

Instilling Christian Principles of Business Success in the Classroom

JOETTA FORSYTH

Graziadio Business School, Pepperdine University

ABSTRACT: This paper illustrates how seven Christian principles create success: the admission of fallibility and forgiveness, individual responsibility to others and to the community, respect for all individuals, respect for private property, the emphasis on ethical principles over legalism, honesty, and leadership accountability. This paper shows that these principles contributed to the prosperity of the United States economy and businesses and suggests how these principles can be incorporated into business school classrooms.

INTRODUCTION

The United States was highly prosperous during the 20th century. The economy of the United States was a truly remarkable engine of growth and innovation, and millions flocked to the shores of America to share in its economic opportunities. This article proposes incorporating the link between this economic prosperity, business practices, and the strong Christian traditions and principles found in the United States into business school curriculums.

According to Nobel Prize-winning economist Ronald Coase (1937), firms exist because some kinds of transactions can be done more efficiently within the context of a firm than through market transactions. For instance, individuals can theoretically produce complicated machinery, but they will incur large transactions costs to do so, such as spending time to locate and purchase each part. These transactions costs can be lowered by having people work cooperatively within the context of a firm. This creates a natural boundary between how transactions are conducted in the marketplace and how they are conducted within the firm. However, this article will argue that Christian principles that contributed to the success of the American market economy can also be applied within businesses to promote their success and that these principles should be emphasized in the classroom.

While this paper focuses on the United States, other countries have also benefited from Christian traditions and beliefs. The existing literature on this subject has demonstrated the link between Christian business practices and

business success. Sahle (2015) noted, “Economic Historians credit the [Quakers and their] business ethics with shaping ...long term economic growth” (p. 2).

This paper introduces an important relationship between Christianity and an entrepreneurial mindset. Christianity encourages its adherents to acknowledge their fallibility. Forgiveness is also an important principle of Christianity. Rather than focusing on individual personality traits, this paper shall argue that Christianity created a culture where the risk to individuals of failing was lessened in some contexts and increased in others, motivating individuals to take appropriate risks in an entrepreneurial context. A Christian approach to entrepreneurialism and risk taking is essential material in business school entrepreneurialism classes.

In the following sections, this paper explores the intersection between business success and seven key Christian traditions to demonstrate how Christian principles foster favorable business outcomes: the admission of fallibility and forgiveness, individual responsibility to others and to the community, respect for all individuals, respect for private property, emphasis on ethical principles over legalism, honesty, and leadership accountability.

PRINCIPLE 1: THE ADMISSION OF FALLIBILITY AND FORGIVENESS

American entrepreneurialism has been an inspiration around the world, especially to developing economies.

Lapin (1999) explains, “Virtually every major discovery in physics, medicine, chemistry, mathematics, electricity, nuclear physics, mechanics, and just about everything else has taken place in Christian countries.” Numerous studies have looked at the role that personality plays in the entrepreneurial mindset (e.g., Baum, Locke & Smith, 2001; Zhao, Seibert & Lumpkin, 2010). In Knopf, Stone, and Winston (2017), the 12 motivational gifts and locus of control of Romans 12 were studied to see if they predicted membership in an entrepreneurial group and to build motivational gift profiles of entrepreneurs. As described in Lumpkin and Dess (1996):

As the field of strategic management developed, however, the emphasis shifted to entrepreneurial processes, that is, the methods, practices, and decision-making styles managers use to act entrepreneurially. These include such processes as experimenting with promising new technologies, being willing to seize new product-market opportunities, and having a predisposition to undertake risky ventures. (p. 136)

However, Zhao, Seibert, and Lumpkin (2010) point out that findings in the literature on the relationship between risk taking and entrepreneurship are inconsistent (see Miner & Raju, 2004; Stewart & Roth, 2001, 2004.) They suggest that their findings can reconcile these inconsistencies because risk propensity was found to be moderately related to entrepreneurial intention, but risk propensity was not found to be related to entrepreneurial performance.

