

The Covenant and Management-Employee Relations: The Issue of Identification-Based Trust

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Abstract: Identification-based trust is viewed by a number of organisational theorists as playing a crucial role in establishing a constructive working relationship between management and labour. It is a form of trust that is established when the preferences of the other have been internalised. This article argues that the theology of the covenant has an important contribution to make to the understanding of identification-based trust regarding management-employee relations. God's deepest intention in establishing the covenant is for the people to internalise the divine will and purpose. The ideal of identification between God and the people reached a high point in the new covenant proclaimed by the seventh and sixth century prophets, and ultimately fulfilled in Christ. The partnership between God and Israel, and later between Christ and the Church, demonstrates in a most vivid way a truth that social psychologists and organisational theorists have been recently establishing through empirical research: when there is a strong sense of group identity persons tend to own the corporate vision.

IN GENERAL, BOTH MANAGEMENT AND LABOUR value trust in the workplace. Managers view trust, as they do everything else, primarily in terms of profitability. The efficiencies associated with the new manufacturing and service provision modes are optimally achieved only in a trust-based environment. Trust reduces uncertainty about the future and the necessity for continually guarding against opportunistic behaviour. It allows for smooth, harmonious organisational functioning by eliminating friction and minimising the need for bureaucratic structures monitoring behaviour. On the whole, workers also acknowledge the importance of trust. On the one hand, they want to be able to trust management to provide good pay and conditions. On the other hand, they generally appreciate being trusted. When they are given

responsibility and monitoring is minimised they feel valued as workers and as persons. Moreover, when they are entrusted with a high level of self-direction and self-control they have an opportunity to express creativity.

These considerations point to the pastoral implications of trust in an organisation. A trust-based work environment produces a sense of well-being and enhances job satisfaction. When managers feel confident that staff members are committed to organisational goals and will perform their tasks accordingly, a considerable source of stress and frustration is removed. On the other hand, while an increased level of responsibility and expectation brings a certain stress, workers experience the stress as positive when they are given adequate training and support. A sense of challenge and satisfaction replaces monotony and boredom in work when workers are allowed significant levels of autonomy and participation in decision-making.

In the Australian context, the issue of trust between management and labour looms large. When the soon to be defunct "Work Choices" legislation was introduced by the Howard government in the early part of 2006, many in the union movement, the media, and the academy predicted a significant increase in "low road" options involving cutting wages and stripping entitlements.¹ Others, however, maintained that these predictions overlook the impact of modern human resource management theory and practice.² The contemporary human resource approach highlights the importance of maintaining employer reputation. This "high road" approach focuses on building a partnership through fairness, respect, and good communication. These factors need to be in place if trust is to flourish. As I write this, the era of the Rudd Labor government is just beginning. The election campaign rhetoric centred on Labor's commitment to promote genuine partnerships in the workplace. Only time will tell how committed the government is to its stated aim.

In this essay, the high road approach will be viewed through the lens of covenant theology. I will be endeavouring to show how the covenant theme informs and illuminates the discussion of trust taking place amongst human resource management theorists. It is not immediately obvious that a relationship between God and God's people in a cultural setting far removed from that in which the issue of labour relations is

1. On the likelihood of a rush to the "Walmart route", see J. King and F. Stilwell, "The Industrial Relations 'Reforms': An Introduction", *Journal of Australian Political Economy* 56 (2005) 5-12.

2. See P. Sheldon and A. Junor, "Australian HRM and the *Workplace Relations Amendment (Work Choices) Act 2005*", *Asia Pacific Journal of Human Resources* 44/2 (2006) 153-170.

worked out could speak in any meaningful way to that issue. In order to show that there is in fact a strong connection, I will seek to demonstrate that *partnership* is an appropriate link term.

Trust is built up in a partnership through dialogue. Genuine dialogue involves a movement beyond trust based on monitoring and control (“deterrence-based trust”), beyond even that which is associated with knowledge and the ability to predict the behaviour of the other (“knowledge-based trust”), to trust which is established through identification.³ The highest form of trust is that which comes when the preferences of the other have been internalised. God’s deepest intention in establishing the covenant is for the people to internalise the divine will and purpose. While the Decalogue was written on tablets of stone, God intended that the people would take it into their hearts. The ideal of identification between God and the people reached a high point in the new covenant proclaimed by the seventh and sixth century prophets and ultimately fulfilled in Christ. The partnership between God and Israel, and later between Christ and the Church, demonstrates, I will be suggesting, in a most vivid way a fact which social psychologists and organisational theorists have been recently establishing through empirical research – namely, when there is a strong sense of group identity persons tend to own the corporate vision.

The essay is structured as follows. First, I offer a brief discussion on the validity of the metaphorical theological enterprise in which I shall engage. Secondly, I argue that partnership is an appropriate covenant rubric, giving reasons for choosing this term rather than one favoured by some practical theologians: namely, vulnerability. There follows a summary of current thinking on pathways to a constructive management-employee partnership. Finally, observing that the new human resources philosophy has identification-based trust as an ideal, I shall analyse this form of trust in the light of the covenant emphasis on internalisation.

