Can Corporate Capitalism Be Redeemed? 
Business Ethics and the Search for a Renewed 
Faith in Work

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Abstract This chapter investigates the relationship between faith, work, corporate 
capitalism and business ethics. The faith perspective with which it is concerned— 
though sharing some common elements with the faith associated with some 
religious traditions—is not tied to a particular religion or theology, but constitutes an 
extistential commitment that guides people amidst the limitations inherent to human 
understanding. The authors assert that all work is guided by a faith that gives it pur-
pose. However, over the last century the dominant system for organizing work has 
been corporate capitalism, which is guided by a faith according to which the ulti-
mate purpose of work is profit maximization and personal enrichment. It is argued 
that this is a debasing faith and that work needs to be redeemed by a faith consistent 
with business ethics that affirms the dignity of work through service to the greater 
good.

To be sure, these are perilous times for the legitimacy of business. The perception 
of the moral bankruptcy of business constitutes a real social danger that compels us 
to examine the relationship between faith, work, corporate capitalism and business 
ethics. The faith perspective with which we will concern ourselves—though sharing 
some common elements with the faith associated with some religious traditions—is 
not tied to a particular religion or theology. Rather, we will briefly reflect on the phe-
nomenology of faith as a form of existential commitment that, for better or worse, 
guides us amidst the limitations inherent to our human understanding. Faith, from 
this perspective, pervades human action and informs the way in which we face the 
world and approach our work. Work has long been understood to occupy a spectrum 
of forms from toil to transcendence. Underlying these varying interpretations there 
is a faith that motivates and informs us of the meaning of work. Over the last cen-
tury the dominant system for organizing work has been corporate capitalism, which 
like all systems of work, is guided by faith. The faith conventionally associated 
with corporate capitalism, but which is not inherent to it, is one that understands 
the ultimate purpose of work as profit maximization and personal enrichment. This 
faith, we believe, debases work, humanity, and even corporate capitalism itself. We

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interpret the relentless lurching from business scandal to global economic catastrophe as a manifestation of a misguided faith writ large. If we hope for more than a patch on the fundamental brokenness of contemporary corporate capitalism, it must be redeemed by infusing it with a faith in an ethic that affirms personal dignity through service to the greater good. Karl Jaspers begins his book, *Philosophical Faith and Revelation*, with these words: “Religious perspectives represents a quest for the rediscovery of man.”¹ In a similar spirit, in this paper, we wish to consider business ethics as partaking in a quest to redeem work by rediscovering it within the context of corporate capitalism.

**On the Place of Existential Faith in the Human Experience**

The scholar of religion, Alan M. Olson posed the following question: “Does faith have any place in postmodernity and what would a postmodern faith look like if such a faith were possible?”² This is an interesting question and one that asks us to reexamine the meaning of faith in an age where intellectuals are expected not to accept the tenets of any faith on faith alone. But even if we were to accept a certain duty to doubt, would this mean that postmoderns occupy a space stripped of faith? We would suggest that the answer to this question depends on what is meant by faith.

The concept of faith is not easily defined.³ Typically, faith is associated with doctrinal beliefs that cannot be empirically verified, such as certain tenets of religion or other metaphysical notions, such as the purpose of life, the phenomenological experiences of other species, the nature of eternity or the afterlife. As such, faith may be associated with the Grand Narratives post-modernists seek to eschew. Faith, however, is not a simple concept and even if one were to eliminate one form of faith, such as adherence to a particular religious doctrine, that does not necessarily mean that one is living without faith. Moreover, even if some members of society give up faith in a particular narrative (for example, such as those embodied in certain mythic or shamanistic world-views), will there not be a faith that fills the gap? Whatever the narrative to which one holds (“grand” or not), to the extent that it involves an existential commitment that is not subject to empirical verification, is not the holding to it an expression of faith? Our position is that, indeed, it is.

Unlike ordinary beliefs, which can be easily changed, existential faith is more deeply held. I may believe that Los Angeles is the capital of California, but I do not have faith in this, and as soon as I am informed by a credible source that my belief

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is wrong, I can quite comfortably change my belief. As will be further discussed, changing one’s faith is far more difficult, though not impossible. A guiding view that we will take in this essay is that it is impossible to live without faith, and that the faith to which we hold can substantively influence our encounter with the world. We get out of bed in the morning with the faith that there will be a floor on which to stand, and this faith leads us to assume the same holds everywhere. Although we have solid evidence to support this position, our faith is not based on science, or rational analysis, but reflects a worldview so broad that it includes suppositions that extend far beyond any data we have. Our ancestors would have argued with similar certitude that the sun revolves around the earth. Similarly, we spend decades caring for our children never doubting our faith that they are true, flesh and blood living human beings and not just memes implanted by engineers into a brain floating in a vat. The ways in which we start our day and approach our work are expressions of faith. We will refer to this general, basic faith as an “existential faith,” as it reflects deeply held beliefs regarding the nature of existence as experienced and interpreted by the individual.4