The Holy Bible potentially holds the key to these different findings. (For this discussion, all Bible references are taken from the New International Version, 1984.) It requires little effort to find quotations in the Bible about the fallen nature of man. Ecclesiastes 7:20 says, “There is not a righteous man on earth who does what is right and never sins.” Looking to the New Testament, in 1 John 1:8 it says, “If we claim to be without sin, we deceive ourselves and the truth is not in us.” Christians are further warned against pride and self-righteousness. In Matthew 7:3, Jesus says, “Why do you look at the speck of sawdust in your brother’s eye and pay no attention to the plank in your own eye?” The potential list of quotes is endless. From the perspective of entrepreneurialism, Christianity makes it easier to fail because everyone is required to acknowledge that they are flawed and admonished not to judge others. This can lower the social cost of failure in many instances by creating a culture where failure is considered to be normal. It is not considered a disgraceful event and is not heavily judged.

However, Christianity may increase the social cost of some types of failure. The Bible warns the devout not to take advantage of the poor or weak. In 2 Samuel 12:1-5 it says:

There were two men in a certain town, one rich and the other poor. The rich man had a very large number of sheep and cattle, but the poor man had nothing except one little ewe lamb he had bought.... Now a traveler came to the rich man, but the rich man refrained from taking one of his own sheep or cattle to prepare a meal for the traveler who had come to him. Instead, he took the ewe lamb that belonged to the poor man and prepared it for the one who had come to him. David burned with anger against the man and said to Nathan, ‘As surely as the Lord lives, the man who did this must die!’

As another example, Deuteronomy 24:12 says, “If the neighbor is poor, do not go to sleep with their pledge in your possession.” There are different types of risk an entrepreneur can take in relation to the poor. When starting a business using their own money, the money of wealthy investors, or the money of family and friends who are happy to take the risk, entrepreneurs who apply the Christian principles of fallibility and forgiveness can lower the cost of failure. However, in developed businesses, a manager may risk the investment of small shareholders who have little life savings or the pensions of employees who have very little to retire on. In these circumstances, Christianity may increase social approbation and the cost of failure. This may be why research has found that entrepreneurs may be more inclined to start new ventures but relatively more risk averse when managing larger businesses and corporations.

This aspect of Christianity, where people are more willing to make mistakes, has had a large influence on promoting entrepreneurialism in the United States during the 20th century and the enormous innovation and prosperity thereof. One study found that an entrepreneur has a higher chance of success if their previous attempt to start a business was shut down (Lafontaine & Shaw, 2016). The willingness of these entrepreneurs to take risks and fail comes from the Christian principle of not needing to “save face” and the idea that a person can start over freshly renewed after making a mistake. This takes away the weight of having to appear perfect. Indeed, the attempt to do so is considered a sin. One simply has to sincerely acknowledge their error, and they can be forgiven. In 1 John 1:9 it says, “If we confess our sins, he is faithful and just and will forgive us our sins and purify us from all unrighteousness.”

The need to save face can particularly be seen in Asian cultures. Dunn (2017) explores the issue of saving face and discusses the importance of saving face in China and Japan. Dunn also points out, “Face is important in most of Latin America, but not as important as in China, Japan, and South Korea.” Dunn warns the international business-

person to be aware of the importance of saving face when doing business. It is interesting that saving face is not separately addressed by Dunn in the American context. While Americans are certainly capable of embarrassment, it can be argued that they do not place the same emphasis on face as many cultures with a non-Christian heritage.

According to the widely used Net Present Value (NPV) method of capital budgeting, projects should be undertaken if the expected economic value of cash flows from the project are positive once financial risk is taken into account (Ross, Westerfield & Jaffe, 2016). Public shame adds additional loss to the entrepreneur beyond the direct economic losses of a failed entrepreneurial attempt. This leads to less investment and innovation by entrepreneurs than that directed by NPV analysis, without shaming as a deterrent. As an additional factor, if society does not stigmatize failure, it is less likely that an entrepreneur will fail to get funding due to investor concerns about previous failures by the entrepreneur.

