

The Logic of Gift and Gratuitousness in Business Relationships

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Abstract The logic of gift and gratuitousness in business activity raised by the encyclical *Caritas in Veritate* stresses a deeper critical evaluation of the category of relation. The logic of gift in business includes two aspects. The first is considering the logic of gift as a new conceptual lens in order to view business relationship beyond contractual logic. In this view, it is crucial to see the circulation of goods as instrumental for the development of relationships. The second aspect is to qualify the relationships established through the gift, and to think about the motivation in gift-giving, which has an ethical content. We give because we have received, and through gift-giving we develop relationships that have a high ‘bonding value’. Analysing the logic of gift in business management may permit us to gain an understanding of the ambiguity of gift-giving in organizations. Looking at the relationships between organizations and employees, and organizations and customers, we can discover why the logic of gift is often misunderstood or abused in its application, and how it should be applied to be more consistent with the message of *Caritas in Veritate*.

Keywords Benedict XVI · Business management · Business relationships · *Caritas in Veritate* · Catholic social teaching · Gratuitousness · Logic of gift · Organizations

Abbreviations

- CA John Paul II, encyclical letter *Centesimus Annus*, 1991
CV Benedict XVI, encyclical letter *Caritas in Veritate*, 2009

PP Paul VI, encyclical letter *Populorum progressio*, 1967

Probably one of the most important issues that the encyclical letter *Caritas in Veritate* (Pope Benedict XVI 2009) (CV) presents for economic theory and praxis, specifically for the management of business activities, is that ‘in *commercial relationships* the *principle of gratuitousness* and the logic of gift as an expression of fraternity can and must *find their place within normal economic activity*’ (CV 36). The main innovation is that gratuitousness and gift are considered as founding principles, not only for non-profit, volunteering or social economy, but also for the ordinary economy (Bruni 2011).

The logic of gift can lead to an alternative paradigm for business and the social sciences to integrate and overcome the logic of exchange (market) and the logic of public obligation (State). By engaging this logic of gift, we propose to avoid the extremes of the two other logics, trying to infuse a new light, and to create a sort of welding between the two poles of the market and the State (Zamagni 2011). *Caritas in Veritate* clearly affirms this point when it says: ‘the exclusively binary model of market-plus-State is corrosive of society [...]. When both the logic of the market and the logic of the State come to an agreement that each will continue to exercise a monopoly over its respective area of influence, in the long term much is lost: solidarity in relations between citizens, participation and adherence, actions of gratuitousness, all of which stand in contrast with *giving in order to acquire* (the logic of exchange) and *giving through duty* (the logic of public obligation, imposed by State law)’ (CV 39).

It is not the first time that an encyclical addresses the necessity of fraternal relations. This is the case in

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Populorum Progressio (PP) published in 1967 by Paul VI, which points out that an important cause for underdevelopment is ‘the lack of brotherhood among individuals and peoples’ (PP 66). The spirit of fraternity and solidarity, and its link to a specific idea of gratuitousness and gift, is expressed in the words of St. Ambrose quoted in *Populorum Progressio*: ‘you are not making a gift of what is yours to the poor man, but you are giving him back what is his. You have been appropriating things that are meant to be for the common use of everyone’ (PP 23). So the gift is actually a giving back, which comes from the awareness of the universal destination of goods, as in St. Ambrose thought, or from the awareness of having received from others, as we are going to affirm in this article.

John Paul II continues this stream of thought in his encyclicals. In *Centesimus Annus* (CA) (1991), he explains that ‘the individual today is often suffocated between two poles represented by the State and the marketplace’ (CA 49). Man can find himself only ‘through the free gift of self. [...] Man cannot give himself to a purely human plan for reality, to an abstract ideal or to a false utopia. As a person, he can give himself to another person or to other persons, and ultimately to God, who is the author of his being and who alone can fully accept his gift’ (CA 41). John Paul II is saying that we need to overcome the dichotomy between market and State as the only mechanism of circulation of goods; he also points out a possible solution, that is, the free spontaneous gift—‘logic of gift’.

Benedict’s emphasis on the logic of gift is therefore not new in the papal encyclical tradition. What is new is the centrality of the place he affords the logic of gift. In our next section, we will examine this centrality of the logic of gift in relation to the social sciences.

The Logic of Gift: A New Paradigm for Social Sciences?

The logic of gift could lead us to integrate and overcome the logic of exchange and the logic of public obligation. These are the two main logics that characterize the way goods usually circulate in the market and the State.

