Title:

Case Study: Embedding Brand Identity into an MBA Program

Authors:

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ABSTRACT:

Research on brand identity was conducted and used to update key elements of marketing, curriculum and the delivery of an MBA program at Point Loma Nazarene University in San Diego, California. The steps in the research and implementation are described, including the development of a brand platform and visual signals, and the tangible results of embedding brand identity in the MBA program on the students and the program quality are discussed.

Introduction

There is a proliferation of research available on branding. Aaker (1992) identified that brand associations represent the basis for purchase decisions and brand loyalty. Brand associations consist of all brand-related thoughts, feelings, perceptions, images, experiences, beliefs, attitudes (Kotler and Keller 2006, p. 188) and is anything linked in memory to a brand.

Branding has become a ubiquitous process. Institutions of higher education, with a traditional focus on the admission process rather than the marketing process, are now embracing the concepts of branding. See Woyo, Halimani, and Obert (2014) for a review.

In 2013, the Fermanian School of Business at Point Loma Nazarene University hired a new Associate Dean of Graduate Business Education to oversee the MBA program. The following year, a new Dean was hired for the business school. With new leadership in place, it was a perfect time to focus on defining and developing the brand of the MBA program.

This paper outlines the work of the Dean, Associate Dean, faculty, staff and a consulting firm to define and reimage the brand and intentionally embed the brand meaning into the MBA program. First, research phases one and two will be described. Second, the Brand Platform resulting from the research will be outlined, along with visual signals used to create a visual representation of it. Third, the implementation of the brand identity research into the MBA program will be detailed. And finally, the results of embedding the brand identity research into the MBA program will be shared.

Background

PLNU's Business School features two MBA programs. The flagship program, the Evening MBA, was designed for working professionals. This program had been in place since 2001. In 2013, the Daytime MBA was launched, specifically designed for students who had recently completed their undergraduate degree. Both programs are local, drawing from the competitive San Diego area business school environment.

Even though the program had a fifteen-year history, many stakeholders found it difficult to describe the identity of the program. As the MBA market became more saturated, a clearly articulated brand became a critical need.

Signal, a consulting firm was engaged to lead the process to develop a well-defined brand platform and messaging tool-kit. The goal was to differentiate the PLNU MBA brand from the other programs in the area.

Phase 1

The consulting firm undertook qualitative and quantitative data analysis to identify stakeholder insights to effectively capture the existing and aspirational positioning and messaging opportunity. Signal's goal was to develop a clear set of strategic insights around what is "True" (true to the DNA of the MBA program), "Meaningful" (meaningful to the MBA program's target audiences), and "Different" (different from the MBA program's competitor set) (Signal).

Phase one included stakeholder in-depth interviews including the Dean, Associate Dean, MBA admissions advisors, faculty members, current MBA students, recent MBA alumni, employers and executives familiar with the program.

Signal completed a comprehensive brand audit and reviewed the existing MBA marketing materials that included program research, admissions office communications and information, brochures and website content.

The final step in the first phase was to audit the messaging of the four primary competitors in the local marketplace. This included a web-based audit, identification of key components of target student resonance, and opportunities for differentiation.

Phase 2

The second phase focused on using the insights identified in phase one to develop a tactical brand platform for the MBA program. Signal identified four brand dimensions based on these insights from phase one. Brand dimensions are the perceptions that the MBA program strives to own in the minds of all who engage with it. When reinforced consistently, brand dimensions lead stakeholders to associate these ideas with the program.

Brand Platform

Signal created a branding platform comprised of a core brand message surrounded by four unique dimensions of brand.

"Put your true purpose to work" was identified as the core brand message with the following brand promise. Being of Christian heritage, the idea of purpose is aligned with the idea that in the PLNU MBA program, we strive for students to hear God's calling in their life and career. The MBA strives to ensure that students are prepared and inspired to accomplish their life's work and that their day-to-day work carries lasting significance (Signal).

The four brand dimensions included character, relationship, academics and faculty, and product outcome.

The character dimension answers the question "What kind of business character do we embody and cultivate here?" This dimension focuses on developing true leaders, not just workers, who demonstrate humility and a strong internal moral compass (Signal).

The relationship dimension answers the question "What type of professional relationships do we model & cultivate?" This dimension focuses on the development of deep and significant relationships with faculty and students in a highly collegial environment (Signal).

The academics and faculty dimension answers the question "How do we demonstrate the quality and caliber of the program?" This dimension focuses on high quality academics with hands-on, real-world curriculum. Quantitative and qualitative skills are balanced for success. Christian values are embedded into business topics and scenarios (Signal).

The product outcome dimension answers the question "What are the tangible benefits I can expect?" For the Daytime MBA students, this focused on sharing and creating real-world experience and connecting the students to a network of peers, business leaders and faculty with marketplace relevance. For the Evening MBA students this focused on equipping them to perform at a higher level leading to greater influence (Signal).

Signals

The consulting firm also created a set of "signals" or a sample of visual archetypal representations that included elements such as photography style, colors, light, textures, and typeface (Signal). These signals were selected to clearly and cognitively reinforce the brand's dimensions (ownable perceptions) across all touchpoints with target students, and are the building blocks of brand expression.

These visual signals included a balance of geometric shapes and organic textures, earthy, natural colors that balance light and richness, and real-world environments shown with honesty, detail and warm illumination (Signal).

Signal redeveloped the MBA program brochure to incorporate these visual signals. (The brochure is not included in this proposal in order to maintain anonymity in the review process, however it will be included in the conference presentation if selected.)

<u>Implementation</u>

Once the MBA program had the brand platform and signals in hand, the team worked to embed the brand into the program.

The first step was a review and overhaul of the program learning outcomes. Language from the entire branding platform was infused into key learning outcomes.

Next was an overhaul of the MBA curriculum. The core courses were carefully balanced between quantitative and qualitative skills. The concentrations were streamlined and aligned with marketplace demands. And, a signature course was redesigned to focus on character, service and purpose – reflective of the brand identity. The overhaul of the curriculum is tied to the academics and faculty dimension.

The brand platform was introduced and referred to during multiple faculty meetings. The faculty had immediate buy-in to the brand platform, as they were included in the development through the qualitative interviews performed by Signal. This keeps the entire branding platform relevant in the faculty and staff member's minds.

Each prospective MBA student is interviewed by the Associate Dean. The interview questions were edited to incorporate concepts from the brand platform. This sets the tone for students entering the program and highlights key initiatives. This ties to the character and relationship dimensions of the brand.

The PLNU marketing department used the brand platform and visual signals in the development of new marketing materials including direct mail pieces, radio and digital. MBA students and alumni were interviewed and provided testimonials that aligned with one or more of the dimensions on the brand platform. The slide deck used during meetings with prospective students was redesigned to incorporate the brand identity. The entire brand platform was incorporated in these materials.

In the Daytime MBA program, a field experience course was developed to give students real-world experience while exposing them to leaders with marketplace relevance. Each field experience team was assigned a faculty advisor to coach them through the consulting project experience. The field experience course is tied to the product outcome dimension of the brand.

All Daytime MBA students are interviewed and matched with a mentor. Connections to the mentor are enhanced with course assignments embedded in the MBA program that require the student to connect with their mentor. Mentors are tied to the relationship dimension of the brand.

An MBA alumni board was launched to allow alumni and students to strengthen and deepen their relationships with each other. Throughout the year, the alumni board hosts social activities highly collegial and fun opportunities. The alumni board is tied to the relationships dimension of the brand.

Monthly corporate visits to regional companies were established. These visits allow direct connections to course content become evident in the workplace. Connections to c-level executives are established during the visits. These visits also allow students to observe the corporate culture of a variety of organizations. The corporate visits tie to the relationship, academics and faculty, and product outcome dimensions.

Conclusion

The process of developing a clear and relevant brand identity was extremely valuable. This process can some times result in a document that is reviewed and then shelved. However, the PLNU MBA program found significant success in intentionally embedding the brand identity in the program, not just in the marketing communications.

The results have been very positive. Student satisfaction has increased. Students are engaged and motivated. Participation by students and alumni in extracurricular events has increased (e.g. networking events, corporate visits and professional workshops). A brand ambassador program (i.e. students and alumni available to attend events or talk with prospective students) was launched to leverage the highly satisfied students who are eager to share their experiences with prospective students. The student results are anecdotal at this point, however, we are implementing a student satisfaction and alumni survey this summer.

The brand platform has created a unifying message that faculty can rely on to create cohesion in the curriculum. The Dean is now moving toward implementing the strategy in the undergraduate program.

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Title: Bridging the Gap Between Desire and Start-Up: Using Course Projects to Assist the Launch of International Social Entrepreneurship

Abstract: Many would-be world changers desire to start businesses abroad to make a social-spiritual impact, but lack the business expertise to get started. Graduate level international business courses provide an opportunity to support such individuals by utilizing course projects to assist in research and development of the business ideas. Being involved in entrepreneurial "live case studies" provides a rich learning experience for the students of the course. This paper details one such consulting project with a graduate level international business course and an organization wanting to create small businesses in ethnic minority villages in rural Asia. A discussion of the project and an examination of using live consulting projects in the classroom are presented, and insights into impacts and best practices are given by the professor, the student leader of the project, and the individual who received assistance in developing this Business-As-Mission organization abroad.

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Bridging the Gap Between Desire and Start-Up:
Using Course Projects to Assist the Launch of Social Entrepreneurship and BAM

Introduction

Business-As-Mission (BAM) and social entrepreneurship (SE) have become growing trends for those looking to make an impact on people's lives around the world. Individuals and organizations see the benefit of using business to open doors and make both spiritual and social impacts on the people of a foreign nation, but may lack the business training to know where or how to start such ventures. On the other hand, business students have the need for real-life course projects to challenge their depth of knowledge and skill, and have time to dedicate to doing some of the research and problem solving needed to start a new venture abroad. Utilizing course project work to assist those who need help developing BAM initiatives is a win-win for both groups. Students gain holistic in-depth knowledge of international entrepreneurship with practical business application while the practitioner gains assistance in developing ideas, forming business plans, and researching requirements for the new venture.

This paper details such a project with a graduate level international business course, and it includes insights into impacts and best practices by the professor, the student leader of the project, and the agency practitioner who received assistance in developing a Business-As-Mission organization abroad.

Background

Social Entrepreneurship and Business-As-Mission (BAM) Enterprises

Social entrepreneurship (SE) is defined as the creation of new ventures that place a higher priority on social value creation, social change, and catering to social needs (Mair & Marti, 2006). Relatedly, Business-As-Mission (BAM) desires similar impacts but adds the goal of having a spiritual impact, furthering the gospel of Christ through business activities. Both desire to use business to make positive change in the world, and Ataide (2009) argues that religious entrepreneurship *is* social entrepreneurship. However, others argue that the root of their motives differ significantly. Shinde & Shinde (2011) argue that the spiritual programs of religious entrepreneurs are distinct from the social goals of the social entrepreneur and the profit goals of the commercial entrepreneur, and Rundle (2012) claims that "social entrepreneurs want to do good for their fellow man, while so-called 'BAMers' are motivated, ultimately, by a desire to serve God and draw people's attention to Him" (p. 66). Additionally, BAM seeks what has been labeled the quadruple bottom line of economic, social, environmental, and spiritual transformation of a community (Rundle, 2014).

BAM practitioners can range along a continuum from those who are sent by mission agencies and use their business mainly for evangelism, especially in nations that do not welcome missionary activity, to independent Christian business people who see their entrepreneurial ventures as a way to impact an area of the world where there is significant social and spiritual need (Rundle, 2014). Social entrepreneurship can be practiced by anyone desiring social impact regardless of whether the practitioners are Christian or seek any direct spiritual impact. Indirectly, seeking to help those in need through business activities can certainly be considered a worthy cause that can display the love of God, with or without the motivation of drawing people's attention to Him.

Though some BAM and Christian SE practitioners have business education and/or experience, many do not. Those that come from backgrounds in ministry, theology, church-planting missions, and other other non-business fields may be at a loss to know how to transform themselves into entrepreneurs for the sake of having a social/spiritual impact on the world. Some struggle with not knowing what to do, not knowing how to do it, and not knowing how to improve it once begun. Often they have the heart and desire for social/spiritual enterprise but lack the expertise and therefore potentially the confidence as well.

Business students, on the other hand, are gaining knowledge and expertise through their courses that can be of use in assisting nascent BAM/SE entrepreneurs. Student involvement can help nascent entrepreneurs to bridge the gap between desiring to start a business and being ready to do so. By creating course assignments designed around live case studies and consulting projects with these practitioners, students can both lend their knowledge to those who can benefit from it as well as use the project as an in-depth learning tool for increasing their knowledge and understanding of business concepts. The end result can be a win-win approach that benefits all.

In the Spring of 2017 one particular graduate-level global business class at Azusa Pacific University utilized their major course assignment to assist an organization that wanted to get involved with BAM but was at a bit overwhelmed with knowing what to do and how to do it. The project became a venue for in-depth experiential learning as well as a means for the organization to begin to put the pieces together that would lead to successful BAM start-up.

The Graduate Business Class & The MAIT Project

The particular course under discussion was a graduate level global business management course for MBA and MBM students. There were over 20 students in the course, ranging from those who recently completed their undergraduate degree to those who had several decades experience in industry. The students came from diverse ethnic and cultural backgrounds, including several international students. The project adopted for this course involved assisting a field director for a missions agency that was in transition of embracing business as a central component to their strategy, something they had very little experience with. For security sensitivity reasons, we'll call this agency MAIT -- Mission Agency In Transition.

Like many other missions agencies, MAIT is wrestling with the harsh realities of countries who are antagonistic to the agendas and influences of foreign non-profit organizations. Fortunately, however, many of these same countries are very open to foreign investment and foreigners who want to create profitable business ventures among their citizens. MAIT's vision is to see an indigenous movement of churches using scripture in the local language in unreached areas, currently focusing on a people group known locally as the Fire people. MAIT is also newly embracing a more holistic vision of mission and wants to see economic development in the Fire people's traditionally poor villages. With government not welcoming of traditional missionary activity, MAIT seeks to take advantage of the door-opening aspects of doing business. With the leadership of MAIT clearly dedicated to the idea of developing BAM enterprises, their problem wasn't heart, it was a lack of business know-how and experience.

MAIT & The BAM Quadruple Bottom Line

During the past four decades, MAIT has excelled at impacting a spiritual bottom line through translating the Bible, making disciples, and planting churches. About two decades ago, they began to embrace a broader understanding of kingdom impact through community development projects, and now have a well developed understanding of the environmental and social bottom lines. Two years ago, as they began moving into countries which were increasingly difficult to get into, they started realizing the power of business to open up opportunities for relationships in these countries. The challenge for them has been developing an understanding of how to create the fourth bottom line of economic impact.

In a few scattered countries MAIT has accidentally started some for-profit ventures as their community development projects matured into something that could provide greater economic impact on the communities in which they served. For example, what started out as a way for a single pastor to grow his own pineapples blossomed into a thriving pineapple juice company employing dozens of local villagers. Unfortunately, the organization lacks the expertise to further develop and improve its existing business venture, and wants to develop and grow in their limited knowledge and understanding of business to expand their opportunities for impact along all four aspects of the BAM quadruple bottom line.

The Fire People

The Fire people collectively occupy a mountainous area of approximately 132,000 km^2, or an area roughly the size of the State of Alabama. The 1.3 million minority Fire people are scattered among the 15 million majority people that also occupy the same general region. The Fire people speak 38 distinct minority languages, and only three of those have any of the Bible translated into their local language.

The typical farmer from the Fire people lives on a mountainside that his family has lived on for generations. He has a fifth grade education. He raises pigs and chickens and ekes out an existence by scaling the terraced mountainside to grow crops of tea leaves, tobacco, or bananas. He enjoys hard liquor a little too much and smokes like a chimney. He worships his ancestors, fire, eagles, and tigers. He believes certain trees, rocks, and mountains have the power to bless him or make his life miserable. He knows everyone in the surrounding villages and rarely witnesses outsiders come to his village. His village language is not one of the three that has had Bible translation work done, and he has never heard the name of Jesus.

In order to see their vision of churches in each language group and in each village using God's Word to grow and multiply, MAIT needs to locate personnel in these rural areas. They need to develop specific kinds of businesses which enable Bible translators and business people to live locally and bring economic development to these impoverished areas. After a market analysis of the opportunities, MAIT decided the best approach would be to develop small BAM companies in the adventure travel industry, providing tours for adventurous travelers seeking authentic cultural experiences in destinations that few westerners get to experience. Using the sustainable/adventure travel industry as a backdrop, MAIT hopes to make a worldview shifting impact on tour participants while providing meaningfully improvement to the lives and communities of the Fire people.

According to Taleb Rifai, the Secretary General of the United Nations World Tourism Organization, "the expansion of adventure tourism creates immense opportunities for development, particularly in remote communities where adventure travel fuels the local economy, as well as generates income and employment." (*Global Report on Adventure Tourism,* 2014, p.6). As such, the Fire people villagers will be able to engage in small business economic projects which will be made available to them by the introduction of a new market potential. Many of these isolated communities have been neglected and overlooked because of their limited opportunities, and most are experiencing an exodus of their young people in search of better opportunities elsewhere. The influx of visitors from the west will provide economic opportunities which previously did not exist.

MAIT intends to bring international travelers into the rural areas of the Fire people where few U.S. dollars have been before. Tourists can spend the night and eat in local homes, take tours of small farms and plantations, and enjoy demonstrations of local culture. Locals will gain economically from the presence of tourists spending money in their area and through the employment of local tour guides, drivers, cultural dance troupes, and other service providers.

Pedagogy

In order to assist MAIT in their BAM endeavors as well as providing a rich learning opportunity for students, the Fire People project was chosen to be used as experiential learning through a live case study and student consulting project. This kind of pedagogical approach can bring students "nearer to the business reality and bridge the gap between traditional learning methods" and real business practices and decisions (Elam & Spotts, 2004). Elam and Spotts (2004) call this a trend toward "facilitating more effective and durable learning".

In recent years pedagogy styles have increasingly adopted active experiential learning approaches to education. According to Hamer (2000), "Active learning techniques seek to engage student involvement with the materials they are attempting to learn by encouraging them to apply theory dynamically to real-life situations" (Hamer, 2000, p. 26).The Association to Advance Collegiate Schools of Business (AACSB) praises and implores as necessary experiential learning in their accreditation standards. AACSB's Guidance for Documentation for Standard 13 recommends the following: "experiential learning opportunities for business students, through either formal coursework or extracurricular activities, which allow them to engage with faculty and active business leaders. These experiential learning activities provide exposure to business and management in both local and diverse global contexts" (*Eligibility Procedures*, p. 40). Experiential learning in the business classroom has been proven to significantly enhance student learning by developing real-world problem solving skills (Baden & Parks, 2013). This approach to learning dates back thousands of years to Confucius who declared

“Tell me, and I will forget. Show me, and I may remember. Involve me, and I will understand” (as cited in Navarro, 2008, p. 109).

Live case studies involve the utilization of real-life businesses in the classroom, allowing students to work with an organization to solve actual problems. With live case studies, students function as real business consultants, integrating academic and other experiences to create solutions for real-life business problems while improving research and critical thinking skills (Camarero, Rodriguez, & San José, 2010). Such experiential exercises enjoy significant benefits in enhanced learning through increased student involvement and active participation (Elam & Spotts, 2004; Camarero, Rodriguez, & San José, 2010). Additionally, such projects can be further enhanced by allowing the planning and implementation of the work to be highly student-driven.

The MAIT Project in the Classroom

To initiate the class project, the field agent practitioner came into the class early in the term and presented the MAIT project. After discussing the project with the class, the students divided themselves into five teams designated by various business and research functions, namely marketing, operations, legal, human resources, and finance/accounting. The students then took the reins in terms of research based on the information provided by the practitioner, the questions and needs expressed by the practitioner, and the students’ assessment of what they felt their team could contribute. Work on the project commenced both outside the classroom and within it. Each class meeting time had a designated period to work on the project, providing opportunity to interact with the professor and collaboratively with other teams as necessary, and the practitioner was able to join the class during these times on several occasions. At the end of the course term, the teams compiled their research and work into a single report for submission both to the professor and the practitioner.

The entire project was primarily student-directed, from the initial class decision to take on the work, creation of appropriate teams and self-selecting based on interest and skill, determining the work to be done in each team, conducting the work and research, and determining what the final deliverables would be for each team. Options considered for the deliverables included a research report, financial reports, promotional or presentation video, business plan, powerpoint, or tangibles such as logos designed, website design, pitch deck to use in future fundraising efforts, etc. Though this particular project did not lend itself to the formation of a business plan as the final deliverable, business plans are excellent options for class projects since each team can contribute its part to the whole.

The students also engaged in self-assessment regarding effort and time invested in the project, in addition to a qualitative assessment of their own learning. Students were required to maintain learning logs to quantitatively track their learning and effort during this project. This self-assessment included dates, duration, and tasks of work contributed, as well as with whom those tasks were done. Students also submitted final qualitative reports of their learning, which included a delineation of informational contributions and learning, about the project itself, applying theory to reality, and information about the process of this application and group project. This kind of self-assessment helps students develop metacognitive skills, increases self-awareness, develops critical reviewing skills, and contributes to student ownership (Assessment Toolkit, n.d.).

Project Outcomes and Benefits

Student Outcomes and Benefits

Overall, this project helped students critically evaluate ideas and important questions pertaining to MAIT and beyond. Students reported that the real-life application and research required of the project made for an engaging and exciting project. Additionally, students perceived that it was a special opportunity not found in most academic environments. The intersection of material discussed in the course and research for this project proved valuable and enriched the learning experience. These dynamics are evidenced in learning log comments such as the following:

> "I personally had a better understanding of how to start a business and the steps of business operations. The most important part for me was that I could apply what I have learned from the course to the practical business project. Through the project, I realized the gap between knowledge and real business operations as we were confronted with various problems and challenges…. Through this project, I have learned how to prepare to start a business and how to assess each step for a business plan."

Additionally, the self-selection of the students into the teams they were most interested in added to gaining knowledge and skill in their particular career interest. For example, one management student pursuing a human resources specialization reported about specific knowledge gained in international human resource practices:

> "This project helped formulate a clear understanding of the necessary research a company must do to develop policies and strategies before establishing a company. What was most interesting to me was the distinct and numerous

> differences in firing procedures compared with the United States. It is far more difficult to fire than an employee there … it is both vague and overly detailed in what cannot be done."

Students also reported that this project helped them to gain knowledge and understanding of diverse perspectives and global awareness as well as skills in interpreting subject matter from diverse perspectives. These learning points were aided by the sheer diversity of students in the course, culturally and otherwise, providing unique perspectives of classmates and the professor, each bringing a different worldview and set of experiences. There was also diversity among classmates in terms of business acumen, which further contributed to learning gained from diverse perspectives. As one Chinese student reported,

> "I really learned a lot about American perceptions of business operation and how to establish a comprehensive plan for real projects. What's more, my teammates gave me different perspectives and ideas from their standpoint compared to my perception as an international student. I believe this experience will be very valuable for me, because it was a good experience for me to be more familiar with American business styles. Through discussion and cooperation with American teammates, I became more familiar with their understanding of business operation and how they deal with issues. I was impressed by their ideas and the democracy atmosphere in the team."

This project also helped students think about ethical reasoning and decision making within varying ethical frameworks among cultures, especially as it pertained to discussions around doing BAM in countries where missionary work is not welcome or legal.

Finally, as can be expected of group assignments, the project aided in further developing skills in working with others as a member of a team. Forming of teams helped facilitate learning in meaningful ways. Similar to the diverse cultural backgrounds emphasized above, the strengths of each teammate contributed to learning and the success of the group's research. In this way, classmates helped each other understand ideas and concepts. As one management student exclaimed, "through this project I learned how great a team can work with delegation in regards to responsibilities and tasks." Though this dynamic is typically evident in any course teamwork, the level of involvement for a student-driven real-life experiential learning project helps to increase student motivation to work successfully as a team. Knowing that the results of their work would have direct impact on the formation of a BAM/social enterprise gave their commitment to the team project greater weight.

Practitioner Outcomes and Benefits

The practitioner reported benefiting in several different areas. One of the greatest was the opportunity to interact about business topics with people who are not missions professionals. Since the practitioner spends most of his time with other missions professionals, the exposure to the way business students and faculty think and speak helped the practitioner in his transition to thinking like a businessperson. The practitioner also began to view the company in a more secularized and professional way. This is not to say that there is a divide between the sacred and the secular, but the practitioner noticed ways he could increase the professionalism and decrease the "Christianese" he is accustomed to using. One example of this was when the students asked to see the mission statement of the company. The practitioner took one look at the statement he and his partner had written and immediately discovered that it was full of language suitable for a church mission's board but completely inappropriate for a public website.

The practitioner had gaps in his understanding of general business ideas and principles that were closed by interacting with the project. To cite some examples, before the project he wasn't really clear on what was meant by "business operations." He had not considered what were the best practices operational standards. Although he had a general idea of the concepts of depreciation and capitalization, he was unfamiliar with the specific impacts they have on accounting practices. He had heard the terms subsidiary and branch before, but he wasn't clear on their differences. The classroom environment gave everyone including the practitioner the freedom to be a learner. He was free to ask questions, and being ignorant wasn't viewed as a deficiency. This was a place where everyone was coming together to learn. Through this experience the practitioner was better prepared to interact with professional business people in a more informed and educated manner.