Implications for Pedagogy

Business students can be encouraged to apply this same principle within their organizations. It can be very costly for a business when employees are afraid to make mistakes or try to cover up their mistakes. The former stifles value increasing innovation when the costs and benefits of risk-taking are out of alignment for employees versus the company. The latter can seriously magnify the cost of a mistake because of delay in addressing it. Mitroff and Denton (1999) present evidence from a large-scale survey of corporate America that suggests employees of companies who embrace spiritual values are less fearful and, as a result, are more likely to fully immerse themselves into their jobs. One example of a successful implementation of this principle has been noted by Kyle Murphy, CEO of DW Group. In this company, exceptional performance would be rewarded with a Twinkie that the employee would display (since they did not go bad.) A mistake would earn an employee a Ding Dong. The employee would eat the Ding Dong, and it would be gone, allowing them to move forward.¹ Business school professors can try a similar tactic with their students by creating assignments that encourage risk-taking in some way and then awarding their personal equivalent of Twinkies and Ding Dongs. There are certainly many examples that professors can point to of entrepreneurs who failed, often repeatedly, only to spectacularly succeed at some point. Steve Jobs was fired from Apple only to return later and become its greatest CEO.

PRINCIPLE 2: INDIVIDUAL RESPONSIBILITY TO OTHERS AND TO THE COMMUNITY

The Good Samaritan is an example of how Christians are expected to independently help those that need assistance (see Luke 10:30-37). While a priest, who was an authority figure, ignored a wounded traveler, the Good Samaritan took individual responsibility to help, despite the traveler being a stranger. This same attitude has manifested itself in several ways in the United States. Employees feel that they should take responsibility if they see a problem inside their business, even if it is not their direct responsibility. For example, most people, at some point, have dialed a wrong number at a business only to have an employee who is not responsible for that area of the business expend effort to find the correct number. Having a larger set of eyes looking for problems can prevent costly mishaps and keep a business running smoothly.

With individual responsibility comes the requirement for independent thinking. Businesses can benefit from the individual actions of employees who have closer access to information and who can act quickly when the situation calls for a swift response. The Christian requirement of “do to others as you would have them do to you” serves to constrain opportunistic behavior while promoting freedom of action (see Luke 6:31).

The Good Samaritan, who responded when the wounds of the traveler required immediate attention, is only one of several examples of how individuals are expected to act because they are most able to address a need. In Deuteronomy 22:1, it says, “If you see your fellow Israelite’s ox or sheep straying, do not ignore it but be sure to take it back to its owner.” The story of David and Nabal further illustrates the point. In 1 Samuel 25:15-16, one of Nabal’s servants said of David and his men, “...the whole time we were out in the fields near them nothing was missing. Night and day they were a wall around us all the time we were herding our sheep near them.”

Volunteerism is another result, benefitting both businesses and the community. American employees and business leaders have a propensity to volunteer to help during times of trouble. American charitable giving as a percentage of gross domestic product was found to be the largest, by far, of any other country surveyed (Eleftheriou-Smith, 2016). Because of its efficient inventory system, Walmart was able to get relief quickly to the victims of Hurricane Katrina, providing a valuable service and alleviating suffering (Barbaro & Gillis, 2005). The Christian principle of helping others can motivate businesses to behave altruistically and leverage unique capabilities that they have to help others.

Implications for Pedagogy

Business school academics can teach and promote these same attitudes in their students. In other words, rather than letting students narrowly focus on their own responsibilities, they can encourage students to “take ownership,” which involves feelings of individual responsibility towards the entire class. Past research has shown that a stronger connection between an employee’s spiritual life and work life leads to increased productivity and decreased turnover, indicating that promotion of the Christian principle of individual responsibility as an organizational value can lead to positive business outcomes (Conlin, 1999).

Standards for class participation can be a good way to reinforce this principle. When employees take up time at meetings simply to draw attention to themselves or distract meetings from useful avenues of discussion, the organization suffers and bosses may express their displeasure. Students can be informed that their class participation will be judged similarly—by how the student affects the rest of the class. Professors may also be able to structure team assignments so that there is an instance when the team has the ability to take actions that affect the performance of another team. For instance, the professor can send each team in a class information that is helpful to a different team, with an encouragement to assist the other team, in addition to completing their own task.

PRINCIPLE 3: RESPECT FOR ALL INDIVIDUALS

Suppose a man comes into your meeting wearing a gold ring and fine clothes, and a poor man in shabby clothes also comes in. If you show special attention to the man wearing fine clothes and say, “Here’s a good seat for you,” but say to the poor man, “You stand there” or “Sit on the floor by my feet,” have you not discriminated among yourselves and become judges with evil thoughts? (James 2:1-4).