In this section, we will focus on the different approaches and principles that characterize the circulation of goods, trying to overcome the traditional dichotomy between the market and the State. At one extreme, we have the market that seems to free people from the obligations related to interpersonal relationships, as the circulation of goods prevails on the development of relationships. The market tends to depersonalize the exchanges, so the goods circulate through the mechanism of prices (Bruni 2007; Godbout 1992). Obviously, relationships are important, but most of all as instrumental to the self-interest of economic actors. Taken at its extreme, the market tends to reduce the

social to a mere aggregation of individual preferences. Even altruistic or gratuitous behaviours are often made instrumentally and, most of all, without a focus on relationships, as in many cases some philanthropic actions show.

At the other extreme, we have the State, and most of all the welfare State, which regulates the market in providing services to people. A whole set of relationships of ‘service’ between people is ‘out’ from the system of interpersonal relationships; they are into the bureaucratic apparatus of the State. This mechanism is based on the principles of equality and universality of rights. If the market regulates the relationships by prices, the State requires citizens to pay taxes in order to compensate the services provided. While the State can incentivize altruistic and gratuitous behaviours through tax policies (e.g. when the State allows citizens and firms to reduce taxes when they philanthropically donate some money), by itself such incentivization does not generate logic of gift, but rather instrumental behaviour. So generally speaking, and taking the State at its extreme, it tends to depersonalize the delivery of services, because it develops relationships between strangers.

As Zamagni (2011) claims, we have two models that initially look like extreme positions, but share some common characteristics: the market fundamentalism and the neo-statism, which both relegate gratuitousness to the private sphere, expelling it from the public sphere. The market by itself claims that welfare can be achieved by means of contracts, incentives and clearly established rules of the game alone; the state by itself maintains that solidarity can be realized by the Welfare State alone. From an epistemological point of view, the two models seem to refer to the two prevailing paradigms in social sciences, which, respectively, are: methodological individualism and holism. According to the former, social phenomena can only be explained by showing how they result from the intentional states that motivate the individual actors, and that is based on utilitarian, contractarian and instrumental principles. In contrasting, holism moves from the idea that all the properties of a given system cannot be determined or explained by its component parts alone; the system as a whole determines how the parts behave, and so it is based on the sense of duty and obligation.

What makes the two paradigms similar, and what also lacks in both the market and State ways of circulation of goods, is that interpersonal relationships are not deeply considered. In the words of Benedict XVI, ‘one of the deepest forms of poverty a person can experience is isolation. If we look closely at other kinds of poverty, including material forms, we see that they are born from isolation, from not being loved or from difficulties in being able to love (...) Thinking of this kind requires a deeper critical evaluation of the category of relation (...) As a

spiritual being, the human creature is defined through interpersonal relations. The more authentically he or she lives these relations, the more his or her own personal identity matures. It is not by isolation that man establishes his worth, but by placing himself in relation with others' (CV 53). In other words, people cannot develop in an integral manner if they are not embedded in the relationships that bind them to the others. Methodological individualism, and the strict logic of exchange, considers people as isolated individuals that are rational and selfish calculators. Holism, and the strict logic of public obligation, considers interpersonal relationships as a matter of fact; individuals have mostly to adhere to those values, rules, cultures and social functions that are required by organizations or society. What 'the logic of gift' provides is a serious approach that takes relationships into account, analysing their network structure, but also their content and, most of all, their meaning, going beyond the often simplistic and partial explanations of self-interest/individualism and obligation/sense of duty.

Following the logic of gift, we want to try to expand, complement, or even substitute utilitarian and Kantian principles in order to better analyse relationships. According to Benedict XVI, economy requires not only the logic of exchange and the political logic, but also the logic of unconditional gift (CV 37), in order to make the circulation of goods more coherent with humane nature. In the next section, we will show a model of circulation of goods embedded in an anthropological perspective based on the logic of gift.

The Logic of Gift, the Circulation of Goods and the 'Bonding Value'

Benedict explains that this 'logic of gift' 'is present in our lives in many different forms, which often go unrecognized because of a purely consumerist and utilitarian view of life. The human being is made for gift, which expresses and makes present his transcendent dimension' (CV 34). For him, the modern age tends to deny, to minimize or to misunderstand the existence of gift, as it is soaked in utilitarianism. In the common economic thinking, when we cannot see equivalence between what is given and what is given back, we are likely to see the presence of exploitation and deception. Otherwise, if we see equivalence, we think of a contractual exchange. In the modern age, a 'true' and 'pure' gift can only be free, but this is often considered impossible (Derrida 1991). Gift, whenever it is taken into account, is represented as an individual and disinterested act that stands outside of an interpersonal relationship. So, we want to show that the gift cannot be reduced either to an exchange or to a 'pure' individual act; it is a social and

anthropological fact that has to be analysed in its complexity.