Each student team discovered and provided useful information to the budding entrepreneur about which he had not previously thought. For example, the finance team reviewed the organization's financial projections spreadsheet and submitted insightful analysis about depreciation, which had not been previously considered. This forced the practitioner to begin thinking about what role depreciation would play in his plans. They also pointed out that although the business leaders had discussed paying taxes and planned on paying them, they failed to incorporate them into their financial spreadsheets. In another example of an insightful discovery, the marketing group conducted market research and discovered that the company logo MAIT had created reminded young adults of the University of Oregon and/or Oakley logos. This was not what the organization had in mind when they designed the logo and as a result they decided to scrap the logo and return to the drawing board. Additionally, the legal team made several key discoveries concerning new national policies regarding registering foreign owned companies that would significantly enhance the opportunities MAIT could pursue with the Fire people.

Challenges and Best Practices

Camarero, Rodriguez, & San José (2010) claim that the results of using live case studies in the business management classroom are strongly dependent on student involvement and commitment, and this held true in this class and project. Students exhibited different levels of interest, engagement, and effort at different points in the project. For example, one team of highly engaged students became disappointed by the lack of response among other classmates in the professor's suggestion that the class take time to share some of each team's findings. It was also found that students were challenged to keep momentum, both personally and collectively, when a couple weeks passed since the practitioner's last visit. It seemed as though many students lost focus and interest without the accountability that came with scheduled discussion time with the practitioner. As the practitioner said, "You get out what you put in." This was in reference to the amount of time the practitioner spent with each of the teams during the practitioner's second visit and how that was reflected in the pertinence of each team's research to the needs of the business.

Additionally, not all students were prepared for substantive analysis on each part of the project, and some had little pre-existing knowledge of the areas they were working in. However, the nature of the project gave students the autonomy and encouragement to do research and gain understanding in these areas in a self- and peer-directed manner. This reflects Barr and Tagg's

(1995) learning paradigm wherein students share the greater part of the responsibility for their learning along with their professor, requiring students to “learn how to learn”.

On the first night of class students were given the choice to do the MAIT project or to do an individual research paper as the major assignment for the course, and were forewarned that a project like this can be rife with ambiguities. In this case the students unanimously agreed to pursue this project despite the uncertainties. This is a crucial step to adopting a project like this: having student buy-in from the very beginning clears the path for dealing with the “organic” nature of the projects and the uncertainties that can be frustrating for those involved. As Elam & Spotts (2004) explain, “Students are not working in a clean, tidy environment when dealing with a live case; rather, they are dealing with variable situations, uncertainty, and incomplete information.” (p. 51). Some students prefer the defined expectations of assignments that can be laid out with precise instructions with clear rubrics to follow, which is difficult to do in live case studies. When a practitioner is not sure what exactly needs to be done, or when they don’t know what they don’t know, it takes a discovery process on the part of the whole class along with the professor and the practitioner to progressively determine exactly what directions the project should take and what the project should look like in its final state.

Despite the potential for ambiguity in real-life projects, or perhaps precisely because of that ambiguity, it is important to prepare some objectives beforehand in order to maximize the benefit to the practitioner. It is helpful to clearly identify specific questions that the practitioner would like to have answered or addressed by the students, and these can be created through a collaborative process beforehand between the professor and the practitioner. The professor can help the practitioner to think through issues that he or she is experiencing and help to determine what is reasonable for the students to address, having a greater ability than the practitioner to gauge the ability level of the particular students in that course.

Additionally, both students and the practitioner reported that more regular, consistent time together would increase the quality of the finished product. Students needed to make certain assumptions within their work, and without frequent scheduled contact with the practitioner, the students were forced to make some incorrect assumptions that risked reducing the value of the work. Even though the practitioner visited the class a couple times and was available via email or skype calls, few students took advantage of the opportunity for personal contact, unaware that they needed more clarity from the practitioner.

A final challenge in BAM projects revolves around the potentially sensitive nature of the work. For the purposes of this paper, the names of the company and the people group have been obscured, and the specific country has not been identified. In the classroom, however, these details were identified clearly so that students could do valid, real-life research. Since not all students at Christian universities adhere to the same values as the practitioner nor do they all agree with the idea of Christian mission work, the practitioner assumed a small level of risk in revealing the details of the project to the students. If the practitioner was not comfortable with revealing specifics, those details could be changed or not revealed. But for the sake of student learning and the sake of the value delivered to the organization, this practitioner felt it was a risk well worth taking.

Conclusion

The MAIT project provided a rich learning environment for students while contributing significant assistance to the creation of a BAM enterprise, helping to bridge the gap between desire and start-up for an organization with a heart for economic impact but little expertise in how to bring it about. Through the use of a live case study in the form of a student consulting project, teams benefitted significantly from the opportunity for student-driven experiential learning and the practitioner benefited in business acumen gained. Such methodology is not without its challenges, however, and can best be appropriated with strategic planning such as obtaining initial student buy-in, scheduling ample meeting time opportunities with the practitioner, and pre-establishing potential objectives with the practitioner, among others.

Adopting BAM and social entrepreneurship projects like MAIT's initiatives with the Fire people not only impact student learning and practitioner preparation, they also give students the chance to play a part in the development of social/spiritual enterprises that can change people's lives around the globe. As more classes adopt such projects, the impact can be magnified, and through increased partnerships between practitioners and student consultants, businesses for the greater good can be promoted and business students can play an important part in helping to change the world through business.

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Crowdfunding, Robo-Advising, Digital Currency and Blockchains – Incorporating FinTech in Finance Courses

ABSTRACT

Despite the increasing importance of Financial Technology (FinTech) in the business world, business schools are not leading the discussions on FinTech in classrooms. This paper provides an overview of the FinTech industry and discusses how I incorporate FinTech in undergraduate corporate finance courses. Topics such as Crowdfunding, Robo-Advising, Digital Currency and Blockchain are discussed within the framework of traditional finance theories with a particular focus on faith integration.

INTRODUCTION

Financial Technology (FinTech) is defined as "a new financial industry that applies technology to improve financial activities" (Schueffel, 2016). The most well-known FinTech application is the payment system, such as PayPal and ApplePay. Other examples of FinTech includes crowdfunding, robo-advising and wealth management, bitcoin and blockchain.

With its growing importance and development in the business world, major business schools are catching up but still a bit slow to incorporate FinTech in their curriculum. A few exceptions include the new FinTech MBA by NYU's Stern School of Business and Duke's Fuqua School of Business' Innovation and Cryptoventure courses.[1] Professor David Yermack, NYU Stern's finance department chair, argues that "the wider FinTech curriculum— which includes peer-to-peer lending, financial data analytics and entrepreneurship — will have to be taught at every business school, because employers will demand it".[2] This applies to Christian business schools as well, as we prepare students to meet the changing regime in the financial markets and the business world as a whole.

In the rest of the paper, I discuss three major areas of FinTech and how I incorporate each area in the finance courses I teach. The discussion will focus on connecting FinTech to traditional finance theories with faith integration.

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[1] http://www.stern.nyu.edu/programs-admissions/full-time-mba/academics/specializations/fintech and https://faculty.fuqua.duke.edu/~charvey/550crypto.htm, see Kursh and Gold (2016) for a discussion and summary on how universities are approaching FinTech.

[2] http://www.businessbecause.com/news/full-time-mba/4296/elite-schools-teach-mbas-blockchain

COURSE DESCRIPTION AND FAITH INTEGRATION

I teach four courses at a liberal art Christian university: (1) Introduction to Corporate Finance, a required course for all business majors and an introductory for finance majors; (2) Financial Markets and Institutions; (3) Advanced Corporate Finance, both (2) and (3) are required for finance majors with (3) being the capstone corporate finance class; and (4) Directed Study on Special Topics in Corporate Finance, a one-on-one course where a participating student conducts an in-depth study and analysis on a pre-approved finance topic. These courses that I teach, together with investment and portfolio management courses, form the core of corporate finance that deals with the source of funds, the use of funds, and the daily management of funds to create value for an organization. FinTech, as shown later, is transforming all these functions in corporate finance.

I teach all courses above under a stewardship theme with three important aspects. The first and foremost is to understand ownership. When analyzing a firm, its business model, and how it creates value, students are first required to list its owners (principals) and managers (agents). Students are then asked to truly understand the owner of all (Psalm 24:1; Psalm 89:11; Deuteronomy 8:18). The second is to understand our role as God's creation to be a good steward (Genesis 1 and 2; Genesis 39, 40-47; 1 Corinthians 4:2) and how to love God and our neighbors in the business world (1 Timothy 6:17-19). The third aspect is to understand the reward for a faithful steward (Colossians 3:23-24; Matthew 25:21; Revelation 2:10).

Another important theme in my classes is to truly understand and experience that faith integration is for both moral purpose and intellectual purpose—we are learning from an intellectual perspective to seek the guidance and wisdom of the Scripture. Jesus processes intellectual authority to speak on all matters as Paul claims that in Christ "are hidden all treasures of wisdom and knowledge" (Colossians 2:3). Therefore, it is important for both the professor and students to know that faith integration is not a choice so that we make ethical decisions, but a must so that we don't miss out what the best God has to offer and that "Christians will cease being irrelevant and the gospel will get a fair hearing" (Gould, 2014, p.57).

INCORPORATING FINTECH TO FINANCE COURSES WITH FAITH INTEGRATION

I first started discussing FinTech in my *Introduction to Corporate Finance* class in Fall 2015. Since then, through numerous discussions with finance industry practitioners, FinTech companies, banks, technology innovators, regulators, and lately my finance colleagues, I have incorporated many aspects of FinTech in my finance courses, of which I discuss three main aspects. Many universities may not yet have the resources to add a FinTech program or even if they do it takes time to finally start one. However, finance professors can initiate the FinTech discussion in different finance classes. With the current students of Generation Z (Gen Z or iGen), the generation of Internet, Technology, and Social Media (Homan, 2015), discussions of FinTech will also make finance more relevant to the students. In this section, I will discuss in details how different areas of FinTech could be incorporated in biblical-integrated finance courses.

Market Source of Funding—CrowdFunding

Traditionally, business raise funds through credit market (e.g. private bank loans and publically traded bonds), public equity market, and the increasingly important private equity market. The key is a centralized system, either stock exchanges or financial intermediaries such as banks or money managing companies act as agents of the fund providers (i.e. the principals, e.g. household- or institutional- investors and depositors) to screen and monitor the fund users (e.g. companies, small business, or individuals). This system depends on the agent being a good steward and that it gets enough reward of doing so. The financial crisis of 2007-09 illustrates the embedded weakness of the system. With the current low interest rate environment and the underperformance of actively managed funds, the agent is not generating enough return for the fund providers. Along with the development of technology, the fund providers could use alternative investment opportunities such as crowdfunding to participate in the financial market.

Crowdfunding is the practice of funding a project or business by raising money from a large number of people using the Internet (Bradford, 2012). Internet-based crowdfunding platforms allow fund users to showcase their ideas with an open call to reach large crowds, collect funds, and return profits. Depending on whether and how investment return is delivered to the fund providers, there are in general four types of crowdfunding—donation-based, reward-based, debt-based, and equity-based. The idea of crowdfunding is first introduced in my *Financial Markets & Institutions* class as alternatives to traditional financial markets and later discussed in depth in *Advanced Corporate Finance* class as students position themselves as CEOs and CFOs of a company and consider how to raise funds through these alternative sources.

The donation-based crowdfunding (e.g. GoFundMe) is essentially charitable giving. In reward-based crowdfunding (e.g. Kickstarter, Indiegogo), fund providers receive a non-monetary reward, such as first use of a newly developed software or other product. In debt-based crowdfunding (also known as the peer-to-peer or P2P lending), borrowers apply for loans through platforms such as Lending Club or Prosper. The platform then review and verify the application and determine borrowers' credit risk and interest rate. Investors lend to individual borrowers or bundles of borrowers and make money from interest on the loans, while the platforms make money by taking a loan servicing fee. Equity-based crowdfunding platforms (e.g. AngelList, SeedInvest, Fundersclub) allows investors to fund startup companies and small businesses in return for equity.

A crowdfunding assignment for the course *Financial Markets & Institutions* include the following requirements. First, students are asked to state their philosophy of charitable giving and what causes they are interested in. Students then are required to go back to the Bible and provide their own understanding of tithe. Then each student is required to look for a donation-based project on GoFundMe.com, state his/her reasons of choosing the project and how such project is consistent with their personal philosophy of giving. Students are also encouraged (not required) to donate to the project.

The second part of the assignment requires students to choose one more project from reward-, debt-, or equity-based platforms and again state their reasons. Student are not required or encouraged to make such investment. Students are also required to compare the risk-return characteristics of the three types of platforms.

The third part of the assignment asks students to consider the potential risks in debt-based crowdfunding and what are some reasons such platforms could fail. Students also need to read a case on recent P2P lending scandal, China's Ezubao's $7.6 billion Ponzi scam, apply critical thinking and consider how this scandal could potentially be avoided and whose fault it was.[3] Students are required to seek the Scripture's wisdom regarding paying off debt (e.g. Romans 13:7-8, Psalm 37:21, Proverbs 3:27-28) and how lenders can protect themselves.

The final part of the assignment asks students to hypothetically invest $10,000 in different combination of projects, considering the risk and return of their portfolio of projects. This exercise helps students think how to allocate their personal wealth between reward-based projects and donation-based social welfare projects. Students are also required to link their decisions back to the stewardship theme of the finance program and consider whether they are being a good steward

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[3] Students are required to search on the Internet and find more details themselves, but here's one piece from Reuters on the scandal. http://www.reuters.com/article/us-china-fraud-idUSKCN0VB2O1.

of that $10,000 being given to them and whether they love their neighbors in their personal finance decisions.

After the assignment, a general response from the students is that crowdfunding gives us more opportunities to invest our money in a socially responsible way, compared to just making a deposit in a bank. From an entrepreneur's perspective, crowdfunding gives him/her access to funding and encourages more innovative ideas. Some students have also started to explore some crowdfunding and missionary opportunities in Microfinance, helping those who are in the low-income situation and those underbanked. Students from my class have also helped the University's different missionary trips and other faith-related causes to raise funds through GoFundMe.com.

Robo-Advising and Wealth Management

An often-discussed topic in my *Introduction to Corporate Finance* class is the concern that professional money managers and financial advisors only take care of their high-net-worth clients, individuals with a minimum asset of 100,000 while the Scripture requires us to treat everyone equally (James 2: 1-13). Robo-advising is brought to the discussion as a potential solution to the problem (Lieber, 2014). Robo-advising provides financial advice or portfolio management advice based on mathematical rules or algorithms with minimal human intervention. With the development of artificial intelligent (AI) and machine learning, we observe a boom in computer-based trading and advising algorithms. Robo-advisors are available 24/7 and have no account minimum requirement, and therefore are considered to be more accessible than human advisors and better able to treat all clients equally. Another advantage is that robo-advising provides a low-cost financial advising at an annual management fee of 0.2%-0.5% of assets under management, compared to a 1% to 2% fee charged by human advisors.

A 20-minute discussion is usually held in the *Introduction to Corporate Finance* class, where students consider themselves as someone who need financial advice and discuss whether they are more willing to use human- or robo- advisors. Students who favor robo advisors mention the benefits including (1) lower cost, (2) better accessibility and the importance of being treated equally, (3) brilliant algorithm and therefore potentially good advice and less subject to errors. Students preferring human advisors argue that personal care and attention is essential with human advisors. In a follow-up discussion, students consider themselves as managers of a wealth management company and weigh the costs and benefits of using robo-advisors. While recognizing its benefits in attracting more clients and therefore higher profits, the majority of class stand that as Christian financial advisors, the personal care and relationship are more important as they would like to have better opportunity to take care of their clients and help them both professionally and personally.

Students also discuss the possibility of robots taking over human jobs and how financial firms and business in general cope with it from both employers and employees' perspectives.

On a related matter of robo-advising, a students who took a directed study on *Special Topics in Corporate Finance* developed the business idea of a financial advising app that uses computer algorithm to track and analyze a person' spending, saving, and tithing behaviors, and give biblical personal financial management advise.

Payment, Digital Currency, Bitcoin and Blockchain

A special 2.5-hour session on *Financial Markets and Institutions* class is devoted to understanding digital currency, putting it in the conventional wisdom of money, banking, and monetary policy, and discussing how blockchain and cryptocurrency is changing future business.

The discussion first start with a 30-minute discussion on centralized currency, digital transfer and payment system: the shift from "going to bank branches" to ATM, to online banking and mobile banking, to PayPal, and to other mobile payment (i.e. UBER). Students share their experience, the convenience it brings, as well as their concerns for safety, and the need for better security software.

The class then discusses bitcoin and blockchain. Bitcoin is a digital asset using cryptography to secure transactions (Nakamoto, 2008; Brito and Castillo, 2013). With bitcoin, transactions take place between users directly, without an intermediary, and therefore is a decentralized system. Blockchain was developed as a public ledger that records bitcoin transactions. Students watch a short video on bitcoin and blockchain and discuss whether and how it changes the traditional definition of fiat money and its implication for business of commercial banks and central bank's monetary policy. Students also track the Bitcoin Price Index to discuss factors that affect bitcoin pricing.

The discussion then focuses on the key notion of blockchain, as it later evolves out of its initial role of just a record for bitcoin to "blockchain 2.0"— a database of information that offers permanent and unchangeable public ledger for transactions in general and is secure and resistant to modification by design (Iansiti and Lakhani, 2017; Yermack, 2017). Blockchains therefore allow previously untrusting parties to co-create a permanent, unchangeable, and transparent record of exchange and processing without relying on a central authority. Students are put into groups of 3-4 and brainstorm other potential uses of such decentralized and secure information record system. Students suggest that blockchain could be applied to any business-related transaction such as payment to suppliers, any accounting-related record such as inventory and sales management, voting, and medical record. Students also recognize that blockchains are not encouraging, but actually deterring illegal transactions as everything is recorded and unmodified.

In an after-class assignment, students are required to read Dr. David Yermack's article of "Corporate Finance and Blockchains" and summarize his key argument on how blockchain improves corporate governance in terms of greater transparency of ownership, improved liquidity, more effective management, real-time accounting, and etc..

Students of *Advanced Corporate Finance* class are also required to read Yermack's article from managers' perspective and evaluate how and to what degree such improvement would increase firm value and equity value using simulations. Students are also required to discuss how blockchains reduce agency costs and encourage better stewardship behavior in a corporate setting.

CONCLUSION

As FinTech are becoming more and more important in the business world, business schools need to catch up. While schools initiate or plan for FinTech programs or related courses, finance professors should already incorporate FinTech in finance courses. I discuss the three main aspects of FinTech in teaching various finance courses with faith integration—Market-based Funding and Crowdfunding, Robo-advising and Wealth Management, and Payment, Digital Currency, Bitcoin and Blockchain. Other areas of FinTech need to be incorporate in current course offerings as they profoundly alter the way we do business and conduct financial transactions.

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Divided: Is there Evidence of Work/Worship Divides In Graduates of a Christian Business School?

Paper for the Christian Business Faculty Association (CBFA) Conference
"More than the Bottom Line: Business Education to Change the World"
Point Loma Nazarene, San Diego, California
October 19-21, 2017

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Abstract

Four work/worship divides, or inappropriate ways for the Christian to integrate work and worship, are defined and tested. Findings discover the proportion of graduates holding to specific divides and how positions are correlated with Christian commitment, church involvement and career satisfaction. Specific recommendations inform the practice of Christian business education.

Purpose of Paper

Common among business departments in Christian colleges is a mission to prepare students for a life that is about "more than the bottom line." As graduates from these institutions enter and serve in the workplace, how do they view their "work" in relationship to worship? Ideally, work should be seen as an act of worship. But, is it? Are there evidences of "work/worship divides? Does a person's view of work and worship relate to their expression of faith in Christ, church and their satisfaction with their career?

This paper reports on findings of a study to quantify how graduates of a Midwestern Christian university view the integration of faith into their work. The study is designed to test if Christians in the marketplace fall victim to four proposed work/worship divides that may undermine the person's ability to effectively see their "work as worship."

As a result of the study, the following outcomes will be produced: 1) the development of scales to test work/worship divides, 2) the first quantification of the presence of these divides among Christians in the workplace, and 3) a greater understanding of how graduates of a Christian business school approach the integration of their faith into their work behaviors.

The Idea of Work as Worship

As Christians, it is part of our calling to follow Christ fully, so as not to live a "divided life Christians should not live a "divided life. Regardless of our setting, our lives should give testimony to the presence of God, yet the difficulty is often found in what this looks like. In this paper, four work/worship divides, or ways of thinking about the integration of our faith at work are studied empirically. If we are living a divided life, it may be challenging to "work as worship."

Terms need to be defined. The following definitions are offered.

Work: Activities engaged in to sustain our physical and financial lives.

Worship: Spiritual activities and expressions, enabled by the Holy Spirit, engaged in to honor God, express our love to God and live in God's presence.

Work/Worship Divides: Misconceptions about work and worship that divide these two concepts in our lives and undermines wholeness and may compromise holiness.

As a Christian, we have a purpose. "We are God's workmanship, created in Christ Jesus to do good works, which God prepared in advance for us to do" (Ephesians 2: 10 NIV). To do this, it will take a "renewing of our mind." "Therefore, I urge you brothers and sisters, in view of God's mercy, to offer your bodies as a living sacrifice, holy and pleasing to God-this is your true and proper worship. Do not conform to the pattern of this world, but be transformed by the renewing of your mind. Then you will be able to test and approve what God's will is, his good, pleasing and perfect will" (Romans 12:1-3 NIV).

This study is a first step to quantify the mindset of work/worship as a process toward providing credible experiences through our faith-based institutions, in order that we might enhance the probability that graduates of Christian colleges will "work as worship.

Work as Worship in the Culture and in the Literature

The concept of "work as worship" has become popular in recent years. At least three books have been written since 2011 focusing on this concept (Nelson, 2011; Russell, 2012: Brown & Wiese, 2013). The theme is the subject of Bible studies for business leaders (Work as Worship Bible Series by J.D. Greear) and an annual conference (http://www.workasworshipconference.org/). Multiple organizations have a mission of assisting business women and men to live their faith in the marketplace. Just a few are, Truth at Work (http://truthatwork.org/), EDGE Mentoring (https://www.edgementoring.org/), Half Time Institute (http://halftimeinstitute.org/), FCCI (https://www.fcci.org) and Christian Business Fellowship (https://christianbusinessfellowship.org/).

Even with increasing conversation on the subject there is an absence of academic research that considers how Christians actually view and practice work as it relates to the concept of worship. While scholars have challenged how people claiming Christian values transition their faith in the workplace (Nash, Blanchard, McLeenan, 2001; Zinbarg, 2005), an analytical investigation of the concept has not been pursued. This study begins this agenda by testing the hypothesis that there are work/worship divides which undermine the ability of the Christian to effectively live as if "work is worship." To go about this, the concept of work/worship divides is operationalized in scales and then tested. Subsequently, data analysis is used to determine if the graduate of the Christian business school expresses a belief that these divides reflect the way that she/he approaches their work.

Work/Worship Divides

Brown and Wiese (2013) suggest that there are four misinterpretations or misuses of the relationship between work and worship by Christians in the marketplace. The contention is that is that there are "divides" that separate the Christian from "work as worship." According to these two authors, Christians may fall into inappropriate mindsets for work. The four divides are:

- Work NOT Worship-The belief that the Christian must do what she/he needs to do to succeed in the workplace, even as a Christian. This divide suggests that the Christian is not expressing unity of purpose or holiness, because he/she justifies actions in business that are deemed inappropriate in the rest of the person's life.
- Work THEN Worship-The belief that the Christian should do her/his best at work, but that "worship" is for church, not work. This divide is a mindset that says work is separate from worship – work is something you do to make a living, while worship remains an act for church. Work is something you do to make a living. Worship is an act for church.
- Work OR Worship- The belief that only persons called by God to ministry have an opportunity to "worship" through their work. This divide suggests that only certain people can consider their work as worship because these individuals have a special calling from God to work in a ministry setting.

- Work AND Worship- The belief that a Christian must be explicitly testimonial to effectively integrate faith into work. It is appropriate for work to provide and express testimony of an individual's Christian faith. Brown and Wiese contend that religious fervor in the marketplace may be less than effective (or deemed as inappropriate by others in the work setting) and that it may undermine the effectiveness of the witness. Of all of the divides, there may be a question as to whether or not this is truly a divide.

According to Brown and Wiese, each of these divides are less than ideal ways to integrate faith into the workplace. The four "divides" can be interpreted by Christians as ways to operate in the work setting, but each is less than optimal, because the divide separates work and worship as unified expressions of faith.

Research Methodology

The study was designed to achieve the following research objectives:

- Create tested scales to measure the work-worship divides,
- Determine if these divides are active in the mindset of work within recent college graduates from a business school at a Christian university, and
- Determine if there is a relationship between the various divides and a) an expressed level of commitment to Jesus Christ, b) level of motivation for career success, c) a level of career satisfaction, and d) involvement in church.

After defining each of the divides, a group of six to eight questions were designed to measure each divide. A panel of business professors was then used to test the face validity of these questions. After revisions, the questions were presented to a group of senior students in the business program at a Midwestern Christian college. From the responses, Exploratory Factor Analysis and Cronbach Alpha tests were employed. As a result, items were reduced to three questions per work-worship divide construct.

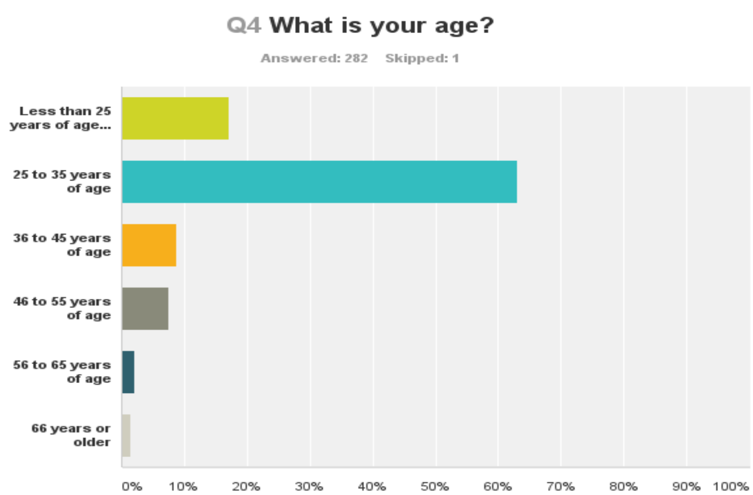
Scales used a four-point Likert Scale with 1=Strongly Agree, 2=Agree, 3= Disagree, and 4=Strongly Disagree.

