

Dialogue I

A New Testament Perspective on Wage Determination Using the Principle of Spiritual Rewards: A Rejoinder

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Equal Work Equal Pay: A Christian Perspective

Stacey Brook offers an interesting discussion of determining wages based on the New Testament principle of spiritual rewards. I agree with Brook on several points, and this response will provide additional support to strengthen his argument of equal pay for equal work. I will also address complications, both practical and biblical, that were not discussed in Brook's paper. Brook is correct that "there is no direct command by Christ or any of his apostles on how employees should be paid," thus, the ideas that Brook espouses (as well as those in this response) are not irrefutable and "should be thought of as a guide to Christian employers."

Brook's premise for *how employers should compensate their employees for the effort that they perform* is based on the idea that "Christians should

behave toward others in this earthly realm like Christ treats us in the spiritual realm."

Although most would concur that emulating Christ is proper for those who profess Christian faith integration, there is not a consensus among Christians as to what Christlike behavior entails in regards to compensation. Brook's interpretation is primarily twofold: wages "should be determined by the value of the additional benefits of the last employee hired" and "each worker is paid the same wage." Brook contends that "a uniform wage is not unfair" and supports his position with the parable of the vineyards "where each worker is paid the same wage." Brook asserts that this is a win-win proposition that benefits both employer and employee "in the sense that more workers are employed under this system."

Additional Support for Egalitarianism

I agree with Brook that equal pay for equal work is ideal, and I will offer three additional reasons why egalitarianism in wages¹ is a proper Christian perspective. First, the market system, left to its own devices, often disintegrates into a system of greed and corruption that permeates all aspects of business, including compensation. Because sins such as selfishness, sexism, and racism are prevalent, compensation is too often prejudiced by an array of factors, including one's gender, ethnicity, attractiveness, height, last name, negotiating skills, golf handicap, and ability to schmooze. Compensating workers equally would help mitigate discriminatory pay that results from improper and sinful biases.

Second, egalitarian compensation would be an impetus for reducing inequalities in our society. Ironically, the United States, the country most associated with Christianity in the developed world,² often bears little markings of a Christian society. One such dichotomy is the severe wage and wealth polarization that exists in the United States. On average, CEOs of large American corporations earn 400 to 500 times the compensation of average workers — up from 42 times the average compensation in 1980.

This compares with 15 to 20 times the average compensation in Japan and Germany.³ Wealth disparity is particularly acute within the United States where the top 1% of Americans control about 40% of all wealth, and the bottom two-thirds have relatively no savings. Of the developed countries included in the Luxembourg Income Study database, the United States has the smallest percentage of middle class, the largest percentage of poor, and the largest percentage of wealthy. It also possesses the largest percentage of low-wage workers.⁴ Paying workers an equal amount might contribute to a narrowing of the polarizing wealth chasm that currently exists in the United States.

Third, equal pay for equal work deemphasizes monetary remuneration relative to others, thus encouraging contentment rather than envy and strife. Apart from the Kingdom of God, Jesus spoke more about money and wealth, and its detriments, than on any other topic. Psychologist David Myers has observed that when surrounded by those of greater economic means and possessions, there is a higher propensity for dissatisfaction and jealousy.⁵ The Bible characterizes envy as a sinful act

that is starkly in contrast with the fruits of the Spirit and the love of God. Coveting is of such concern to God that it is included among the forbidden acts of the Ten Commandments (Exodus 20:17 and Deuteronomy 5:21). Compensation that is egalitarian could serve to lessen the sins of discontent, envy, and strife.

Differing Positions

There are those that will not embrace Brook's proposition that equal pay for equal work is an earthly implantation of how "Christ treats us in the spiritual realm." For example, the March 1996 issue of *Christian Scholars Review (CSR)* contains a symposium of various perspectives debating a practical application of this concept: Should faculty salaries at Christian colleges be equal or should faculty salaries differ by discipline? A critical component of the *CSR* discussion focused on faculty in areas of higher demand, such as business and engineering, being remunerated more than faculty of lesser demand areas, such as philosophy or English. Stephen Layman argues that differential pay is unjust and that equal pay is necessary to promote academic community and resist the distorting influence of the

market mentality.⁶ Anthony Spina and Todd Steen offer opposing perspectives. They counter that "difficulties abound when one tries to apply what the Bible has to say about wealth, poverty, and economics generally into a modern setting"⁷ and "it will be almost impossible to pay equal salaries across disciplines if market forces are tending to differential outcomes."⁸ According to the *CSR* article, there is no consensus among colleges. Messiah College and Calvin College have "consciously rejected any salary scheme which involves differential pay by discipline," whereas Seattle Pacific University practices "substantial pay differentials between faculty in different academic disciplines."

Implications and Concerns

Though I support Brook's general premise, there are concerns that need to be addressed. Brook contends that the last employee should be compensated "by looking at the additional productivity (or marginal product) of hiring an employee and valuing that additional output by the additional revenue (or marginal revenue) that can be received by selling the output in a market." This is an interesting and possibly justifiable economic theory, but

its practicality is questionable. First, in today's economy, the work performed by employees is increasingly more difficult to accurately quantify. Determining the additional revenue of an employee, such as a firefighter, teacher, journalist, or garbage collector, may prove problematic and elusive.