The Bible repeatedly warns Christians about exalting the rich and powerful over the poor and lowly, and these attitudes are reflected in American businesses. The CEO of Uber, Travis Kalanick, was recorded on video speaking harshly to an Uber driver after the driver complained to Kalanick about falling fares. His words were largely perceived as unfairly critical to those less fortunate, and public opinion sided squarely with the driver. Kalanick eventually made a public apology (Furfaro, 2017).

Numerous examples exist of people who started out in a low position within a company, only to become the CEO, and these success stories are celebrated in the American

media. For instance, Stettner (2018) lists 15 CEOs that started out in humble jobs. Howard Putnam began his career at Southwest Airlines as a baggage handler. Tracey Armstrong started as a clerk at Copyright Clearance Center. Woods (2017) describes how Doug McMillon started out loading trucks for Walmart, and Bob Iger started out as studio facility supervisor before working for Disney. Hardesty (2010) lists 11 CEOs who started out in low-level jobs, including Brian Dunn of Best Buy, who started out as a sales associate, and Jim Ziemer of Harley-Davidson, who started out as a freight elevator operator.

The Bible is replete with stories of the highly successful starting from low beginnings. Joseph was sold into slavery in Egypt but was eventually put in charge of Egypt by Pharaoh (Genesis 37-45). The Israelites were slaves in Egypt but eventually founded a great nation (Acts 7:19-45). King David began as a shepherd (1 Samuel 17:13-15 & 2 Samuel 2:4). Daniel was carried off as a prisoner to Babylon but became ruler over the entire province of Babylon (Daniel 2:48). Of course, the greatest success story of all, as described in the New Testament, is the story of Jesus Christ, who began as the son of a carpenter and was revealed as the Messiah.

Numerous publications cite the value of pushing decision-making down in an organization, thereby empowering employees, and discuss how to do so (e.g., see Marquet, 2015, among others). Simply put, when employees that are closest to a business situation are in a position to make decisions rather than having the issue filtered through layers of bureaucracy, better decisions get made.

Implications for Pedagogy

Assignments that emphasize reaction times may be an effective way of emphasizing this principle. For instance, teams of two members can be formed. Two areas are set up in the classroom to give one member of each team training in a specialized topic. The teams are then given two assignments in sequence, one on each topic. The trained student is called the “manager” and the untrained student the “employee.” The employee receives the information. They can either complete the assignment or write a report to the manager, who then completes the assignment based on the information in the report. There is a time limit, which can give an advantage to allowing the untrained student to make the decision.

PRINCIPLE 4: RESPECT FOR PRIVATE PROPERTY

The Eighth Commandment tells us, “You shall not steal.” The Tenth Commandment goes even further in

forbidding coveting: “You shall not covet your neighbor’s house. You shall not covet your neighbor’s wife, or his manservant or maidservant, his ox or donkey, or anything that belongs to your neighbor” (see Exodus 20:15-17). The United States prospered in part because this principle was expressed in strong property rights. According to Ronald Coase (1960), economic efficiency is dependent on clearly defined property rights. It is evident theft reduces economic efficiency, but perhaps, just as important, Christians are not to covet the property of others. This discourages people from wastefully focusing their time and energy on devising ways to take from others rather than producing something of value with their own hands. Economic prosperity is particularly enhanced by this because individuals feel confident that if they invest their time and money, they will be able to keep the results of that investment. This confidence has led to the tremendous investment that has occurred in the United States (see SelectUSA, n.d.).