The questionnaire was distributed to 781 graduates holding a Bachelor of Arts degree and graduating between 2005 and 2015 in business from a Christian university. A sum score, using the tested scales, for each of the "divides" was calculated to determine the degree to which the respondent expresses positions suggesting that the divides are present in their work life. Tests for significant difference, correlation and relationships were used to determine if association with the divides is aligned to faith and church commitment, career aspiration and, career satisfaction. Profiles of segments associated with the four divides were created to determine if sex, year of graduation, age, and level of educational achievement are related.

Research Findings

Profile of Respondents:

Two hundred eighty-three (36% response rate) undergraduate alumni of the university responded to the study. Fifty-seven percent of the respondents are male. Over 80% of the respondents are age 35 or less.

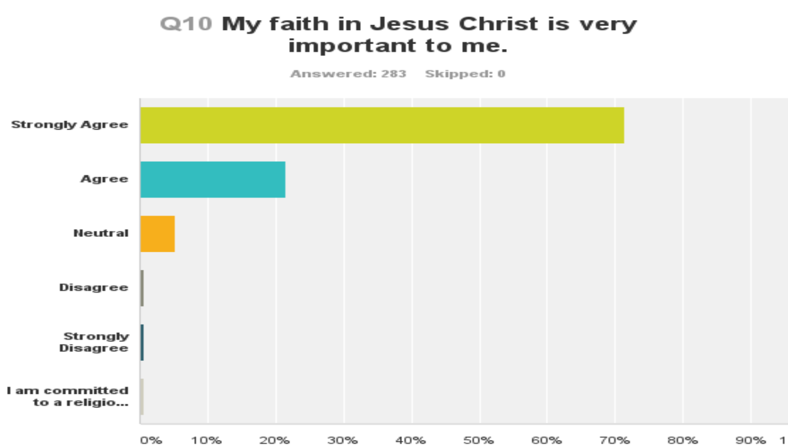


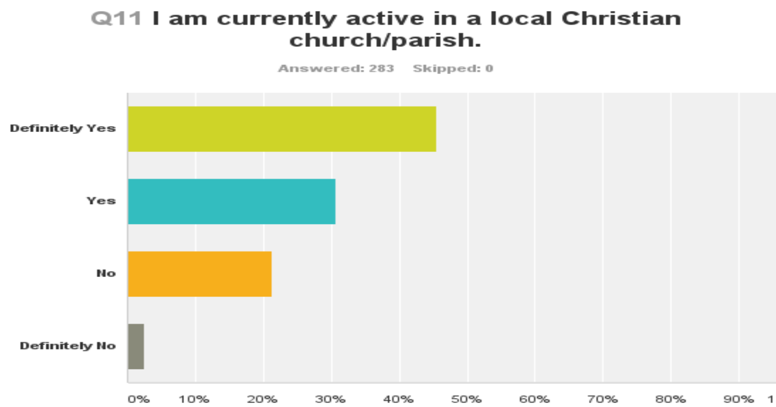
Graduates are found in a wide range of employment opportunities. The majority of respondents work in for-profit businesses with fewer than 500 employees. Forty-eight percent report having earned an MBA. Fifty percent of the respondents have undergraduate degrees in management or marketing. Another 27% have a major in accounting, finance or economics. Fifteen percent of the respondents report an undergraduate major outside of business, often a second major.

How do you categorize your current place of employment?

Answer Choices	Responses	
Small for-profit business (fewer than 500 employees)	34.75%	98
Medium-sized for-profit business (501 to 10,000 employees)	15.96%	45
Large for-profit business (more than 10,000 employees)	20.57%	58
Non-profit organization (college, social service, non-profit hospital etc.)	15.25%	43
Ministry organization	2.48%	7
Not currently employed	2.13%	6
Other (please specify)	8.87%	25
Total		**282**

Responding graduates from this university express a strong commitment to faith in Jesus Christ. Seventy-two percent of the respondents "strongly agree" with another 22% "agreeing" with "my faith in Jesus Christ is very important to me." For 75% of the respondents, this commitment is evidenced by activity in a congregation/parish. Seventy-five percent also express that membership/participation in their particular church group/denomination/movement is personally important.





Internal Reliability Testing:

Cronbach Alphas for internal reliability and Factor Analysis are used in the scale development process. Alphas are calculated for the data from all respondents, and it was found that three of the four scales have scores greater than .70. This finding was consistent with the pilot testing of the scales. The lower Cronbach Alpha for the Work NOT Worship scales call into question the use of these measurements.

The following Cronbach Alpha scores are reported.

Work NOT Worship:	.383 (unacceptable)
Work THEN Worship:	.714 (acceptable)
Work OR Worship:	.728 (acceptable)
Work AND Worship:	.736 (acceptable)

Presence of Divides Reported by Respondents:

A score for each person, for each of the four divides, was calculated. The scores ranged from three (lowest level of the divide) to 12 (highest level of the divide). A low sum score suggests disagreement with the divide. This means that the person answered questions in a way that suggest that they do not agree with the integration of faith in the workplace in this particular way. A high sum score suggests agreement with the statements that are used to determine if the person expresses belief in a particular work/worship divide. For ease of seeing the number of students who agree or disagree with the statements representing the four divides, categories were also created.

The following charts give an idea of the distribution of the number of students who agree or disagree with the statements representing the four divides. The number for these findings is 250, because the data contains only students with a primary major in business.

A majority (75%) do not agree with the Work NOT Worship divide.

Category of Work NOT Worship

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	182	72.8	74.6	74.6
	Agree	62	24.8	25.4	100.0
	Total	244	97.6	100.0	
Missing	System	6	2.4		
Total		250	100.0		

This suggests that most of the graduates do not believe that it is permissible to "do what you need to do to succeed in the workplace, even as a Christian." Twenty-five percent are more likely to say "agree" or "strongly agree" to the following questions.

- "Business is business." Sometimes you have to do what you need to do to survive.
- It is acceptable to do something at work that you may not do with church friends.
- "It is only business" is a legitimate excuse for not treating someone at work the way you would treat them in other settings.

The graduates are more equally divided between agreement and disagreement for the Work THEN Worship Divide.

Categories of Work THEN Worship

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	109	43.6	44.7	44.7
	Agree	135	54.0	55.3	100.0
	Total	244	97.6	100.0	
Missing	System	6	2.4		
Total		250	100.0		

Forty-four percent express an appreciation for this view. It suggests that these professionals believe that, while they should do good work, work is not worship. Fifty-five percent express an appreciation for work as worship by being more likely to disagree to the following questions.

- My faith is important, but when at work, I need to remember that work is my priority.
- When at work, my focus is on doing the job. When at church, my focus is on worship.
- Worship is for church. Work is for work.

Very few of the respondents hold to the Work OR Worship divide.

Categories of Work OR Worship

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	209	83.6	85.7	85.7
	Agree	35	14.0	14.3	100.0
	Total	244	97.6	100.0	
Missing	System	6	2.4		
Total		250	100.0		

Only 14% of the respondents align their views to the notion that only those called to formal religious positions can view their work as worship. A strong 86% disagree with this premise through their responses to the following questions.

- You are either in a ministry vocation, like being a pastor or missionary, or you are not in ministry.
- Worship, as part of a person's work, is limited to people who have formal ministerial positions.
- Most of us do common jobs that cannot be considered ministry.

The respondents are evenly split on whether or not they espouse the Work AND Worship divide.

Categories of Work AND Worship

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	120	48.0	49.2	49.2
	Agree	124	49.6	50.8	100.0
	Total	244	97.6	100.0	
Missing	System	6	2.4		
Total		250	100.0		

Almost 50% of the respondents align with one position or the other. This divide is likely to be most controversial. Brown and Wiese held that Work AND Worship is a divide and is not the best way to express "work as worship." Others may disagree. This divide contends that it is imperative that a person explicitly express their faith in the workplace in order to evangelize. Obviously, the difference of opinion is clear from the responses of this study. The questions used to measure this potential divide are:

- When I am at work, I need to let others explicitly and clearly know that I am a Christian.
- My primary duty at work is to evangelize and to express my faith.
- I would be heartbroken if my co-workers did not know that I am a Christian.

Correlations between the divides with career satisfaction, Christian commitment, and church involvement:

Using the individual score (3-12) for each of the divides, Pearson Correlation was calculated to determine if there is evidence of correlation between each of the divides and the variables of 1) a Christian commitment 2) church involvement, and 3) devotion to the church group/denomination/movement. After interpreting the data received, there is evidence of statistically significant correlations. Be reminded that the Cronbach Alpha for Work NOT Worship was not satisfactory. There is a positive correlation for Work NOT, THEN and OR Worship. This suggests that respondents who express the strongest Christian commitment tend to not hold to each of these divides. A negative correlation is found for Work AND Worship. This finding suggests that the respondents holding the strongest commitment are more likely to hold to the position that a Christian should explicitly express their faith in the workplace and strive to evangelize while in the work place.

Variable n=244	Work NOT	Work THEN	Work OR	Work AND
My faith in Jesus Christ is very important to me.	.342** p= .000	.473** p= .000	.421** p= .000	-.484** p=000
I am currently active in a local Christian church or parish	.271** p= 000	.422** p=.000	.352** p= .000	-.440 p=.000
Being a member in my particular church group, denomination or movement	.199** p=.002	.379** p=.000	.346** p=.000	-.467** p=.000

Relationships between Divides and Career Aspiration/Career Satisfaction:

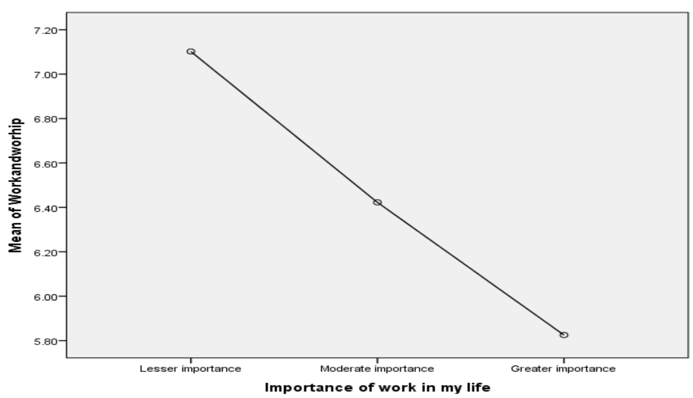
Is there a relationship between the position held by respondents on the four divides and 1) the level of expressed career satisfaction of the graduates and 2) the level of importance placed on career success? Using a One-way Analysis of Variance (ANOVA), two interesting findings are discovered.

Divides and Career Importance:

A one-way ANOVA was used to determine if the mean score for each of the four divides is significantly different depending on the category of importance placed on career. The dependent variable read, "How important to you is being successful in your career." Three categories were constructed, 1) Of less importance, 2) Important as a means to make a living, and 3) Of great importance in my life. Two important findings were discovered.

First, a significant effect was found at the $p<.05$ level ($F=37.218$, $p=.000$) suggesting that there is a relationship between whether or not students agree/disagree with the Work THEN Worship Divide and the importance placed on career. Post hoc comparisons using the Tukey HSD test found that the mean score is significantly different at each of the three levels of importance. This suggests that respondents who "agree" with the Work THEN Worship (that work is work and not for worship) notion are more likely to say that work is "of great importance in my life." The respondents who disagree with the Work THEN Worship divide place less importance on career as a top priority in life.

The second finding suggests that respondents agreeing with the Work AND Worship divide are more likely to place less importance on their career as an important component of life (F=6.121., p=.003). The post hoc analysis suggests that the respondents saying their career is of lesser importance are those that are more likely to agree that explicit evangelism in the workplace is a Christian expectation and that work should be seen as an opportunity for active evangelism. This effect is not found as respondents move from career being of "lesser importance" to moderate and then greater importance. Respondents who are most ardent about using the work environment for explicit and overt evangelism are those persons who see career and career advancement as a less important component of life.



Divides and Career Satisfaction:

Analysis using One-way ANOVA found that there are no statistically significant relationships between the divides and the level of career satisfaction reported by respondents. It does not appear that agreement or disagreement with the divides is associated with the level of career satisfaction currently expressed by graduates from the Christian college.

Relationship between the divides and profile variables:

Is there evidence that any particular group of graduates are more likely to hold a position relative to the divides? There is no evidence that sex is related to whether or not the graduate will take an “agree” or “disagree” position regarding any of the divides.

No evidence was found suggesting that the nature of the employing organization matters or whether or not the person has an advanced degree matters. It does not appear that positions relative to the divides are statistically different for the different group of respondents, with one exception. There is minimal evidence that age matters. Respondents of an older age are more likely to agree with the Work NOT Worship position. This suggests that persons later in their career are more prone to take a position that it is acceptable to act in a way that will improve possibility of success in the workplace even if the action is generally considered inconsistent with their faith position. Caution needs to be taken however, due to the questions regarding this particular scale.

Conclusions and Recommendations

Conclusions:

Three validated scales for measuring the approach Christians have for their work have been created. These three scales measure the degree to which a person agrees or disagrees with the four proposed work/worship divides.

Findings from 283 graduates of a Midwestern Christian business school found that relatively few Christian professionals contend that the Work NOT Worship divide or the Work OR worship divide is appropriate. Few graduates of the Christian business school hold that behaviors unacceptable outside of work are acceptable at work. Furthermore, very few graduates believe that they are excluded from seeing their work as worship simply because they are not called to formal ministry.

However, a significant number of graduates operate out of a view suggesting a Work THEN Worship or Work AND Worship view. A proportion of the respondents have a mindset that what they do at work is secular and what they do at church is sacred. The analysis suggests that it is these individuals who are also the people that place the greatest life priority on work. If the respondent embraces the Work THEN Worship divide, they are likely to say that their career is a very high priority in their life.

The Work AND Worship divide creates a dilemma. Respondents expressing that their Christian faith is extremely important are the persons most committed to church attendance and to their church group/denomination/movement. They are also the persons who are most likely to embrace the Work AND Worship divide. These persons are less likely to see their careers as a top life priority and more likely to say that it is a priority to evangelize in the workplace. This is contrasted with the persons who disagree with the Work AND Worship divide and often place a high priority on career success and advancement. Many graduates of strong faith embrace this "divide" and this calls into question whether or not this is really a divide. Should Christians in the work place embrace the notion of Work AND Worship?

<u>Recommendations for Christian Business Educators</u>:

Based off his information, there are three main recommendations we would like to make as helpful tools while educating business students in order that may might see their "work as worship.

Reinforce: It appears, at least among the graduates of this particular Christian business school, that they are not likely to have the "it's only business" attitude to justify acts at work that are inconsistent with their faith. The lessons of "prohibition" and the considerations of "ethical business practice" seem to be heard and understood as evidenced in the lack of agreement with the Work NOT Worship divide. Business educators should continue to make the point about "consistency" in behavior clear.

Construct: The findings of this study call on business educators at Christian business schools to go beyond teaching on appropriate Christian behavior and ethics in the workplace. If we accept the contention that Christians should see "work as worship," there is an agenda to construct this notion. Students in the business program should be explicitly encouraged to and taught how to have a mindset of “work as worship.” This means faculty should directly confront the notion of Work OR and Work THEN Worship. Employing Work as Worship should not be viewed as antithetical to being ambitious or successful in a career.

Explore: What is the best way to express and live faithfully in the workplace in 2017? Is it to declare faith and blatantly evangelize while at work? Many of the respondents believe that this is not only appropriate, but demanded. Yet we continue to see increasingly in our culture that this stance may result in adversarial responses. Is Work AND Worship a divide or an appropriate Christian response? The question to explore is: how should the Christian in the marketplace, given the emerging cultural realities in society, practice “work as worship?” What does “work as worship” look like and what actions reflect this reality? This is something for the Christian business educator to help the students explore.

Note: Mr. Max Fell, Accounting student at Point Loma Nazarene University is thanked for his editing work on this article.

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Appendix
Survey Instrument

Mentally, put yourself in your/a work environment. In responding to the questions, please share what your attitude/response is/will be in the work place.

Your response is completely anonymous. Your honest, first thought, is what is needed. Do not give answers just because it is what you think others expect you to say.

1. How important to you is being successful in your career? Select the star on the scale that best aligns with your level of motivation to be successful in your career.

Of no importance to me	Important as a means to make a living	The greatest priority in my life

2. Do you agree or disagree with each statement?

	Strongly Disagree	Disagree	Agree	Strongly Agree
My faith is important, but when at work, I need to remember that work is my priority, over expressing my faith.				
Worship is for church. Work is for work.				
Worship, as part of a person's work, is limited to people who have a formal ministerial positions.				
"Business is business." Sometimes you have to do what you need to do to survive.				
I would be heartbroken if my co-workers did not know that I am a Christian/religious.				
My primary duty at work is to evangelize and to express my faith.				
When at work, my focus is on doing the job. When at church, my focus is on worship.				
It is acceptable to do something at work that I may not do with church friends.				
When I am at work, I need to let others explicitly and clearly know that I am a Christian/religious.				

	Strongly Disagree	Disagree	Agree	Strongly Agree
"It is only business" is a legitimate excuse for not treating someone at work the way I would treat them in other settings				
You are either in a ministry vocation, like being a pastor or missionary, or you are not in ministry.				
Most of us do common jobs that cannot be considered ministry	◉	○	○	○

3. **What is your sex?**

- ○ Female
- ○ Male

4. **What is your age?**

- ○ Less than 25 years of age
- ○ 25 to 35 years of age
- ○ 36 to 45 years of age
- ○ 46 to 55 years of age
- ○ 56 to 65 years of age
- ○ 66 years or older

5. At this stage in your life, are you satisfied with your professional career?

- ○ Definitely Yes
- ○ Somewhat Yes
- ○ Uncertain
- ○ Somewhat No
- ○ Definitely No
- ○ Does not apply to me

6. How would you categorize your current place of employment?

- ○ Small for-profit business (fewer than 500 employees)
- ○ Medium-sized for-profit business (501 to 10,000 employees)
- ○ Large for-profit business (more than 10,000 employees)
- ○ Non-profit organization (college, social service, non-profit hospital etc.)
- ○ Ministry organization
- ○ Not currently employed

Other (please specify)

7. **What is the highest level of education that you have achieved?**

Completed some college

Earned an undergraduate bachelor degree

Completed some work on a master's degree

Earned a master's degree

Completed some work on a doctorate degree

Earned a doctorate degree

8. What was your major in college?

Accounting, Finance or Economics

Humanities and Behavioral Science (English, Literature, Psychology, Sociology, Languages, History etc.)

Management or Marketing

Music Business or Dance Business

Business Administration

Sciences (Biology, Chemistry, Geology, etc.)

Entrepreneurship

Global Business

Mathematics or Computer Science

Engineering

Other (please specify)

10. **My faith in Jesus Christ is very important to me.**

Strongly Agree

Agree

Neutral

Disagree

Strongly Disagree

I am committed to a religion other than Christianity

11. **I am currently active in a local Christian church/parish.**

Definitely Yes

- Yes
- No
- Definitely No

12. **Being a member in my particular church group/denomination/movement is very important to me.**

- Definitely Yes
- Yes
- No

Definitely No

Bridging General Education and Major Discipline:

Surfacing Career and Organizational Themes in the First-Year Common Course

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Christian Business Faculty Conference, San Diego, CA, October 2017

Abstract

Making explicit connections within general education courses about relevant skills and perspectives for students' major discipline and career preparation can increase student engagement and promote a holistic set of educational objectives. An illustration from a first-year core course focused on institutional, individual, and faith identity is provided.

Introduction

Since general education does play a major role in preparing students for engagement in career and society, it is important to persuade students that these courses and topics are worth their time and effort. One way to accomplish this goal is to connect the themes in general education to the content of the major or to organizational life more generally. Previous scholarship has explored how important themes within general education, particularly a common course, can intentionally be reinforced within major courses (Dose & Bechtold, 2016). The current presentation takes a complementary approach, describing ways to engage and benefit students by highlighting connections to disciplinary and workplace themes within a first-year general education common course.

Scholars acknowledge an unfortunate divide between general education and the major (e.g., Dockery, 1999; Dose & Bechtold, 2016; Wells, 2016). Although institutions believe in the importance of general education, students tend to direct their primary focus toward courses in the major. Students do perceive more value in some general education courses than others—those courses with connection to their major or with concrete, applicable skills are more appreciated. Other courses such as common learning seminars focusing on values and critical thinking are viewed as less beneficial, even though students sharing “common intellectual experiences” is one of the high-impact practices suggested by Kuh and O’Donnell (2013, p. 49) that contribute to deep learning (Bechtold, 2017). At the same time, professional disciplinary perspectives can get a bad rap in general education courses, especially those seen as being at the other end of the spectrum from the humanities. For example, Tolkien’s (1964) justifiable condemnation of bureaucracy in “Leaf by Niggle” can be unfairly translated to business pursuits in general.

Bridging the gap between general education and the major will enhance the educational mission as a whole. General education and major courses both have value, but that value is diminished because it is unrecognized and not used to its potential. Particularly in Christian institutions, both general education and major courses share ideals of human connection, integration, shared learning, and distinctiveness to a particular institution (Bowen, 2004; Boyer, 1988; Dose & Bechtold, 2016) that can help students “change the world” (CBFA 2017 Theme). Rather than general education and disciplinary content being disconnected, all coursework contributes to a holistic set of educational objectives designed to help students “develop skills, abilities and perspectives necessary to become collaborative agents in the contemporary workforce and society” (Messiah College, 2017).

Common Learning Courses in General Education

Many colleges and universities devote time and attention to a first-year experience within the broader general education program. Some aspects of the first year experience may be directed toward making students comfortable with the resources (e.g., the library) offered in this new setting. Other aspects may be focused on building relationships between students in the course section and within the larger institution. There may be emphasis on skills, most commonly writing. Finally, there may be emphasis on themes related to the identity of the institution. Wheaton College centers on "enduring questions" such as "what is a good life" and explores readings such as Augustine's *Confessions* and the Cape Town Commitment (http://www.wheaton.edu/About-Wheaton/Leadership/Strategic-Priorities/Strategic-Priorities-Update; Wheaton, May 2016). Gordon College's core course, "The Great Conversation: Foundations in Thinking, Reading and Writing" also focuses on the question "What is the good life?" with related themes of love, vocation, Christian character, community and justice/shalom (http://catalog.gordon.edu/content.php?catoid=19&navoid=530). Anderson University's course is built around themes of integrity, excellence, servant leadership, responsibility, and generosity (https://www.anderson.edu/campus-life/fye/seminar).

The following examples are based on my experience teaching Messiah College's "Created and Called for Community" core course. These examples describe connections from business and organizational content as well as helping students understand the relevance of course assignments to work that they might undertake after graduation. The principles of integrating disciplinary themes within a common course presented in this paper assume that the students in the course are pursuing a variety of majors, but that they can all benefit from the links to workplace skill and organizational content presented here. In this particular example, the instructor is from a business background, as is the intended audience of the paper. However, I believe that the same principles apply for other disciplines and faculty.

Workplace Skills

Many students take an instrumental approach to coursework, being motivated primarily by the perceived future benefit of the material. In a general education course, a common learning core course in particular, the future benefit of the course content is less apparent. Although course designers see obvious educational benefit for students developing perspectives necessary for contribution to contemporary society, students themselves may have what they see as more practical goals. Thus, it is helpful to highlight for students what they would agree has a concrete and obvious benefit.

One particular assignment in the Created and Called for Community course is related to vocation and requires students to describe a problem somewhere in the world that needs to be addressed and demonstrate what is wrong and why it is a genuine problem. Students find an organization that is addressing the problem and two academic sources that talk about the problem that this organization is addressing. Students are also asked to critique the organization's website and how effectively it uses its resource (based on information found in Charity Navigator, www.charitynavigator.com). One difficulty of this assignment is the many related pieces. Students are challenged not to neglect any components as well as to put them together in a cohesive paper. Even some instructors are challenged by the assignment parameters, (unfortunately) choosing to eliminate the website evaluation and/or Charity Navigator portion. In order to help students, as well as to tie the assignment to a real life scenario, I provide examples of when they might write such a paper after graduation:

A. *You work for a [hospital/university/company] that wants to support a charity and your boss asks you to research a particular cause that is consistent with your employer's mission. After you pick this particular cause, your boss also wants you to research an organization that is addressing this particular problem and submit a report.*
B. *You want to work or volunteer for an organization that supports a world problem that you strongly believe needs to be solved. Narrow down the problem so you can articulate to your friends and family why you want to do this; then, find an organization you would be proud work with.*

Since one objective of the assignment is to get students to think about vocation in terms of service, these examples also help emphasize that purpose, which can sometimes get lost in all the assignment requirements (i.e., word count, drafts, citations, etc.).

Developing a persuasive argument is another skill with significance for both career success and course objectives. Since writing plays a significant role in the course, I consistently emphasize the importance of developing a persuasive argument. Students may believe that writing assignments in college courses, particularly general education, are unlike those which they may be called upon to complete in the workplace. Although there are dissimilarities to be sure, one commonality is the importance of persuasive writing. Much of the writing graduates will do in the workplace has a persuasive purpose. I often give examples of when students might be required to do so in the "real world" that are applicable to students in a variety of majors, and might include convincing one's boss to decide upon a certain option, requesting needed equipment or personnel, or motivating coworkers or subordinates to undertake a task.