The Faith of a Culture

Although a person may be incapable of articulating what his or her existential faith is, this in no way suggests a lack of faith. Existential faith need not be articulated, but it forms the background parameters of what is generally understood to be real and valuable. To the extent that this faith is shared by the wider society, it could be considered the “faith of a culture,” by which we mean the tacit norms that constitute the framework with which the vast majority of people in a society generally understand to be the essential elements of reality and how one’s experience ought to be evaluated. A person who partakes in the culture of Islam, for example, takes the existence of God as given whereas one who partakes in the culture of Hinduism or Buddhism takes it as given that one’s lifespan is but a single episode in a series that stretches back through countless previous lifetimes. And yet, while the Muslim and the Buddhist may have different faiths regarding the nature of divinity, they may both partake in capitalist cultures in which it is taken as a given that a successful life is one that is associated with the accumulation of wealth. In the faiths of various cultures, we will find both distinct and overlapping elements. These various elements lead to changes in culture over time.

Like all forms of faith, the faith of a culture consists of ontological and normative elements. This form of faith embodies a collective understanding of basic metaphysical principles regarding what is real—such as whether or not there is purpose to the universe, spirit, or physical determinism—and what is of fundamental value, such as

4 The term “existential faith” has appeared in a number of books and articles often with different interpretations. Therefore, while we will not claim originality, our coinage is not based on that of other authors.
wealth, honor, power, holiness, or physical attractiveness. Individuals are born into cultures, and from birth the faith of their culture is continually reinforced. It is not a matter of personal choice since it is embedded in cultural norms into which people are inducted from birth. Notions of family, personal purpose, religion, power relationships, and archetypes of goodness and evil are examples of some core cultural concepts. People are unable to simply opt in or out of these views at will. Like the regional accent that we inherit, so too, faith is woven into our mental formation. If one were to adopt incompatible faith elements, it would be seen as odd, unrealistic, or perhaps even nonsense to most other members of a society.

We are not suggesting that cultures are immutable or hermetically isolated. Individuals are capable of questioning and changing cultures, but even when they do so, it is against a background of the received view on what is real and valuable. It is a rare individual who is able to have a significant impact in changing the faith of a culture; Einstein, Gandhi and Martin Luther King are a few examples, and even with them, it took many years for the impact of the changes they helped to usher in to permeate the broader culture. In all but rare instances, our cultures are acted upon at the margins, while at the core they remain intact. We will argue that our view of work is part of the faith of our culture, and as such is embedded in the ways that we organize our societies and evaluate the meaning of work in our lives.

Broadening the Genealogy of Faith: Some Thoughts on Kant, Jaspers and Tillich

The kind of existential faith we are talking about may be linked with a doctrinal faith, but certainly need not be. It may have been with this orientation that Kant famously justified his metaphysical enterprise with the assertion, "Thus I had to deny knowledge in order to make room for faith." What did Kant mean by faith? Perhaps, in part, his intent was to defend religious faith from the onslaughts of Enlightenment skepticism. However, his intent may have extended further. Kant sought to map out the terrains that together comprise the human mind, and therein his intent may have been to recognize that faith, though related to empirical knowledge, went beyond it. Here we find a point of contact with Karl Jaspers'...
"philosophical faith." His philosophical faith offers a means for reconciling the apparent antinomies associated with knowledge and faith. Thus we read:

Philosophical faith, the faith of the thinking man, has always this distinguishing feature: it is allied with knowledge. It wants to know what is knowable, and to be conscious of its own premises.... Philosophical faith must also elucidate itself. When I philosophize, I accept nothing as it comes to me, without seeking to penetrate it. Faith cannot, to be sure, become universally valid knowledge, but it should become clearly present to me by self conviction. It should become unceasingly clearer and more conscious, and by becoming conscious unfold more of its inner meaning.7

Jaspers' philosophical faith bridges faith and knowledge without slipping into a knowledge-denying nihilism or faith-sufficient solipsism. This faith is a faith in philosophy inasmuch as it represents the quest for understanding that is at the heart of the philosophical enterprise. As Leonard Ehrlich put it, "Jaspers... contraposes mysticism and positivism, and upholds philosophical faith as the third possibility."8 Kant and Jaspers provide us with tools for better understanding faith as bridging the epistemic and transcendent. They offer a basis for understanding another perspective on faith provided by Paul Tillich.

Like Kant and Jaspers, Paul Tillich, offers a view of faith that straddles the realms of theology and philosophy. The strength of Tillich's view, as we see it, is that he articulates an understanding of the omnipresence of faith in human thinking generally: "Faith," Tillich states, "is the state of being ultimately concerned: the dynamics of faith are the dynamics of man's ultimate concern."9 Faith in this sense universally pervades human consciousness. Even the most apathetic and listless of souls holds something as ultimate, be it one's own life, his country, or his contempt for others. In this regard, Tillich states, "If a national group makes the life and growth of nation its ultimate concern, it demands that all other concerns, economic well-being, health and life, family, aesthetic and cognitive truth, justice and humanity be sacrificed" (DF 2). As someone who was forced to flee his German homeland, Tillich could see very clearly that it was a faith in an extreme form of nationalism that provided the cognitive and emotional framework that permitted the growth of the Nazi abomination.

