes and ordinary people who have developed specific character traits vital to the well-being of the community.

The model for business ethics I have outlined here as a proposal from a Lutheran perspective is frankly more pessimistic about the possibility of autonomous moral agency in the economic sphere. It is conservative in its assumptions about the degree to which corporations as corporations embodied in the actions of management and employees can be autonomous, responsible agents. During the past twenty years it has been fashionable to look for other factors besides economic interests to explain the behavior of corporations, but the pressure of newly globalized competition, leveraged buy-outs, and other momentous developments has restored recognition of the importance of raw economic forces.

The cautious picture thus presented needs to be qualified in two respects. First, if moral agency is more voluntaristic on an individual than on a collective level, relationships of trust presumably can be realized more easily between individual managers and employees than between a corporation and its social matrix. The model here proposed of trust in "organizational ethics" may prove helpful

[20]Several examples of this approach: *Economic Justice for All: Pastoral Letter on Catholic Social Teaching and the U. S. Economy* (Washington, DC: National Conference of Catholic Bishops, 1986); Gerald F. Cavanagh and Arthur F. McGovern, *Ethical Dilemmas in the Modern Corporation* (Englewood Cliffs, NJ: Prentice-Hall, 1988); and Michael Novak, *Toward a Theology of the Corporation* (Washington, DC: American Enterprise Institute, 1981).

[21]For one example, see Manuel Velasquez, *Business Ethics: Concepts and Cases*, 2nd ed. (Englewood Cliffs, NJ: Prentice-Hall, 1988) chapters 1 and 8.

[22]For examples, see Oliver F. Williams and John W. Houck, *Full Value: Cases in Christian Business Ethics* (San Francisco: Harper & Row, 1978) and Edward Stevens, *Business Ethics* (New York: Paulist, 1979).

for ecumenical dialogue in communities polarized by hostility between local workers and their companies. Second, to the extent that corporations and communities can shield themselves from the raw forces of economic interest and the marketplace, to that extent the ideal values, norms, virtues, and characteristics identified by the teleological and narrative models will serve well in defining and modeling good corporate behavior. The choice of models, then, turns at least in part upon empirical conditions: do employees, managers, the corporation, and its social environment have a significant degree of latitude to express their moral convictions in their action?

The norm of trust becomes particularly important when such latitude does not exist, when individuals and communities feel themselves beleaguered by powerful, imperious corporations, when capital investment and jobs melt away, when no degree of moral leverage suffices to impede destruction of natural environments, or when unseen forces exert momentous influence over local affairs. In the inveterately fluid and unstable relationships of a market economy, a helpful moral norm will reflect the endless mutual interpretation and reinterpretation of individuals, corporations, and other social actors in establishing the "business climate." Under conditions of such finitude, trustworthiness seems to be morally the most ambitious and reasonable category through which good and right corporate behavior might be defined. Lutheran theology can assist business ethics by calling attention to its central focus upon the quality of trust between the believer and the God revealed in Jesus Christ, and in its concern for what that trust implies for the relations between managers, employees, corporations, and their social environment.