I also demonstrate the persuasive purpose of the readings within the course such as "Letter from Birmingham Jail" (King, 1963), a real-life example of attempting to influence others' beliefs and actions. The course assignment on vocation discussed above is another example of persuasive writing. Students are being asked to read and compose writing that uses skills which will be relevant and beneficial to them in the future.

Another skill that is relevant for future success is being detail-oriented, which is also integral to writing in the core course. One such example is demonstrated in the context of learning citation style. Citation itself is important to demonstrate academic integrity, but students sometimes become frustrated with the formats for various sources, including punctuation and capitalization requirements. This is especially true for a citation style to which they are not accustomed. In addition to trying to explain the rationale for the formatting rules, it can also be framed as practice in making a good impression to an employer by giving careful attention to specifications of a task. Furthermore, the citation style of their major discipline is very likely to be different from that which they learned in high school (e.g., APA vs. MLA).

Content

Mission and Culture

Messiah College's common course for first year students begins with readings and a presentation about education—what it means to be a student and about the nature of universities in general and Messiah College in particular. The first reading, "Go with God: An Open Letter to Young Christians on their Way to College" (Hauerwas, 2010) has much to say about the perspective students should take about their college years, directed both at the present and the future. In order help make the connection between general education and specific discipline, one focus of class discussion is Hauerwas's emphasis that being a student is a calling "to meet the needs of the Church" (p. 50). Hauerwas goes on to state that "whatever you end up doing with your life, now is the time when you develop the intellectual skills the Church needs for the sake of building up the Body of Christ" (p. 51). This is the first reading in the course, so from the outset there is a future-oriented aspect. Much of Hauerwas's essay speaks to the process of being a student, so it is important to explicitly highlight the future orientation, recognizing *both* the intrinsic and extrinsic aspects of learning. Other key points from the essay include the importance of building connections between disciplines and of gaining historical insight into the practice of one's discipline.

A presentation by the Provost to students in all sections of the course addresses the commonalities and uniqueness of Messiah College as a higher education institution. One point within the presentation describes the intersection of the College's belief structure with the belief structures of educators and students. Although most the classroom discussion following the presentation centers on the specific beliefs themselves, I also take the opportunity to show students the organizational chart of the institution. This helps students connect the organizational structure to the discussion of various stakeholders and appreciation of the diversity of Christian perspectives. The organizational chart is not the primary topic of discussion, but one way to both help students understand their organizational environment and to introduce concepts relevant to their understanding of a future workplace.

Another reading early in the course is by Earnest L. Boyer (1984), called "Retaining the Legacy of Messiah College." It discusses various virtues that Boyer both advocates and observes at Messiah, such as to serve, to "expand knowledge rather than restrict it" and "a community, not just a campus." To conclude the discussion, I show a video from the president's annual address to faculty and staff at the beginning of the school year which illustrates the accomplishments made by Messiah College employees and students over the past year. I ask students to make note of what values are portrayed in the video. After describing the content of the values portrayed, we talk about whether they are consistent with what our readings advocate and if what they have experienced on campus is consistent with the video and the readings. I also bring in the concept of organizational culture and its importance for employees—for them in the future as they explore internships and jobs.

Creation

The learning objective from the Creation theme that is most relevant to students' major discipline and career path has to do with being created in the image of God, and that therefore we are ourselves creative. Tolkien's (1964) "Leaf by Niggle" depicts the idea of "sub-creation"—echoing on a human scale God's great work of creation (Tolkien, 1947). Students take part in this sub-creation now and when they graduate and exercise their major discipline by creating computer programs, lesson plans, experiments, products, business plans, new processes, etc.

Another point connecting to the workplace is that institutions as well as individuals are fallen. We are created to be in relationship—those relationships include the workplace; however, our relationship with God is what must be given priority. In his essay "In the Image of God," Birch (1985/2017) writes about "the ethic of being" and "the ethic of doing." Both are important and connected. "Christian social concern requires not only that we ask what we should *do* in a broken world but also that we ask who we are to *be*" (p. 14). In many ways, core courses such as this one are related to "being," while one's major course are related to "doing." Students are receptive to "doing" and by helping them consider explicit connections between being and doing—between general education and the major—we can inculcate more meaning into both. As Birch goes on to say, "As we enter and are nurtured by Christian community, we form values, perspectives, and perceptions that inform our deciding and acting. The identity we bring with us as Christians deeply affects our participation in ministering to a broken world" (p. 14).

Community

The section of the course focused on community emphasizes the vision and purpose for community in various settings: family, society, neighbors, friends, campus, nation, church, etc. The context of church includes denomination and congregation as well as the universal Church and the spread of Christianity through history to the current movement within global Christianity. Specific beliefs or rules within a community are discussed, as well as separation from or interaction between organizations (i.e., being in but not of the world). One's individual or social identity within a community is a topic of discussion.

There are several applications of organizational behavior topics in this section, including leadership, conformity, decision making, conflict, and power. One of the course readings is "Bowling Alone" (Putnam, 1995), and the topic of social capital leads to a discussion of social network analysis and the nature of ties within organizations. None of the course readings makes specific reference to work organizations as communities, so that omission is noted, as well as applying course content to students' experiences as community members.

Calling

The section of the course on calling and vocation has the most explicit connection to major and career for students, and they "typically find it to be the most personal and central to who they currently are and who they are becoming" (Bechtold, 2017, p. 82). In this case, the instructor's task is not so much to provide a stronger connection to major and career than the course provides already, but rather to help students place calling in its wider context. "Understanding the concept of calling must first focus on the one who is doing the calling" and "that calling is first and foremost to God himself" (Bechtold, 2017, p. 82; see also Guinness, 1998). Course readings reinforce that individuals can have callings in multiple areas of life including service to others in the church and in the broader community, though education toward virtue (Plato, 400 BCE), and as agents of transformation and reconciliation (Tutu, 2004). All of these areas require discernment, taking into consideration what others say (Sittser, 2004) but not relying others exclusively (Schweitzer, 1933/1998). It is important for students to recognize that calling is broader, multifaceted, and changeable throughout one's life, taking place in the present as well as the future. Key points that apply to all areas of calling include discernment and listening to others, but not following their advice unthinkingly (Schweitzer, 1933/1998; Sittser, 2004).

Of course, career is a significant aspect of calling, and the timing of this section of the course is fortuitous, occurring near registration time for fall courses. A presentation from the career center advises students about available resources and reinforces themes from course readings regarding strengths and discernment. In addition, content from the business discipline can also reinforce points present in the course readings. In "Why Work?" Sayers (1947/2017) emphasized that work is a way of life in which "the nature of man should find its proper exercise and delight and so fulfill itself to the glory of God." (p. 1). She also noted that "work is not, primarily, a thing one does to live, but the thing one lives to do" (1947/2017, p. 13). Quality of work is important (Sayers, 1947/2017) regardless of the type of work it is; secular vocation is sacred just as much as specifically religious work (Schweitzer, 1933/1998). At the same time, society does not perceive that of all work has dignity (Keller, 2014), "so many college students do not choose work that actually fits their abilities, talents, and capacities, but rather choose work that fits within their limited imagination of how they can boost their own self-image" (p. 102). That is not to say that calling is always dependent on talents and gifts or that there is "one right answer"; rather, "a calling is a way of seeing the world with the eyes of the heart" (Sittser, 2004).

Notes on Implementation

As stated previously, this paper is only an illustration of what could be done within a general education core course to strengthen the ties between the major and general education. Although business is clearly a relevant discipline with a workplace focus that is relevant to all students, other disciplines including literature, biblical studies, political science, history, psychology, biology, communications, and so on can all play a role in a common course.

On a broader scale, it is also valuable to include faculty from various disciplines as instructors in the core course. Often due to writing-across-the-curriculum or various staffing issues, faculty teaching the course tend to be from a few disciplines, particularly in the humanities. Ownership of the course by faculty across campus also sends the message to students that this content is important to everyone, not just certain disciplines or not just general education faculty. The contribution of faculty from all disciplines models the connections between the liberal and applied arts and sciences that we want our students to perceive.

Not every institution’s core course will be the same because such a course taps into the unique identity of that college or university. Nevertheless, especially within a Christian college, there will be some similar themes. Curricula will likely include some common foundational texts as well (e.g., King’s *Letter from Birmingham Jail*). Finally, whatever the themes may be, it is likely that some opportunities exist for forward-focused application of skill and content learning as students think about usefulness of the course for their major discipline.

Conclusion

Major courses and career preparation are an important part of the undergraduate experience, but the value of these requirements goes hand-in-hand with the writing, critical thinking, and values formation emphasized in general education. Explicitly demonstrating how general education content and skills apply to the workplace and bear fruit as students pursue a major discipline helps them to appreciate and engage more fully with the general education course, particularly a common learning core course. Strengthening the ties between general education and major provides a more holistic educational experience and embraces the calling of a student "develop the intellectual skills the Church needs for the sake of building up the Body of Christ" (Hauerwas, 2010, p. 51).

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Cause-Related Marketing (CRM): Can Faculty Teach that the Cause Really Matters to the Consumer?

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Submitted for presentation to the
Christian Business Faculty Association Annual Conference

San Diego, CA

October 2017

Abstract

When is cause-related marketing (CRM) likely effective? Can CRM be “about more than the bottom line?” Using the theory of reasoned action and structural equation modeling, this study evaluated consumers’ intention to purchase a cause-marketed product. Researchers provide recommendations, informed by findings and Christian beliefs, for business educators and practitioners.

TEACHING CAUSE-RELATED MARKETING (CRM): DOES THE CONSUMER’S ATTITUDE TOWARD THE CAUSE REALLY MATTER?

Introduction to Paper: More than the Bottom Line

As instructors of business become more inclined to encourage a balance between the financial obligation and the social responsibility of the firm, it is not surprising that *cause-related marketing* (CRM) is likely to be introduced into the curriculum. This may be particularly likely in faith-based institutions with business departments that have a mission of being about “more than the bottom line.” In fact, consumers agree, as “nearly nine-in-10 (86%) Americans expect companies to do more than make a profit, they should also address social and environmental issues” (Cone Communications, 2017, p.11). As businesses implement strategies for CRM, decision makers need to be informed on the likelihood of the strategy achieving both the social and financial objectives. This study fills a gap in the literature that brings new understanding to when CRM is likely to be most effective. This knowledge is important to business educators, especially those with a desire to bridge the gap between financial and societal performance, as we prepare students to evaluate and implement CRM.

Introduction to Cause Related Marketing

Marketing managers are now employing, and business educators are teaching, innovative promotion techniques. One such technique is CRM which is used to target market segments by developing strategic affinities with events, organizations, and causes (Bloom, Hoeffler, Keller, & Meza, 2006; Cone Communications, 2015; L'Etang, 1994).

Cause-related marketing has existed since at least the 1983 American Express campaign to refurbish the Statue of Liberty (Mattson, 2012; Weissman, 1985), and many current CRM examples exist today. One of the primary goals of CRM for a business is to successfully differentiate the brand, resulting in brand loyalty, competitive advantage, and increased sales (Varadarajan & Menon, 1988), while the primary goals of the charity are to raise funding and awareness (Dickinson & Barker, 2007; Varadarajan & Menon, 1988). A well-executed alliance between a cause and brand does more than increase the bottom line for the brand, as it also raises awareness and funding for a charitable cause. In order to teach CRM best practices, business faculty members must understand the influences on a consumer's intention to purchase products promoted through CRM.

Problem Statement

Grounded in the theory of reasoned action (TRA), the purpose of this study was to evaluate a model of influences on the purchase intentions of female consumers for a product promoted through cause-related marketing (CRM), to determine if a consumer's attitude toward the cause is a significant influence on purchase intention.

Theoretical Framework

The consumer behavior theory framing the research question is grounded in theory of reasoned action (TRA), which was first presented in 1975 (Fishbein & Ajzen). In this theory, *attitude toward the behavior* is comprised of beliefs that the behavior leads to outcomes and the evaluation of those outcomes. The *subjective norm* is composed of beliefs that referents think the consumer should or should not perform the behavior and motivation to comply with the referents. These components influence intention (Figure

1). TRA has been applied to many areas of social psychology and business (Bellman, Teich, & Clark, 2009; Chi, Yeh, & Yang, 2011; Gotschi, Vogel, Lindenthal, & Larcher, 2010; Schiffman & Kanuk, 2007; Sheppard, Hartwick, & Warshaw, 1988; Summers, 2006; Vogel, 2005; Yan, Ogle, & Hyllegard, 2010). However, little research has applied the theory to consumer decisions regarding products promoted with CRM.

The study attempted to maximize model fit for defining the consumer's purchase intention related to products promoted by CRM, with a particular interest in the influence of the consumer's attitude toward the cause. Framed by TRA, the model exhibits the component latent variables selected to represent the theoretical constructs (Figure 1).

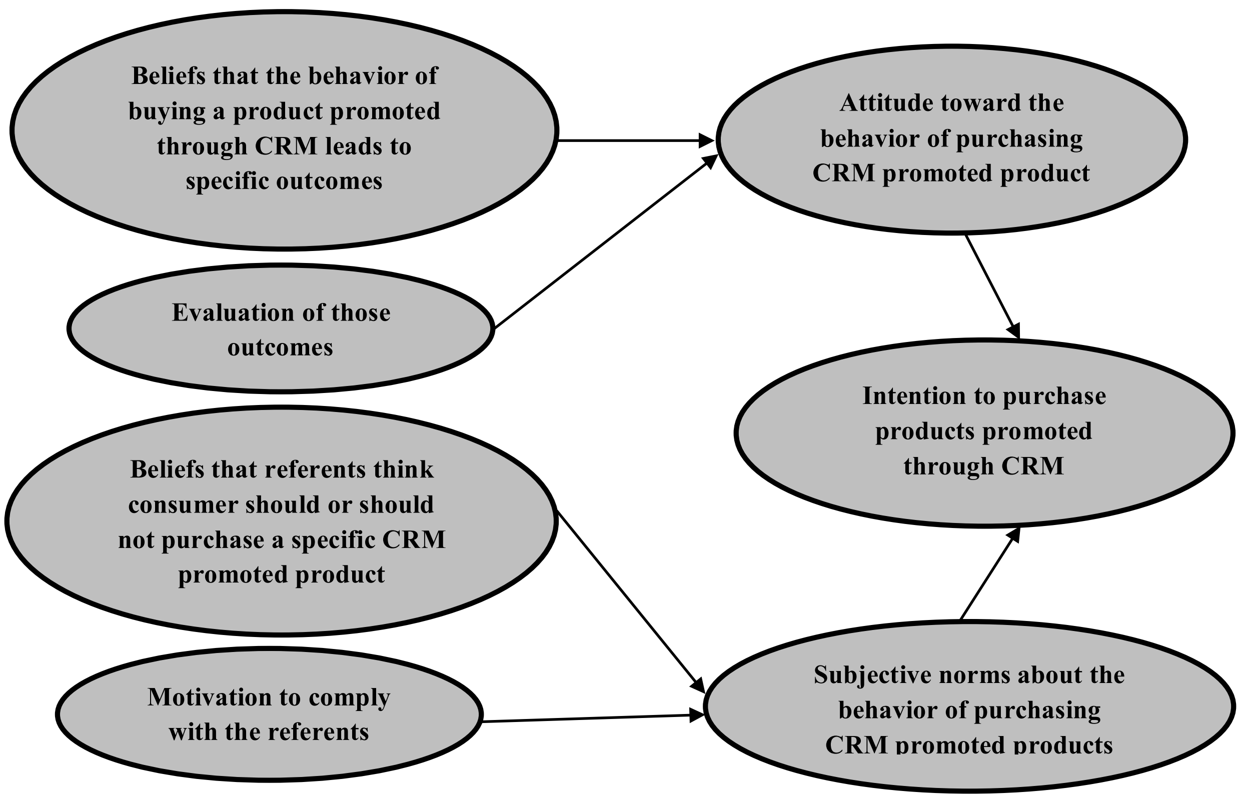

Figure 1: Theory of reasoned action is shown as applied to cause-related products.

Literature Review

In their seminal work, Varadarajan and Menon defined *cause marketing* as "the process of formulating and implementing marketing activities that are characterized by an offer from the firm to contribute a specified amount to a designated cause when customers engage in revenue-providing exchanges that satisfy organizational and individual objectives" (1988, p. 60) . They outlined the concept and characteristics of CRM and how for-profit and not-for-profit organizations benefit from the effective use of this "promising marketing tool" (1988, p. 58). The authors described a progression from firms "voluntarily doing good" to "mandated corporate social responsibly" and indicated that CRM was a middle ground of "doing better by doing good" (pp. 58-59).

Analyzing CRM in the marketplace, Varadarajan and Menon summarized the lengthy list of potential benefits to companies into two basic firm-related objectives: enhance corporate or brand image and increase sales or profit. Cause-related objectives were also identified: generate funds for the cause by stimulating revenue-producing exchange transactions between the firm and its customers and generate awareness to promote direct contributions by the general public to the cause. The authors ended by outlining an agenda for future research, encouraging research on the "myriad nuances" of CRM, noting the research would benefit both the for-profit businesses and not-for-profit organizations (Varadarajan & Menon, 1988, p. 71). Researchers have since been answering the call for research regarding the influences on the consumer's response to CRM, but unexplored areas still remain (Bae, M. 2016; Barone, Norman, & Miyazaki, 2007; Basil & Herr, 2006; Choi, J., et al., 2016; Cui, et al., 2003; Dean, 2003; Deshpande & Hitchon, 2002; Grau & Folse, 2007; Landreth, 2002; Liu & Ko, 2011; Minton, E. A., & Cornwell, T. B., 2016; Müller, Fries, & Gedenk, 2011; Polonsky & Speed, 2001; Smith & Higgins, 2000; Svensson & Wood, 2011; Thomas, 2007; Wiebe, J., Basil, D. Z., & Runté, M., 2017; Youn & Kim, 2008; Yu, 2009).

Implications of CRM for the Brand

By 1998, CRM was an established part of the marketing mix in some companies (File & Prince). Porter and Kramer suggest that strategic philanthropy improves the societal context in which the business operates (2002) and "at the heart of any strategy is a unique value proposition: a set of needs a company can meet for its chosen customers that others cannot" (Porter & Kramer, 2006, p. 89). "Corporations are not responsible for all the world's problems, nor do they have the resources to solve them all. Each company can identify the particular set of societal problems that it is best equipped to help resolve and from which it can gain the greatest competitive benefit" (p. 92). Cone Communications, a public relations and marketing firm in Boston, indicates that "conversations with global experts make one thing abundantly clear: the question is not whether companies will engage in corporate social responsibility, but how they will create real and meaningful impact. Corporate social responsibility is no longer an option — it is emphatically and indisputably a must-do" (2013, p. 2). Considered a subset of corporate social responsibility (CSR) (Cone Communications, 2015), CRM has been perceived by consumers to provide a unique value proposition, leading to competitive advantage, and cause-related sales have received higher ratings of perceived corporate social responsibility than advocacy advertising messages (Menon & Kahn, 2003).

It is thought that the consumer's connection to the brand is strengthened through CRM, because the consumer can participate with the firm in something positive for society (Comiteau, 2003). Promotional programs, which are descriptive of CRM, have been found effective at generating purchase intent, especially when the brand and cause fit is congruent (Gupta & Pirsch, 2006). Cone Communications, by conducting comprehensive global surveys of consumers in the ten largest countries by GDP, has acquired longitudinal data indicating significant benefits for business successfully engaging CSR (Table 1).

Table 1 *Summary of Relevant Findings from Cone Communications Recent Studies*

Reported Consumer Responses:	2011 *n*=10,024 global	2013 *n*=10,287 global	2015 *n*=9,709 global	2017 *n*=1,000 USA
Likely to switch brands to one associated with a good cause, if price and quality are comparable	94%	91%	90%	89%
Would buy a product with a social or environmental benefit	93%	92%	89%	87%
Had actually made a purchase in the last 12 months of a product with a social or environmental benefit	65%	67%	63%	55%
Would tell family and friends about a company's social responsibility efforts	*	84%	80%	81%
Have told family and friends about a company's social responsibility efforts in the last 12 months	51%	50%	47%	45%
Would stop buying from a company for irresponsibility or deceptiveness	93%	90%	90%	88%
Have boycotted a company for irresponsibility in the last 12 months	56%	55%	53%	50%

* Percentage not reported by Cone Communications in CSR Study Publication

Implications for the Cause

Research with charitable organizations involved in CRM indicate that the charities usually experience both immediate financial support and longer term, less tangible goals through the CRM partnerships (Runté et al., 2009). The most successful branding alliances offer benefits to the not-for-profit organization: marketing cost savings, increased funding, "unprecedented" support, and meaningful long-term partnerships (Dickinson & Barker, 2007, p. 77).

The Global Fund, for example, an organization formed in 2002 to generate funds to assist Africa in the fight against AIDS, claims to have benefited from the increased awareness among the general population through CRM (Global Fund, 2007, November 29). The charitable fund has also experienced financial benefits from the CRM efforts associated with the (RED) initiative, cofounded in 2006 by vocalist, Bono, and activist, Bobby Shriver. (RED) has reportedly contributed almost $500 million to the Global Fund (Global Fund, 2017), of which $50 million was generated in the first 20 months (Global Fund, 2007, November 29). The total private sector donations received during the four years prior to the launch of alliance with the (RED) initiative was only $5 million.

Another widely recognized example of CRM is with not-for-profit organizations involved in breast cancer research and treatment. As early as 2001, Avon Products, Inc. gave a record-setting $50 million to leading cancer centers to provide wider access to care for breast cancer patients and to fund research. At the time, this was the "largest single corporate foundation gift ever made to the breast cancer cause" (Corporate Social Responsibility Newswire, 2001). Susan G. Komen is one of the organizations currently engage with an extensive CRM network of partners, and the organization is the world's largest not-for-profit source of funding for the fight against breast cancer, contributing more than $2.9 billion to date in research, community health outreach, advocacy, and programs in more than 60 countries (Komen, 2017). The foundation's manager of cause marketing, Caroline Wall, praised these partnerships as a means to reach consumers who might not contribute directly (Graham, 2005).

CRM Research Related to the Cause

In an experiment, intention to purchase a cause-related product was found to be primarily derived from awareness of its manufacturer, with the cause playing a lesser role by itself (Baghi & Gabrielli, 2013). Additionally, when at least one of the manufacturers or charities is unknown, the consumers' intention to purchase is decreased, but intention to purchase is increased if both are well known (Baghi & Gabrielli, 2013). An earlier experiment was conducted regarding the impact of three group's predisposition toward the brand on the attitude toward the company and cause joined in CRM (Morton, 1999). The three groups represented positive, negative, and control predisposition toward the company. There was not a significant difference regarding the attitude toward the cause or social issue between the groups (Morton, 1999).

Literature indicates that the cause also influences the evaluation of the outcome from purchasing an item promoted through cause marketing (Berger, Cunningham, & Kozinets, 1999). The consumer must believe that the charity is serving a need, and research has shown that perceptions of the charity's efficiency in using funding impacts the charity's ability to attract donations (Bennett & Savani, 2003). Identification with a social cause, identification with those affected by a social cause, and perception of the social significance of the cause have been shown to have a positive effect on the consumer response to CRM (Trimble, 2007). Earlier research has also affirmed that CRM efforts generate better results when the cause is relevant to consumers (Gupta & Pirsch, 2006), and cause importance was found to influence attitude and intention to purchase products promoted through cause-related promotion (Landreth, 2002). Results in a study using undergraduate marketing students at a major university indicate that consumers are even more likely to purchase the product when they select the cause than when the company chooses the cause, once again pointing to the importance of a connection to the cause (Robinson, Irmak, & Jayachandran, 2012). In a study evaluating the brand and cause fit for cause-related, officially licensed sports apparel, Lee and Ferreira found that familiarity with and relevance of the cause superseded the consumers' judgments related to congruency of the cause and brand (2011). In a study conducted by *Self* magazine and Latitude Research, researchers found that consumers' willingness to pay a premium for products that are helping a "good" cause outweighed their willingness to pay a premium for previous experience with the brand, showing that CRM adds more to the consumer's perceived value than prior product experience. Moreover, 85% reported a desire to see more companies involved in doing "good" (Kelleher, 2007).

As indicated some studies have revealed that brand is the most important component of CRM alliances, while others have shown that the cause is more important than brand familiarity. Because of the mixed research results regarding the importance of the cause versus the brand, the focus of the current study is the significance of the consumer's attitude toward the specific charitable cause on purchase intention. There has also been a recent study on CRM purchase intention, but it focused on cause involvement and attitude toward the brand (Patel, J. D., Gadhavi, D. D., & Shukla, Y. S., 2017).

Research Methodology

The purpose of this study was to specifically examine this research question: Is a consumer's attitude toward the cause a significant influence on the purchase intentions of female consumers, for a product promoted through cause-related marketing (CRM)? In the study, a New Balance t-shirt promoted through a CRM alliance with Susan G. Komen was chosen as the representative product, brand, and cause.

Target Population and Sample Size

The research population was female consumers over the age of 18, with household incomes of at least $20,000, living within the United States. Women have been found to care more about social causes (Vilela, 2006) and respond more favorably than men to cause marketing (Webb, 1999), even in international cultures (Chéron, Kohlbacher, & Kusuma, 2012). This difference in response to CRM is particularly relevant for the current study, as the selected cause relates to the detection, treatment, and research of breast cancer, which occurs more prevalently in females; therefore, the study was limited to women in order to reduce noise around the variance. The selected age range captured only adults, and the minimum income threshold accounted for poverty levels (U.S. Census Bureau, 2014b) and average household size as determined by the U.S. Census Bureau (U.S. Census Bureau, 2014a).