An important part of this complexity is the recognition that the logic of gift is not about introducing altruistic behaviours in business. Often such an extrinsic use of the logic of gift in business stems from an impersonal, individualistic and non-relational approach (Zamagni 2002). Actually, you can justify altruistic behaviour admitting that agent's utility is positively correlated to the recipient's behaviour (Becker 1974). Still, you can justify an altruistic behaviour as a strategic, calculative and instrumental action taken to improve reputation and to obtain benefits in the long term (Andreoni 1990).

Adopting the logic of gift can be a new conceptual lens that allows one to view reality in a different way. First, we argue that in this new view, the circulation of goods is instrumental for relationships. Then, we will need some ethical considerations to qualify the relationships established through the gift, and to think about the motivation in gift-giving.

The 'Archaic' Gift, the 'Modern' Gift and the Circulation of Goods

In order to understand the nature of gift as a system of circulation of goods, we have inevitably to go back to the first scholar who studied this issue from an anthropological and sociological perspective, Mauss (1950). Studying the so-called archaic societies, especially the tribes living in Polynesia, Melanesia and Northwest America, he showed that the circulation of goods did not take place in the form of contractual exchange, but mainly through a set of performance and compensatory measures in the form of gifts, offerings, feasts and sacrifices, that were all characterized by a system made up of three elements: giving, receiving and giving back.

Mauss remarked that in the 'archaic societies', the circulation of goods often starts from the act of 'giving'; this act is somehow able to trigger a cycle by which the other party, either an individual or a social entity, first 'receives' and then 'gives back'. This kind of circulation of goods is mainly motivated by the will to build and develop social relationships rather than by the pressure of strictly economic or utilitarian reasons. So the act of 'giving back' does not follow the equivalence rule that is typical of contractual exchanges, for which we have to give back something economically equivalent to what we have received. There is an uncertainty of when and how the party will give back; the person who first triggers this cycle by giving something cannot know whether, when and how much he will receive; he only knows that through his act, he is offering the other party a chance to build and develop a relationship.

Mauss remarked also that people give back what they have received because of a peculiar property of goods, namely the 'hau', that is, the spirit of goods; beyond the magical aspect, this is the part of the human being that remains in the given goods. Indeed, this spirit enhances the value of received goods, which are not strictly linked to the material aspect; in this way, goods are the means for establishing a relationship.

Analysing the so-called archaic societies, not only in the past but also today, and all those social groups where basic relationships are very important, many scholars after Mauss (Caillé 1988, 1998; Godbout 1992, 2007; Latouche 1997; Schrift 1997) argue that goods circulate in the form of gifts. Someone could think that the 'archaic' gift is just an antecedent of the modern contractual exchange without using money as barter. Even if in the so-called archaic societies, there are many goods that circulate through contractual exchange (Caillé 1998), they are different from modern Western societies; the market was not as ubiquitous and pervasive in premodern societies, and it did not rule almost every human relationship with utilitarian and economic calculation. In the so-called societies of gift, the pervasiveness of the contractual exchange did not occur; yet, these societies were not characterized by 'altruism', because contractual exchanges were present, while often preserving the interpersonal relationships. Just as an example, the custom of the 'bargaining' that is very common in many Eastern or African cultures can be seen as a means of avoiding anonymous and impersonal exchanges, to foster, as much as possible, the interaction between the people involved in the exchanges (Latouche 1997).

In his study of African societies, Latouche (1997) shows what he defines as a 'vernacular economy', where people manage their economic activities through informal means and resources, using organizational *bricolage*. The informal economy characterizing these contexts cannot be observed by the principles of utilitarianism. In this kind of economy, meetings, visits, receptions and discussions take a long time. Giving and borrowing, donating and receiving, helping each other, telling and listening take most of the day; even playing, dancing and partying take a long time, but all of this time is not wasted but invested in developing interpersonal relationships.

The logic of gift characterizes the 'archaic societies', but is present also in modern societies. It can be meant as a general category, which crosses time and space and can be stripped of its cultural and religious references. The logic of gift reminds us of the reality of interpersonal relationships, a form of interaction between people of flesh and bones that is different from the utilitarian and contractual exchange or the public or social obligation.

Nowadays, and especially in Western cultures, the gift is often hidden in the relationships with friends and relatives,

where it is easier to develop interpersonal relationships. We also have the case of the gift towards 'strangers', for example the gift of blood (Titmuss 1971; Archard 2002), the gift of organs, or the gift of money to people in need, as in the case of an environmental disaster. But the gift can also be found in that part of economy, and in those parts of business organizations, that can be called 'informal'. In the informal, economic action, as a contractual exchange or an obligation, is instrumental for the development of the relationships, and not vice versa (Granovetter 1985). The relationships among the economic actors or the members of an organization can be the priority, because people are acting as human beings and not as 'functions' or 'roles'. The gift can also be found in commercial relationships, especially when they are direct, deep and lasting (e.g. in customer relationship management), or when they are interpersonal relationships, as direct relationships with customers (e.g. in the relationships between sales people and customers).