Tillich's view of faith is an insightful perspective into the phenomenology of faith independent of the objects of faith. That which claims "ultimacy," he notes, "demands the total surrender of him who accepts this claim, and it promises total fulfillment even if all other claims have to be subjected to it or rejected in its name" (DF 1). Faith in this Tillichian sense could be understood as falling within the broader understanding of the faith we are describing as "existential faith," and his perspective on faith as "ultimate concern" sheds light on its motivating capacity.

Faith, as we see it, is a deeply powerful force that has served as the fuel that has enabled much of the development of human civilization in its manifold forms. What gives it this capacity is that it issues from our deeply held, often unconscious understanding of the nature of the world and what in it truly matters. In some respects, the characteristics of faith will vary from person to person, and from time to time within a person’s lifetime. And yet, because faith is embedded in our sense of what ultimately is real and valuable, despite its seeming fluidity, we are unable to change our faith at will or with any rapidity.

Because faith—be it one’s existential faith or the faith of a culture—is so deeply enmeshed in one’s view of the world and one’s place in it, one’s personal identity is bound up with one’s faith; indeed, our very moral core is founded on faith. And when faith is understood in the Tillichian sense of ultimate concern, such ultimate serves as the benchmark against which we evaluate the relative goodness and badness of actions.

**On Faith and Work in Corporate Capitalism**

Work, like faith, has roots that reach deeply into the human psyche and there, through the intermediation of faith, work is infused with meaning and purpose in a way that places it in a category of human experience that is qualitatively different from simple action.

The meaning and purpose of work has assumed various forms depending on cultural and historical circumstances. Just as there is a “faith of a culture,” so too corporate capitalism represents one cultural mode of work that is embedded in a particular form of faith. As with many forms of faith, on inspection we can discern elements that are both strong and weak. Although corporate capitalism responds to strong human desires, it is based on a faith that is prone to serious problems. However, the faith that is undergirding corporate capitalism is not fixed, and with appropriate reform, we will argue, corporate capitalism can be redeemed.

**What Is Work?**

Let us ask a basic question: what is work? Work has assumed many different forms depending on social and historical circumstances. This much is clear. What is less widely recognized is that the existential context in which the shape, purpose, and meaning of work is formed is largely a function of faith. The work of a monk praying in his cell bears little resemblance to that of the nineteenth century robber barons or the contemporary social entrepreneur seeking ecologically responsible solutions to the threat of global warming. What makes these examples so different? Distinct forms of faith, we would suggest, guide them.

Let us clarify what we mean by “work,” first by offering a provisional definition and then by reflecting on the phenomenology of work. We understand work to
be purposeful action aimed at some productive outcome, typically associated with economic gain. Work, however, may be done to fulfill some personal or social purpose, such as when it done in response to a "calling," in which case it may be voluntarily pursued even when so doing results in no economic gain and may even violate one's ostensible self-interest.

But rather than settle for a definition, let's take a brief phenomenological look at a few of the more prominent contours of work. Like culture—which influences every aspect of our experience—work is so central to human existence as to render it difficult to discern. To elucidate, consider two contrasting perspectives. First, work has long been associated with travail. According to the Bible, it was sinfulness that resulted in the expulsion of Adam and Eve—understood in the traditional Judeo-Christian outlook to be our primal ancestors—from paradise and forced them into an existence of hardship and struggle. Thus, speaking to Adam, God condemned man, "In toil you shall eat of it [the earth] all the days of your life" (Genesis 3:17), while woman was fated to the painful "labor" of childbirth. This theme of work as toil has persisted throughout history and, sadly, is vividly illustrated with all too many painful exemplars—from Europe's feudal serfs and America's slaves, to the impoverished workers of the Victorian era so powerfully depicted by Charles Dickens, as well as today's oppressed sweatshop workers laboring in places from Dhaka to Pretoria. Today, we disparagingly speak of "grunt work" as work that is laborious, tedious, and unfulfilling, be it manual labor or the drudgery associated with corporate bureaucracy. Despite the progress of centuries, the cursed toil of Adam's lot often holds as true today as it did in biblical times.

But this coin has at least two sides. Returning to the Bible, we read, "So God blessed the seventh day and hallowed it, because on it God rested from all the work that he had done in creation" (Genesis 2:3, OAB 13) [Emphasis added]. The world is depicted as the supreme manifestation of God's creative work and after creating the world in six days, "God saw everything that he had made and indeed, it was very good" (Genesis 1:31, OAB 12). It is worth noting that the first use of the term "good" in the Bible was to describe God's creative work.