THE METAPHOR OF PARTNER

God is both like and unlike human beings. Theologians differ in terms of where they come down on the similarity-dissimilarity continuum. In reacting to the move by nineteenth-century liberal theologians to elevate the status of humanity and to downplay the majesty, glory, and sovereignty of God, Karl Barth adopted

3. These three terms – *deterrence-based*, *knowledge-based* and *identification-based trust* – come from D. Shapiro, B. Sheppard, and L. Cheraskin; see their “Business on a Handshake”, *Negotiation Journal* 8, no. 4 (1992) 365-77.

Kierkegaard's dictum that there is an infinite qualitative distinction between time and eternity. Of course, if we take this proposition literally – if God is utterly other – we actually undermine the theological enterprise.⁴ Such a position places God beyond the reach of human rationality and language. Human words and concepts simply lack the capacity to grasp a God who is wholly other. On the other hand, the doctrine of the *imago Dei* indicates that the gap between God and humanity is not infinite. There is a degree of similarity – though theologians have adopted different positions on what it is in the human that correlates with the divine. Reason, will, love, and relationality have all been suggested at one time or another.⁵ The question of which one is the most adequate need not concern us here. We need simply note that each one represents a strong point of connection between humanity and God.

There is a point of connection but there is also a degree of disconnection. That is why there is necessarily a metaphorical element in all theological discourse. Metaphorical language represents an attempt to grasp and express that which is unknown through that which is known. In the Scriptures, we find a number of terms that are very familiar to us – terms such as father, mother, husband, ruler, and judge – being used to express the nature of God. God is like a father, like a mother, like a ruler. But at the same time God's fatherhood, motherhood, and kingship transcend human expressions.⁶ In what follows, yet another metaphor will be introduced – namely, God as partner. The claim will be made that the way in which God entered into partnership with Israel, and later with the Church, has something important to say to us about what constitutes a constructive partnership between management and labour. The assumption that I am working with, then, is that it is legitimate to develop a correlation between divine-to-human and human-to-human relations.

It is necessary, however, to acknowledge the limitations attaching to this correlation. God is like a human partner, but God's manner of engagement is also significantly different from any human expression of cooperative endeavour. The first significant point of difference has to do with the fact that God is creator, ruler, and judge, sovereign over all that is. Therefore God very clearly and definitely takes the initiative in the

4. See D. A. Pailin, *The Anthropological Character of God* (Cambridge: Cambridge University Press, 1990) 35.

5. For a very helpful summary of the history of the doctrine of the *imago Dei*, see S. Grenz, *The Social and the Relational Self: A Trinitarian Theology of the Imago Dei* (Louisville KY: Westminster John Knox, 2001) 141-82.

6. See S. McFague, *Metaphorical Theology: Models of God in Religious Language* (Philadelphia: Fortress, 1982) 18.

engagement with humanity. The appropriate responses on humanity's part are worship and faithful living. This takes us quite a long way from the equality and power symmetry that are the ideals for human partnerships. The second fundamental distinction is located in the moral sphere. God's love, integrity, and justice are absolute. The gap between God's holy mode of engagement and the manipulative, self-interested style that is so prevalent in human working together is therefore immense. With these limitations in mind, I have decided to concentrate on one central and strong point of connection between the covenant and workplace relations: the role that identification with a common vision plays in establishing trust. Before developing this connection, however, it is necessary to attempt to show that partnership is central not only in workplace relations but also in the covenant.

LINKING COVENANT AND MANAGEMENT-EMPLOYEE RELATIONS:
PARTNERSHIP NOT VULNERABILITY

Others have also endeavoured to use the theology of the covenant as an interpretative tool in analysing company relationships. For example, Stewart Herman argues that vulnerability is the rubric which links covenant thinking with the realities of the management-employee relationship.⁷ I believe, however, that the way that Herman uses the term "vulnerability" in relation to the covenant is problematical. I propose to discuss his approach briefly before outlining my own.

Herman suggests that contingency, risk and vulnerability are key terms in a covenant ethic,⁸ and that as these factors are also crucial in management-employee relations the possibility of covenant theology informing organisational theory is indicated. Consider, first, the situation in the workplace. Employees, on one side, are vulnerable because they may be forced to cope with underpayment, excessive workload, unsatisfactory and/or unsafe conditions, and even dismissal. On the other side, management is vulnerable to "costs" imposed by labour. Examples of these costs are organised resistance, lack of care, less than optimal effort, absenteeism and sabotage.

In the covenant relationship, Herman observes, there is also a mutual vulnerability. God's vulnerability, first, is associated with the divine "project". The aim in this project is "to fashion the people of Israel, and

7. See S. Herman, "The Potential of Building Covenants in Business Corporations", in M. Stackhouse and D. McCann (eds.), *On Moral Business: Classical and Contemporary Sources for Ethics in Economic Life* (Grand Rapids MI: Eerdmans, 1995) 514-520; and S. Herman, *Durable Goods: A Covenantal Ethic for Management and Employees* (Notre Dame IN: University of Notre Dame Press, 1997) 34-38, 45-46.