We have shown that the logic of gift can lead us to see economic and social life in a different way; with this logic, we are no longer forced to consider people only as self-interested actors, or as part of a system that they have to obey. The gift reveals to us the complexity of human behaviour, and of its motivational sources. Gift-giving is a multidimensional phenomenon, as it can be analysed through its economical, social and personal dimensions (Sherry 1983).

From a motivational point of view, most of the literature on gift-giving finds three general (not necessarily mutually exclusive) categories of motivations (Wolfenbarger 1990): self-interest, compliance with social norms and altruism. A more comprehensive approach on motivations in gift-giving comes from Caillé (1998), who finds four motivational sources: (1) 'duty' and 'obligation' that arise essentially from belonging to a community or to a particular social context; (2) 'freedom' and 'spontaneity' that are related to a free and spontaneous act, in contrast with the previous point; (3) 'interest to something', considering gift-giving as a mean of struggle and competition through the creation of consensus and reputation and the acquisition of status and social power; and (4) 'interest for someone' or 'disinterest' that can be linked to altruism or pleasure.

If we follow the logic of gift, gift-giving cannot be reduced to a single motivation. If we thought according to utilitarianism and methodological individualism principles, 'the sacrifice of instrumental interest would be taken into consideration only if it can pay in terms of the same instrumental interest. You can sacrifice an *interest to something* only for another *interest to something*' (Caillé 1998, p. 108) If we thought according to holism, we would mainly consider duty and obligation. Through the logic of gift, we can understand the complexity of human

behaviour, avoiding the reductionism of methodological individualism and holism.

Now that we have entered into the complexity of the gift, now that we have ‘opened the black box’ (Lutz 1979), we should take the next step: if we accept that gift-giving develops relationships, we have to consider that these relationships can be of different kinds, from a motivational and an ethical point of view. For instance, we know that there are social contexts where strong and intense relationships are characterized by debatable values (e.g. contexts characterized by bribery and corruption) (Millington et al. 2005; Steidlmeier 1999; Tian 2008) or by undesirable values (e.g. Mafia social relationships).

Trying to follow the message of *Caritas in Veritate*, and of the other encyclicals we have mentioned, we need to find some criteria to give a non-neutral ethical judgment, to understand whether the development of relationships is good or bad.

The Logic of Gift, Gratuitousness and the Bonding Value

Following the logic of circulation of goods designed by Mauss (1950), and based on giving, receiving and giving back, a same basic logic between these three acts should be noted; giving back means giving and the distinction between those who give and those who reciprocate is only analytical, as both are donors. You cannot, therefore, consider the giving back as something that balances the relationship, which cancels the debt, by putting both parties in a state of equilibrium; this would be typical of a contractual exchange where, in the end, each party has got his due and each party has given what he had to give.

If we want to mean a gift as ‘gratuitous’, we do not mean that it cannot have a counter gift, so as a unilateral gift. The gift is not considered here as a mere individual act, that does not look for the development of relationships. Gratuitousness must be an expression of fraternity (CV 34). The point is that in the logic of gift, the circulation of goods does not follow the logic of calculative equivalence. The circulation of goods as gifts is not the aim of the relationship, but the relationship itself is the aim of the gift. You could also say that you do not give to receive something back, but you just give.

The relationship once created, then maintained and developed in the system of gift, is somehow unbreakable, but at the same time it can be also continuously interrupted and broken. Unlike the holistic paradigm founded on social obligations to obey, the gift should be free. The gift binds people together, making them feel obliged to each other to maintain and develop the relationship. This sort of reciprocal obligation does not come from outside the relationship, as in the holistic paradigm, but it is part of the

relationship. It is a sort of unwritten and unspoken rule, a rule that must remain implicit and unconscious; if people realized that they are acting according to certain rules bound only by duty, they would either grow cold in expression or seek to circumvent and deny them (Caplow 1984). It can seem paradoxical but from this perspective the logic of gift is at the same time free and binding. For Mauss, giving, receiving and giving back are based on a ‘free’ acceptance of an ‘obligation’ to create and maintain social relationships. Giving comes from the awareness of having received something (from another person, from a social group, from society as a whole or even from God), and on the inevitable responsibility of answering this gift (Arnsperger 2000). In Benedict’s words, ‘men and women become subjects of charity, they are called to make themselves instruments of grace, so as to pour forth God’s charity and to weave networks of charity’ (CV 5).

