

Learning to Make Good Business Decisions Better – Another Contribution Christian Colleges and Universities Can Make to Improving Business Outcomes

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Higher learning institutions with Christian charters have the opportunity of teaching better workplace practices through demonstrating to students and others how their faith can improve outcomes for all who have an interest in the business decisions they will make. The addition of biblical principles to common decision-making criteria found in most business curricula ensures that students have better skills to enhance value for the businesses and people they serve. Biblical teachings are introduced to support a model of “Stakeholder Management” that incorporates sound principles of decision-making. Utilizing the model and biblical principles in business courses can lead to an improvement of business outcomes for all stakeholders.

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I. Introduction

Higher learning institutions with Christian charters have the opportunity of teaching better workplace practices by demonstrating to students and others how their faith can improve outcomes for all who have an interest in the business decisions they will make. They should embrace this role and avoid pressures to eliminate religious contributions in their business curricula.

This paper demonstrates the value of adding religious faith considerations to business education and addresses how barriers and pitfalls to the application of the learning in the real world workplace can be confronted. A business model of “Stakeholder Management” is introduced and biblical teachings that support the model and provide encouragement to use the model are explained. Barriers to transferring the teaching that incorporates biblical principles to the workplace are identified.

II. Survey of the Literature

The relevant literature related to Christian principles and their use in the world of business and economics is vast. One category puts religious beliefs at the core (purposeful and otherwise) of management and leadership. Examples include: Boa and Bowman (2002), Bush (2010), Covey (1991 and 2004), Dungy and Whitaker (2007), Ehrman (2005), Greenleaf (1991), Hart (1989), Isaacson (2007), Lewis (1952), Morowitz (2004), Nicolson (2003), Niebuhr (1964), Rice (2010), Spong (2001), Thornton (2012) and Zacharias (2000). Another category calls for a new direction in management through a better understanding of economics, markets, psychology,

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sociology, history, academics, practice and, in some cases, related Christian religious principles. Friedman (2008), Gladwell (2008), Kennedy (1987) and Pennock (2000) are examples.

Rumsfeld (2013) stresses the need of solid guidelines to ensure sound decision-making in times of multiple constituents with varied and often conflicting goals. A case for the use of biblical principles helping support the needed decision-making guidelines is made by Novak (2002), Service and Arnott (2006) and Service and Carson (2009).

O'Boyle (2012) and Saroglou (2011) state that some of the principles of a major monotheist religion can help in improving completeness of decisions while Sirico (2000) suggests that business principles and religious thought should not be divorced. A disregard of religion could likewise call for disregarding much of the social science in the area of exchange, wealth creation and destitution aspects of economics as "social science" (including empirical studies) requires understanding principles that are not altogether proven or absolute truths. Emmett (2012), Grassl (2012) and Gay (2002) support the claim that one cannot say biblical principles require faith and secular principles do not.

III. Challenges Associated With Implementing Generally Accepted Principles in Business Decision-Making

Business decision-making has evolved from just determining the return-on-investment (ROI) for investors to ascertaining and managing the impact of the decision on all stakeholders. Wheeler and Sillanpää (1997) define stakeholders "as individuals and entities who may be affected by business, and who may, in turn, bring influence to bear upon it" (p. x). They highlight direct stakeholders (investors, employees, customers, suppliers and local community) and secondary stakeholders (regulators, civic groups, pressure groups, commentators, trade bodies and competitors). Businesses are being challenged, in addition to acting economically (making a profit) and legally (complying with laws and regulations), to do more through calls for "corporate social responsibility." Social responsibility proponents admit that earning profits is the economic foundation of business but stress that more needs to be done. For an example of the additional considerations needed to meet corporate social responsibility requirements you are referred to The Center for Corporate Citizenship at Boston College.

Good business education has a strong record of teaching decision-making techniques that concentrate on the profit-maximization objective while recognizing that many variables influence the revenues and expenses that determine the profits. Economic principles claim all benefits and costs, short-term and long-term, direct and indirect, tangible and intangible should be taken into account when making decisions. However, the realities of most workplaces lead to compromises that neglect longer-term, indirect and intangible benefits and costs.

There is no doubt about the importance of financial management education that focuses on teaching the principles of sound capital resource acquisition and application. As financial markets evolve the concepts of market efficiency and effectiveness must be addressed. Building understanding of diverse financial instruments being applied in many unique ways dominates advanced finance courses. Financial managers can limit their role to that of supporting the core business of those organizations they serve or they can pursue avenues that enhance profits through financial market transactions. Decision-making principles differ depending on what role the financial manager chooses; however, the profit motive is always a core consideration.