8. See Herman, *Durable Goods*, 32.

later the Church, into a moral community faithful to God alone".⁹ This goal, suggests Herman, "renders God vulnerable to the failure of the people to respond appropriately".¹⁰ While the people certainly do for extended periods act wisely, courageously and loyally, all too often they fall into forgetfulness, waywardness and rebellion. In the covenant relationship the people too are vulnerable. They seek deliverance from infertility, landlessness, lawlessness and enemies, but God "is anything but a reliable tool of their desires, anything but a powerful provider molded in their image".¹¹ While God stands always ready to bless, God is quick to chastise when it is required. Indeed, there is always the threat of the ultimate curses: abandonment and even destruction.¹²

While it is evident that vulnerability is a central factor in relations between management and labour, it is not so clear that it is an appropriate rubric to apply to covenant relations. Certainly the people of Israel were vulnerable to divine chastisement. The covenant promises carry with them the threat of curse if Israel is unfaithful. But I contend that it is inappropriate to highlight judgement through selecting vulnerability as a covenant metaphor. The *primary* aim in God's relationship with Israel is God's gracious self-communication through acts of protection, provision and deliverance. Divine chastisement is aimed at keeping Israel in that spiritual condition which allows the bestowal of blessings.¹³ The curse of the covenant has a very definite role, but it is a subsidiary one. In using the covenant to interpret vertical workplace relations it seems odd to make a connection via a sub- rather than a superordinate principle. Moreover, what is really striking about early Israel's perception of its situation is that it is characterised not by a sense of vulnerability but of confidence and hope¹⁴ (see, for example, The Oracles of Balaam [Num 23:1-30 and 24:1-25]; The Blessing of Moses [Deut 33:1-29]; The Blessing of Jacob [Gen 49:1-26]; The Song of Miriam [Ex 15:1-18]; and The Song of Deborah [Jdg 5:1-31]). An extract from Moses' Blessing gives the flavour of this confident view of the nation's future prospects:

The eternal God is your refuge, and underneath are the everlasting arms. He will drive out your enemy before you, saying, "Destroy

9. Herman, *Durable Goods*, 45.

10. Herman, *Durable Goods*, 45.

11. Herman, *Durable Goods*, 45.

12. Herman, *Durable Goods*, 46.

13. See T. E. Fretheim, "Some Reflections on Brueggemann's God", in T. Linafelt and T. K. Beal (eds.), *God in the Fray* (Minneapolis: Fortress, 1998) 24-37. Fretheim notes that even in judgment "there is within God a leaning toward Israel and being for Israel by virtue of the divine purpose and promises..." (p. 30).

14. See J. Bright, *Covenant and Promise* (London: SCM, 1977) 45-46.

him!" So Israel will live in safety alone; Jacob's spring is secure in a land of grain and new wine where the heavens drop dew. Blessed are you, O Israel! Who is like you, a people saved by the Lord? He is your shield and helper and your glorious sword. Your enemies will cower before you, and you will trample down their high places (Deut 33:27-29).

When one considers early Israel's actual situation, this positive, hopeful outlook is hard to credit. It had neither great military strength nor material security. The reality was a loose confederation of tribes, poorly armed, operating without a central authority, and continually under threat of attack. The land was not rich and fertile – far from it. It was quite difficult to satisfy the bodily needs of the people. In the face of these imposing difficulties and threats to well-being, the earliest Israelites were hopeful because they remembered the God who made a covenant with them for sure protection and abundant provision. They felt vulnerable to poor soil, unfavourable weather and enemy invasion, but confident that YHWH would transform the distress of the present into a glorious future. The covenant, far from being orientated to mistrust and vulnerability, was an instrument used by God to instil a sense of assurance. As William Most observes, this was particularly important in light of the fact that Israel found itself in an environment in which people felt vulnerable before their deities:

Human beings in general are apt to mistrust God, saying: His ways are above ours as the heavens are above the earth: Who can understand them? Israel in particular came from a milieu in which the gods were the object of mistrust. A covenant could be a device of love to make [people] know where they stand, to reassure them that at least under specified conditions they may have confidence.¹⁵

If the use of vulnerability to characterise the people's situation in the covenant is problematic, its use with reference to the divine involvement is even more so. How can the notion that YHWH is vulnerable to the people be squared with Israel's testimony to YHWH's unlimited sovereignty and power? To suggest that the people's waywardness renders God vulnerable to frustration in the divine project of fashioning a moral and faithful community implies that God is somehow in a position of reliance. Such an implication is without warrant in the Hebrew Scriptures. Affirmations such as the following are very common:

15. W. Most, "A Biblical Theology of Redemption in a Covenant Framework", *Catholic Biblical Quarterly* 29 (1967) 1-19, see p. 7.

Can a man be of benefit to God? Can even a wise man benefit him?
What pleasure would it give the Almighty if you were righteous?
What would he gain if your ways were blameless? (Job 22:23).