Second, *additional revenue* is not equivalent to *additional value*, the latter being far more relevant from a Christian perspective. As such, there is often very little correlation between Christ's teachings and *additional revenue*. Hardy (2000), in the book *The Fabric of This World*, writes that although "The garbage collector performs an infinitely more valuable social service than the advertising executive about to

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launch a campaign to convince the American homemaker that Pink Froth dish detergent is indispensable to gracious living ... the advertising executive enjoys more pay and social status."⁹

Third, there are issues regarding the frequency in which wages should be reevaluated and

the possible need for minimum compensation. Realistically, Brook's basis for compensation, "the value of the additional benefits of the last employee hired," may change continuously. If so, should wages be reassessed each hour, day, week, or year? Whatever the decision, the impact on worker morale and personal stability might be severe. For example, in Michigan, a state particularly hard hit by the recent economic downturn, there are hundreds of unemployed teachers seeking employment for only a few available positions. Should the remuneration of all teachers, including those currently employed, be adjusted according to the current bleak job market? Also, based on the principle of "compensation based on last employee hired" it could be argued that workers in developed countries (e.g., United States and Canada) and developing countries (e.g., India, Mexico, China, and Honduras) should be paid the same if they are employed by the same company and performing equivalent work. Ideally, this would justify higher wages for those in developing countries, but it is more likely that it would validate lowering wages even further in developed countries.

A fourth complication is defining compensation. Brook only briefly remarks that labor costs extend beyond wage/salary and include “health insurance, retirement, training, and development.” These additional costs are significant, particularly health insurance and retirement, and are difficult to value. Determining future health care and defined benefit retirement costs is challenging and, when calculated incorrectly, can cripple an organization, as is currently the case for many organizations, such as the American automobile industry.

A fifth concern is that equal pay provides very little incentive for employees to work harder and be more productive. If all workers are paid similar to the last employee hired, it is likely to generate complacency, dissension, and low morale. In the biblical example used by Brook, the workers that travailed in the vineyard all day bemoaned that they were paid the same as those who worked less.¹⁰ Though we do not know what occurred in the ensuing days at the vineyard, one possibility is that, since all vineyard workers received the same pay regardless of the time worked, in the future, most vineyard workers opted for the

shorter workday. Rather than raising the standard and motivating workers to reach their highest potential, workers regressed to exerting the lowest necessary effort.

Biblical and Practical Implementations

Although Brook offers no practical applications regarding equal pay, I will offer two suggestions. First, the concept of equal pay should result in salary information being transparent in organizations. Presently, conversation and disclosure of compensation are typically not encouraged, and rarely does one employee know how much another employee is compensated. This is true even in Christian organizations, such as Christian colleges. This secrecy is clearly to the employer’s advantage and encourages unfair compensation among employees. Full disclosure of wage information would promote fairer and more just compensation.

A second practical implementation relates to the employer’s compensation. Just as Brook contends that employees should all be paid equally at the wage of the last employee hired, this might also be the basis for an employer’s wage. A Christian

employer should consider reducing his or her own salary to an amount equal to, or below, the lowest paid employee. This might inspire workers to embrace Brook's notion of compensating all employees on the value of the last employee hired. Further, such a bold biblical application would epitomize Brook's thesis that "Christians should behave toward others in this earthly realm like Christ treats us in the spiritual realm" and exhibit that the employer's treasures truly are in heaven and not of earth (Matthew 6:19, 20).

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⁵Myers, D. (2003, October). Finding contentment in a wealthy world. *The Church Herald*.

⁶Layman, C. (1996, March). Should faculty salaries differ by discipline? *Christian Scholar's Review*, 260-272.

⁷Spina, F. (1996, March). The problematic of faculty remuneration in the Christian college. *Christian Scholar's Review*, 273-278.

⁸Steen, T. (1996, March). Stewardship in salary setting: A reply to C. Stephen Layman. *Christian Scholar's Review*, 279-287.

⁹Hardy, L. (1990). *The fabric of this world*. Grand Rapids, Michigan: Eerdmans Publishing Co.

¹⁰"Now when the first came, they thought they would receive more; but each of them also received the usual daily wage. And when they received it, they grumbled against the landowner, saying, 'These last worked only one hour, and you have made them equal to us who have borne the burden of the day and the scorching heat'" (Matthew 20:9-11).

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ENDNOTES

¹I would go further than Brooks and suggest that egalitarianism is a proper Christian perspective in many areas of life and business, not only wages (e.g., health care, retirement, vacation).

²There is substantial support for this assertion, including a 2003 Harris poll that indicates 79% of Americans said they believe in God and over a third said they attended a religious service at least once a month.

³Welch, E. (2003, May 19). Justice in executive compensation. *America*, 188(17).

⁴Henwood, D. (2003). *After the New Economy*. The New Press.