From the prehistoric cave paintings to the contemporary artists, scientists, and social entrepreneurs, work may be a vehicle by which one gains access to the transcendent and through which one's creative capacities are expressed. Indeed, the

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10 The economic gain need not accrue to the worker. Through various exploitative circumstances, people may be forced to work in ways that benefits others but not themselves.

11 Given the constraints of space, this "phenomenological look" is barely a glance. For a more in depth review of the nature of work, please see, Robin Patric Clair, Why Work?: The Perceptions of a Real Job and the Rhetoric of Work through the Ages (West Lafayette, IN: Purdue University Press, 2008).

12 Indeed, "travail," in French means "work."

treasures of human civilization all bear witness to the idea that through work humanity’s inspired capacity for genius is realized. To the extent that we consciously aspire to leave a legacy, it is through our work that we aim to do so. In this sense, work is vital to the possibility of human fulfillment. These two extremes—work as toil and transcendence—may represent the poles between which lie a continuum of alternative experiences of work.

**Human Identity and the Purpose of Work**

Based on our previous discussion, we would suggest that one of the reasons why faith is so durable is because of its place in our personal and cultural identity. Who we are and the nature of our culture are taken as articles of faith that are continuously being subjected to empirical tests and modified as needed, and in the process of identity creation, “work” occupies a central role. Not only is it through our work that we are identified by others, it is how we conceive of our identity to ourselves. If a person can take pride in him or herself, it is often in relation to his or her work. Work is central to who we perceive ourselves to be.

For a somewhat different angle on the meaning of work, let’s ask the question: “Why work?” If you ask a person why he or she works, typically the response will be, “To make money.” As realistic as this may sound, it fails to capture the complex motivations that lead people to work. Aristotle observed, “Every art and every investigation, and similarly every action and pursuit, is considered to aim at some good. Hence the Good has been rightly defined as ‘that at which all things aim.’” While Aristotle’s universal teleology may be largely incompatible with the modern Darwinian outlook, it is undeniable that at least human action is purpose-driven. Unlike random activities or autonomic responses, all human work is done for a purpose. A person working is a conscious agent who participates in the purpose of the work, and in this way, work is an expression of the identity of the person as agent.

We should also acknowledge the multiplicity of purposes associated with work. To illustrate, let us consider Rosie, a worker in a weapons factory. The owners of the company may be producing a product for the purpose of national defense. The weapon, however, may be used for the external purpose of harming the innocent. Rosie’s internal purpose for engaging in this work as a factory worker may be to earn money, but if questioned why she wanted the money, she would reply that she needed it to support her family. Although this is true, if we asked her if she would

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14 According to some interpretations, it is through work that humanity discovers its role as “co-creator” with God. For example, Raymond Baumhart, S.J., the former president of Loyola University Chicago writes, “God presented you and me with an incomplete world and invited us to help in its completion. . . . This cooperation is certainly a major source of our human dignity.” Raymond Baumhart, S.J., “It’s Not Easy Being a Manager and a Christian,” *Loyola Magazine* (Fall 1990): p. 6.

take a job murdering enemies of the mafia to support her family, she would say "no" because such work would be morally objectionable. In this way we can see that as a conscious purpose-driven person, Rosie cannot do the work without also considering how the product of her labor will be used, i.e., its external purpose. As the working agent, she is the bearer of the internal and external purposes of her work and both contribute to creating her sense of personal identity. This identity is neither fixed nor immutable, but it does characterize her as a person and as such is of great existential importance.

This connection between personal and professional identity has sometimes been captured in family names and transmitted down through the generations, as if part of one's genetic endowment. Thus, some popular English family names are Smith, Baker, Miller, Banks, Wright, Carpenter, Taylor, Cook, and Fisher. It is this linkage between work and human identity that reveals the essential inadequacy of the idea that work is simply a vehicle to make money. It is through work that we lay claim to our personal identity, and yet this point is lost, given the faith that dominates the popular interpretation of work in our corporate capitalist culture, which is a significant defect.

**On Work and Faith in the Culture of Corporate Capitalism**

As long as there have been people, there have been people working. Corporate capitalism, however, is new... new due to the way in which the work is organized under the structure of large, technologically sophisticated, and administratively complex corporations. Consider these examples of different organizational forms of working: a student writing a poem; a son shepherding sheep on a family farm; a high energy physicist operating a particle accelerator; a hedge fund manager taking a company private. Among these, one that differs significantly is the hedge fund manager because this profession depends not simply on highly sophisticated computational capacities; it also requires a society in which there is an established system of corporate capitalism.

What is corporate capitalism? "Capitalism" is generally understood to refer to a free-market economy in goods and services in which the means of production and distribution are privately held by individuals or corporations. Corporate capitalism refers to a capitalist economy in which the dominant economic actors are large business organizations legally identified as limited liability corporations or "persons."