Remember this, you sinners; consider what I have done.
Remember what happened long ago; acknowledge that I alone am
God and that there is no one like me. From the beginning I predicted
the outcome; long ago I foretold what would happen. I said that my
plans would never fail, that I would do everything I intended to do
(Isa 46:8-10).

It is also worth noting that God's plan is broader than Herman indicates. In moulding a moral community, God's ultimate aim is for Israel to be "a light to the nations" (Isa 49:6). God uses the chosen people as a witness, so that the nations may know God and the offer of salvation, and God constantly calls them – God's people – to fidelity in service of the divine purposes. But God does not rely on them in any ultimate sense; God's project can be actualised with or without Israel's help. God used the people of Israel as a witness to the nations and formed them in the divine way in order to strengthen the testimony. When the people were wayward the witness was weakened, but that did not mean that Israel had the power to ultimately frustrate God's project.¹⁶

Given that there seem to be insurmountable problems associated with the choice of vulnerability as a term linking the covenant and management-employee relations, it is necessary to find something more appropriate. Whatever rubric one chooses, it is not possible, of course, to set up a perfect match between the two sets of relational realities. Nevertheless, the metaphor should at least connect with a central aspect of the covenant, on the one hand, and have within it the potential for illuminating the vertical workplace relationship, on the other. With this in mind, I suggest *partnership* as the connecting term. A genuine partnership is built on trust, and trust, in turn, is established in dialogue. We will have to interpret the dialogue between God and Israel carefully, however. As indicated above, it does not exactly parallel the ideal for communication in the contemporary workplace. Whereas modern workers demand equal status and power symmetry in pressing their demands, Israel's pleas and protests could ultimately be put only as prayer. That it was nevertheless a real dialogue is due to God's grace,

16. See W. Brueggemann, *Theology of the Old Testament* (Minneapolis: Fortress, 1997). He notes that in the testimony of Israel, YHWH is filled with "sovereign power to override all settled structures of power" and that "[n]either Israel's despair nor arrogance (nor the arrogance or despair of anyone or anything else) will stop...this God" (pp. 178, 179).

solicitude and absolute commitment to the people's well-being. Here, I suggest, is the point at which the style of partnership expressed in the covenant can speak to the management-employee relationship. While words such as "grace", "mercy" and "loving kindness" may not connect with the hard realities of industrial relations, the fidelity and integrity demonstrated by YHWH in YHWH's covenantal relationship with Israel surely does.

The partnership between YHWH and Israel, to be sure, is not an equal one. It is founded on God's command and Israel's obedience. But this should not be taken to mean that Israel is simply the passive recipient of divine law. The people have their own particular part to play in establishing and maintaining fellowship. As Ernest Nicholson¹⁷ points out, the bilateral nature of the covenant can be seen in a reference to what is probably the earliest description of the making of such a covenant – namely, Ex 24:3-8. Here there is certainly an emphasis on Israel's obligation *vis-à-vis* the commandments, but the pledge of obedience to the commandments is related to a ceremony which effected a solemn consecration of Israel as YHWH's holy people. It is not solely a question of God announcing the divine promises and imposing obligations on the people. There are obligations, but there is also *fellowship*. The making and the keeping of the covenant involved a choosing and deciding on Israel's part over time. At Sinai Israel chose to enter the covenant. On two occasions the people responded to Moses' reading of the commandments with a commitment to fidelity (Ex 24:3-8). On the plains of Moab the next generation chose and declared that "this day" YHWH had become its God (Deut 26:17). YHWH commanded, but Israel chose to commit itself to YHWH and to his redemptive program.

This partnership between YHWH and Israel had a very definite objective. There is debate amongst Hebrew Bible scholars as to whether the term which primarily expresses the purpose of the covenant is redemption, relationship or revelation.¹⁸ For our purposes, it is sufficient to simply observe that the three are indissolubly linked together. The Hebrew Scriptures tell a story of God at work in the world revealing the divine self – its nature, will and purpose – in order that Israel first, and then all peoples, might enter into a redemptive

17. E. Nicholson, *God and His People: Covenant and Theology in the Old Testament* (Oxford: Clarendon, 1986) 210-215.

18. In his *An Outline of Old Testament Theology* (London: Basil Blackwell, 1970), Th. Vriezen opts for communion; Most, "Biblical Theology of Redemption", and G. von Rad, *Old Testament Theology I* (London: SCM, 1975) 133-134, focus on redemption; and J. Walton (*Covenant: God's Purpose, God's Plan* [Grand Rapids: Zondervan Publishing House, 1994] 24) assigns primacy to revelation.

relationship. The covenant is a device God used to facilitate God's program of revelation and redemption.

The partnership between management and labour is, of course, orientated to quite different goals and objectives. It is appropriate to connect covenant and the employment relation, nevertheless, because both partnerships involve the same general principle. Both in the Hebrew Scriptures and in the contemporary workplace we find two parties working together in pursuit of a common goal. Or at least this was then, and is today, the ideal; Israel often failed and industrial relations are always under a degree of strain. There were many times when the people of Israel all but lost sight of where God was leading them. And all too often the goal of achieving constructive working relations is thwarted by mistrust, power asymmetry, and opportunism.