Within the context of the firm, two types of property are at risk: work product and intellectual property. The theft of work product by a fellow employee tends to be clearly identifiable and usually dealt with punitively when discovered. The theft of intellectual property can be more subtle and often overlooked. It can be argued that when a manager fails to give credit to an employee for their idea, this is a form of intellectual property theft. The Bible indicates this in Romans 13:7: “Pay to all what is owed to them: taxes to whom taxes are owed, revenue to whom revenue is owed, respect to whom respect is owed, honor to whom honor is owed.” Just as taxes and revenue, as forms of payment, are owed, respect and honor are also owed to those that earn it. Failing to acknowledge God as the ultimate provider is the greatest act of intellectual theft and has been severely dealt with in the Bible. For instance, in Acts 12:21-23 it says, “On the appointed day Herod, wearing his royal robes, sat on his throne and delivered a public address to the people. They shouted, ‘This is the voice of a god, not of a man.’ Immediately, because Herod did not give praise to God, an angel of the Lord struck him down, and he was eaten by worms and died.”

Implications for Pedagogy

Respect for private property is a very important principle that business leaders can instill in their companies; employees should not seek to take credit for the work of others. Jain (2014) points out that employees will not be motivated to give their best if they do not believe that their work will be recognized. There are numerous ways that professors can promote this behavior in their students. One simple example of this would be to have each student

in a class look up a specific fact about a topic and post the information to a discussion board. Each student would then be required to write a short paper on the topic, using the information from the discussion board. Students that were careful to attribute information to the original author or even better, praise their contribution, would receive higher marks. As an added bonus, students that had their work quoted the most could receive higher marks, as they potentially put more effort into providing their classmates with useful information, consistent with Principle 2.

PRINCIPLE 5: EMPHASIS ON ETHICAL PRINCIPLES OVER LEGALISM

“For the law was given through Moses, grace and truth came through Jesus Christ” (John 1:17). Jesus repeatedly provoked the Pharisees by blatantly breaking their laws. He healed on the Sabbath, did not partake in the elaborate hand washing ceremony before eating, and ate with tax collectors and other sinners (see Mark 3:1-6, Luke 11:38, & Mark 2:15-16). Jesus also commented on the strict dietary laws that were in place: “What goes into someone’s mouth does not defile them, but what comes out of their mouth, that is what defiles them” (Matthew 15:11). Christians are not made righteous through following rules.

Emphasizing rules can lead employees away from a focus on core principles of right versus wrong. In commenting on how the United States is straying from principles that promote freedom and prosperity, McCord (2016) explained, “We must stop asking the question: Is it ‘legal’ (excessive statute-and-regulation-dependent American Rule of Lawyers and Bureaucrats) and start asking the question: Is it wrong? (ethics-based American Rule of Law.)” As an example, the U.S. Constitution, which has created the longest-running democratic republic in modern world history, is six pages long and only ten pages with amendments. It has been so successful because it is based on principles, not rules, and relies on the American version of British judge-made common law. Just as in American Law, businesses have benefited in the past from relying on principles of right and wrong rather than long lists of rules.

Fischer and Friedman (2014) point out that “leadership must be *transformational*, rather than merely *transactional*. . . . The leader inspires followers by finding what needs to be changed and then communicating the appropriate vision.” The Committee of Sponsoring Organization (COSO) is a private organization that sets internal control standards for accountants. According to Fischer and Friedman, only three of the 17 principles codified by COSO address traditional

control activities and most address the “control environment” and “risk assessment.” The first principle stresses that internal controls will have little effect without integrity and ethical principles by leadership. Martinez, Rogers, Yancey, and Singletary (2011) argue that firms have spiritual capital, in addition to financial, physical, human, and intellectual capital and that spiritual capital “includes assets, both tangible and intangible, that emanate from the spirit of an organization’s management, employees, staff and volunteers, and that impact the spiritual condition of all organizational participants (internal and external).”

While rules are necessary for a properly functioning business, excessive rules and layers of bureaucracy can stifle innovation and leave companies rigidly fixed in place in the face of changing economic circumstances. A number of academic studies have addressed the issue. Whyte (1956) suggests that bureaucracies cause workers to become passive and unwilling to upset the common order. Merton (1968) adds to this by suggesting that bureaucracies cause workers to become overly concerned with regulations, conservative and technical. These suggestions are supported by extensive empirical research (for instance, see Kohn & Schooler 1982). Sørensen (2007) finds that employees who work for large and old firms (which proxies for bureaucracy) are less likely to become entrepreneurs.