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16 This connection between employment and identity was illustrated in a recent New York Times article on the effects of joblessness that followed from the recession. Therein, the author states, "Nearly half of the adults surveyed admitted to feeling embarrassed or ashamed most of the time or sometimes as a result of being out of work. Perhaps unsurprisingly, given the traditional image of men as breadwinners, men were significantly more likely than women to report feeling ashamed most of the time." Cited in: Michael Luo and Megan Thee-Brenan, "Poll Reveals Trauma of Joblessness in US," New York Times (2009). http://www.nytimes.com/2009/12/15/us/15poll.html?emc=eta1. Accessed on December 18, 2009.
In the history of work, one of the great innovations of the nineteenth and twentieth centuries has been the ascendancy of corporate capitalism, in which advances in technology and management have permitted the development of commercial organizations on a scale previously unattainable. Illustrating this, Charles Perrow notes that “today (i.e., around the year 2000), well over 90% of the workforce works for someone else—as wage and salary employees—up from 20% in 1800; over half of the gainfully employed people in the country work for organizations with 500 or more employees, up from 0% in 1800.”

The US has been capitalist from its inception. It is only over the last century, however, in which corporate capitalism has come to dominate and spread around the world. In the United States and elsewhere, this development has ushered in unprecedented economic growth and improved living standards for countless millions of people. In the process, corporate capitalism has exercised enormous influence not simply by virtue of its economic contributions, but by embodying a culture, complete with its own norms, symbols, and folklore. If economic growth were equivalent to ethical good, the moral character of corporate capitalism would be secured. And indeed, this view is implied by its apologists. For example, early in the current “Great Recession,” Steve Forbes wrote a piece entitled, “How Capitalism Will Save Us.” Therein he points to the considerable economic growth experienced in the United States and globally during the period from the early 1980s to 2007. This he called, “an economic Golden Age.” He concludes his piece by affirming, “Free-market capitalism will save us—if we let it.” Our purpose is not to argue economics, but what we see as telling is the messianic language that Forbes uses in which he gives voice to the faith of corporate capitalism. Around the same time, The Economist magazine took a similar position: “Capitalism is at bay, but those who believe in it must fight for it.” Here again we see an implication that capitalism in itself constitutes a moral good worthy of our faith and, hence, is worth defending.

Corporate capitalism also has its critics, some of whom see it as irredeemably bad. As evidence, they point to the deleterious environmental effects caused by

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17 We must emphasize that this is not to say that corporate capitalism was first invented in the twentieth century. One ancient institution, the Catholic Church may represent the progenitor of the modern global corporation, and from the seventeenth to mid-nineteenth centuries, the East India Company was an early example of a commercial corporation operating virtually on a global scale.


21 “Capitalism at Bay,” The Economist, Vol. 182, No. 9 (October 18–24, 2008): p. 16. Although The Economist speaks of capitalism generally, it can be understood that the form of capitalism which is being referred to is “corporate capitalism.”

22 In recent years, some of the harshest critics of corporate capitalism have been found among the opponents of globalization. An indication of the intensity of feeling and popularity of this view is the anti-globalization protests that have become a permanent feature of World Trade Organization
industrial polluters, the harm caused by businesses that sought to maximize profits at the expense of safety, the violation of the human rights of workers for the sake of producing cheap exports, and so on. How can we reconcile these contrasting views?

To understand the ethical significance of corporate capitalism we must distinguish between corporate capitalism as a theoretical construct on the optimal modes of business organization, and corporate capitalism as a culture that is central to the experience of business for most people in the developed world.

Taken simply as a form of organization, corporate capitalism is like an instrument that in itself is morally neutral. It is like a knife that can be used for good or bad but itself lacks moral content. The moral content of corporate capitalism emerges when it is adopted and forms a culture among its practitioners. If we take corporate capitalism as a lived culture, what is the faith, or “ultimate concern” of its devoted followers? The way in which that question is answered will give shape to the character of corporate capitalism by giving expression to the deeply held beliefs regarding its aspirations and the moral parameters by which it is guided.

Based on many years of close observation, we believe that the evidence clearly suggests that the faith of corporate capitalist culture is contained in two essential tenets: profit maximization for the corporation and personal enrichment for the individual. Support of this view is constantly and clearly demonstrated through the behavior of businesses and individuals around the world, and it is the paradigm that has been and continues to be taught in our most prestigious business schools.

The idea of profit-maximization as the ultimate concern for the corporation was famously given voice to by the Nobel Prize winning economist, Milton Friedman, who asserted, “there is one and only one social responsibility of business—to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud.”

According to this view, as long as companies do not break the law, they could legitimately carry out all sorts of injustices in the name of profit maximization. Indeed, there are countless examples to support that view.

Writing in the prestigious *Harvard Business Review* a couple of years before the publication of Friedman’s piece, Albert Carr, claimed quite brazenly that businesses were perfectly justified in lying, cheating, and bribing, all in the name of achieving business objectives. “If the law as written gives a man a wide-open chance to make a killing, he’d be a fool not to take advantage of it. If he doesn’t someone else will. There is no obligation on him to stop and consider who is going to get hurt. If the law says he can do it, that’s all the justification he needs. There’s nothing unethical

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about that. It’s just plain business sense.”

