

What is Business For?

Reconsidering the Purpose of Business - Part Four

WOKE CAPITALISM 2

Two key conclusions from the earlier articles in this series are that a clear sense of purpose is crucial to flourishing business; and that ultimate purpose requires a theological starting point. In this fourth part of his series, Peter Heslam develops his engagement with 'woke capitalism', at the heart of which are businesses that seek to address social and environmental causes. He does so, as he promised, by raising two of its pitfalls.

The first part of this engagement with woke capitalism pointed out that this movement has critics and advocates. But it suggested that, whatever position is taken, becoming alert to the needs of the world around us, and being willing to address them, lie at the heart of biblical teaching. It showed how, both theologically and historically, to become spiritually awakened is to 'get woke', for becoming woke to God is to become woke to God's world, with all its brokenness and potential.

This article, however, will suggest two reasons why business needs to navigate woke culture with caution. The first is the importance of profit as a legitimate business aim. In the economic sphere, profit functions as an important indicator that value has been created. Business creates value as it meets needs and wants in an efficient and sustainable way. This is what makes commercial enterprise central to human and environmental flourishing; culture and civilization result when demand is met in this way.

The theological basis for this creative endeavour lies in what is sometimes called the cultural mandate – the charge to the first humans to 'Be fruitful and increase in number; fill the earth and subdue it. Rule over the fish in the sea and the birds in the sky and over every living creature that

moves on the ground.' (Genesis 1.28). We learn from the creation accounts in which this injunction occurs that before there were social institutions like marriage, the family, and the law, there was human work. That work was to add value to what had been created. It thereby reflected the creation of humans in the image of their creator. As that creator is depicted in the opening two chapters of Genesis as a worker, work is 'of the essence' to being human.

There is, of course, plenty of work that does not generate profit and is not intended to do so. But if it produces goods and services that people need or want, it creates value. Ever since the invention of money, an important measure of that value has been profit. Whereas many woke activists advocate 'people and planet' in economic decision-making, a third 'p', denoting profit, needs to be added if such decision-making is to have integrity¹.

But suggesting that profit is a worthy aim of business is not the same as suggesting it is business' overall purpose. Here we can learn something from sport. The teenage sportswomen Emma Raducanu and Leylah Fernandez stunned the world in the final of the 2021 US Open Tennis Championship with their skilful, subtle and beautiful tennis. Tennis has both an aim and a purpose. The aim is to win matches

by scoring more points than an opponent. But the purpose of tennis lies in intrinsic values like artistry, joy, play, competition, composure and community. It is also about more instrumental values like health, fitness, entertainment and economic livelihood. All these values are the game's true trophies. It is perfectly possible for a player to succeed in the aim of the game but to fail in its purpose, as in the case of bad-tempered behaviour towards an opponent or referee.

The same holds true for business. Making a profit is a legitimate aim, for the only alternative is bankruptcy. But the purpose of a company goes way beyond profit. It includes the intrinsic and extrinsic worth of a product or service, reflected in its excellence and in its capacity to make life better. Profit enables but does not constitute the company's purpose.

Tangible achievements – like winning matches in tennis and profit in business – are undoubtedly easier to measure than the intangible ones just noted. But that is true only for human beings. Jesus' injunction to 'store up for yourselves treasures in heaven' (Matthew 6.20) suggests that God keeps a score card that includes non-material wins. For sportspeople and businesspeople to achieve such wins is to secure victories that last forever.



'Business liberates the poor'

A Maasai pastoralist checks his mobile phone in southern Kenya

Photo: Sven Torfinn

A second reason to be cautious about woke is that all flourishing and sustainable business is essentially other-oriented. This is because business is not just about the creation of value but about the exchange of value. As it engages in this exchange, it reflects the dynamic interplay of giving and receiving of the Trinity noted in Part 3 of this series.


Drawing a strict dichotomy between 'commercial' and 'social' business is, therefore, misguided. If commercial exchange is genuinely mutual and does not exploit power asymmetries (such as when one or more partners in a deal withhold crucial information), business that is profitable can also be social. In fact, the need for transparency and trust in commercial exchange is one reason why business liberates the poor more effectively than aid, which so

often gets mired in corruption. And whereas aid is zero-sum (you are either a benefactor or a beneficiary), free and mutual exchange only has beneficiaries.

In short, business needs no social justification; it is not obliged to produce external (or 'exogenous') benefits unconnected to its products or services for it to be ethical. All good business will be good for people and planet, and other stakeholders. Having too many 'bottom lines' that seek to calculate and record impacts beyond a business' core operations can be costly distractions for firms that seek to remain commercially competent and competitive.

Statements of corporate purpose need to take this into account. It is better to have a statement that reflects a company's desire to create wealth in a socially and environmentally

sustainable way than to have one that conveys a desire to balance its financial gains with compensatory social or environmental projects.

Hopefully these ideas help to resolve the 'shareholder vs stakeholder' debate that woke culture has re-enlivened. That debate has lasted a generation but it has generated more heat than light, for the very reason that business is about mutuality – it is about 'win-win', rather than 'win-lose'. Stakeholderism is laudable insofar as it advocates responsible business that respects employees, customers, contracts, the environment and the law. But businesses can and should fulfil these duties through their core operations – operations that promote human flourishing and social benefit through the creation and exchange of value. For this is the purpose of business. 

1. *People and Planet* is one of the largest student campaigning organizations in the UK. It aims to alleviate global poverty, defend human rights, and protect the environment.



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