Implications for Pedagogy

Professors who resort to excessive rules can suppress creativity. This is well-trod ground. However, it is important to instill this same understanding in business students. There are ways to structure assignments that can illustrate this issue to students. The assignment simply needs to have a very large number of rules that apply to a subject that requires creativity. Student frustration is an important part of the learning process. There are many business cases that illustrate the same point. For instance, see Baker and Wruck (1990).

PRINCIPLE 6: A CULTURE OF HONESTY AND THE PERIL OF FALSE SCALES

As described in the book of Amos, one of the reasons for the fall of Israel was dishonest business practices (Amos 5:11). Throughout the Bible, there are numerous examples of God’s strong disapproval of dishonesty. Moving boundary stones was considered a serious offense (Hosea 5:10) as well as false scales (Proverbs 20:23). Having a high degree of honesty in business is a powerful promoter of economic efficiency. The resources devoted to verification of facts in

business is staggering. In the finance industry alone, enormous amounts of resources are devoted to verifying financial information. The list is endless, including corporate audits; verification of collateral; verification of a borrowing consumer’s income, assets, and employment; and on and on. In Akerlof’s (1970) famous paper on the “market for lemons,” entire markets can potentially unwind, where only the worst quality is sold if the ability to fool consumers is too great. Economically valuable projects can fail due to “incomplete information,” where investors are not able to verify information. Cultural factors that promote truth telling will improve economic efficiency.

Bribes are a stark example of the corrosive effects of dishonesty. When employees take bribes, they are being compensated to deviate from the best interests of the business, reducing economic performance. If it was in the best interest of the business to give the person paying the bribe what they wanted, then the bribe would not be necessary. Bribes occur to motivate employees who are in a position of decision making to harm the business they represent. While this practice may be considered normal in some cultures, it is still very damaging economically. Self-dealing by employees can take many forms beyond direct monetary payment, such as nepotism for family members, but they involve a lack of transparency and accountability, leading to economic loss to the business. This applies to CEOs and members of corporate boards, who are employees (Djankov, La Porta, Lopez-de-Silanes, & Shleifer, 2008). Widespread bribery can be expected to be associated with chronic business inefficiency.

The United States has a wide variety of systems in place to combat corruption and bribe-taking with observable enforcement. Accounting firms such as Arthur Andersen have gone out of business for violating the law (Alexander, Burns, Manor, McRoberts & Torriero, 2002). The Sarbanes-Oxley Act was instituted to protect shareholders from falsified financial statements. Numerous regulations exist across a spectrum of business activities, including regulations against false advertising. This list is endless, and countless examples can be found of enforcement. Freedom of the press is guaranteed in the constitution and is evinced by the frequent criticisms of individuals, businesses, the government, and government officials. Whistleblowers have legal (though imperfect) protections from retaliation. In the legal system, juries are selected from the general population, with both sides having say in who is selected.

Also, since the requirement to tell the truth in the Bible did not depend on who the recipient of the information was, foreigners could have relatively high confidence in honest dealings with Americans (see Leviticus 19:33-34.)

Foreign investment is very heavy in the United States in large part because foreigners receive the same protections that Americans do, not just in theory, but in practice (see U. S. Bureau of Economic Analysis, Gross Private Domestic Investment (GPDIA), n.d.). The Foreign Corrupt Practices Act, which forbids American businesses from paying bribes to government officials overseas, is further evidence that Americans are expected to deal honestly with non-Americans.

Implications for Pedagogy

By creating a strong culture of honesty, business leaders can create prosperous businesses for the very same reasons that economies are more successful when there is a high level of honesty. Having protections for whistleblowers is an important method for preventing dishonesty as is carefully crafted control systems that balance oversight against excessive bureaucracy. Unfortunately, as seen in the housing bubble and financial crisis, dishonesty has become all too prevalent. Even more troubling, the perpetrators have not been punished, (e.g., DiLellio & Forsyth, 2014; Garmaise, 2015; LaCour-Little & Yang, 2013; Piskorski, Seru, & Witkin, 2015.)

It is essential that ethics be taught at business schools. However, individual professors can also promote an appreciation for the importance of honesty in their students. Involving the students in creating standards of behavior and sanctions for violating those standards can be a powerful tool for promoting honest behavior because the students are reinforcing these standards rather than simply having them dictated from above by the professor. Of course, the professor must set an example by not turning a blind eye to dishonesty, even though pursuing charges of cheating can be a thankless task.