THE PARTNERSHIP BETWEEN MANAGEMENT AND LABOUR

A covenant between two parties is built on mutual trust. The organisational theorists, Creed and Miles, contend that managerial assumptions and expectations are the key factors in building trust within a company. "Managerial philosophies", they write, "are the mechanisms that serve to focus expectations about people and so shape trust in organisations."¹⁹ While it is true that management must take a lead, I would suggest that trust is a quality built up in a dialogue between the two partners. Labour has its own contribution to make. Employees are not lumps of clay ready to be moulded by managerial policies. They have their own unique view of the realities within and beyond the company and unless this fact is taken seriously there can never be a genuine partnership. A partnership is founded on, and strengthened by, dialogue. Dialogue requires a willingness both to include oneself in, and to commit oneself to, the legitimate aims and aspirations of the other. Put simply, the parties must be ready to listen and to act. The first step is an imaginative entry into the concerns and hopes of the other. If the dialogue is to be ongoing, beyond openness to the other party's appeals there must be a committed follow-up on the agreements made. Concerned listening and fidelity to pledges are, it goes without saying, basic requirements if there is to be trust. Dialogue needs trust as a platform to build on, and to the extent that the dialogue is successful, trust grows stronger.

19. W. E. Douglas Creed and R. Miles, "Trust in Organizations: A Conceptual Framework Linking Organizational Forms, Managerial Philosophies, and the Opportunity Costs of Controls", in R. Kramer and T. Tyler (eds.), *Trust in Organizations: Frontiers of Theory and Research* (Thousand Oaks CA: Sage Publications, 1996) 16-38, see p. 20.

Keeping in mind the fact that trust is a dialogical reality, it is still true that managerial philosophy is a critical factor in the process. The analysis by Creed and Miles shows how the moves from the traditional understanding of labour (the nineteenth century), through the human relations approach (early 1900s to early 1950s), to the current human resources model have increasingly tended to engender trust.²⁰ The traditional model was conditioned by social Darwinist thinking. On this view, there is in the economic sphere, as elsewhere, a "natural law" at work, according to which the fit survive and the unfit perish.²¹ A "fit" business is one in which managers are able to elicit from a generally unwilling workforce optimal effort through close control. Workers perceive work as a burden, and in order to get the best from them it is necessary for management to be both vigilant and firm.

The new approach to human resource management, however, focuses not on control of employees but on winning their commitment. It is recognised that employees value not only extrinsic but also intrinsic rewards.²² Intrinsic rewards are associated with the work itself. Employees feel satisfied with their work, motivated, and ready to commit themselves to the organisation when their activity generates a sense of purpose, challenge, and involvement, and when it builds their self-confidence and self-esteem.

In the new approach, there is an appreciation of basic human aspirations. People commonly want to belong, to be involved in decision-making, and to be recognised as persons and as workers. Indeed, there are any number of empirical studies available that show that most workers want to be trusted with a reasonable level of authority and control over their work.²³ In line with this, one finds in the standard lists²⁴ human resource management practices such as the

20. See Creed and Miles, "Trust in Organizations", 20-23.

21. On the link between social Darwinism and Smithian philosophy, see C. McCoy, *Management of Values: The Ethical Difference in Corporate Policy and Performance* (Marshfield MA: Pitman Publishing, 1985) 168-69. Adam Smith had a "providential" view of economic activity. When individuals act self-interestedly in the marketplace there is an "invisible hand" guiding the process so that at the same time there is a contribution to the common good. Through a link with the social version of Darwinism, the view arose that the law of the survival of the economically fit has a positive social function. Virile businesses contribute most to the commonwealth.

22. See A. Pinnington and G. Lafferty, *Human Resource Management* (Oxford: Oxford University Press, 2002) 6.

23. See F. Fukuyama, *Trust: The Social Virtues and the Creation of Prosperity* (London: Hamish Hamilton, 1995) 355-56.

24. See, for example, S. Tyson, "The Changing Nature of Human Resource Management", in F. Analoui (ed.), *The Changing Patterns of Human Resource Management* (Aldershot: Ashgate, 2002) 1-12, see pp. 5-6. See also R. J. Burke, "Why Putting People First Matters", in R. J. Burke and C. L. Cooper (eds.), *The Human Resources Revolution* (Amsterdam, Oxford: Elsevier, 2006) 13-30, 21-22.

following: (a) incentive pay to show a valuing of performance and a desire to share performance gains, (b) use of teams to increase communication and coordination, (c) information sharing, (d) participation and empowerment through sponsoring decision-making at lower organisational levels, and (e) encouraging the individual to take responsibility for her or his learning.