The gift is ‘free’ because it does not desire anything back, and it is not conditioned by an exchange of a counter gift; at the same time, the gift binds people together, because it is in their human nature to answer the ‘call’ coming from the other (Levinas 1972). Levinas argues that the call of the other always comes first, in the same way as questions always pre-exist answers, which is why my responsibility is engaged before any acting or awareness of mine, indeed before anything else (Bevan and Corvellec 2007).

In this perspective, the first objective is not researching some gain; people do not rationally calculate if they are earning something from the exchange, or if the exchanged goods are economically equivalent. What counts is whether the circulation of goods is meaningful for the development of relationships (Dolfsma et al. 2009).

Gift-giving fosters relationships through three stages (Sherry 1983): (1) gestation, where the giver engages in gift search and creation; (2) presentation, where the giver presents the gift to the recipient; and (3) re-formulation, where disposition of the gift occurs and relationship perceptions are updated and realigned to reflect the gift experience. After a gift-giving experience, relationships can be reinforced and confirmed (e.g. because gift-giving can help in decreasing the ambiguity and uncertainty in relationships), but also weakened and tried out (e.g. because gift-giving can lead to decrease the relational support due to a better knowing of the people involved) (Ruth et al. 1999).

Now the issue is to find some criteria to distinguish between a system where the goods circulate according to the logic of gift, and a system where other logics prevail. So, which elements could help us to understand and recognize the logic of gift when goods are circulating? If we want to introduce the logic of gift in business management, as we are going to show in the next section, these elements

could provide some orientation for managers in designing their business relationships both inside (e.g. with workers or shareholders) and outside (e.g. with customers, suppliers, banks) the organization.

Economics has always focused on what circulates, that is, on the goods that are exchanged. In this approach, actors are 'rational', in the sense that they try to maximize their utility, calculating and balancing their benefits and costs. The best way to represent such value is to reduce it to a quantitative equivalent, which is represented by a sum of money set by supply and demand. This is the 'exchange value'. 'Use value' represents the utility coming from an object or a service; it has a subjective meaning, while exchange value is objective, and has an individualistic perspective, because it measures how the actor that is involved in an exchange values the goods he or she receives.

Here, we propose to use the concept of 'bonding value' (Godbout 1992) that is related to the fact that gift-giving fosters business relationships and enriches people that are involved in them, improving human flourishing. Unlike use value, which tends to measure only the instant use of goods, bonding value, even if it is difficult—if not impossible—to calculate, shows that goods are instrumental for relationships, and not vice versa. The same object can have a very different bonding value, depending on the sort of relationships in which it is found (Faldetta and Paternostro 2011). Now the question is: 'which are the elements of a system of gift-giving that increase the bonding value?' A first element is the 'lack of an explicit negotiation'. When the receiver gives back something, he does it as a gift. The donor tends to deny the gift, using some expressions that try to minimize the importance of the act and avoid making the receiver feel indebted. The gift is also characterized by 'abundance and the lack of calculation'. Abundance in gift-giving is a means to avoid the mechanical and individualistic calculation of utility to give space to the true meaning of the act of gift-giving. According to Benedict XVI, 'gift by its nature goes beyond merit, its rule is that of superabundance' (CV 34). In order to foster bonding value, the gift should be also characterized by 'expressiveness', 'meaningfulness' and 'appropriateness' (Belk and Coon 1993; Larsen and Watson 2001). This means that some elements of self-identity are passed on from the gift giver to the gift recipient through the gift itself. It is important also that each participant can recognize the level of commitment and the type of the relationship. To be appropriate, a gift must be a reflection of the type of relationship (e.g. as the relationship becomes more intimate, the gift is more likely to be more expressive of the self-identity). These features of gift-giving allow people show they are important to each other, they love each other (Cheal 1987). What is important is that a part of

the human being is expressed through the gift (Clarke 2006), as Mauss (1950) remarked in the notion of 'hau', that is, the 'spirit of goods', the part of the human being that remains in the given goods. The parties involved in a gift relationship seek a certain degree of 'voluntary uncertainty'. When people realize that they are acting according to certain rules, they seek to circumvent and deny them (Caplow 1984). In the logic of gift, uncertainty becomes positive, and so we move away from the relative certainty of a contractual exchange. If we made a gift compulsory or linked to some rules, we devalue it, and the gift would no longer be able to develop interpersonal relationships. Usually, people who act according to the logic of gift feel permanently indebted to each other. Godbout calls it a 'state of mutual positive debt' (1996), as the parties that are involved in the relationship think to give others less than they receive. Both actors do not feel obliged to give back something in order to reduce the debt, but they still want to give as much as possible.