For population sampling, the survey was electronically administered to a Qualtrics panel of consumers, which consisted of 515 women living within the United States. The respondents were limited to those meeting the minimum age and income thresholds, but above those minimum levels, the sample distribution approximated the distribution of age and income for women in the most recent United States census.

Instrumentation Design

As discussed earlier, the TRA contains three complex constructs: attitude toward the behavior, subjective norms, and intention. Latent variables were selected as representative components of those complex constructs and include: attitude toward the brand, attitude toward the specific cause, cause brand congruence, susceptibility to reference group influence, perceived reference group approval, ability to modify self-presentation, and purchase intention. These latent variables can be inferred through measurements that are manifested in scale items (Figure 2) used in the survey instrument.

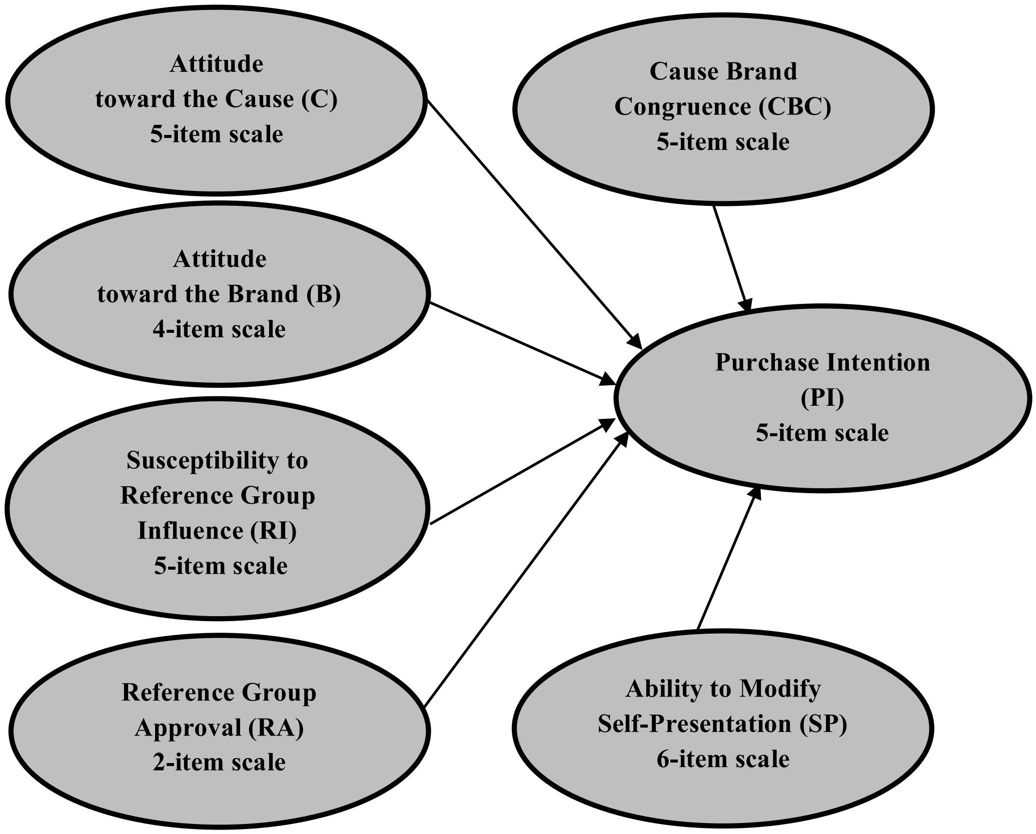

Figure 2: The published scales have been modified for cause-related products.

Final Study

Because the final research model included hypothesized causal relationships among latent variables through path diagrams and the relationship among manifest variables was formulated through latent constructs, structural equal modeling (SEM) was the appropriate tool for the analysis in the final study.

Hypotheses for Consideration

- H1: The full model is a plausible candidate explanation of the factor relationships explaining a consumer's purchase intention (PI) for a cause-related product.

- H2: Attitude toward the cause (C) positively affects the purchase intention (PI) for cause-related products.

Results

Using EQS 6.3 SEM software, the measurement model provides confirmatory factor analysis by specifying how each manifest variable loads on a particular factor, or latent variable. Although the frequency distribution indicated that 97.63% of the residuals fell within -0.1 and 0.1, the test statistics did not indicate good model fit. After several iterations of post hoc runs used to evaluate the appropriateness of the covariance of specific error terms, four sets of residuals were freed for covariance. This seemed theoretically appropriate as both variables in each set fell within a single scale, and it seemed reasonable that the survey items within a scale would ask similar questions and have error terms with covariance. The loadings of manifest variables on latent variable factors were all significant and were retained. The additional specifications improved the test statistics, indicating good model fit (Table 2).

The structural model defines relationships among the latent variables, or factors. The structural hypothesized model, with paths matching the research model (Figure 2), was run against the data in EQS with the robust functionality, as was the measurement model, in order to adjust the results for the non-normality of the data. Using the results of the LMT and analyzing the residuals, post hoc additions to the model were considered. After several iterations, a post hoc structural model was specified, which included intermediate relationships between factors. The frequency distribution indicated that 95.48% of the residuals fell within -0.1 and 0.1. These post hoc adjustments resulted in a well-fitting structural model (Table 2), which included both direct and intermediate relationships between factors.

After the post hoc specifications were evaluated for theoretical reasonableness, testing was then conducted to determine whether the intermediate relationships fully mediated the original direct relationships. All of the original direct relationships that were related to an intermediate factor were removed, and model fit and residuals greatly deteriorated. Then, one by one, the direct relationships were added back, while the output was reviewed for fit improvement. The best fit occurred when the original direct and post hoc intermediate relationships were included in the model, because the original direct relationships were not fully mediated by the post hoc intermediate additions.

The results of the significance testing of the relationships in the post hoc model indicated that the ability to modify self-presentation (SP) was not significant on the consumer's purchase intention (PI). Since the direct relationship was not significant, that relationship was removed in the final structural model, which resulted in small differences in the results (Table 2).

Table 2 *Summary of Measurement and Structural Models: Goodness of Fit*

Model	S-B$_X{}^2$	df	Robust CFI	Robust RMSEA	Robust RMSEA 90% C.I.
Initial Measurement Model	1028.823	384	.947	.057	.053-.061
Post Hoc Measurement Model	591.308	380	.983	.033	.028-.038
Structural Model	1327.423	395	.924	.068	.064-.072
Post Hoc Structural Model	612.870	387	.982	.034	.029-.039
Post Hoc Structural Model with Removal of Insignificant Relationship of SP on PI	612.704	388	.982	.034	.028-.038

Note: C. I. = confidence interval

Conclusions Reached for Hypotheses

During post-hoc model analysis, the final full structural model did provide good model fit (Table 2). Since current expectations for a well-fitting model require comparative fit measures to meet or exceed .95, with RMSEA below .05, the final post-hoc structural model was a plausible candidate explanation of the factor relationships explaining a consumer's purchase intention for cause-related products. Additionally, attitude toward the cause (C) had a statistically significant positive effect on the purchase intention (PI) (Figure 5). The conclusions for each hypothesis are summarized (Table 3).

Table 3 *Summary of Hypotheses Testing Results*

	Hypothesis Statement	Decision
H1	The final full model is a plausible candidate explanation of the factor relationships explaining a consumer's purchase intention (PI) for a cause-related product.	Supported
H2	Attitude toward the cause (C) positively affects the purchase intention (PI) for cause-related products.	Supported

Contributions to Christian Educators' and Marketing Managers' Knowledge Base

The results are meaningful both to the academy and practitioners. In the following summary, particular emphasis is on the study's meaning for Christian business educators in presenting CRM in the classroom as a potential redemptive avenue, if executed well, for businesses to have impact that is about "more than the bottom line."

The findings from this study contribute to the knowledge base for the theory of reasoned action (TRA) and cause related marketing (CRM). The research provided a needed continuation of the study of influences on consumer purchase intention for products promoted through CRM, with its specific focus on the attitude of the consumer toward the cause in a research stream where the importance of cause has generated mixed results. Although CRM had previously been found effective at generating purchase intent, especially when the brand and cause fit is congruent (Gupta & Pirsch, 2006), the current study extended the research stream to specifically focus on the consumer's attitude toward the cause. These particular findings will add to the knowledge base of educators when teaching best practices for implementation of CRM strategies and promotional techniques.

Now, more than ever before, educators can teach that cause selection matters in CRM deployment, as evidenced by this study's finding related to the significance of the consumers' attitude toward the cause. Underscoring this finding, Cone Communications states that "2017 will be remembered as the year that redefined corporate social responsibly … Companies must now share not only what they are doing but what they believe in" (p. 1). Further, companies have typically looked for causes that aligned with their core business; however, "seven-in-10 (70%) Americans believe companies have an obligation to take actions to improve issues that may not be relevant to everyday business operations" (Cone Communications, 2017, p.9). When asked what one issue companies should address, consumers responded with the following ranking: economic development, poverty and hunger, environment, human rights, education, and health and disease (Cone Communications, 2017).

In a recent study, consumers even ranked individuals and business entities as more effective than religious organizations in solving social and environmental issues (Cone Communications, 2017). Christians serving in leadership roles in organizations may have an opportunity to inform strategy to use CRM. This study suggests that the CRM strategy of the firm needs to be in alignment with the attitude of consumers toward specific causes. CRM strategy can be a legitimate way of the firm to serve a societal aim, and it can be effective if the cause selected by the firm strongly aligns with the passions/goals/concerns of the firm's consumer. Therefore, firm efforts to serve "more than the bottom line" may include a CRM marketing strategy.

Importantly, Christian marketing managers may also consider CRM as a way to use power in the marketplace to join God in bringing about redemptive flourishing for the most powerless and vulnerable in this world. For example, Andy Crouch, in his book *Culture Making: Recovering Our Creative Calling*, discusses the role of Moses in the exodus from Egypt. He comments that "the exodus is not just a story of a powerless people escaping a powerful ruler. It is also a story of a culturally powerful person whose power, while not sufficient by itself to bring about liberation, is a central means by which God confronts injustice and offers those in power the opportunity to become partners with his purposes" (p. 207). Further, not-for-profits benefiting from CRM often serve the most vulnerable populations. In Matthew 25 of the Bible (New International Version), Christians are pointedly called to care for the most vulnerable on this earth, as all people have been created in the image of God:

> 34 Then the King will say to those on his right, 'Come, you who are blessed by my Father; take your inheritance, the kingdom prepared for you since the creation of the world. 35 For I was hungry and you gave me something to eat, I was thirsty and you gave me something to drink, I was a stranger and you invited me in, 36 I needed clothes and you clothed me, I was sick and you looked after me, I was in prison and you came to visit me.' 37 Then the righteous will answer him, 'Lord, when did we see you hungry and feed you, or thirsty and give you something to drink? 38 When did we see you a stranger and invite you in, or needing clothes and clothe you? 39 When did we see you sick or in prison and go to visit you?' 40 The King will reply, 'Truly I tell you, whatever you did for one of the least of these brothers and sisters of mine, you did for me.'

Because of the effectiveness of CRM in the marketplace and the opportunity for Christian marketing managers to use marketplace power to serve those in need, the following recommendations should be considered by Christian business educators.

1. Christin educators should present CRM as a possible strategy and inform students of when this strategy is likely and when it is unlikely to be effective, both from a business and a cause perspective.
2. Christians in marketing leadership positions should think through the types of causes that are consistent with their Christian faith and how they might imagine using CRM as a redemptive avenue to reflect the aroma of Christ in a hurting world.
3. Christian business educators should use the classroom to challenge students to consider, pre-emptively, how Christian values inform whether CRM is an appropriate marketing strategy and what causes (or criteria for selected causes) should be included in a CRM strategy.
4. While there may be times that a strategy may be overtly "Christian" in its CRM focus, it is wise to remind students that, considering the theological concept of Common Grace, not-for-profit causes benefitted through CRM are not required to be overtly Christian to be consistent with the Christian's calling to be an image bearer, or imago Dei.

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Business Education as Process for Forming Character Capable of Changing the World

by

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Paper presented at the Christian Business Faculty Association Annual Meeting

San Diego, California

October 21, 2017

ABSTRACT

Changing the world requires resilience. We review literature demonstrating the validity of this statement and the importance of worldview in developing students' resilience. We then illustrate how, in the course of teaching, business faculty can help students develop a Christian worldview for acquiring the resilience needed to change the world.

INTRODUCTION

Changing the world requires resilience (Duckworth et al., 2007; Patterson et. al., 2009). Resilience is the ability to adapt to significant adversity, sustain and bounce back in the face of obstacles, and continue toward the achievement of a goal (Luthar, et. al., 2000). Yet Millennials struggle with resilience (Berg, 2015). This paper seeks to address an apparent gap in the Christian business literature on the role of educators in the formation of resilience in students.

To maintain attention tightly on the subject of developing resilience, we focus here not on the idea of education as the acquisition of knowledge and skills (Winch & Gingell, 2008). Instead, we focus primarily on the educational method itself as an experience having a formative effect on students' character (Dewey, 1938; Knight, 1998, p. 64). Without minimizing the importance of the subject matter students are to learn, we ask the reader temporarily to join us in setting aside focus on educational content so as to conceptualize higher education as a series of trials. Within this concept, the instructor's choice of pedagogy becomes a type of trial each student must face. Accordingly, these trials manifest themselves in students' experience as examinations, term papers, group responsibility for assignments, tracking due dates, and so on. To situate these trials in the development of resilience, we build upon recent research to propose examination of the learner's response to these trials using two worldviews. The second of these worldviews is engaged using two approaches to human behavior that are consistent with the view. These worldviews are:

1. a Theistic Christian view as embodied in the first chapter of the New Testament book of James;
2. a humanist view as embodied in
    a. narrative identity theory;

b. utilitarian philosophy.

Following this introduction, we provide a literature review defining the ideas we use in developing our concept and supporting our approach, and include in the review a graphical depiction of the relationships between worldviews and processes. Then we describe our work with our students in applying the trial-perseverance-resilience narrative in our courses. We conclude by discussing the implications of our paper.

LITERATURE REVIEW

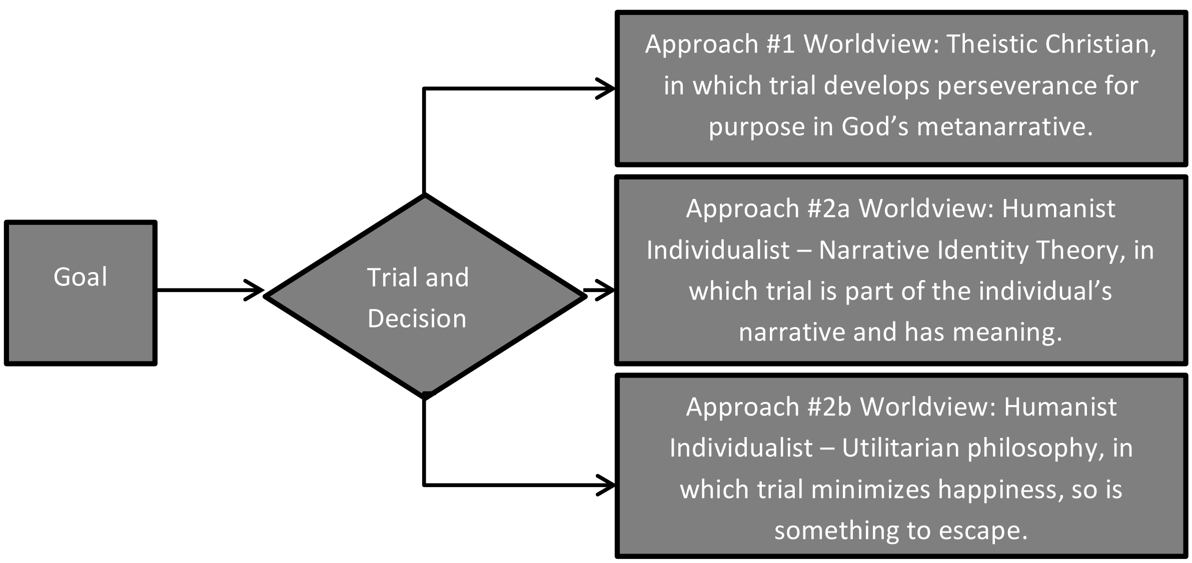
Resilience

Millennials struggle with resilience (Berg, 2015). Research demonstrates that resilience is the consequence of a sense of purpose in the midst of life's trials. In multiple studies of college students, Hill et. al. (2016) find that the most significant factor for those who become resilient is a sense of purpose. Focusing more on the actual trials students face, Yeager and Dwek (2012) conclude that what students need the most to become resilient after college are professors who "provide challenges as things they can take on and overcome with effort" (p. 312). Yet many college students today tend to lack a sense of purpose and their academic experience has become less challenging than it used to be (Arum & Roksa, 2011, p. 69-81).

Fergus and Zimmerman (2005) point out that trials must be challenging enough so the student can learn from the process of overcoming the trial (p. 403-404). Importantly, both high and low levels of trial are associated with negative outcomes. Too little exposure to trials leaves the student unprepared to cope with difficulties. Too much may be debilitating, and lead students to feel so distressed they cannot cope. A moderate amount of challenge in the trial has a type of inoculating effect so that students become prepared to overcome more significant trials in the future.

Two Worldviews Regarding Trials

Our perspective in this paper is that people approach trials using one of two worldviews. This is adapted from Warren Wiersbe's (1984) proposition that there are multiple approaches to suffering (p. 78). Sire (1997) and Naugle, (2002) point out that all worldviews must address a fundamental question: *"What is prime reality – the really real?"* So we present below a graphical depiction of three approaches to trials, formed from the two worldviews. Each is accompanied by the prime reality each approach regarding trials. This is to illustrate that each worldview elicits a different response to trials. The graphic is followed by our further review of the literature.



1. Theistic Christian. The first approach – which we identify as having a Theistic Christian worldview – approaches trials as the process by which God builds character into his people (Wiersbe, 1984, p. 88). The prime reality in the worldview is that God is infinite and good, so he

has power to give this trial good purpose in developing character for His narrative. Building on the work of Winter (2015), we observe in James 1:2-12 that the purpose of trials is to create perseverance, and that perseverance is what helps complete our development for God's purpose. Importantly for situating perseverance with the literature on resilience, empirical research findings align with our Christian worldview that perseverance is critical to our development. Perseverance is a primary component of resilience (Smokowski et. al., 2000; Duckworth et. al., 2007; Patterson et al., 2009), as well as essential for the achievement of difficult goals (Matthew & Kelly, 2007). Patterson et. al. (2009) elaborate on the meaning of perseverance:

> Leaders demonstrate perseverance in the face of adversity when they voluntarily and relentlessly pursue a course of action, consistent with their core values about what matters most, and without regard for discouragement, barriers, or previous failure – unless it is absolutely clear all realistic strategies have been exhausted (p. 106).

This suggests that, by viewing trials as opportunities to develop perseverance, students will thus develop resilience.

2a. Humanist Individualism and the narrative identity theory of human motivation. The second approach – which, following Poplin (2014) we identify as following a worldview of humanist individualism – approaches trials as something to be endured for the benefit of the individual; Wiersbe (1984) critiques this approach based on its glorification of man rather than God (p. 78). The prime reality in the postmodern variant of humanism is that life is a story, and trial has the potential to add meaning to the individual's narrative. Postmodernism has become the default worldview in much of the social sciences and humanities (Poplin, 2014), so our students are typically immersed in this way of thinking in the textbooks and other readings in many of their preparatory courses. A Christian who has adopted a postmodern view of trials may see them as part of “their truth” (Poplin, 2014, p. 134) but would not consider them as situations that God uses to accomplish greater purposes. As representative of this view, we offer narrative identity theory, in which perseverance is not acknowledged or addressed. Narrative identity theory proposes that by looking back on one’s life and creating stories (i.e. meaning) from the circumstances that an individual encountered, one can be better prepared to face the future. However, the current literature on narrative identity theory does not address how an individual can create meaning from a trial or challenging circumstance *as the individual is encountering it.* Since narrative identity theory is a reflective approach, it only accounts for creating meaning or significance of things that have happened in the past (McAdams & McLean, 2013). Even more importantly for our focus here, because in the humanist worldview the outcome of trials is simply the creation of meaning, there is minimal opportunity to develop resilience.

2b. Humanist Individualism and the utilitarian philosophy of human behavior. The third approach – which we also identify as following a worldview of humanist individualism, but this time following utilitarian philosophy to life – approaches trials with something Wiersbe (1984) calls “commercial faith” (p. 32), in which the individual prays for a way to escape the trial. The prime reality is of happiness resulting from a minimum of pain - as well as the maximization of pleasure (Crimmins, 2014). Following Wiersbe (1984), we note that the Christian holding this in his or her worldview would ask God to use His power and goodness help make a way of escape from the trial. Utilitarianism is an all-pervasive philosophy in the contemporary world of business (Niebuhr, 1946; Bellah, 1976; Smith, 2005; Wilkens & Sanford, 2009; Smith, 2009; Eggleston & Miller, 2014; Wong, et. al., 2015; Herrity, 2017). Therefore it is likely our students are immersed in this view from the textbooks and other resources used in our business programs. Our concern here is that, because the focus is to escape the trial and the individual does not engage the trial in this worldview, the opportunity to develop perseverance is bypassed and there is consequently minimal opportunity to develop resilience.

The Role of Christian Business Faculty in Helping Develop Resilience in Students

As far as we know, there is no research literature clearly demonstrating a causal link between today's academic experience that is often less challenging than it used to be (Arum & Roksa, 2011, p. 69-81) and millennials' having lower resilience than previous generations (Berg, 2015). At the same time, taken together, the preceding review of literature on resilience suggests that exposure to the experience of trial in the academic setting is likely to result in more persevering and resilient graduates, and that worldviews make a difference in the development of resilience. Our concern is that worldviews are not held at the conscious and rational level – they are taken for granted and "hidden" from daily cognitive examination (Wilkens & Sanford, 2009). For example, Herrity (2017) recently demonstrated empirical evidence of such utilitarian individualism held without deliberate awareness by business students in Christian higher education in a grounded theory study. So as Christian faculty, to what extent should our job include addressing taken-for-granted worldviews constituting "knowledge" for our students (Smith, 2009, p. 90-94) that may not serve their development well? Our corollary question is: what should be our role in helping students "see" their worldview, especially as it relates to their personal development of resilience? Further, if we wish to develop students with character capabilities for changing the world, to what extent is it our job to teach students a Christian worldview as it pertains to trials and not merely integrate biblical principles within our subject matter discussion?

To address these questions, we join the larger conversation in the contemporary Christian academy about higher education as character formation. It seems to us, that if we are to help develop resilient students capable of changing the world, business education must be viewed as character formation (Wong et. al., 2015) as well as the delivery of subject matter in accounting, management, marketing, and so on. This might strike some as odd. After all, faculty members are hired due to their expertise in discipline-specific knowledge. Yet, institutions of Christian higher education often have as their mission to produce not only students who are experts in their specific discipline, but students who embody a Christian worldview within their professional context. As Trelstad (2007) stated "all education and curriculum serve interests, visibly and invisibly" (p. 194). For Christian colleges and universities that interest is that students would understand and accept a worldview that is consistent with biblical teaching. If, as Lawrence (2007) observes, few Christian students are prepared adequately to contend for a biblical mindset in a world that increasingly assumes a secular relativistic belief system, then faculty at Christian universities must not rely on co-curricular activities alone, but be must be prepared to provide formational experiences that will aid in their development. As has already been demonstrated, the integration of trials is one such way that this formation can occur.

APPLICATION

In light of the preceding discussion, Christian business faculty may wonder, "how can trials be introduced in the curricular setting in a way that is authentic to the achievement of a School of Business' learning objectives?" As noted above, this approach to education views the role of faculty as something beyond the dispenser of discipline-specific knowledge and expertise. Yet it is likely that our own educational experience, as well as our training as educators, has been focused mainly on the transmission of information and skills. Therefore, even if the approach to character development is accepted, faculty may be unfamiliar with how to accomplish this task within a classroom environment. The following suggests how trials may be integrated into the educational experience by supporting, and not sacrificing, learning objectives.

Authors' Own Personal Development

We are still developing in how to help students develop Christian character in terms of perseverance and resilience. We find the research literature scarce as to how a Christian worldview forms and grows. The limited evidence does indicate that worldview formation and development occur during times of trial (Lindeman, 2016). We are encouraged by this empirical alignment with the account in James chapter 1, that trials result in the development of perseverance, suggesting support for our proposition that worldview and Christian character develop in tandem and may be much more closely related than generally assumed. Yet, we are still learning how to introduce trials explicitly to develop worldview and resilience in ways that respect our students as children of God and not treat them as objects of research. We do not yet have clear answers, but offer below some brief accounts of what we have done.

Some Illustrations

One way to integrate trials within the business education experience is to consider the types of trials that our students will encounter as part of the work that they will do. For example, one of the co-authors teaches upper division marketing courses and is training potential future marketing managers. One trial that marketing managers must contend with in the workforce is how to effectively balance various priorities and budgetary constraints. Therefore, for several semesters the Marketing Management class was given the problem of how to sell an existing product to a new market while at first representing various functions, and then working cross-functionally to create a comprehensive plan. The scenario caused tension with the students because they each had a personal investment in their function's recommended path for solving the organizational problem. They had to work to resolve this tension to create the best cross-functional plan for the organization.

Another trial experienced by people in the business world is associated with failure. One of the co-authors immerses students in an experience with failure in an upper-division entrepreneurship course. All are provided extensive feedback and given the opportunity to re-do the assignment for a better grade. On the day assignments are returned, many with low scores are visibly angry and others clearly shaken. Yet, by the end of the semester, students who failed typically re-do the assignment well and communicate to the instructor that the experience of working though "failure" was one of the most helpful experiences of their life.