It is evident that in this progression in managerial thinking, which began with a pessimistic assessment of worker motivation and capability and has ended in recognition of the (general) desire for participation and responsibility, the potential for trust-building has dramatically increased. At the turn of the last century there was a gulf dividing management and labour. Authoritarianism and lack of respect on the part of the former, and fear and suspicion in the ranks of the latter, meant that the idea of a partnership was nowhere to be seen. As soon as the executive sector began, however, to recognise workers' needs for belonging, recognition, and participation, the workplace relationship started to move in the direction of mutuality and co-operation.

As mentioned in the introduction, the modern human resources approach is very significant in relation to the new industrial relations climate in which the tendency is for governments to seek to provide employers with higher levels of freedom and power. In Australia, this political aim was expressed through the "Work Choices" legislation. A number of human resources consultants and academics reacted to it by suggesting quite strongly to employers that there is more to be gained by taking the "high road" approach of ensuring closer communication, acting with integrity and fairness, and respecting employees than by jumping onto the "low road" of exploiting the newly acquired freedom in relation to dismissal, cutting wages, and stripping entitlements.²⁵

Shapiro, Sheppard, and Cheraskin posit three forms of trust which are common in the business world: deterrence-based, knowledge-based and identification-based trust.²⁶ Their main interest is in inter-firm relationships. It is quite possible, however, to modify their analysis to fit the management-employee relationship.

The lowest level form of trust in the world of enterprise is that which is based on *deterrence*.²⁷ We tend to trust others to keep their word when we know that there are constraints on them acting opportunistically. For example, a manager is confident that workers will arrive on time because late-arrivers have their pay docked. If deterrence is to establish

25. See Sheldon and Jonor, "Australian HRM", esp. pp. 162, 167-168.

26. See Shapiro, Sheppard, and Cheraskin, "Business on a Handshake", 366-74.

27. Shapiro, Sheppard, and Cheraskin, "Business on a Handshake", 366-69.

reliability the impact of the negative consequences of uncooperative behaviour must be judged to be greater than the potential gain through that behaviour.

*Knowledge-based trust*²⁸ is linked to predictability and dependability. In establishing a working relationship, the partners get to know how each other thinks and acts. Over time, for example, a chief executive observes the pattern of a particular manager down the line always completing reports in a timely fashion. She plans her schedule accordingly. If, on the other hand, another manager has demonstrated a tendency to be tardy, trust becomes problematic. Actually, Shapiro, Sheppard, and Cheraskin argue that even in this situation, trust can result. While they admit that it may seem out of place to speak of trust in relation to uncooperative behaviour, they contend that as trust, at its core, "is simply dependability"²⁹ being able to predict less than desirable actions renders those actions trustworthy. Such a paradoxical formulation I find unhelpful. An expression such as "trusting a person to be unreliable" is contrary to our ordinary way of speaking and thinking. Further, it is usually the case that workers and business partners act in an uncooperative way sometimes, but on other occasions their actions meet expectations. If a manager, to return to the example used above, is usually late but sometimes excels himself and turns in the report on time, how is it possible to depend on him to be either late or on schedule? It is far better when talking about trust, I suggest, to refer predictability exclusively to co-operative behaviour.

*Identification-based trust*³⁰ is the highest form of trust. It is the kind of trust that is established when the partners internalise each other's preferences. When values are shared and there is a shared sense of interdependence there is no need for monitoring and, consequently, a very high level of confidence that the actions of the other party will accord in every instance with the common vision. It is true that to reach the point of identification a much higher level of investment in the relationship is required than to establish the conditions for the lower levels of trust. However, the benefits are also much greater. One such benefit is that agency becomes a possibility. "Increased identification enables one to 'think like' the other, 'feel like' the other, and 'respond like' the other."³¹ When an employee has identified with managerial preferences in this way she can be given authority. Where there is an absence of entrusted delegation, on the other hand, inefficiencies will

28. Shapiro, Sheppard, and Cheraskin, "Business on a Handshake", 369-70.

29. Shapiro, Sheppard, and Cheraskin, "Business on a Handshake", 369.

30. Shapiro, Sheppard, and Cheraskin, "Business on a Handshake", 371-74.

31. R. Lewicki and B. Benedict Bunker, "Developing and Maintaining Trust in Work Relationships", in *Trust in Organizations* (n. 19 above) 114-139, see p. 123.

result. Shapiro et al give the example of a company which was experiencing problems with its new system of strategically targeted teams.³² One such team was tying-up an inordinate amount of team-member time through the practice of including all members in presentations to senior management and client groups. The reason for involving everyone at all sessions, they discovered, was that it was considered that not all members had identified with the team's and other members' interests. There was consequently not sufficient trust to delegate a presentation to two or three members.

A second major benefit associated with identification is that it is possible to work in concert in achieving shared goals. As long as management and labour are pursuing their own independent agendas there is no possibility of a shared strategic focus. If, however, the parties are able to take on each other's preferences and, through dialogue, find a suitable strategic plan, they will be able to move efficiently in the direction of their common goals.