PRINCIPLE 7: ACCOUNTABILITY, QUESTIONING OF AUTHORITY, AND THE REMOVAL OF CORRUPT LEADERS

According to the prophet Jeremiah, “The visions of your prophets were false and worthless; they did not expose your sin to ward off your captivity” (Jeremiah 2:14). Even those that followed the Lord felt the consequences of Judah’s rejection of the Lord. In Jeremiah 45:4-5, when Baruch, Jeremiah’s scribe, complained of his suffering in Egypt after the fall of Jerusalem, Jeremiah replied:

The Lord said, “Say this to him: ‘This is what the Lord says: I will overthrow what I have built and uproot what I have planted, throughout the land. Should you then seek great things for yourself? Seek

them not. For I will bring disaster on all people, declares the Lord, but wherever you go I will let you escape with your life.’”

The righteous can suffer as a result of corrupt leaders. The founding of the United States is a story of religious groups escaping to a new world where they could live free from what they felt were corrupting influences. This promoted a culture of resisting corruption.

It is vital to economic efficiency that leaders not be corrupt because they have a strong influence on everyone regarding honesty, respect for property, and other Christian principles. As pointed out by Fischer and Friedman (2014), “Experience has shown that corporate crises rarely result from the actions of a single, rogue employee but rather begin with a failure of leadership at the top.” When leaders are corrupt, the temptation is great for those below to follow.

In 2 Corinthians 8:20-21, the Apostle Paul says about the collections for the poor Christians in Jerusalem, “We want to avoid any criticism of the way we administer this liberal gift. For we are taking pains to do what is right, not only in the eyes of the Lord but also in the eyes of man.” Paul was an apostle and leader of the church, yet he assiduously followed proper procedures to account for donated funds. This tells us that leaders should be subject to the same procedures, controls, and standards as other employees.

In Kilroy, Bekker, Bocarnea, and Winston (2014), they develop seven five-item scales from the Seven Beatitudes that have a significant positive correlation with the Essential Servant Leadership Behavior scale and significant negative correlation with the Despotism Leadership scale. One of these scales is from the Fourth Beatitude: “Blessed are those who hunger and thirst for righteousness.” They say, “The leadership behavior demonstrated by this Beatitude is a leader who continually seeks what is right and just and expresses himself or herself in specific acts.”

When business leaders are trusted, large increases in efficiency can result. For instance, as noted above, in order for a compensation system that is built on principles rather than strict rules to be effective, employees must trust that their performance will be evaluated fairly. Discretion, rather than rules, can be a highly effective compensation system if employees believe they will be compensated equitably for following the principles of the company. Similarly, companies can have less bureaucracy if employees feel confident that they will be compensated fairly for following principles rather than rules. Systems that facilitate whistleblowing by employees will be more effective if leaders are not only trusted to act but also trusted to protect the whistleblower. Employees will have a reduced incentive to be dishonest if they believe that leadership will actively punish wrongdoers.

Implications for Pedagogy

There are systems in place in corporations to remove corrupt players at the top. It is important that business school professors make their students aware of these systems. If a CEO is found to be dishonest, the board must be willing to remove him. If a board member is dishonest, other board members must be willing to act. When the government moves in to remove a CEO, it is already too late. Enormous damage has already been done. There are numerous business ethics cases of wrongdoing by corporate leaders, not to mention the almost daily examples discussed in the business press. For instance, see Healy and Palepu (2008).

CONCLUSION

This paper has argued that seven Christian principles promote business success and economic prosperity in a potent way. The resulting risk-taking, honesty, creativity, empowerment, accountability, concern for community, and respect for private property, when combined, create a powerful engine of economic growth. Successful businesses ultimately serve others by creating products and services that are valued by customers and by serving as a place of growth and security for employees. Business school professors can reinforce these principles in their classrooms in a variety of ways that serve their students, their community, and ultimately their Christian faith.

ENDNOTE

- ¹ From a talk given by Kyle Murphy at the Pepperdine Graziadio School of Business on 5/10/2017.

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