In the same article, Carr goes on to assert the legitimacy of lying on one’s résumé, engaging in industrial espionage, and adulterating the contents of consumer goods in order to maximize profits. Even when strictly adhering to Friedman’s principle of acting within the law, if profit maximization is one’s ultimate concern, then service to others, product quality, etc., will all be subordinated to that overriding goal.

The idea of personal enrichment as the other pillar of faith within the corporate capitalist culture is illustrated with many examples. Let us be clear, we are not suggesting that, in itself, personal enrichment is a bad thing. However, when personal enrichment is taken as an ultimate concern, then all other moral concerns will be subordinated and this inevitably leads to corruption and injustice. Examples from the recent past are telling. In the 1990s, there was a huge run-up in the stock market due to the dot-com boom. Millions of ordinary Americans came to believe that the stock market was a sure path to riches, and this misconception was reinforced when countless weak technology firms were misrepresented as strong, and contributed to an inevitable collapse in the late 1990s. Feeding off this market exuberance, the energy giant, Enron became the period’s emblem of a corporation in which the company’s leadership and its traders in particular thrived in a culture of personal enrichment in brazenly contemptuous disregard for the public good. Emblematic of its corporate culture, the company achieved astonishing growth through fraudulent means including manipulation of energy markets that led to rolling blackouts across California. Despite the catastrophic consequences, Enron executives claimed that their acts were not illegal, and hence, were acceptable. As another example, around 2005 the news emerged that many corporate executives were increasing their compensation through a process of stock option backdating. Because it was a form of unfair enrichment, it was always done in secret. And yet after the practice came to light, it was defended by many as “not illegal” and hence, permissible. Finally, in 2007, the global economy went into the worst recession since the Great Depression, caused in large part to a “housing bubble,” brought about above all by awarding subprime mortgages on a colossal scale to unqualified borrowers, in a practice known as “predatory lending.” According to Edward Gramlich, “From essentially zero in 1993, subprime mortgage originations grew to $625 billion by 2005, one-fifth of total mortgage originations in that year, a whopping 26% annual rate of increase over the whole period.”

The loan originators, working in banks and other financial institutions across the United States and elsewhere, were able to enrich themselves by bundling the mortgages and selling them as securities, before the homeowners went into default. Because of the crisis, the national unemployment rate exceeded 10% and in response, the government was forced to intervene on an order of trillions of dollars, thereby ensuring the indebtedness of the country for generations to come. And yet, here again, in the inquiries that followed this catastrophe, leaders from the

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institutions that came close to bankrupting the country justified their actions as not being illegal.

Another glaring demonstration of the faith of corporate capitalism is executive compensation. The Wall Street Journal reports that in 1960 the average Fortune 500 CEO pay was twice the salary of the president of the United States. By 2006, these CEOs made 30 times that of the US president and 212 times as much as the average worker’s salary. By comparison, in Japan, the average CEO’s salary was 11 times greater than that of the average worker. 26 In 2007, the year in which the United States collapsed into recession, the CEO of Goldman Sachs was given a bonus of $53.4 million, 27 and his compensation was small compared to the income of a number of hedge fund managers. It could be argued that from a moral perspective, it is unfair to group “legitimate” CEO compensation with predatory lending. However, these examples all depict actions that were within the law and demonstrated a faith in the “virtues” of profit-maximization and self-enrichment. This faith was unflinchingly described in a notable article by Michael Lewis in which he examines the collapse of Wall Street following the subprime mortgage debacle. At one point, he recounts a meeting with John Gutfreund, the former CEO of the investment bank, Salomon Brothers:

He [Gutfreund] thought the cause of the financial crisis was “simple. Greed on both sides—greed of investors and the greed of the bankers.” I [Lewis] thought it was more complicated. Greed on Wall Street was a given—almost an obligation. The problem was the system of incentives that channeled the greed. 28

Elsewhere in the article, Lewis says that the “truly profane event” was “the growing misalignment of interests between the people who trafficked in financial risk and the wider culture.” He quotes a hedge fund manager who describes the situation in this way. “We fed the monster until it blew up.” 29 By this he meant that they fully knew they were part of a process inextricably leading to a crisis, but they leveraged the system to maximize their profits until collapse made that impossible.

We see the designation, “Wall Street” as a metaphor for the corporate capitalist faith in its most distilled and concentrated form. Lewis is correct in acknowledging the givenness of greed on Wall Street, but we doubt that it is possible to constructively channel this greed. Why? Because greed is an excessive desire for self-enrichment, which by its nature, will never be satisfied no matter how much it is fed. The more that one “feeds the monster,” the more rapacious it grows. Explosion is inevitable—and, hence, the cycle of boom and bust continues, resulting in much suffering for many.