Finally, as noted, the gift can be motivated by a plurality of motivational sources, so we have to understand which are the motivations that are more consistent with human flourishing. If gift-giving is based mainly on interest to something, this can be a sign of a selfish behaviour that can bring some advantages to one or both the parties directly involved in the relationship, but can bring disadvantages to some others. If gift-giving is based on other driving values, it can develop bonding value for a wider network of people, such as the community (especially for those behaviours mainly driven by obligation and duty) or a more or less wide social context. When gift-giving is mainly motivated by 'spontaneity' and 'gratuitousness', relationships that are developed tend to transcend those people who are directly and indirectly involved in the relationship network. This is the case where people express and fulfil their humanity, recognizing themselves as 'persons in permanent debt' who cannot do anything except give back. When they give just because of an interest in something or a sense of duty, they are not creating conditions for non-instrumental relationships.

One might ask where the force that drives us to donate comes from. Perhaps it comes from the fact that the gift system does not begin by giving but by receiving (Kolm 2000). An actor is likely to start gift-giving if he has already received and if he feels that this will induce others to give (Komter 2007). If people are 'rich' and 'abundant' rather than 'needy', then they are in a sort of permanent debt. They give because they realize that they belong to the same system of gift, to the same system of relationships and to a state of mutual positive debt. Goods circulate as gifts because of this system of relationships that is at the same time intrinsic and transcendent to them (Anspach 2002).

The Logic of Gift in Business Management

Now, the question which arises is whether we can apply the logic of gift to business management. This is a challenge that Benedict XVI points out when he says that ‘the Church’s social doctrine holds that authentically human social relationships of friendship, solidarity and reciprocity can also be conducted within economic activity, and not only outside it or ‘after’ it. The economic sphere is neither ethically neutral, nor inherently inhuman and opposed to society. It is at same time part and parcel of human activity and precisely because it is human, it must be structured and governed in an ethical manner’ (CV 36). We will show that the logic of gift in business is not only possible but also real in practice. For this purpose, we will consider some examples of the logic of gift in business, analysing both the internal and the external relationships of organizations, focusing, respectively, on the relationships between organizations and employees and between organizations and customers.

The Logic of Gift and the Relationship Between Organizations and Employees

We know that the relationships between organizations and employees are negotiated and formalized in a contract, and that this contract is necessarily incomplete and ambiguous. It follows that it is often hard to know what the employees give to the organization, and what they receive. What is sure is that the relationship among them is not necessarily subject to a permanent bargaining based only on the interest of the parties and on the rational calculation to maximize their utilities. According to Mauss (1950, p. 285), ‘it is possible for men to work only if they are sure to be fairly paid for the work they loyally perform for others and for themselves at the same time. The worker feels once again—and he has always felt, but this time more sharply—that he gives his employer something that is more of a product or some working time; he feels that he gives something of himself, his own time and his life, and he wants to be rewarded, albeit moderately, for this gift’.

Business organizations have often based their success on the fact that workers give more than what would correspond to their rewards. This ‘giving more’ should not be meant just as time, effort and energy they put in the workplace, but also as acts, behaviours, smiles, encouragements, tips, words; that is, everything that can foster interpersonal relationships, those relationships between persons and not between ‘functions’ or ‘roles’. This is highly notable in those working environments where there is a spirit of solidarity that implies the existence of mutual relationships between the members of the organization. As Dolfsma (1998) says, ‘gifts convey a message, because they can have a meaning. Gifts take many forms, and each

contains a number of different meanings. Overtime, for example, which is often not valued in monetary terms, thus constitutes a gift from labourer to boss and can mean different things. [...] Gifts, then, can create and sustain human relations, in firms as much as elsewhere’.

The problem is that of the ambiguity of gift-giving in the relationship between employees and organizations. As we said in the previous sections, the logic of gift opens up our mind to see the complexity of reality, avoiding the reductionism of other logics. There are a lot of concepts and models developed in organizational literature that show the complexity of this relationship, trying to combine utilitarian logic with other logics; however, none of them assumes the logic of gift as we defined it through the concept of bonding value.