Our Model

At the time of this paper's writing, we are exploring in the courses noted above how to be more explicit about the development of worldview and perseverance. Our general model follows this pattern:

1. Provide a challenge and/or failure experience without discussing worldview (so far, we are revealing to students that the exercise is about developing perseverance and resilience, but not revealing connection to worldview, as we are learning how to do this as we go forward);

2. After the experience, ask students to choose which of the following best represented their immediate response to the challenge/failure:
    a. Go through the trial because a grade is potentially at stake, knowing from past experience that they can do it;
    b. OR, Go through the trial with joy and prayer, knowing that God will build perseverance and character;
    c. OR, avoid the trial, calculating that the personal cost is too high.
3. After students commit themselves to a response in 2 above, engage them in a discussion revealing that each choice represents a different worldview.
4. Later in the semester, have students submit a paper reflecting on how he or she can use this experience to develop his or her personal worldview on an approach to trials, especially as this relates to character formation in the areas of perseverance and resilience.

CONCLUSION

In writing this paper, two ideas have repeatedly surfaced. First – the role of faculty at Christian institutions of higher education cannot continue to be limited to subject matter knowledge. In this, we join the voices of Wong, et. al.(2015) and add that as worldview is a critical component of character formation, it is important that Christian college students encounter experience to reveal their worldviews. Secondly – enduring trials is necessary for the development of resilience, and it is in demonstrating resilience through persevering in difficult circumstances, that God often works to develop godly character (James 1). The model articulated above is one way in which these two insights may be intertwined to effect pedagogy. There may be other, equally effective models. However, what remains clear is that if educators are going to take on the task of character formation, traditional approaches to college education are not up to the task.

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Leadership beyond the Bottom Line:

Is Competence and Expertise Enough?

Abstract

Leadership requires that aspiring leaders embrace the power of trust. Trust is based on three perceptions: ability, benevolence and integrity. Ability and reliability foster cognitive trust. Benevolence and integrity foster affective trust. Each has its own influences. Understanding trust prepares leaders to lead like Christ, the ultimately trustworthy one.

Leadership beyond the Bottom Line:

Is Competence and Expertise Enough?

Successful development of today's and tomorrow's leaders requires a comprehensive plan that imparts leadership skills to prepare God's people for His service. His service includes leading others to Him and serving with excellence in whatever field, discipline or endeavor to which people are called. Leading with excellence entails a call to go "beyond the bottom line." This call requires extraordinary leadership. This call to leadership development requires the asking of what comprises extraordinary leadership. Scripture is replete with examples of wonderful examples of leadership development (i.e. Moses and Joshua, Jesus and the Twelve Disciples, Paul and Timothy). The answer to this question requires an exploration of the foundations of leadership. It has been said that leadership is all about influence. If that is true, then the next question needs to be ask, "How influence is earned?" The author of this paper posits that influence comes from trust. Accordingly, training in leadership excellence must entail training in understanding trust and trustworthiness. Business faculty must equip aspiring leaders to understand people's decision to trust and the mechanisms in the trust process. Many believe that competence and ability foster the development of trust.

"If I am proficient, competent and perform my duties with excellence, then people will trust me." This statement may be true but it only tells part of the story. One of the most significant ways that trust is developed is through perceptions held by potential trustors of a potential trustee's trustworthiness (Mayer, Davis & Schoorman, 1995). Different types of perceptions lead to different types of trust. Each type of trust has its own unique processes and outcomes. The purpose of this paper is to report the results of a systematic review of extant academic literature with the intent of providing a threefold overview understanding of the decision to trust and the associated processes. First, trust and associated factors of trustworthiness, ability, benevolence and integrity, will be defined. Next, two types of perception-based trust, cognitive- and affective-based will be explained. Finally, the process influences and outcomes of these two types of trust will be considered. These tasks will be accomplished with a basis in scripture. Understanding type specific trust development, processes and outcomes will equip the aspiring leader for excellence in their God-given call and service.

Definitions and Importance of Trust

Trust is a homonymic term meaning that it is a single label that represents several types of constructs. A review of trust literature reveals that trust can be viewed through three different lenses (Chetri, 2014). Some consider trust a personality trait (Gabarro, 1978; Kee & Knox, 1970; Rotter, 1967). Others see trust as a behavioral intention (Rousseau, Sitkin, Burt & Camerer, 1998; Mishra, 1996; Zand, 1972). Still others view trust as being characteristic based (Butler, 1991). Some examples of the definitions and roles of trust developed over time are as follows:

- A psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behavior of another (Rousseau et al., 1998).
- A willingness to be vulnerable to another party based on both the trustor's propensity to trust others in general, and on the trustor's perception that the particular trustee is trustworthy (Mayer et al., 1995).
- A belief in, and willingness to act on the basis of, the words, actions and deeds of another (McAllister, 1995).

Scripture explains that trust in God is a key feature of the Christian walk.

5 Trust in the LORD with all your heart,

and do not lean on your own understanding.

6 In all your ways acknowledge him,

and he will make straight your paths. (Prov. 3:5-6 English Standard Version)

7 The works of his hands are faithful and just;

all his precepts are trustworthy;

8 they are established forever and ever,

to be performed with faithfulness and uprightness. (Psalm 111:7-8)

9 He must hold firm to the trustworthy word as taught, so that he may be able to give instruction in sound doctrine and also to rebuke those who contradict it. (Titus 1:9)

It is important to understand the beliefs that serve as the foundation for the decision to trust since those beliefs affect the type of behaviors in which the person is willing to engage and the durability of those behaviors. Our belief in who the Father, Son and Holy Spirit is define the ways and areas in which we will trust in Him. Similarly, others' perceptions of a leader's trustworthiness define the ways and areas in which the followers will trust the leader.

Factors of Perceived Trustworthiness

The next step is to consider how people make their decision on who to trust. People base their decision of another person's trustworthiness on a set of beliefs known as trusting beliefs (McKnight & Chervany, 1996). Trusting beliefs describe the degree to which one believes (and feels confident in believing) that the other person is trustworthy in a specific situation.

Mayer et al.'s (1995) research reports certain perceived characteristics have repeatedly been shown to influence the decision to trust. These factors of perceived trustworthiness are beliefs about the trustee's ability (e.g., Doney & Cannon, 2007), benevolence (e.g., Sirdeshmukh, Singh, & Sabol, 2002) and integrity (e.g., Morgan and Hunt, 1994) (Figure 1). Even though these three beliefs may be related to each other, they may vary independently of each other (Mayer et al., 1995). The three factors described next form the foundation of the two types of trust explicated in this paper. It should be noted that our Lord Jesus Christ perfectly fulfills each of the factors of trustworthiness. He is ultimately trustworthy. Leaders in the family of Christ are called to model and imitate Christ.

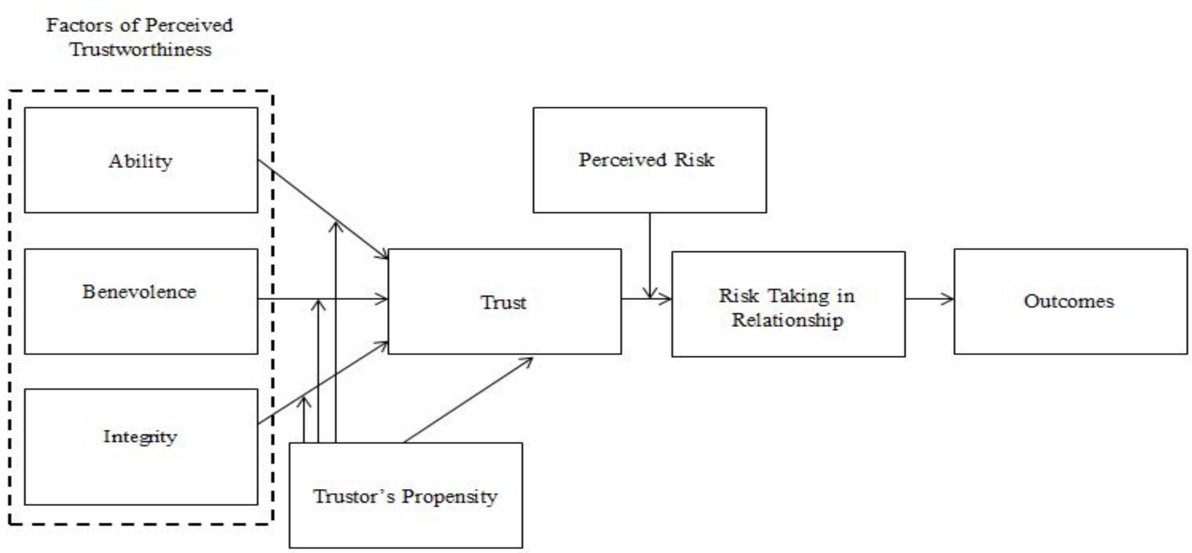

Figure 1. Proposed Model of Trust (Mayer et al., 1995, p. 715)

Ability belief. Ability belief is based on the perceived competence of one to serve another's interests (McKnight & Chervany, 1996). Our Lord is omnipotent. Followers of Christ are called to lead and serve to the best of their ability.

18 And Jesus came and said to them, "All authority in heaven and on earth has been given to me.
19 Go therefore and make disciples of all nations, baptizing them in[b] the name of the Father and

of the Son and of the Holy Spirit, [20] teaching them to observe all that I have commanded you. And behold, I am with you always, to the end of the age." (Mt. 28:18-20)

[15] Do your best to present yourself to God as one approved, a worker who has no need to be ashamed, rightly handling the word of truth. (2 Tim. 2:15)

Mayer et al. (1995) define ability (competence) as the group of skills, competencies, and characteristics that enable a party to have influence within some specific domain. Competency-based trust is earned through an individual's performance and expertise (Dowell & Heffernan, 2004). Assessment of performance is based on expertise related to knowledge and qualifications needed to undertake and complete a task. Individuals earn this type of trust when they fulfill an expected role within a relationship (McAllister, 1995).

Benevolence belief. Benevolence belief is the perception on behalf of the truster that the trustee has the willingness to serve another's interests (McKnight & Chervany, 1996). The Lord Jesus Christ is the ultimate example of benevolence. He laid aside His Godhood and became a servant. Likewise, our Lord Jesus calls us to a life of servant leadership in serving others.

[13] So now faith, hope, and love abide, these three; but the greatest of these is love. (1 Cor. 13:13)

[13]Greater love has no one than this, that someone lay down his life for his friends. (Jn. 15:13)

[5] Have this mind among yourselves, which is yours in Christ Jesus, [6] who, though he was in the form of God, did not count equality with God a thing to be grasped, [7] but emptied himself, by taking the form of a servant, being born in the likeness of men. [8] And being found in human form, he humbled himself by becoming obedient to the point of death, even death on a cross. (Phil. 2:5-8)

26 It shall not be so among you. But whoever would be great among you must be your servant,[c]

27 and whoever would be first among you must be your slave,[d] 28 even as the Son of Man came not to be served but to serve, and to give his life as a ransom for many." (Mt. 20:26-28)

Those who hold benevolence belief perceive that others will not act opportunistically or manipulatively (McKnight et al., 2002). Beliefs incorporated in benevolence belief include altruism, caring, loyalty, goodwill, ethics, openness and responsiveness (McKnight et al., 2002; Hurley, 2012; Colquitt, Scott & Lepine, 2007; Mayer et al., 1995). Dowell & Heffernan (2004) found that activities and attitudes were the key drivers of goodwill trust. Individuals who want to earn goodwill trust need to act in such a way that the potential trustor perceives that the individual will do more than is formally expected when an unforeseen situation arises.

Integrity belief. The relationship between integrity and trust is that the truster believes that the trustee acts in accordance with a set of rules that the truster finds acceptable (Mayer et al., 1995). Integrity overlaps conceptually with morality, credibility, reliability and dependability (McKnight et al., 2002). Our Lord Jesus Christ was the perfect model of integrity. Even greater than the fact that He was without sin is the fact that He Himself is truth. We are likewise called to conduct all of our endeavors with integrity.

15 For we do not have a high priest who is unable to sympathize with our weaknesses, but one who in every respect has been tempted as we are, yet without sin. (Heb. 4:15)

6 Jesus said to him, "I am the way, and the truth, and the life. No one comes to the Father except through me…" (Jn. 14:6)

7 Show yourself in all respects to be a model of good works, and in your teaching show integrity,
dignity, 8 and sound speech that cannot be condemned, so that an opponent may be put to shame, having nothing evil to say about us. (Titus 2:7-8)

Davis, Schoorman, Mayer & Tan (2000) posit that integrity includes the perception by the truster that the trustee is consistent and has a reputation for honesty. According to Mayer et al. (1995) integrity also focuses on "credible communications about the trustee from other parties, belief that the trustee has a strong sense of justice, and the extent to which the party's actions are congruent with his or her words all affect the degree to which the party is judged to have integrity." Individuals who seek to earn this type of trust should seek to deliver on promises made, both written and oral, in a timely manner (Dowell & Heffernan, 2004).

Two Types of Trust: Cognitive- and Affective-Based

Kim, Ferrin, Cooper & Dirks (2004) posit that trust develops over time. Cognitive and affective trust emerge as separate dimensions over time. McKnght et al.'s (1995) tripod model of the factors of trustworthiness can be mapped into the dimensions of cognitive- and affective-based trust (Figure 2).

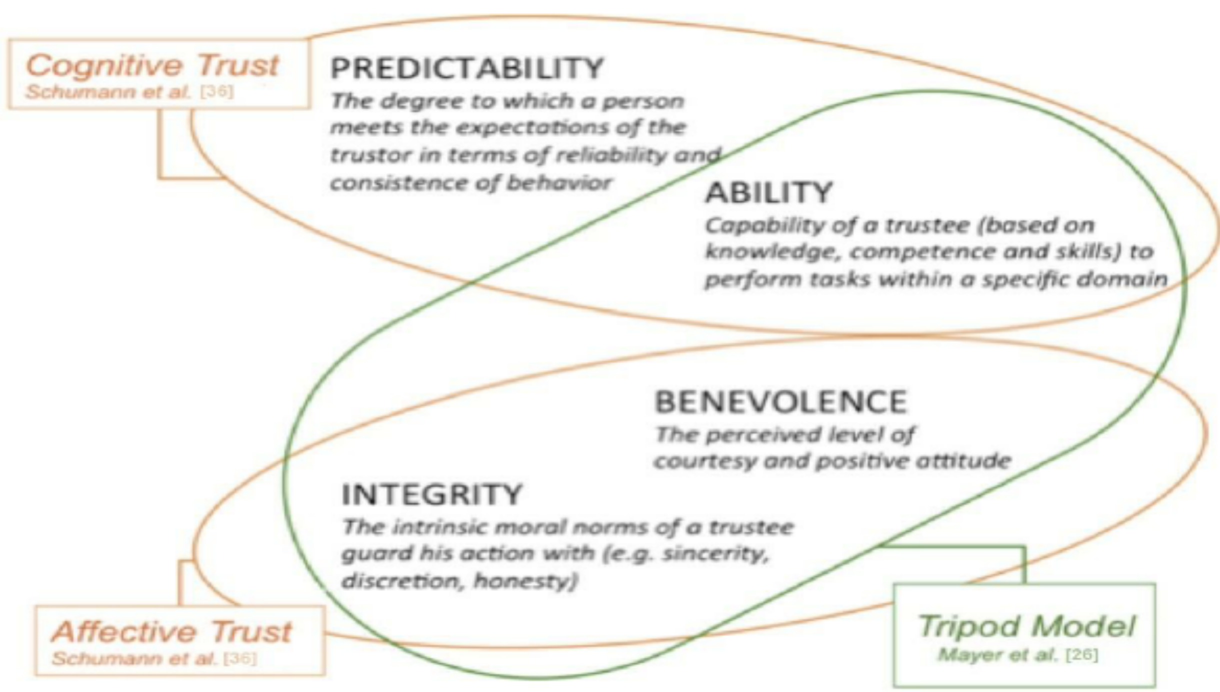

Figure 2. Mapping multidimensional models of trust antecedents into the Affective and Cognitive dimensions (Calefato, Lanubile & Novielli, 2015, p. 456)

Cognitive-based trust. Cognitive-based trust is based on ability beliefs and predictability beliefs. Ability belief has been discussed earlier. Predictability beliefs are developed once the person to be trusted is identified. This dimension is not predicated on a special relationship between the leader and follower. The follower believes that the leader acts in the same way toward everyone regardless of the trustor's identity. Cognitive-based comments include, "I believe my leader has high integrity." (Dirks & Ferrin, 2002). Lewis & Weigert (1985) state that trust is cognition-based when "we chose whom we will trust in which respects and under what circumstances, and we base the choice on what we take to be 'good reasons', constituting evidence of trustworthiness." McAllister (1995) calls cognitive-based trust as trust "from the head." Cognitive trust is based on the trustor's rational assessment of evidence of another's competence and reliability. In this way, cognitive trust can be considered a form of logical trust (Ziegler & Golbeck, 2007).

Predictability beliefs are based on the degree to which the trustee meets the expectations of the trustor in a reliable and consistent manner. It comes from an accumulated knowledge that allows one to make predictions, with some level of confidence whether a potential trustee will fulfill his or her future obligations. Cognitive trust is based on accumulation of past knowledge or evidence (Johnson & Grayson, 2005). High levels of trust are possible early in a relationship between a potential trustor and trustee but probably driven by cognitive cues from group membership and reputation.

Cognitive-based trust in Christ is knowledge driven. It is based on what others have told them about Him. Therefore, a person's initial decision to trust in Christ is often based on what they know about Christ and what He is able to do for them.

Affective-based trust. Affective-based trust often develops after cognitive trust is established. McAllister (1995) posits once a person's baseline expectations about the competence of another person are fulfilled they will be willing to invest further in the relationship. Accordingly, cognition-based trust acts as a substitute before affect-based trust is developed. Affective-based trust is based on benevolence and integrity beliefs. Affective-based trust is deemed relationship-based trust. Followers with affective-based trust base their decision to trust on the belief that they have a unique relationship with the leader.

Affective-based comments include, "If I shared my problems with my leader, I know that he or she would respond constructively and caringly." (Dirks & Ferrin, 2002).). Lewis & Weigert (1985) state that trust is affective-based when "trust is based on emotional attachment to all people involved in the relationship." McAllister (1995) calls affective-based trust as trust "from the heart." Affective trust is based on emotional ties or the type of relationship the trustor has with the potential trustee. Affective trust is characterized by security and perceived strength of the relationship between the trustor and trustee. McAllister (1995) posits that affective trust is more resilient than cognitive trust. Achieving affective trust is important since it allows for short-term behavioral problems to occur and be forgiven (McAllister, 1995).

Affective-based trust in Christ is developed as a person walks with and trusts more deeply in Him. When a high level of affect-based trust is developed, the foundation of cognitive-based trust may no longer play as comprehensive of a role.

Differences in the Roles and Outcomes of Cognitive- and Affective-Based Trust

Influential leaders of excellence understand that there are different types of trust and that those different types serve different roles and have different outcomes. Trust between leaders and followers and within teams influences the entire work cycle from initiation of new ideas to assessment of performance. Cognitive- and affective-based trust influence the stages differently. Savvy leaders know how to develop both types of trust in order to benefit from the full spectrum of benefits.

Handling of New Ideas. Cognitive- and affective-based trust play different roles in the relationship between an individual's social network and both their entrepreneurial opportunity discovery (EODI) and opportunity exploitation (EOEX). Overall, trust plays an important role in entrepreneurship because it helps entrepreneurs in two ways. First, trust helps entrepreneurs to seek resources in the absence of legitimacy (Welter & Smallbone, 2006). Second, trust protects entrepreneurs from exchange partners' opportunism (Larson, 1992).

Affective-based trust. Specifically, affective trust has been found to mediate the positive effects of network ties on EODI and EOEX. The relationship between network ties and EODI was found to be weak while the ties to EOEX were found to be strong (Ren, Shu, Bao & Chen, 2016). Affective trust is believed to play this role for three reasons. First, people who make emotional investment in trust relationships are likely to develop a protective "reciprocal feedback loop" in which each person is reluctant to breach the psychological contract by rejecting the other's request for help. Second, affective trust provides an environment where each person is free to express new ideas and concerns without fear of reprimand or ridicule. Finally, affective trust provides emotional support as entrepreneurs confront difficulties. Cognitive trust has been found to enhance relationships mediated by affective trust (Ren, Shu, Bao & Chen, 2016).

Affective trust has been found to contribute significantly to a customer's willingness to meet with a service provider in the future (Johnson & Grayson, 2005). Ramsey & Sohi (1997) suggest that affective-based trust may open doors to sales effectiveness by directly impacting customers' listening behavior and responses to persuasive attempts.

Cognitive-based trust. Cognitive trust plays the aforementioned moderating role since it serves to identify and screen out more reliable information. Identification and screening is key to the entrepreneurial process. Cognitive trust is believed to produce positive anticipations and attitudes towards challenges that are likely to occur in the future. Cognitive trust will also allow entrepreneurs to focus more on EODI and EOEX as they believe that partners are reliable and reasonable. These beliefs lead to less energy expended on monitoring efforts (Johnson & Grayson, 2005).

Handling of New Information. Cognitive-based and affective-based trust on behalf of the trustor of the information provider influence the way that new information is handled.

Cognitive-based trust. Cognitive trust reinforces confirming but not disconfirming evidence (Ertin & Serfaty, 2017). Kahn, Jenkins-Smith & Braman (2010) found that individuals are more likely to believe information from an expert when it agrees with their previously held position rather than when it is at odds with their earlier position.

Affective-based trust. Information that originates from a longtime friend is believed to evoke affective-based trust. Affective trust reinforces disconfirming evidence but not confirming evidence (Ertin & Serfaty, 2017). Since disconfirming evidence is incongruent it tends to be viewed emotionally and with greater sensitivity. Disconfirming evidence from a friend tends to be taken more seriously since a friend is deemed to have "my welfare at heart" (Alison, Almond, Christiansen, Waring, Power & Villejoubert, 2012).

Handling of Work-Related Conflict. Trust also influences how an individual handles conflict. Two forms of work-related conflict are considered here: cognitive and affective conflict. Cognitive conflict forms when there is a perception of differences between content, viewpoints, ideas and opinions. Researchers argue that cognitive conflict can be functional as it provides information that is necessary to serve complex strategic decision-making tasks (Parayitam & Dooley, 2007). Schweiger & Sandberg (1989) propose that cognitive conflict enables individuals to synthesize conflicts into a single decision. High quality decisions are reached after critical and investigative debates about tasks. This process has the potential of enabling individuals to remain committed to a decision throughout implementation. Affective conflict, which arises from interpersonal tensions and tends to be emotional in nature, is dysfunctional. Affective conflict is comprised of person-level differences and disagreements. This type of conflict results in tension, animosity and annoyance between people. (Jehn, 1995; Amason, 1996) It should be noted that cognitive conflict can lead to affective conflict.

Cognitive-based trust. Cognitive-based trust. Paratiyam & Dooley (2007) found that cognitive-based trust has been found to enhance the benefits of cognitive conflict. In addition, cognition-based trust, interacting with cognitive conflict, enhances both decision quality and decision commitment. Affective-based trust has not been found to have this same effect (Parayitam & Dooley, 2009).

Affective-based trust. Regarding affective-based trust, emotional investments made by cooperating partners can intervene before functional cognitive conflict becomes dysfunctional affective conflict.

Organizational Learning. Where knowledge is deemed the input, organizational learning is the output (Swart & Kinnie, 2010). Organizational learning is the way that knowledge is interpreted and applied in the contemporary environment.

Cognitive-based trust. Swift & Hwang (2013) found that cognitive-based trust plays a significant role in facilitating organizational learning (Swift & Hwang, 2013). This may be due to findings based on the work of Liebowitz (1999), Fernie, Green, Weller & Newcombe (2003) and Akbar (2003). These researchers surmise that organizational learning is based on a series of systematic interactions that lead to changes in behaviors for the purpose of achieving goals. Cognitive trust augments organizational learning since this form of trust contains elements of reliance and expectations on others to provide helpful information that is related to achievement of formal organizational goals. Cognitive trust is also deemed to facilitate organizational learning because of the trustor's confidence in the potential trustee's knowledge of requirements in an organizational context.

Affective-based trust. A relationship between affective trust and organizational learning has not been observed in studies to date.

Organizational Citizenship Behaviors.

Affective-based trust (with fair treatment). Affective trust was found to mediate the relationship between perceptions of fair treatment and subordinates' helping behavior (Yang, Mossholder & Peng, 2009). Helping behavior is defined as proactive behavior that emphasizes acts of consideration and cooperation. Affective trust in the supervisor is believed to inspire followers to suspend their own individual doubts and personal interests and direct their efforts toward broader common goals (Dirks & Skarlicki, 2004). In addition, positive affect and mood is believed to predispose individuals toward positive social behavior and sensitizes them to helping opportunities (George & Brief, 1992).

Affective-based trust (with ethical leadership). Affective trust has also been found to have an absolute mediating effect on the relationship between ethical leadership and both organizationally directed (OCBO) and individually directed (OCBI) organizational citizenship behaviors (Lu, 2014). Ethical leadership has been defined as ‘‘the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement and decision-making’’ (Brown, Trevino & Harrison, 2005, p.120). OCBO are those behaviors through which members contribute to overall organizational productivity and adhere to informal rules designed to maintain organizational order. OCBI are those behaviors through which individuals contribute to the organization through their helping behaviors, information and task sharing (Williams & Anderson, 1991). This mediating effect may be due to the premise that ethical leaders are perceived to have the trustworthiness characteristics of benevolence, consideration, dependability, reliability and integrity (Lu, 2014; Eisenbeiss, 2012). Followers of ethical leaders believe that their leaders care about their followers’ feelings and thereby induce affective trust on the part of the followers. Followers are more apt to engage in OCB in order to gain a connection of affective trust with their leaders. Exemplary leader behavior including sacrificing individual benefits for the well-being of the group and maintaining consistency between words and actions can enhance perceptions of leader integrity (Zhu, Newman, Miao & Hooke, 2013; Aurier & N’Goala; 2010; Massey & Kyriazis, 2007; Rempel, Holmes & Zanna, 1985).