Marketing education strives to teach the value of a business exchange where buyer and seller are mutually satisfied. If the mutual satisfaction can be sustained in the long-term customer loyalty

strengthens and the business prospers. Business ethics studies often pose questions such as “Are marketing campaigns trying to address real needs or are they trying to create needs that do not yield sustainable benefits?” A sustainable business must be able to satisfy real customer needs over the long term.

Managers are taught to identify and respond to the needs of those they manage. Employee satisfaction can be a significant contributor to business success. Handling trade-offs between improved benefits to other stakeholders (customers, investors, public) and overall employee satisfaction, where these occur, often provide managers a dilemma. As business conditions change managers need to make employment decisions that can have a devastating impact on the lives of those affected.

Solomon (1999) expressed concern about the dehumanization of business activity. He maintains “Talking about money is one of the many ways of dehumanizing business, [because it reduces] business to an unsentimental, amoral activity” (p. 3). He highlights phrases “the bottom line,” “a killing in the market” and “the invisible hand” that suggest an absence of human activity or consideration. If the task of “making money” surmises a one-dimensional image of business this could be disastrous for business. Ignoring the impact on people will result in poor business performance. Micklethwait and Wooldridge (1996) provide a comprehensive critique of the proliferation of 20th century publications of management and leadership theories. Many of the theories use metaphors that Solomon (1999) regards as dangerous. “It’s a Jungle Out There!,” “Business as a Battlefield,” “An Efficient Money-Making Machine,” “The Information Revolution” and “The Game of Business” are covered in his book. Common to the actions behind business approaches with these metaphors in mind are win-lose situations, destruction of the opposition, the lack of human considerations and insensitivity to wider implications.

The stakeholder management model presented in the next section offers an antidote to the improper use of such metaphors. Whatever actions the metaphors promote the model will help ensure that all stakeholder interests are considered and trade-offs are managed with care. Biblical principles offer instruction and encouragement to students to develop the will and ability to tackle multi-dimensional issues with differing consequences for those who have an interest in the outcome of decisions made properly.

IV. A Stakeholder Model Helps Clarify Business Decision-Making Objectives

Carroll and Buchholtz (2006) cover in the “Principles of Stakeholder Management—The Clarkson Principles,” seven principles for managers regarding how stakeholders should be treated. Summarizing the authors, “The key words in the principles suggest action words that should reflect the kind of cooperative spirit that should be used in building stakeholder relationships: acknowledge, monitor, listen, communicate, adopt, recognize, avoid, acknowledge conflicts” (p. 88). Their text offers many examples of the extent to which businesses can implement a stakeholder management model, highlighting successes while pointing out some pitfalls.

Harper (1998) provides a decision-making process checklist and a business case preparation framework. The process and framework facilitated gathering the data, conducting the analyses, offering recommendations and making decisions. If followed correctly the process and framework would assist in the correct implementation of decisions taken. The model is designed to offer managers a process and framework to use in multi-faceted decisions.

Key questions at the outset of the analysis include identifying:

- “• Who are the utility's stakeholders?
- What needs does each stakeholder have that the utility must address?
- How are the stakeholder needs linked with the overall utility mission and goals?
- What additional goals/objectives must ‘*the Business Case*’ address to be sure that all stakeholder needs are accounted for?” (Harper, 1998)

Once these four questions are answered decision-makers are in a better position to address important considerations in the decision-making process. They needed to account for:

- “• how each stakeholder will react, ...
- the tradeoffs between competing objectives and how these will be handled....
- uncertain outcomes, namely the consequences of expectations not being met....
- resource constraints... [due to] a limited resource pool.” (Harper, 1998)

V. A Fully Implemented Stakeholder Model Facilitates Tough Decision-Making

The model and principles seem straight forward yet pressures to take decisions quickly, the reluctance to consult with those not in the inner-circle and incentives that focus on partial results are just three of many reasons why decision-makers avoid following the suggested process and framework. Nevertheless the value of a stakeholder model should not be ignored. Hammond *et al.* (1999, p. 235) propose eight keys in a road map to effective decision-making:

- Work on the right decision problem
- Specify your objectives
- Create imaginative alternatives
- Understand the consequences
- Grapple with your tradeoffs
- Clarify your uncertainties
- Think hard about your risk tolerance
- Consider linked decisions

Following the road map when considering complex business decisions requires a process and framework embodied in the stakeholder model. The decision-makers must identify stakeholder objectives and decide which and whose objectives will take precedence. They need to embark on an exploration of alternatives hoping to discover solutions that produce the best benefits with the minimum of harm to competing objectives. The process and framework help to ensure an understanding of consequences that will facilitate the negotiation of tough consequences. The tradeoffs that will result and risks that are present are best evaluated by the more comprehensive coverage of a stakeholder model.