The notions of ‘psychological contract’ (Guzzo and Noonan 1994; Paul et al. 2000; Rousseau 1990), ‘commitment’ (Cohen 2007; Curri van 1999; Meyer and Allen 1991, 1997; Mowday 1998; Mowday et al. 1979; Schnake 2007), or ‘organizational citizenships behaviour’ (Bateman and Organ 1983; Bolino 1999; Bolino et al. 2002, 2004; Organ 1994; Ryan 2002; Turnipseed 2002) are all characterized by extra-role and prosocial behaviours that somehow recall the logic of gift, at least in words. Too often, scholars and practitioners understand the importance of gift in economic activities, but they fail to catch its underlining spirit and logic. When they link this kind of behaviours to only economic and organizational performance (Haworth and Levy 2001), they corrupt the motivations of the logic of gift. If they acted according to the logic of gift, these behaviours would be sincere and unconditioned; if these behaviours were gratuitous, they would not be conditioned by performances and rewards. If these behaviours really followed the logic of gift and gratuitousness, they would not be stopped even if they would not bring any increase in performances. Moreover, it would be hard to stop a sincere and spontaneous behaviour just because it does not achieve its economic goal.

Also the notion of loyalty can be meant in a utilitarian and mechanistic way that is incompatible with the logic of gift. Some authors (Carbone 1997) think that there is no room for loyalty in a context dominated by self-interest and individualism such as business organizations; in such contexts, there would be no room for behaving so generously to do more than what is formally agreed. On the one hand, we can agree that there is a sort of hypocrisy, which often leads managers to encourage loyalty in order to make employees devoted to the organization, to obtain from them unilateral acts of sacrifice (Bataille 1976). On the other hand, this kind of criticism can lead to the belief that the only man we know is the one motivated by self-interest and economic calculation.

So, we should apply the logic of gift also to the notion of loyalty. Loyalty can be used in an instrumental and

utilitarian sense, to explain that employees are encouraged to act repetitively for an organizational interest, to obtain something that is attractive for them and that increases their utility; otherwise it can also be used, emphasizing the element of gratuitousness and spontaneity, to explain the willingness to act for someone with whom you are involved in a deep and strong relationship (Melé 2001).

So, in the organizational context, the gift often follows the utilitarian logic, in which each person seeks to maximize his utility; the interpersonal relationships that should exist between the members of the organization have less and less importance. On the other hand, these relationships become instrumental in order to increase productivity and efficiency. This would be confirmed by those authors who propose a sort of ‘economy of the producer’ (Lane 1992), where work is the centre of everything and the main reason for the happiness of people. So, they would prefer work to leisure, because they would find not only a worthwhile livelihood but also a means for personal development. This should lead people to ‘want’ to work more and more, ‘giving’ oneself to the organization; so, the gift becomes a means of production and not a means to create and develop social relationships.

It seems that a more correct approach is that of those authors (Miczo 2002) who explain that there is a ‘moment’ of production that refers to the time that a person devotes to work, when the utilitarian logic can prevail and people seek to obtain the means to live. Then there is the time that a person devotes to develop interpersonal relationships in the organization; this is at once distinguished and integrated in the previous one, it exceeds the time to work, and therefore it must be spent and consumed as a gift to the others.

The problem again is that there is often an ambiguity in the organizational contexts. While recognizing the importance of the gift for interpersonal relationships, it is often intended as instrumental to the overall performance (Dodlova and Yudkevich 2009), or even motivated by self-interest motivations (Booth et al. 2009). An organization that is led by individualistic and utilitarian principles, where interpersonal relationships are guided by nothing more than self-interest, is likely to have an individualistic culture that does not encourage social cohesion, cooperation and solidarity (Kelly 2004). This is why, if we want an organization that is a cohesive and ‘humanized’ community of people (Melé 2003), we should introduce the logic of gift. This logic comes from the awareness of having received, and not from the expectation of receiving.

The Logic of Gift and the Relationship Between Organizations and Customers

Regarding the relationship between organizations and customers, again we can find a sort of ambiguity in how the logic of gift is applied and practised. We can note that the

most modern tools of marketing make abundant use of the language of gift, trying to show an apparently disinterested logic of business.

For instance, the theorists of cause-related marketing (Varadarajan and Menon 1988) argue that the purse of apparently philanthropic actions can be strategic for organizations bringing them some benefits; actually, these are basically communicative actions to reach a good reputation (Snider et al. 2003) that are quite far from the logic of gift.

The customer relationship management (Payne and Frow 2005; Reinartz et al. 2004; Winer 2001) is another example of the ambiguity of the gift. Here, we have a strategy that widely uses the notions of fidelity, loyalty, service and care that should be considered inside the logic of gift; but we know that the overall goals of customer relationship management are to find, attract and gain new customers, retain those the organization already has, and reduce the costs of marketing and customer service.

So, we are again in an ambiguous situation: on the one hand, values such as loyalty and service to customers, as well as promotions, free gifts and discounts, become very important (Bruhn 1996); on the other hand, if you want to sell more, you must be ‘sincerely’ spontaneous and benevolent.