Cognitive-based trust (with ethical leadership). Newman, Kiazad, Miao & Cooper (2014) found that ethical leadership leads followers to perceive their leaders are both competent and of good character. This perception of competence leads to the development of cognitive trust. Cognitive trust then leads followers to desire the development of emotional bonds with their leaders. These emotional bonds lead to affective trust. Affective trust then leads to the followers' OCBs as a means to reciprocate the leader's favorable behavior.

Affective-based trust (with participative leadership). Affective trust was also found to play a mediating role between participative leadership styles on the part of the supervisor and organizational citizenship behaviors (OCB) on the part of the subordinates (Miao, Newman & Huang, 2014). One of the reasons that this mediating effect is observed is that affective trust is a deeper form of trust that develops over time through the reciprocated exchange of care and concern between the trustor and trustee (Yang & Mossholder, 2010). Miao et al. (2014) posit that these effects may also arise that the affective trust that develops from close emotional ties between the supervisor and subordinate appear to be particularly valued by subordinates in the workplace.

Job performance and work satisfaction.

Cognitive-based trust. Cognitive and affective trust also play differing roles in regards to job performance. Three specific work outcomes considered include performance, job satisfaction and helping behavior. Yang, Mossholder & Peng (2009) found that cognitive trust mediated the relationship between supervisors' fair treatment of their subordinates with subordinates work performance and job satisfaction. Confidence in the supervisor's competency and accountability should facilitate subordinates' task-related information exchanges and associated work behavior thus enhancing work performance. Work performance should be enhanced for several reasons. First, a lack of trust in leadership can provoke ambiguities and anxiety, both which cause a diversion of attentional energies away from the tasks at hand (Kanfer & Ackerman, 1989). In addition, followers should be more willing to quickly follow supervisor's instructions, take ownership of the work and channel task-relevant efforts toward established goals when they are confident in their supervisor's knowledge, skills and competency.

Affective-based trust (with participative leadership). Separate studies also found that affective-based trust played a mediating role between participative leadership styles on the part of the supervisor and job performance on the part of the subordinates (Miao, Newman & Huang, 2014).

Conclusion

Leader development that goes "beyond the bottom line" requires that aspiring leaders embrace the power of trust. Aspiring leaders need to understand the factors upon which their followers will base their decision of whether their leader is trustworthy. These factors include perceptions of their leader's ability, benevolence and integrity. The three factors when added to the perception of predictability and reliability form the basis for the development of cognitive- and affect-based trust. Knowledge of how these two forms of trust work and their respective outcomes will allow leaders to have broader influence in all areas of the work cycle. Knowledge of the strength of trust in its various forms will equip developing leaders to more effectively aspire to model the trustworthiness of Christ. He calls His followers to be people of influence in all endeavors of life. He calls and equips. Followers answer and follow. Inviting Him to be trustworthy through them, followers can then practice transformational and servant leadership in leading the world to Christ.

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Pro-Poor Global Business:

Addressing Developing Countries in Faith-Based Business and Economics Education

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October 2017

Abstract

Developing countries receive slight attention in many US business programs. To encourage and further equip faculty members in faith-based business schools to address low- and lower-middle income countries, we: Describe reasons for including developing countries in teaching; benchmark current curricular and co-curricular practices in faith-based and secular programs; and recommend practical approaches for educating students about pro-poor global business. We argue that faith-based business and economics programs have distinctive assets and compelling reasons for addressing developing countries and pro-poor business perspectives.

Pro-Poor Global Business:

Addressing Developing Countries in Faith-Based Business and Economics Education

Despite decades of commercial and scholarly interest in developing countries, the global south remains a mystery in many North American business schools.[1] Anecdotal evidence suggests that India is recognized because of its emerging market status—although its complexities may go unnoticed—but the remainder of the 84 low- and lower-middle-income countries, such as, including Ethiopia, Cambodia, Jordan, and the Philippines, garner less frequent mention.[2] For some, the reasons may be apparent: Low levels of consumption and trade (8.4% of world GDP and 6.7% of world trade; World Bank, 2017) and perplexing economic and political environments characterized by institutional voids, poor public governance, corruption, terrorism, and/or political uncertainty can make developing countries uncertain locales for international business (Czinkota, Knight, Liesch, & Steen, 2010; Doh, Rodrigues, Saka-Helmhout, & Makhija, 2017; Hitt, Li, & Xu, 2016; Judge, McNatt, & Xu, 2011; Ngobo & Fouda, 2012). Yet, this is not the complete picture.

Several scholars have appealed for greater exposure of the global south in collegiate business programs for several reasons, including their large population and the market potential, geopolitical

[1] Anecdotal evidence suggests this is the case. Addressing a broad swath of nations, AACSB International's (2011, p. 138) *Globalization of Management Education Report* concluded, "The scarcity of pedagogical tools that focus on business contexts and practices outside of Europe and North America is especially alarming given the rapid growth of management education in many emerging markets." An informal review of international business textbooks indicates frequent mention of emerging economies and much less frequent inclusion of developing countries. Harvard Business Publishing lists an average of 716 cases for each BRICS nation, 14 cases for each lower-middle-income nation, and 8 cases for each low-income nation (authors' count).

[2] A variety of conventions have been used to group countries according to economic, human development, and other measures (for a discussion of lower-income country groupings, see Alonso, Cortez, & Klasen, 2014). In this paper, we use the "global south" and "developing countries" to refer to countries with a relatively low per capita income. Specifically, we focus on countries grouped as low- and lower-middle income countries (World Bank Country and Lending Groups, n.d.). In 2017, the World Bank labeled 31 nations as "low-income," with an average per capita gross national income (GNI) of $1,025. Countries in this group include Burundi, Haiti, Nepal, and Zimbabwe. Fifty-three "lower-middle income" countries—including Bolivia, Kenya, Nigeria, Pakistan, and Vietnam—have a per capita GNI between $1,025 and $4,035.

impact, and social responsibility implications of such a large number of people (Neal, 2017; Paton, Harris-Boundy, & Melhus, 2012; Roy & Roy, 2010). Several business faculty members at faith-based schools have called for addressing developing countries as a response to Christian teaching and discipleship (Befus, 2000; Bosch, Brown, & Gill, 2015; Carrithers & Peterson, 2013; Grassl & Habisch, 2011; Principe & Eisenhauer, 2012; Rundle, 2012; Tangen, 2012; Tibbetts & Leeper, 2016; Webb, 1999; Wood, & St. Peters, 2012; Zamagni, 2016). Our aim in this paper is to encourage faculty members in faith-based business schools to consider reframing and including developing countries in their teaching, research, and co-curricular programs, expanding student awareness, knowledge, and competence in working in the global south. We pursue this goal by: a) suggesting reasons for including the developing countries in business studies; b) benchmarking current curricular and co-curricular practices business programs; and c) recommending practical approaches for educating students about pro-poor international business.

Why Address Developing Countries?

Arguments for integrating developing countries in business education come from overlapping economic/demographic, ethical, strategic, and managerial camps (see Figure 1). From an economic/demographic perspective, it seems unbalanced to be silent about nearly half of the global population in US business education (low- and lower-middle-income countries account for 3.67 billion persons or 49.4% of the global population). Although poverty remains an undisputable concern in developing countries, the concluding 2015 Millennium Development Goals (MDGs) report claimed reductions in poverty in many countries and increases in the global “working middle class” (earning $4 or more per day) which now constitutes nearly half (48%) of the labor force in developing countries (United Nations, 2015, p. 18). South-south trade between emerging economies and developing nations has risen considerably (from 8% of global trade in 1990 to 25% of global trade in 2014), and global supply chains have become increasingly integrated, prompting the World Trade Organization (2014, p.

42) to conclude that "The old patterns of world trade dominated by the advanced economies in the North are being transformed as emerging economies in the South become new poles of trade expansion." Rising commodity prices are enabling some countries to diversify their economic base beyond natural resources and commodities, strengthening their value-added products and services (World Trade Organization, 2014). In sum, population size, growing buying power, rising commodity prices, and increasing trade suggest the potential—and in some cases the reality—of an increasingly economically integrated and active global south.[3]

Insert Figure 1 about here

From an ethical perspective, corporate social responsibility (CSR) encourages the inclusion of developing countries when they are affected by commercial activity, as stakeholder, common good, and sustainability lenses suggest (Alford & Naughton, 2001; Bretson, 2015; Clark, 2006; Golicic & Smith, 2013; United States Catholic Bishops, 2009). Financial, social, and environmental interests can move developing nations from the periphery to center-stage through topics such as sustainable sourcing, climate change, and corporate philanthropy. Christian ethics deepen the moral warrant for employee and firm engagement vis-à-vis applications of the great commandment (Lk 10:27), a preferential option for the poor, justice and charity, and restorative Christian eschatology.

Third, several appeals for integrating developing countries into business education have been made from business strategy. By examining the environment of developing countries, students gain an awareness of unique risks which accompany business in some developing contexts, both at home and

[3] Although they describe global integration, macroeconomic metrics do not necessarily translate into pro-poor growth.

internationally (Dieck-Assad, 2013; Musteen, Rhyne, & Zheng, 2013). As Henisz and Zelner (2010, p. 92) write:

> When companies move into less developed markets, they often expect huge, instant efficiency gains from exploiting the technologies, business models, and practices that they have managed to hone in their home markets. Unfortunately, the political costs of such practices may outweigh those gains.

Emphasizing risks can reinforce a stereotypical view of developing countries, but it addresses a potential lack of student awareness of how businesses deal with political and policy risk, corruption and bribery, conflict and ethnic clashes, and challenges in labor and infrastructure.

Although concerns accompany the exchange of commodities or contracts for infrastructure and development, some multinational corporations (MNCs) routinely engage in business-development deals for reasons which may or may not be pro-poor (Henisz & Zelner, 2010; cf. Blowfield & Dolan, 2014). Some firms participate in development initiatives after becoming established, such as Coca-Cola's support of microentrepreneurs in South Africa (Woodward, Rolf, & Ligthelm, 2014). Less directly, a variety of positive spillover effects have been documented because of the presence of MNCs in developing countries. Kwok and Tadesse (2006) show that MNCs can reduce corruption in the business sector, and research generally shows a net positive spillover of MNCs on income, human development, and institutions for technologically leading firms (Janz, in press; Meyer & Sinani, 2009; Iršová, & Havránek, 2013).[4] At the other end of the spectrum from large MNC operations are strategies which focus on small- and medium-size enterprises (SMEs), low-income entrepreneurs and customers (Maksimov, Wang, & Luo, 2017). Bottom of the pyramid (BoP) marketing strategies, business as mission

[4] We make this argument cautiously since colonial and contemporary evidence exists of corporate actions furthering corruption and degradation. Often, these examples include the engagement of several collaborators, including national agents. For a recent example, see McKay (2017). The impact of Chinese development "investments" globally have been debated by several scholars, included by Davies, Draper, and Edinger (2014).

(BAM), social entrepreneurship, value chain development, and other market-based business and development initiatives can promote pro-poor and overall economic development (e.g., Johnson, 2010; Prahalad & Hart, 2002).

A final set of arguments for including developing countries in business studies deals with the impact of culture and the business context on strategies and operations. From a managerial perspective, students should know that business strategies designed for one context often need to be redesigned or scrapped in other contexts. Developing countries frequently require innovative strategies and approaches to business and CSR (Cuervo-Cazurra, 2012; Samuel & Mqomboti, 2017). Some MNCs respond to this need by allowing greater latitude to subsidiaries in developing countries, allowing them to customize their development of the business and investments in the regional or national society (Cantwell, Dunning, & Lundan, 2010; Gifford, Kestler, & Anand, 2010). Others fold market development into their business or development strategies globally. Relatedly, popular opinion held by students about global operations may not jibe with reality in developing world settings, as illustrated by Blattman and Dercon's (2017) research on sweatshops—further illustrating differences in cultural perspectives on commercial enterprise.

In summary, contrary to the view of developing countries as irrelevant to business, evidence from economic/demographic, ethical, strategic, and managerial camps suggest a reconsidering of an exclusive emphasis on the global north in undergraduate and postgraduate business studies. The diversity of developing nations necessitates that these stylized facts do not equally well describe every development context and locale, nor do macroeconomic trends and corporate activities necessarily translate into pro-poor business. However, they do suggest that an arms-length view of the global south as irrelevant to international business is likely outdated. For Christians studying business, Scripture, theology, and tradition prompt a recognition of the value of people and creation globally and the possible benefits of pro-poor commerce.

Benchmarking Business Curricula and Co-Curricula

We wanted to get an idea of how often developing nations were addressed in secular and faith-based business schools. To do so, we surveyed a stratified random sample (n = 80) of academic leaders from eighty US business schools and economics departments (for detailed methods and findings, see Lynn, Gailey, & Buller, 2017). Included in the sample was one contact from each baccalaureate-awarding US member of the Council for Christian Colleges and Universities (CCCU) and the Association of Catholic Colleges and Universities (ACCU). We matched these faith-based institutions with a random sample of secular institutions stratified by size and business accreditation, drawn from the membership of the three US business accreditation agencies—AACSB International, ACBSP, and IACBE. A random sample of secular, non-accredited business programs was stratified by size and selected from all business baccalaureate-awarding programs listed in the US Department of Education, Institute of Education Sciences IPEDS data base (Institute for Education Sciences, n.d.). The final contact list (n = 641) was approximately half faith-based (51%), half non-sectarian (49%); half with business accreditation (55%) and half without (45%). The head of the business or economics academic unit (e.g., dean, department chair, division chair) was contacted when possible. From the contact list, eighty responses were received, representing 12.5% of the contact list. Post-hoc tests showed that respondents and nonrespondents did not significantly differ in institutional characteristics related to the study.

Several findings from the survey were relevant to understanding the current status of developing countries in US undergraduate business programs:

1. Study abroad is the most frequent formal academic program for addressing the global south. Slightly more than one third of business programs have some type of formal academic program that emphasizes developing countries; most commonly, this is a study

abroad program in a low- or lower-middle income country which existed in about a quarter of the institutions responding. Academic minors and majors were least common.

2. The United States is the dominant geographic focus in US business programs. Emerging and developing economies are the focus from 0-20% of the time although academic leaders suggest that 30% of the content is the ideal amount of focus on the global south.
3. Among specific global south topics which Neal (2017) identified as most prominent across business schools, respondents indicated that CSR, entrepreneurship, and environmental sustainability were most frequently addressed while BoP and microcredit were included less often. Slightly more than one third of the reporting institutions indicated the latter two were not addressed anywhere in the curriculum.
4. Three-quarters of the time, the global south was not addressed by invited speakers, student organizations, undergraduate research, or in faculty research or consulting. A quarter of the time, each of these (except for faculty consulting which did so at a lower rate) incorporated the global south.
5. The eighty respondents reported 29 study abroad programs in upper-middle income countries, twenty in lower middle income countries, and four were in low income countries. (Study abroad programs in developed countries were not reported.) Of the lower middle income countries, India attracted four study abroad excursions; others were spread across Asia, Africa, and Latin America. Three of the low-income countries visited were in sub-Saharan Africa, and Haiti was the fourth.
6. Most respondents agreed with statements supporting an ethical warrant and desire on the part of students and faculty to know about the global south. The global south was not a competitive niche for most business programs and finding curricular and co-curricular space and time to include developing countries was perceived as somewhat challenging.

7. Larger business school enrollments, specialized business accreditation, and faith-based institutions were not significantly more likely to address the global south in the sample than were smaller, unaccredited, or public/non-religious institutions. The more the global south was addressed on campus, the more likely it was included in the business curriculum and co-curriculum.
8. Finally, in a post-hoc analysis using archival data, faith-based institutions in the US offer significantly more baccalaureate degrees in economic development, international development, sustainable development, and global social justice than do other institutions (see Appendix A for a list of majors and institutions).

To summarize the survey findings, there is a slight to modest amount of inclusion of developing countries in many US undergraduate business programs, with study abroad being the most common of formal programs. The global south is mentioned occasionally in courses and in the co-curriculum and academic leaders believe there are reasons for including them. Faith-based institutions (but not necessarily business schools) offer substantially more undergraduate degrees in international development than do secular institutions.

Practical Approaches for Addressing Developing Countries

So if one wished to increase the inclusion of developing countries, how might that occur? We suggest that three levels of integration are possible, offering value at different levels of depth (Figure 2). *Awareness* is increased through exposure to developing countries and the global south. This might include sprinkling examples, readings, case studies, or inviting an occasional speaker to address a business issue in developing countries (e.g., Pope, 2007). An *analytical* level goes deeper and allows for the consideration of context and critique. Sometimes called "global perspectives," this approach exposes "learners to the paradigm-switching involved in studying different disciplinary areas and exploring peoples, places, religions, and philosophies that they have never encountered" (Witte, 2010,

p. 109; Cuervo-Cazurra, 2012). Contextualization moves beyond learning the names of countries or the alphabet soup of multilateral organizations, stories of intercultural encounter in communication, or generic global skills, and addresses what is unique and valuable within contexts, attempting to see local detail from local perspectives. Contextualization allows students to be exposed to critical, self-reflective perspectives on global commerce and it allows an appreciation of value-adding contributions from developing countries, such as *ubuntu* in management (Wanasika, Howell, Littrell, & Dorfman, 2011). A third level of learning is to develop *competencies* in working in developing countries. Possibly most appropriate in post-graduate education, undergraduate students can begin building skills through collaborative learning and study abroad.

Across each of these levels, it's worthwhile recognizing that developing countries are multi-vocal and add critical insights in business education. It is not merely about transferring western knowledge and technology since Western concepts do not and should not apply universally. Developing countries provide an opportunity to explore the role of institutions in markets, causes of economic growth, poverty dynamics, economic inequality, child labor, market development, humanitarian aid, labor markets, supply chains, global logistics, and a host of other topics that arise in developing countries.

Insert Figure 2 about here

Various educational outcomes may be achieved through similar activities. Thus, rather than dividing activities by outcome, we list institutional, curricular, and co-curricular activities which might be explored at any of the three levels highlighted in Figure 2.

1. Higher education is increasing available in developing countries, and populations in these countries continue to expand rapidly. Opportunities exist for partnerships and collaboration in research, student and faculty exchanges, and in authoring relevant case studies that focus

on the opportunities and challenges that exist in developing countries. With the availability of social media, videoconferencing, and electronic communication, cross-cultural student exchanges and research collaborations between universities can be explored. Consider a supply chain research project that involved students from a university in the United States and one in Kenya or a cross-border marketing plan for a business developed by students in schools in California or Texas and a partner institution in Mexico. Muñoz, Wood, and Cherrier (2006) provide an example of cross-cultural collaborative exercises in marketing wherein students across two countries engage in activities which expose them to differing cultural insights in marketing.

2. A small but important step can include encouraging all faculty in a business school to review their syllabi for sources that they cite for their students learning. Faculty members might consider adding examples, exercises, readings, and cases from developing countries.
3. Relatedly, social problems often can be viewed using economic and business theories and tools, sex trafficking being just one example (Kara, 2009). So whether a logistical or communication issue with disaster relief, the use of markets in food security, microfranchising businesses, or other examples, the developing world can be woven into traditional business topics.
4. As business schools increase the number of courses they offer on-line, some have implemented mission-driven discounted programs for students in developing countries. A school might partner with a business school in a developing country and allow faculty from the school abroad to access their graduate courses to help develop and enhance their academic credentials and gain access to new ideas and resources. Oliphant (2013) described an educational partnership between institutions in Ireland and Lesotho which co-researched education in Lesotho, sponsored an educator exchange program, and reserved

PhD program slots in Ireland for educators from Lesotho. Similar programs could be (and likely have been) pursued in business. Relatedly, as populations in developing countries continue to expand and the costs of studying in the USA or Europe continue to increase, on-line graduate courses offer an alternative mechanism for increasing the knowledge base of faculty in developing countries.

5. Business schools can look across the institution and find out where student engagement is happening on justice issues related to developing countries. Student-led movements and university co-curricula opportunities may be open to engaging the business school in their efforts, if the business school approaches participation with a spirit of humility and desire to better use the school's resources in service to people in developing countries. Similarly, co-curricular approaches within the business program include interest groups and clubs, invited speakers, international partnerships in research, service, or exchange, cultural festivals, debates, fund-raisers, and other activities (Bourn, 2011).
6. Universities are now offering entrepreneurial competitions to encourage students to explore starting or growing business ideas. Some universities are including or even emphasizing social innovation and social entrepreneurship within such competitions. Students often come up with the ideas and businesses that emphasize addressing challenges in developing countries. Business schools can encourage their business majors to compete in these competitions or offer their faculty resources to any students groups who have ideas that address developing country populations.
7. Researchers can provide more case studies for both undergraduate and graduate business programs that focus on the role of business in developing countries. Exploration of how the big tech companies, such as Amazon, Google, and Facebook are making inroads into developing country populations and what that might mean for business in the future are

important areas for further research. The explosive growth of smart phone usage, financial tech operations and mobile app innovation in the developing world is significant and having a positive impact on poverty (Suri & Jack, 2016). Innovations such as these offer important learning opportunities for students in regards to what the future may hold and can help students consider ways that business can be used to help poor people move out of poverty.

8. Immersive experiences such as internships, study abroad, and student and faculty exchanges come to mind as well. These have attracted considerable research, commentary, and Christian reflection (Morgan & Smedley, 2010) on design and immediate and long-term impact. Traditional locales can be adjusted to include a poverty element, such as studying global immigration in east London (Gristwood & Woolf, 2011) or economic development of a country such as Ireland (Ireland, 2010). Goshen College focuses their semester-long study abroad programs in China, Peru, Senegal, Tanzania, and Cambodia—all developing countries—with total immersion and a service emphasis. Similarly, several schools promote short-term global service learning related to business. US service learning positively impacts social issues, personal insight, and cognitive development (Yorio & Ye, 2012) and may provide a bridge to stimulate interest or prior learning for exploring developing countries.
9. Some business programs have focused on global CSR principles—such as Fordham University, Seattle Pacific University, and the University of Notre Dame—which leaven the business curriculum with the Principles for Responsible Management Education (PRME) from the UN Global Compact (http://www.unprme.org/) (cf. Williams, 2014). The Global Compact is a voluntary signatory of global companies who commit to ten principles organized around human rights, labor, environment, and anti-corruption and extending support to the UN Sustainable Development Goals (SDGs).

10. Some faith-based business and economics programs have moved into offering courses or co-curricular experiences in international development. (As mentioned earlier, a disproportionate percentage of US undergraduate development studies programs are housed in Protestant and Catholic colleges and universities.) Although some might view international development as a humanitarian enterprise operating largely in public and civil-society sectors, significant overlap exists with business. International development has deep roots in economics, drawing from the sub-field of development economics which is over sixty years old. It also frequently incorporates market-based and market-development tools such as value chain analysis, microenterprise development, financial and insurance services, food voucher systems, and others applications. Although not all international development programs have been added within business schools, many are linked to courses and professors. Programs in international development are offered currently at institutions such as Covenant College, Eastern University, Messiah College, Point Loma Nazarene University, Taylor University, and the University of Dayton, and University of San Francisco. Several schools offer undergraduate degrees in international agriculture, economics, or health, or in global studies generally, and many of these touch or concentrate on developing countries.

Conclusion

In sum, there may be more inclusion of the global south in US business curriculum on average than is commonly assumed, yet it remains slim and likely a shallow treatment on average. Assessment of international business outcomes is undifferentiated geographically, for many institutions (cf. Arevalo, McCrea, & Yin, 2012; Boan, Aten, Greener, & Gailey, 2016; Kedia, & Englis, 2011). Even when developing countries are included, business treatments may tend toward technology transfer, extractive industries, financial flows, and large consumer markets, rather than including cultural and institutional characteristics and pro-poor development. Parts of the global south are becoming increasingly integrated in global trade and markets are looked upon with less overall skepticism than previously. Developing countries provide an opportunity to reflect on global commerce, culture, and the common good.