Curricula at good business schools include instruction in business decision-making processes that prepare students to tackle tough decisions. However, is sufficient attention given to discouraging the simplification of decision-making by ignoring some stakeholders? Are students encouraged to seek better solutions that cover more considerations? These questions point to an opportunity for Christian colleges and universities to use biblical principles in order to have students embrace the stakeholder model for decision-making.

VI. Biblical Teachings that Support the Stakeholder Model in Business Decision-Making

A very strong tie between scripture and the stakeholder model is the second of the great commandments. “You shall love your neighbor as yourself” (Matthew 22:39). We know through the parable of “the good samaritan” that everyone is our neighbor. To love all is to take the interests of all into account when making business decisions. People should do what they would expect others to do for them. Therefore, students’ attention can be drawn to “In everything, therefore treat people the same way you want them to treat you” (Matthew 7:12).

Christians are challenged “to imitate God.” To imitate God in business decision-making, consideration has to be given to all those who have an interest in the outcome. Colossians 3:1-4:6 covers “The Exalted Calling” challenging Christians to live and work in specific ways “as for the Lord, rather than for men” (3:23). Managers making decisions that will serve the Lord will eagerly seek solutions that do more than suffice a few primary objectives. When deciding on and implementing a course of action managers must be concerned about minimizing the negative consequences as well as about maximizing the benefits.

Keller (2012) advises Christians to heed the apostle Paul’s teaching in Ephesians 6. All work should be done “as if you were serving the Lord” (p. 213). He advises both employers and employees to change their audience. Who is watching you work? Whom are you working for? Whose opinion matters most in the end (p. 214)?

VII. Barriers to Introducing Biblical Teachings in Business Practice

No detailed research is required to conclude that there are barriers to applying biblical principles to business decision-making in practice. Apart from the obvious opposition coming from a secular society where aggressive resistance to religious considerations is prevalent, Christians struggle to find appropriate ways to apply their beliefs. They have trouble with their roles and obligation to their faith. They do not receive appropriate support from their churches and fellow followers.

Knapp (2011) writes “The church’s public influence is waning as Western society undergoes a gradual shift that leaves Christians less certain of how—or whether—their faith should inform their priorities and purposes at work or in other areas of public life” (p. 77). He makes the case noting “... Jacques Ellul believes [people] are tempted to ‘disassociate the spiritual situation from the material one, despising the material situation, denying that it has any meaning, declaring that it is neutral and does not concern eternal life ...’ and adding that “workplace culture frequently supports the division of consciousness. As individuals we may find that values derived from faith are not always reflected in the collective behaviors of groups with which we identify at work” (p. 78).

Knapp cites Mudrack and Mason’s (1996) research among corporate managers which finds that individuals perceive incongruity between their personal ethical commitments and the expectations of their employers.

Earlier in the chapter Knapp (2011) asks “How is it that many sincere Christians seemed so comfortable relegating their faith to the inner or private sphere, far from work?” He postulates that “The explanation must lie in our human capacity to move with ease from one social role to another, conforming to the expectations that come with each, yet seldom allowing ourselves to confront the inconsistencies this creates in our lives” (p. 71).

Keller (2012) refers to dualism: “a term used to describe a separating wall between the sacred and the secular.... [It] leads some to think that if they work to please Christ, it must be done overtly in his name. They feel that they have to write and perform art that explicitly mentions Jesus, or teach religious subjects in a Christian school; or that they must work in an organization in which all people are professing Christians. Or they must let everyone know that they lead biblical studies in office in the morning before work hours” (p. 196). Many perceive that the Great Commission (Matthew 28:19, 20) supports this version of dualism. They resist the assertion that there are other means to achieve the desired end state.