29 Ibid.
And this points to a fundamental flaw in Milton Friedman’s theory of business responsibility that follows from a faith in profit maximization and self-enrichment. Profit maximization only makes moral sense if profits are understood to be instrumental and for some other good. Profit for the sake of profit (i.e., profits as ultimate concern) continues not only ad infinitum, but ad nauseum. It is pointless and ultimately destructively exhausting. If corporate capitalism is to legitimately flourish, it is in need of a deeper and truer faith. Doing so, however, would be exceedingly difficult because it would require a transformation of the culture under which corporate capitalism is preserved and defended.

The Culture of Corporate Capitalism: Individuals in Corporations

Earlier in this essay we noted that the “faith of a culture” consists in the “tacit norms that constitute the framework within which most individuals in a society generally understand the essential elements of reality and how to evaluate his or her experience.” We also suggested that faith is not simply a matter of personal choice because it is embedded in the norms into which people are inducted from birth. This, however, does not mean that cultures are monolithic or immutable. To the contrary, cultures, both at the geographic and organizational level, are highly heterogeneous and dynamic. As Jones and Zeitlin note:

One important implication of historical studies of firm culture is that culture is dynamic, and that firms are always drawing inspiration and ideas from the cultural materials at hand… There may be numerous subcultures striving for power within an organization… Far from being an impediment to change, moreover, a complex and contested firm culture can also serve as a source of competitive advantage.31

The power and flexibility of organizational culture is both a threat and opportunity to those who seek to conduct business ethically. As we suggested, culture is undergirded by a kind of faith. When a person joins a company he is admitted to an organizational culture and in so doing is inducted into its collective faith. The corporate norms are captured in the everyday practices that convey the message, “This is our faith and this is how things are done around here.” Since one’s paycheck is at stake, there is a strong incentive to adopt the norms and keep the faith. The risk in this is that by conforming to the organizational culture, normally ethical persons can be induced to engage in clear moral transgressions. Indeed, it was not long ago that people were encouraged to leave their personal morality behind when they engaged

30 It could be objected that Friedman advocates profit maximization, not personal enrichment. However, while it is possible to seek profit maximization for reasons other than self-enrichment, it would lead to a different model of capitalism and that was never espoused by Friedman.
in business. Hence, Theodore Levitt infamously wrote in 1958 “business must fight as if it were at war. And, like a good war, it should be fought gallantly, daringly, and, above all, not morally.” Similarly, Albert Carr asserted, “the basis of private morality is a respect for the truth….” However, he claims, “that business operates with a special code of ethics.” What is this code? According to Carr, “As long as [businessmen] comply with the letter of the law, they are within their rights to operate their business as they see fit” (BBE 48, 52, 143). Such assertions are not unique; they are symptomatic of the business paradigm of the faith of corporate capitalism.

On the other hand, because organizational culture is changeable, the individual may have the opportunity to influence the culture’s development. Indeed, according to Edgar Schein, “the only thing of real importance that leaders do is to create and manage culture.” The key question, we would submit, is this: What is the faith to which a business leader should cleave as he or she takes on the monumentally significant challenge of seeking to guide the development of an organization’s culture?

On the Faith of Business Ethics

The discipline of business ethics arose out of the need to challenge the anomic of the misguided faith of profit maximization and self-enrichment that has taken corporate capitalism hostage. This unhealthy faith required people ordinarily of goodwill to bifurcate their moral life into two, one for business and the other for their personal life. Business ethics seeks to restore moral wholeness to persons participating in corporate life. To do this business ethics must be founded on a faith that can be consistently held by organizations large and small, and individuals inside and outside of business. What then distinguishes business ethics from the ethics of ordinary life? Simply this: business ethics is particularly sensitive to the ethical problems typically associated with business. Business ethics follows from the recognition that businesses are organizations comprised of people who do not lose their status as such when they engage in business.

In its simplest form, the faith of business ethics is this: work in all its forms should be consistent with moral goodness. But let us add a bit more detail. As we understand it, the faith of business ethics rests upon the following three pillars:

- Dignity
- Service (or stewardship)
- Accountability

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Let us briefly look at these three principles. The Dignity Principle can be summarized as follows: All human beings, irrespective of their ethnicity, gender, economic or social status, or any other factor, have intrinsic worth or dignity by virtue of their being a person and no individual or group has the right to deny them of their inherent dignity.\(^{34}\)

Obviously, the Dignity Principle gives expression to an understanding that is central to Kantian ethics as well as the Golden Rule that is central to the ethical teachings of Christianity and many other religious traditions. Moreover, the Dignity Principle can be seen as underlying human rights. This is especially important because as more and more businesses are global in reach, they must act on principles that accord the same respect to people everywhere, especially to those who have a stake in the actions of the business, be they customers, employees, shareholders, regulators, or the public at large in all countries and cultures in which the business operates.\(^{35}\)