Analysing the relationships between the sales people and their customers, it is difficult to understand how people who work for a business organization can be ‘sincerely’ benevolent if they are forced to seek higher and higher economic performance. As Godbout says, ‘the merchant must be sincere in giving his gift if he wants that it will bear fruits’. Moreover, this is part of ‘all the precepts of the sages of humanity, from Confucius to Jesus Christ: be interested to others, but do it sincerely, that is not in a utilitarian way, not as a means for your purpose, but as an end in itself, and then you will reach the other and higher end’ (1992, pp. 104–105).

If we force employees to be nice and caring towards the customers, we can have some positive effects, creating somehow an effective and efficient workplace, but we can have also many negative effects. As Mumby and Putnam (1992) note, an example of these negative consequences is when organizations tend to suppress individuals’ emotions through ‘feeling rules’. In these cases, feelings of compassion, caring and interrelatedness are reduced to bodily displays as they are considered only as a performance or reaction to a previously conceived instrumental goal.

When organizations use these kind of rules, and force their employees to exhibit niceness and smiles and to suppress anger, we can say that they incorporate Hochschild’s (1979, 1983) notion of ‘managed heart’. In these cases, employee training manuals suggest workers express concern to customers, make their voices warm and friendly and prevent the showing of frustration and impatience.

Some organizations even monitor employee interactions with customers and reward individuals who put their personal feelings aside.

In this kind of approach, emotions and feeling are treated as organizational commodities and resources, and the values they are related are managed through inculcation, as they are prescribed by rules and norms. Establishing strict feeling rules that suppress the expression of emotions (even joy when performing well) makes the logic of gift difficult, if not impossible.

If values were widespread and internalized before they are imposed by rules, if feeling rules were embedded in the relational context of organizations, then a psychological climate for service friendliness, and so for gift-giving behaviours, could be developed. In this case, employees would display more positive emotions towards customers and other stakeholders. According to Tsai (2001), managers can favour the creation of such a climate implementing human resources practices (e.g. evaluating the appropriateness emotions and giving rewards or punishments accordingly) and removing obstacles to employees displaying positive emotions (e.g. reprimanding employees for showing hostility to co-workers who display positive emotions).

In conclusion, we can take a good example of the logic of gift applied to the relationship between organizations and customers from Godbout (1992). Analysing the market of art, he says that the true artist does not care immediately about customers; he dedicates completely himself in the design and implementation of his product. In this sense, 'the artist is who has a gift and the artistic act is the act of receiving and transmitting this gift to the producer. [...] Actually the work of art is not a product. [...] The artist receives something to give as a gift, which is his gift'. (Godbout 1992, p. 112) The artist expects something more than just economic reward from this gift, and this can be seen, for example, by the applause of the audience after a concert. In the market of art, the depersonalization of the exchange and the distancing between producer and consumer does not occur as in many other markets; in this system, customers enter a network of relationships where they must share the values of the producer, thus becoming a part of the same community and of the same system of gift-giving.

Conclusion

In this article, we tried to analyse a specific topic of the *Caritas in Veritate*, that is, the logic of gift. We showed that this logic can integrate and overcome the logic of the market and the logic of the State, and the dichotomy between methodological individualism and holism. We

applied the logic of gift to the circulation of goods and to business management, in order to answer the questions that the encyclical puts to us.

The considerations about a deeper critical evaluation of the category of relation lead us to recall the need of a humanistic and anthropological approach to business management studies that is made of solidarity and relationships.

We tried to show that the logic of gift is somehow present in organizations. In the past, the gift was 'managed' by the owner or the managers, often in the form of industrial paternalism; this kind of gift was made for solidarity, as well as to force employees to a counter gift, specifically in the form of subordination. Now, there are a number of organizations that tend also to ask employees for more participation, identification, loyalty and sense of belonging. It seems that the process has been reversed, because now the employees have to give something, to sacrifice themselves, thanks to the construction of a symbolism that emphasizes the emotional logics and that uses them as tools. But what is the counter gift that organizations offer? We think that often there is no counter gift, and organizations run the risk of a generalized disaffection and an emotional detachment by their employees. So, what is the destiny of the gift? Will it always be characterized by the ambiguity we have showed, so assimilated to a contractual exchange, or to a unilateral act? Or will it be finally recognized as an act of gratuitousness and solidarity, which creates and strengthens interpersonal relationships, and so contributes to the fulfilment of human beings? *Caritas in Veritate*, and the humanistic research on business organizations, calls us to this kind of metaphysical questions.

Further research should analyse more deeply the logic of gift and empirically verify its presence in business organizations. In this sense, it would be worthy to investigate how much the gift foster relationships inside and outside organizations, how much bonding value is created, how widely goods circulate inside and outside organizations under the logic of gift, besides the logic of exchange and of obligation, and how the three logics are interdependent on each other.

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