Another dualistic approach addressed by Keller (2012) is: “Christians think of themselves as Christians only within church activity. Their Christian life is what they do on Sundays and weeknights, when they engage in spiritual activities” (p. 196). He adds that based on his experience this form of dualism is harder to dismantle because “this form [of dualism] fails to grasp the importance of what is distinctive about the Christian worldview—namely, that the gospel reframes all things, not just religious things” (p. 197). If Christian institutions did a better job of integrating biblical teachings in lessons of economics, finance, marketing and other business courses this challenge may be easier to handle.

After college years most of the biblical teaching is in the hands of churches and their leaders. Based on research and experience working with Christians and churches, Knapp (2011) offers many reasons for the failure of churches to support their members seeking guidance and assistance with applying their faith in the workplace. He quotes a 1987 study by Doug Sherman and William Hendricks that concludes “The church has grown silent on the subject of work” (p. 25). He claims that churches observe a caste system that devalues non-church work (pp. 27 and 28). He continues “We should ask ourselves what is being communicated when a church allots time on Sunday morning to commission a short-term team for ten days in Mexico, yet does nothing to commission new college graduates for their careers in business or government or education” (p. 29). Scriptural references to money and riches are challenging and throughout history Christians and churches have struggled to steer a straight path in handling available resources in fulfilling needs. Consequently, churches fail to embrace the role of assisting businesspeople in their efforts to manage non-church finances.

VIII. Conclusions and Suggestions

The first step to learning how to make good business decisions better is to ensure that all business courses are well taught. Teachers should avoid the tendency to overemphasize the simpler, more efficient but incomplete decision-making rules in their subject. Shortcomings of the decision-making rules for each discipline must receive attention and students need to be encouraged to find solutions that serve all appropriate criteria. The stakeholder model should not be relegated exclusively to business ethics or managerial values courses.

In every course students must see business decision-making as a multi-dimensional challenge involving the discipline being taught and considerations from other disciplines and the society at large. All courses must recognize the need for the proposed stakeholder management model. If this occurs all that students will need is encouragement to tackle multi-dimensional problems properly by applying the stakeholder model completely. This is where biblical principles apply.

Christian colleges and universities can be more deliberate in including biblical teachings in their course curricula. They can stress to their students that following God’s will and biblical principles that foster neighborly love, fair and just treatment of employees and business associates

and service to community need to be foremost in their minds. This should encourage students to seek out business decision-making models that enable them to handle multiple objectives that improve business outcomes. They are more likely to make the extra effort required to complete all the considerations embodied in the proposed stakeholder model.

Understanding that many obstacles exist to applying biblical principles in the workplace Christian colleges and universities should provide resources to assist churches and other institutions that are in a position to offer guidance to Christians in active business careers. The stakeholder business decision-making model is one such resource. Its core principles and the support that biblical teachings provide should be learned and understood.

Christian institutions are uniquely positioned to provide more support to businesspeople. They should recognize the great role Christians can play in improving business outcomes if enabled to apply biblical principles in their work. They should be less critical and more helpful. This will require developing a better understanding of how biblical principles can be followed in business decision-making.

Business must not be regarded as an enemy. It should be a partner in the care for people and a way for believers to worship God through their work. Solomon (1999) points out that in the 1800s business replaced "sectarian massacres in the name of religion and hundred-year feuds in the pursuit of a throne or some parcel of land" (p. 5). Due to the way business was conducted "a decade of war (1805 to 1815) slipped quietly into a century of peace and prosperity" (p. 35). While business has flaws, at its heart "is the need to be aware of and concerned with other people's interests and desires, and to go about efficiently trying to satisfy them" (p. 36). Economic progress is necessary to feed growing populations and with business focusing on people's interests, needs and desires it becomes the instrument to ensure that society can deliver.

Keller (2012) warns that "Christians are never as good as their right beliefs should make them and non-Christians are never as bad as their wrong beliefs should make them," (p. 197) making the case for greater integration of faith and work. Christian institutions should embrace their role in supporting the integration.

If students, businesspeople and Christian institutions consider the business professions to "be a calling" a major step will be taken towards improving business outcomes. Top of mind awareness of God's will and a duty to fulfill biblical teachings is present in those who consider themselves "called" by God to service in their profession. Pray for these people, lay hands on them, commission them to mission at their workplace. Encourage them to serve others using their God given talents and the business decision-making tools that take all stakeholder interest into account. Enable them to worship God through their work.

Finally, there is a role for Christian institutions of higher learning to help degree seeking students and believers among the business community connect their faith with their learning and work. All seek support in applying their beliefs while meeting goals in complex business settings. Business degree curricula and executive education programs should be designed and delivered to meet this need.

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