The Service or Stewardship Principle follows on the idea that all work should be conducted in a spirit of service or stewardship. Rather than thinking of work as simply a vehicle for profit maximization or self-enrichment, the Service Principle recognizes that all our work has effects on oneself and others, and the criterion of success is whether one’s work can be seen to serve the greater good or not. The profit motive is not incompatible with the Service Principle. To the contrary, a company can expect to survive if it is not profitable and, therefore, profitability is seen as a necessary element of the Service Principle. Nor is the Service Principle incompatible with the idea of personal enrichment. However, profit and enrichment, rather than being taken as ultimate concerns, are subordinated to a higher purpose of work as service that is respectful of the dignity of all affected parties.\(^{36}\)

Finally, the Accountability Principle seeks to reconcile the tension between personal moral autonomy and organizational authority. Accordingly, an accountable organization is one in which the individual and institution are both accountable to each other and the broader society. If the individual and organization are both committed to the principles of Dignity and Service, then both sides are on an equal footing. It is the individual’s responsibility to exercise the autonomy needed to act as an ethical agent, and the company is responsible to exercise its authority to create a framework of values to support its business objectives. The integrity and agency


\(^{35}\) This contrast is captured in the difference between shareholder v. stakeholder theory. For more on this, please see, R. Edward Freeman, Strategic Management: A Stakeholder Approach (Boston, MA: Pitman, 1984). The term “stakeholder” refers to those affected by the actions of a business and hence have a stake in the company.

of both the individual and the corporation are thereby respected. Moreover, the Accountability Principle follows from a recognition that all stakeholders are bound by common rights and duties, and while there will inevitably be conflicts and tensions, they should all be resolvable provided all are prepared to act according to the common moral norms, including the Dignity and Service Principles.

Like Jaspers' philosophical faith, business ethics follows from a faith that is rational and critical, as well as transcendent, in that it is informed by a view of ultimate goodness. If one is of a religious orientation, his or her notion of goodness may conform to religious insights or an experience of God. Those who may lack religious faith will be guided by a more secular notion of what is ultimately good. In either case, given the generally secular nature of business and modern polity, we believe that such variations, though not meaningless, need not be insurmountable. 37

**Seeking the Redemption of Business**

Why is business ethics so often greeted with skepticism if not outright derision? We would submit it is because business ethics is profoundly countercultural. Business ethics rejects as flawed the faith of corporate capitalism. Because the faith of corporate capitalism, based on profit maximization and self-enrichment, is so entrenched, the idea that there could be an alternative is seen as preposterous. And yet, consider this: just over 90 years ago, women in the United States were denied the right to vote based on the view still held by many men (and some women) that women lacked the rational capacities to qualify them for this right. Today, less than a century later, for the first time in history, women make up over 50% of the US workforce and almost 60% of college graduates. 38 A century ago, these facts would have been deemed ridiculous. This type of cognitive dissonance pervades our views on business. We can see its brokenness, and yet we can't believe there is an alternative. But the truth is that the faith of profit maximization and self-enrichment is not just weak, it follows from a colossal misunderstanding of the nature of business. For if the conventional faith of corporate capitalism is correct, then profit maximization and self-enrichment are ends in themselves, and humanity is subordinated to business. Why would anyone embrace this? Because it reflects the long held view that in a world of work as toil people are condemned to a life of economic warfare. Accordingly, the best one can hope for is to build a financial bulwark sufficient to permit the isolation of oneself from the incessant conflict.

According to the faith of business ethics, while work may indeed involve pain and toil, if it is approached in a spirit of dignity, service, and accountability, the possibility of work as a calling is found. And in responding to such a calling, we find the possibility of work redeemed—not only in the lofty sense in which through our

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37 Secular societies around the world are populated by people of faith. In most instances we find that the two orientations are generally compatible.

work we tap into the creative potentialities inspired by a sense of the transcendent, but also redeemed in the sense that despite the pain, tedium, and toil of work, it still represents our heartfelt offering to the world.

In some instances, by all outward appearances, work done according to the faith of conventional corporate capitalism may be identical to that done according to a faith informed by business ethics. And yet, because the faiths are so different, the phenomenology of work as experienced will be sharply different. Rather than "feeding the monster" or being a "cog in a machine," work guided by the faith of business ethics aims at moral goodness and, in this way, is affirming of what is best in our humanity. Rather than being dehumanized by work, work is humanized by one's spirit of service. Rather than interminable toil from which we seek liberation, redeemed work is an essential vehicle for the realization of a purposeful life. And rather than seeking to maximize what we can take through self-enrichment, in redeemed work we seek to maximize the value of what we can contribute to our community and the world. Business ethics in the sense we are here describing provides us with the philosophical grounding for a faith in work that is rescued from the exhausting and exploitative faith associated with corporate capitalism. In its place, business ethics offers an opportunity to reinvent corporate capitalism in a way that opens the door to the creative potential of work informed by a spirit of dignity, service, and accountability. Too long have we accepted the tyranny of work malformed by a misguided faith. We know better. It is time to work better.