IDENTIFICATION IN THE COMPANY IN THE LIGHT OF THE COVENANT

While in some workplaces there is still a reliance on control and deterrence, we are seeing the emergence of a more enlightened approach built on the goal of identification. Relationships established on the basis of identification are strong and resilient. In the workplace there are inevitably misunderstandings and disagreements that put a strain on relations. Relationships based on internalisation are able to stand greater stresses than those based on either deterrence or knowledge.³³ With identification between two persons come greater certainty, reliability and relational strength. In a weakly established relationship, there is not the openness and commitment to admit mistakes, to discuss problems and differences. An act which might result in the break-down of some relationships becomes in an identification-based one an occasion for dialogue and, ultimately, for the strengthening of the bond.

This growing realisation in the commercial world that internalisation of an organisation's vision is required at all levels if the vision is to be optimally actualised parallels in a striking way the covenanting relationship between YHWH and Israel. Indeed, the intention on YHWH'S part was always for the internalisation of the divine instruction. This is not, perhaps, so clear in the Mosaic covenant where the laws are written on tablets of stone and there is a strong emphasis on deterrence (the covenant curses). Nevertheless, what YHWH demanded

32. See Shapiro, Sheppard, and Cheraskin, "Business", 373.

33. See Lewicki and Benedict Bunker, "Developing and Maintaining Trust", 128.

of the people was that they take *Torah* into their hearts. In the new covenant, God would guarantee the writing of the instruction on the hearts of the people through direct action: "I will put my spirit within you, and make you follow my statutes and be careful to observe my ordinances" (Ezek 36:27).

The new covenant announced by Jeremiah and Ezekiel was not like the old "because they broke my covenant though I was a husband to them" (Jer 31:32). In the new era God will put God's law in their minds and write it on their hearts (Jer 31:33). This is a description of the complete internalisation of the divine will under the influence of grace. The experience of God in God's dealings with Israel led to the point at which an internalisation of the divine vision was necessary in order to set the divine project on a more secure footing. Because the old covenant was repeatedly broken, the new is necessary. God will shape new persons, persons who identify fully with the divine will and purpose. A strong and reliable partnership, the long experience of covenanting in the life of Israel teaches, requires identification.

In Christian belief this divine pledge of new life in the Spirit was fulfilled in and through the death of Christ. Gathered together with his disciples at the Last Supper, Jesus took the cup and said, "This cup that is poured out for you is the new covenant in my blood" (Lk 22:20b; see also 1 Cor 11:25b). The word over the cup is commonly assumed to be a reference to the atoning sacrifice for sin that Christ is about to make. It needs to be borne in mind, however, that Luke's account is set in the context of a Passover meal, and the Passover lamb was not a sin offering.³⁴ The Passover lamb was the seal of a covenant. Though sacrificial ideas are no doubt present to some degree, the main emphasis here is on Jesus' blood as the seal of a new covenant.³⁵ Those whose privilege it will be to share in this renewed relationship – both Jew and Gentile – will know the joy of genuine freedom: "Jesus' blood seals a new covenant offering a new kind of freedom, a release from captivity to sin and death, a new covenant extended by a liberating God to all who believe..."³⁶

This theme of freedom in and through the new covenant also features in Paul's teaching on life in the Spirit (see esp. Rom 7:1-6; 8:1-17). The gift of the Spirit fulfils God's promise made through Jeremiah and Ezekiel to plant God's law in the human heart.³⁷ Those living in the

34. See F. B. Craddock, *Luke* (Interpretation Series; Louisville KY: John Knox, 1990) 256.

35. See Craddock, *Luke*, 256; R. C. Tannehill, *Luke* (Abingdon New Testament Commentaries Series; Nashville TN: Abingdon, 1996) 315.

36. Craddock, *Luke*, 256.

37. See B. Byrne, *Romans* (Sacra Pagina Series 6; Collegeville MN: The Liturgical Press, 1996) 210.

Spirit, Paul declares, will triumph over the power of sin and will be empowered to live a truly righteous life. For believers, there is death to the law through the power of Christ crucified and risen. Where the law arouses sinful passions and results in bondage (Rom 7:5), in Christ, believers are set free from the domain of the law and enter into a new realm of grace. Those living in this new realm will bear "fruit" in the freedom that stems from being bound to Christ (Rom 7:4, 6).

Brendan Byrne points out that a "double antithesis" is operating in Paul's teaching on law and the Spirit.³⁸ Paul declares that, where the law was dominant in the past era, in the new age Christ is the dominant power. The law centres on a written code, on the letter of the law; the new era of grace is animated by the power of the Spirit (Rom 7:6). This double antithesis – old/new // letter/Spirit – features in a more complete way in Paul's statement on the ministry of the "new covenant" (2 Cor 3:6-11). This is a ministry "not of letter but of spirit; for the letter kills, but the Spirit gives life" (v. 5b-c). Paul contrasts a "ministry of condemnation" with a ministry of righteousness and freedom.³⁹ Those who align themselves with the old covenant are engaged in a ministry that leads to death. Paul, on the other hand, brings the word of the cross that creates the righteousness that leads to freedom and life.

What both Luke's Last Supper narrative and Paul's teaching on law and the Spirit affirm is that it is through the death of Christ that the pledge of a new covenant is finally fulfilled. In the new era, through grace of Christ and the power of the Spirit believers internalise God's plan for a free and authentic human life. When God's intentions are rooted deeply within the heart of the believer, she is able to effectively serve God's purposes in the world as expressed in the life and ministry of Christ.

The internalisation of the law of YHWH – and, subsequently, of the law of Christ – communicates a profound sense of belonging. To belong means living faithful to the shared vision of the People of God. I suggest that the long history of covenant relations, involving first Israel and later the Church, confirms in a most striking way what organisational theorists⁴⁰ and social psychologists⁴¹ have established through

38. Byrne, *Romans*, 212.

39. See M. D. Goulder, *Paul and the Competing Mission in Corinth* (Peabody MA: Hendrickson, 2001) 85.

40. Along with the work by Shapiro, Sheppard, and Cheraskin that we have already discussed, see also B. Sheppard and M. Tuchinsky, "Micro-OB and the Network Organization", in *Trust in Organizations* (n. 19 above) 140-65, see p. 145; and W. Tsai and S. Ghosal, "Social Capital and Value Creation", *Academy of Management Journal* 41/4 (1998) 464-76, see p. 465.

empirical research – namely, that a strong group identity means that individuals are less likely to draw sharp distinctions between their own interests and the interests of the collective. The biblical experience of the covenanting process underlines the necessity of deepening the relationship between management and employees to the point where a group identity forms.

It will perhaps be instructive at this point to take a step back and ask the question: What are the factors which contribute to the internalisation of the other party's preferences? Shapiro and his associates point to elements such as joint products, a common name, proximity, and shared values.⁴² I would add that an important contributing factor is that the person or persons promoting the vision which is to be owned must present as moral and trustworthy. That is, in a firm employees do not identify simply with missional aims and objectives, they also identify with the person or persons behind the mission statement. Charles Handy rightly points out that while a vision statement is important, it is not enough in itself; there also needs to be a "personal infection" that inculcates the core values and beliefs articulated in the statement.⁴³

The personal element in the building of trust in the covenant relationship was a vitally important factor. The covenant, as Vriezen notes, was founded on the "double aspects" of holiness and morality.⁴⁴ Vriezen connects these traits with the truth or trustworthiness of God. In Hebrew, the word for truth is connected with a stem meaning "to steady", "to hold out". The Hebrew word for faith is also linked with this: *he'emin* means to look upon God as steadfast, trustworthy. YHWH is "the reliable God",⁴⁵ "the morally perfect or rather absolutely Moral God, who will not compromise with anybody in any province of life where justice and truth are at stake".⁴⁶

Trust in the covenant from Israel's side was established on the basis of YHWH's moral character. Trust is not an impersonal commodity. Persons do not identify solely with words and ideas on paper (or on tablets of stone). There needs to be personal influence infusing the values and beliefs formulated into the lives of the organisation's members. It is a risky but necessary element in the identification process. Flawed behaviour in leaders mitigates the chances of the

41. See, for example, R. Kramer and M. Brewer, "Effects of Group Identity on Resource Use in a Simulated Commons Dilemma", *Journal of Personality and Social Psychology* 46/5 (1984) 1044-57.

42. See Shapiro, Sheppard, and Cheraskin, "Business", 372-73.

43. C. Handy, "Trust and the Virtual Organization", *Harvard Business Review* 73/3 (May-June 1995) 40-41, 46.

44. See Th. Vriezen, *Outline of Old Testament Theology*, 309.

45. Vriezen, *Outline of Old Testament Theology*, 309.

46. Vriezen, *Outline of Old Testament Theology*, 310.

missional vision being owned. The God who is absolutely committed to truth and justice models the exemplary behaviour required of the persons behind the vision. Obviously those persons are not expected to be perfect. But unless their actions are more orientated to integrity and justice than the opposite, the identification process will be seriously flawed.

CONCLUSION

There is clearly a large gap in terms of cultural setting between Israel and the modern workplace. Further, the covenant lacks the equality and power symmetry that are considered essential in a modern, intelligent approach to workplace relations. Nevertheless, I have argued that the long experience of covenantal relations captured in the Scriptures is a very useful resource for developing a fresh understanding of what is required to build genuine trust in management-labour relations.

We have seen that the highest form of trust is identification-based trust. Two parties work most effectively together when they are able to internalise each other's values and preferences. God's deepest intention for Israel, and later for the Church, was the internalisation of God's will and purpose. My argument has been that the long history of covenant relations involving Israel and the Church confirms in a most striking way what organisational theorists and social psychologists have established through empirical research – namely, that a strong group identity means that individuals are less likely to act opportunistically and are more likely to commit themselves to the values and goals of the collective. The biblical experience of the covenanting process underlines the necessity of deepening the relationship between management and employees to the point where a group identity forms. YHWH's involvement in that process, characterised as it is by absolute commitment, fidelity, and integrity, represents an ideal for those committed to this process.