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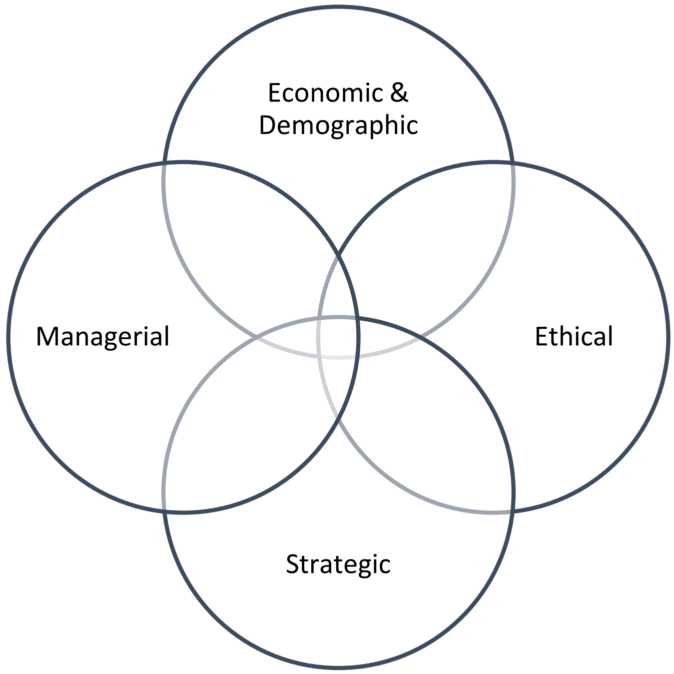
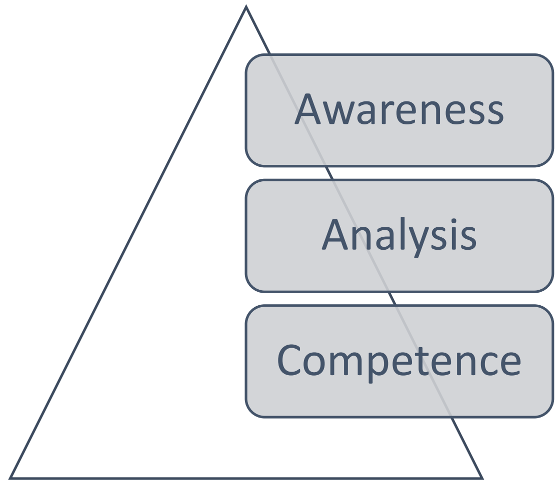
Figure 1. Reasons for Incorporating Developing Countries into Business Education



Economic & Demographic	Ethical	Strategic	Managerial
• Large population • Declining poverty • Increasing wages • Increasing trade • Rising commodity prices • Economic diversification • Supply chain integration	• Stakeholder, common good, sustainability • Christian great commandment • Preferential option for the poor • Justice and charity • Restorative Christian eschatology	• Risk and uncertainty (e.g., political, corruption, bribery, infrastructure, etc) • MNC infrastructure/ development contracts • Corporate philanthropy • Spillover effects • Bottom of the Pyramid • Business as Mission • Value chain development	• Cultural and business environment differences

Figure 2. Learning Levels



Appendix A. Undergraduate Programs in International Development and Cognate Studies

International Agriculture, Global Food Security, International Food Business, Sustainable Agriculture, Organic Agriculture, or Ag Missions	**Economic Development, International Development, Sustainable Development, and Global Social Justice**	**International Economics**
23 Total / 1 (4%) CCCU / 1 (4%) ACCU	**25 Total / 9 (36%) CCCU / 6 (24%) ACCU**	**30 Total / 1 (3%) CCCU / 5 (17%) ACCU**
Andrews U	Brown U	Albion C
Cornell U	**Calvin C**	Austin C
Delaware Valley U	Cleveland State U	Belmont U
Dordt C	Columbia U	Carnegie Mellon U
Green Mountain C	**Covenant C**	**Carson-Newman U**
Iowa State U	**Eastern U**	Carthage C
Mississippi State U	Georgia Southern U	<u>Catholic U of America</u>
Montana State U	**Harding U**	Coe C
Prescott C	**Houghton U**	Colorado C
Purdue U	Illinois Institute of Technology	Davis & Elkins C
Sterling C	<u>Loyola U New Orleans</u>	Elon U
U of California-Davis	**Messiah C**	Fort Hays State U
U of Connecticut	Northeastern U	<u>Georgetown U</u>
	Point Loma Nazarene U	
U of Idaho	**Seattle Pacific U**	Georgia State U
U of Massachusetts	<u>St. Catherine U</u>	La Salle U
U of New Hampshire	Suffolk U	Mary Baldwin U

International Agriculture, Global Food Security, International Food Business, Sustainable Agriculture, Organic Agriculture, or Ag Missions	**Economic Development, International Development, Sustainable Development, and Global Social Justice**	**International Economics**
U of Wyoming	**Taylor U**	Rhodes C
UC-Davis	Tulane U	Salve Regina U
Unity C	UCLA	St Catherine U
Utah State U	U of Dayton	Suffolk U
Washington State U	U of San Francisco	Texas Christian U
Wilmington C	U of St. Thomas (TX)	Texas Tech U
Xavier U	U of St. Thomas (MN)	Trinity U
	U of Vermont	UCLA
		UC-Santa Cruz
		U of Richmond
		U of St Thomas (MN)
		U of West Georgia
		Valparaiso U
		Weber State U

Note: Data from College Navigator (2017); CCCU = Council for Christian Colleges and Universities; ACCU = Association of Catholic Colleges and Universities. CCCU institutions are shown in bold; ACCU institutions are underscored. Additional majors include: International Studies, Global Studies, Intercultural Studies, International Health, and International Public Health.

Economic and Religious Freedom:
One or Divisible?

For Presentation at the 2017 CBFA Annual Conference, Point Loma Nazarene University, San Diego, CA

This version: August 2017

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Abstract

Previous empirical work has shown that economic freedom increases standards of living, along with other positive aspects of life such as health and literacy, but there has yet to be an extensive study of any causal relationship between economic and religious freedom. The research presented here makes use of longitudinal and cross sectional data on both economic and religious freedom to study the causal relationship. The results further the literature on economic freedom and expand support for related policy action by better understanding the relationship of this liberty with other important aspects of a free society. The question is of great importance to Christians as economic freedom cannot be an end in and of itself.

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Introduction and Motivation.

Researchers have long studied how economic freedom increases the standard of living for everyone, and how a higher standard is correlated with other positive aspects of life such as health and literacy. Hall and Lawson (2013) reviewed empirical literature going back to 1996 and found hundreds of studies showing economic freedom corresponded to such positive outcomes. However, support for economic freedom may not rest on the evidence that it increases wealth or well-being. That is, economic freedom may not be an end in itself, but rather one part of three liberties – economic, political, and religious. The research presented here seeks to learn more about the relationship between economic and religious freedom. Are these freedoms one and the same or separable? Does economic freedom bring about religious freedom or depend upon it?

Rogge (1963) argues that support for any freedom, and economic freedom in particular, should rely on moral principles. He writes, "The most important part of the case for economic freedom is not its vaunted efficiency as a system for organizing resources, not its dramatic success in promoting economic growth, but rather its consistency with certain fundamental moral principles of life itself." If so, the study of economic freedom should not limit itself to outcomes, but a include analysis of its relationship with other fundamental rights of liberty.

Richards (2016) argues that religious and economic freedom "should not be separated" and that a thorough empirical study of any causal relationship has not been completed. He writes, "I am unaware of a rigorous study tying religious and economic freedom together, but a preliminary comparison suggest that, with a few exceptions, such as Singapore, economic and religious freedom correlate at the extremes", and that, "the tight correlation at the extremes suggests that the two freedoms hang together." Connors (2016) also argues that economic freedom should not be separated from religious or political freedom, stating "To really flourish you need all three. You need religious freedom so you can fully live out your vocation and how you're going to serve God. You need political and economic freedom to really flourish in the way [Christians] think about it."

The research presented here makes use of longitudinal and cross sectional data on both economic and religious freedom to explore the causal relationship between the two. Three statistical processes are used to examine the hypothesis that economic freedom is positively dependent on religious freedom. Only limited statistical support is found in these broad data sets of economic and religious freedom to support a hypothesis on the causal relationship between these two liberties. Specifically, there is no indication that a reduction in religious freedoms reduces or slows the rate of change in economic freedom, but economic freedom is on the rise in countries that are also increasing religious freedoms.

The report is organized as follows. The next section considers some previous explanations for the relationship between economic and religious freedom, section III describes the data and methodology used here, section IV presents the results of the study, and section V concludes with possibilities for further work and data collection.

I. Previous Research.

As cited earlier, researchers have identified a correlation between economic and religious freedom, but a causal relationship has not been determined. The relationship between economic and political freedom is more firmly established. Friedman (1961) argued that economic freedom was necessary but not sufficient for political freedom. He claimed, “Historical evidence speaks with a single voice on the relation between political and economic freedom. I cannot think of a single example at any time or any place where there was a large measure of political freedom without there also being something comparable to a private enterprise market form of economic organization for the bulk of economic activity.” To this date measures of economic freedom include indicators of political freedom, such as judicial independence and the absence of military interference in rule of law and politics. The inclusion of these variables suggests political liberty brings about economic liberty. The data on economic freedom used for this study (described below) includes such indicators of political freedom, but no such similar measures of religious freedom.

Anecdotal evidence suggests that greater economic freedom may bring about religious freedom. Gregg (2016) uses China as example where economic freedom has increased dramatically and corresponded with a call for greater freedom to worship as one pleases. Gregg cites evidence that religious leaders are affecting government policy towards Christianity in the wealthy province of Zhejiang. He writes, “The fact that many evangelical preachers in this economically successful and increasingly Christian Chinese province are publicly telling the authorities to back off does tell us something. It tells us that once the freedom genie is out of the bottle, it is very hard to put it back in.” Such anecdotes suggest that where economic freedom is established religious freedom will result.

In contrast, a theoretical body of work suggests that religious freedom is a necessary condition for economic freedom. That is, religious freedom causes economic freedom to grow and bring about the higher standard of living and other beneficial outcomes. Gill and Shah (2013) explore the question as to whether religious freedom is an independent variable or dependent variable in any model of "societal flourishing", but do not reach a definitive conclusion. They identify eight causal pathways from previous social theorists. Each pathway is as follows:

1. The Ideas Pathway: "Religious freedom makes it possible for religious ideas that promote economic development and political freedom to take hold and shape society for the better."
2. The Skills Pathway: "Religious groups often promote organizational and other economically and politically useful human capital skills among their members."
3. The Charity or NGO Pathway: Free, private religious charities and NGOs can mitigate inequities in society.
4. The Migration Pathway: Immigrants are attracted to areas with greater religious freedom and increase the level of human capital employed in a society.
5. The Bundled Flourishing Pathway: Religious activity is a form of economic activity, and thereby promotes economic productivity.
6. The Bundled Liberties Pathway: Advances in religious liberty "facilitate an environment of wider freedom that is crucial to economic growth and democratization."

7. The Networks Pathway: "The freedom of religious groups encourages the formation of independent associations, networks, and social capital, which contributes to economic activity."
8. The Stability Pathway: Religious freedom mitigates social strife which if present, retards economic development.

The first four of these eight "pathways" or relationships suggest that religious freedom leads to economic freedom, while the second four suggest that economic and religious liberty are not separable. There is no suggestion here that increasing economic liberties will bring about religious freedom. What is left is therefore as a possible causal relationship is one where religious freedom is an independent variable in a model of "societal flourishing" that includes the positive outcomes of economic freedom.

In remains a possibility that economic and religious freedoms are unrelated or both dependent on some other related causal factors. This third factor is unlikely to be measured in any empirical study, leading to spurious correlations. Additionally, there may be time lags in any causal relationship. The statistical methods employed in this study are designed to help identify these other possible relationships.

Previous empirical studies found that religious freedom was an additional explanatory factor with economic freedom in explaining a country's standard of living as measured by gross domestic product per capita. Using cross-sectional data for 123 countries, Alon and Gregory (2005) found that while "the impact of economic freedom on the level of individual income seems to trump that of religious and other social and political freedoms…it is in a nation's long-run economic interest to expand [both]." The authors demonstrate in the data strong collinearity between economic and religious freedom, but use step-wise regressions to show increased explanatory power using both variables. It may still be the case, however, that both variables are not exogenous; that is, that one of these freedoms is determined by the other.

Using country-level, cross-sectional data from the 1990s, Hylton, Rodionova, Deng (2011) studied the relationship between economic and religious freedom and found that laws and practices "burdening" religion enhance corruption and reduce economic growth. This finding is consistent with the Ideas, Bundled Liberties, and Stability pathways discussed above. The data does not, however, show whether changes in such liberties over time cause a change in one or the other.

This review of theoretical questions and empirical studies regarding the relationship between economic and religious freedom is inconclusive but suggestive that the relationship is similar as to that of political and economic freedom. As noted, most measures of economic freedom include political liberties. Thus, a change in the economic freedom score of a given country will occur when there is a change in the political liberties of that country. The economic model tested here is therefore whether or not changes in religious freedom lead to changes in economic freedom. This hypothesis can be written as

$$\Delta \textit{ economic freedom} = f(\Delta \textit{ religious freedom}, \Delta X) \tag{1}$$

where the expected sign on the coefficient for the religious freedom variable is positive and X is a matrix of the many other factors affecting economic freedom, including measures of political freedom. The next section reviews the data and statistical methods used to test this question modeled in equation 1.

II. Economic and Religious Freedom Data.

The research presented here makes use of longitudinal and cross sectional data on both economic and religious freedom to explore the causal relationship between the two. For religious freedom, the data come from the Pew Research Center's annual study of global restrictions on religion (Pew Research Center 2017). The Pew study produces a data set which includes Pew's Government Restrictions Index (GRI), a measure of "government laws, policies and actions that restrict religious beliefs and practices."

The latest Pew data has 20 indicators of government restrictions on religion from 2007 to 2015 for 198 countries. The indicators include government bans on particular faiths, prohibition against conversion, or limits to preaching. Each indicator is added together to create the GRI score. A high GRI score indicates more restrictions and thus less religious freedom.

For economic freedom, this study makes use of the Economic Freedom of the World Report from the Fraser Institute (Gwartney, *et al* 2016). This measurement of economic freedom has been previously used in hundreds of economic studies and includes observations based on the size of government in a particular country, the strength of property rights, and freedom to trade, among others. The current economic freedom scores seek to measure "the degree to which countries rely on voluntary exchange and market institutions to allocate resources". The data set goes back to 1980 and covers 159 countries in the most recent reported year of 2014.

Gwartney, *et al* (2016) measure the degree of economic freedom across five areas: Size of Government, Legal System and Security of Property Rights, Sound Money, Freedom to Trade Internationally, and Regulation. Each of these five areas has 24 separate measures, some of which have sub-components, which are scored on a scale from 0 to 10 to "reflect the distribution of the underlying data." The five area ratings are then averaged to derive the summary economic freedom index (EFI), or rating, for each country in each year. A high EFI score indicates more economic freedom.

III. Results.

Multiple statistical processes are used with the two data sets described above to examine Equation (1), and the hypothesis that economic freedom is positively dependent on religious freedom. Since correlation does not imply causation it is necessary to study more than just representative scores on economic or religious freedom across countries at any one point in time. This study employs time series analysis to study trends in a country's score for both of the above studies, along with probit regression analysis. The latter approach looks at the probability of economic or religious freedom for a given indicator variable, rather than just correlation.

a. Descriptive Statistics & Correlations

Table 1 provides descriptive statistics for EFI and GRI scores for 153 countries covered in both data sets between the year 2007 and 2014. Both the average EFI and GRI scores are rising over this sample period. During this period the average score for economic freedom rose from 6.83 to 6.87, while the average GRI score rose from 2.44 to 2.98. This indicates that countries are experiencing greater economic freedom while restrictions on religious practice are also on the rise, or that religious freedom is on the decline. Since the GRI score is additive it may also be the case that the Pew researchers are identifying restrictions on a religious liberty faster than indicators of economic freedom are changing. As shown in Table 1, the average change in economic freedom (*Delta EFI*) was only 0.04, compared to 0.54 for the average change in the religious freedom (*Delta GRI*).

Table 2 provides Pearson correlation coefficients for each of the variables reported in Table 1. In 2007 the correlation between EFI and GRI scores was negative and significant at standard levels, indicating that more restrictions on religious freedom were associated with countries that have less economic freedom. However, the correlation is zero and statistically insignificant at the end of this sample period, the year 2014. Further, there is no correlation between a change in a country's score in the economic freedom data and the religious freedom over the period, as represented by *Delta EFI* and *Delta GRI*.

As referenced above, Richards (2016) noted that economic and religious freedoms are correlated at the extremes. This is true for the period studied here. The correlation between a change in a country's score in the economic freedom data and the religious freedom data over the period for just those countries with an EFI score less than 5 or greater than 6 is -0.105 (not reported), compared to 0.01 reported in Table 2. This correlation has the predicted sign but is not statistically significant at standard levels.

b. Probit Regressions

The above noted decline in the overall correlation suggests a changing trend. That is, those countries at the extreme are moving to the middle. The next statistical tests seek to identify if this trend is consistent with a causal relationship between economic and religious freedom. As described above, the EFI score is a scale variable based on the distributions in the data used to create it. While a probit model is less efficient than ordinary least squares in the study of any two variables, it is reasonable to consider the probability of changes in the scale of dependent variable created in this manner.

Table 3 shows probit regression results for Equation (1), where the dependent variable is 1 if the change in a country's EFI score over the period was positive, and zero otherwise. The independent variable is the change in the government restrictions index, *Delta GRI*, between 2007 and 2014. As hypothesized above, the test is whether or not an increase in government restrictions on religion decreases the likelihood that a country experienced increasing economic freedom over the period. As shown in Table 3, the estimated equation has the correct sign, but the coefficient and overall model are not statistically significant. So while the relationship is predictive, the statistical evidence is not present in these data for any definitive conclusion about Equation (1).

c. Trend Analysis

The Pew data on religious restrictions contains annual data from 2007 to 2014 for a subset of countries with larger populations. Table 4 reports the trend in both EFI and GRI for 20 of these large countries, where the final column, labeled *Trend*, is a linear prediction model for each country from the periodic data. Over this study period 13 of the 20 large countries experienced an increasing trend economic freedom and 17 of 20 countries experienced a decline in religious freedom. However, the proportion of those countries that experienced an increasing EFI score while the GRI score was declining over the period is 0.7, compared to only 0.6 for those countries that had a higher GRI score at the end of the period.

To illustrate this point, consider two examples from Table 4, China and the United States. Over this study period, China's EFI score increased while its GRI score declined, meaning the country is experiencing more economic and religious freedom. Meanwhile, by these same measures both economic and religious freedom are declining in the United States - the U.S. EFI score declined and the U.S GRI score rose over the same period. Again, as noted by Richards (2016) the correlation at the extremes is moving towards the middle. That is, those countries that previously restricted both economic and religious freedoms are reducing such restrictions, while those that previously had few or no restrictions are adding both.

d. Granger causality

The greater frequency of reporting on religious freedom for these large population countries provides for a further test of Equation (1). Granger causality is said to be absent when a variable y as a function of lagged-values of itself and lagged values of some other variable x is equal to variable y as a function of only lagged values of y. That is to say that if lagged values of x do not improve upon the estimate of y there is no causal relationship. Table 5 provides ordinary least squares estimates for the change in the EFI score of the 20 large-population countries against lagged values of the change in the EFI score alone and against lagged values of both the change in the EFI score and change in the GRI score between 2007 and 2014. The R-squared rises for the model with lagged values of the GRI score, and a Chi-square test of this model returns a value of 34.29 which is greater the critical value of 10.12 for *n-1* degrees of freedom. The coefficients on the lagged values of the GRI score all have the correct sign, but are not significant at standard levels.

e. Very low economic freedom countries

The Pew data on religious restrictions contains scores for 10 countries that do not have EFI scores for 2007. Table 6 presents the GRI scores for these 10 countries and the change in this score between 2007 and 2014. Each of these ten countries is so lacking in availability of market data over the full period of study it is reasonable to assume that they would score low in economic freedom. However, for these countries there is a declining trend in religious restrictions, or rather, increasing religious freedom. Furthermore, two of the ten countries, Bhutan and Laos, did receive EFI scores for 2014 of 7.07 and 6.85 respectively. These countries now rank above the median for economic freedom while religious restrictions are also on the decline. A third country, Cuba, has also seen increasing economic freedom and all religious restrictions have been eliminated according to the Pew data.

IV. Conclusions and Suggestions for Further Work.

The empirical results presented here seek to further discussion about the relationship between economic and religious freedom. This work makes use of new longitudinal and cross sectional data on both economic and religious freedom to explore the causal relationship between economic and religious freedom. Three statistical processes were used to examine the hypothesis that economic freedom is positively dependent on religious freedom.

No specific statistical support was found in these broad data sets to support a strong conclusion on the causal relationship between economic and religious freedoms, but the trends are suggestive and give cause for further research. Specifically, while there is no indication that a reduction in religious freedoms reduces or slows the rate of change in economic freedom, economic freedom is on the rise in countries that are also increasing religious freedoms.

The fact that the GRI and EFI scores used for this study are an aggregation of many different indicators creates a limitation in the data here. The control variables suggested in Equation (1) are part of each variable of interest. Further research can make use of the broad data sets as each are expanded with time, but could also use subcomponents in the economic freedom index or specific questions in the religious restrictions data. Hopefully, more delineated data over longer periods will provide more conclusive evidence.

Table 1. Descriptive Statistics for the Economic Freedom scores (EFI) and Government Restrictions index (GRI) in 153 countries between 2007-2014.

	EFI 2007	*EFI 2014*	*GRI 2007*	*GRI 2014*	*Delta EFI*	*Delta GRI*
Mean	6.8285	6.8661	2.4346	2.9804	0.0376	0.5458
Standard Error	0.0749	0.0689	0.1602	0.1680	0.0337	0.0738
Median	6.96	7.01	1.7	2.6	0.04	0.6
Mode	7.59	7.98	0.3	0.8	0.08	0.5
Standard Deviation	0.9271	0.8518	1.9812	2.0783	0.4164	0.9123
Sample Variance	0.8595	0.7256	3.9252	4.3193	0.1734	0.8322
Range	5.86	5.74	8	8.6	3.44	5.7
Minimum	3.25	3.29	0	0	-1.41	-2.6
Maximum	9.11	9.03	8	8.6	2.03	3.1
Sum	1044.76	1050.52	372.5	456	5.76	83.5
Count	153	153	153	153	153	153

Table 2. Correlation coefficients for the Economic Freedom scores (EFI) and Government Restrictions index (GRI) in 153 countries between 2007-2014.

	EFI 2007	*EFI 2014*	*GRI 2007*	*GRI 2014*	*Delta EFI*	*Delta GRI*
EFI 2007	1					
EFI 2014	0.8938	1				
GRI 2007	-0.1619	-0.1868	1			
GRI 2014	-0.0317	-0.0422	0.9001	1		
Delta EFI	-0.3980	0.0556	-0.0216	-0.0159	1	
Delta GRI	0.2796	0.3095	-0.1212	0.3234	0.0108	1

Table 3. Probit regression estimates of Equation (1) for 153 countries. Dependent Variable = 1 if the change in the Economic Freedom score (EFI) was positive between 2007-2014.

	Suc-Obs	Fail-Obs	Total
Suc-Pred	80	73	153
Fail-Pred	0	0	0
	80	73	153
Accuracy	1	0	0.5229
Cutoff	0.5		
Chi-Sq	0.0235		
df	1		

	coeff b	*s.e.*	*Wald*	*p-value*
Intercept	0.0667	0.1184	0.3173	0.5733
Delta GRI	-0.0171	0.1118	0.0233	0.8786

Table 4. Economic Freedom scores (EFI) and Government Restrictions index (GRI) in 20 high-population countries between 2007-2014.

	EFI							
Countries	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**
Bangladesh	6.35	6.42	6.33	6.41	6.43	6.37	6.15	6.14
Brazil	6.27	6.35	6.55	6.58	6.54	6.34	6.3	6.18
China	6.45	6.45	6.39	6.32	6.26	6.3	6.25	6.27
Congo, Dem. R.	5.49	5.64	5.39	5.43	5.46	5.36	5.3	5.33
Egypt	6.05	6.24	6.3	6.33	6.51	6.38	6.58	6.75
France	7.3	7.16	7.22	7.29	7.38	7.45	7.41	7.49
Germany	7.55	7.54	7.54	7.6	7.5	7.54	7.48	7.56
India	6.5	6.63	6.59	6.6	6.41	6.42	6.48	6.53
Indonesia	7.02	7.02	6.89	6.91	6.89	6.6	6.55	6.57
Iran	5.27	5.58	5.28	5.94	6.21	6.18	6.33	6.29
Japan	7.42	7.46	7.6	7.44	7.53	7.51	7.62	7.75
Mexico	6.88	6.79	6.75	6.72	6.71	6.61	6.72	6.79
Myanmar	5.39	5.42	5.15	4.24	4.18	4.24	3.89	3.75
Nigeria	6.45	6.45	6.28	6.39	6.17	5.9	6.04	6.34
Pakistan	6.01	6.27	6.26	6.34	6.29	6.22	6.05	6.18
Russia	6.66	6.67	6.65	6.58	6.55	6.44	6.51	6.44
Turkey	6.86	6.86	7.03	7.07	6.88	6.88	6.92	6.59
United Kingdom	7.93	7.88	7.83	7.81	7.79	8.01	7.92	8.05
United States	7.75	7.68	7.82	7.7	7.76	7.9	8.11	8.23
Vietnam	6.43	6.46	6.42	6.26	6.35	6.48	6.19	6.31
Averages	6.60	6.65	6.61	6.60	6.59	6.56	6.54	6.58
	GRI							
Countries	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**
Indonesia	6.2	8.5	8.3	8.2	8.6	7	7.4	7.9
Turkey	6.6	7.4	6.4	5.3	5.8	6.4	6.2	8.1
Egypt	7.2	8.2	8.8	8.9	8.7	8.6	7.1	8.3
Russia	5.8	7.4	7.7	7	7.2	6.7	6.2	6.7
China	7.8	9.1	8.6	8.4	7.5	8.2	7.7	8.6
Pakistan	5.8	6.4	7.1	7.3	6.3	7	7.2	6.5
Nigeria	3.7	4.1	4.5	5.6	5.8	4.5	3.6	4.3
Japan	0.2	1.1	0.7	1.9	1.9	0.2	0.5	0.7
Brazil	0.4	0.2	0.6	0.4	1	1.1	0.8	0.7
Bangladesh	4	5.2	5.3	6.1	5.6	5.1	5.1	4.3
United Kingdom	1.6	1.7	3	3	4.3	2.8	2.8	1.6
Congo, Dem. R.	1.3	1.1	1.1	2.1	2.8	0.7	2.1	1.2
Mexico	4.7	3.4	3.9	3.6	3.5	4.2	3.4	4.5
Iran	7.9	8.3	8.6	8.5	7.9	8	8.7	7.7
Germany	3.4	4.5	3.8	3.5	4	3	3.2	3.1
India	4.8	5	5.5	5.1	5.3	5	5.8	4.5
Vietnam	6.6	6.1	6.7	6.6	7	6.3	6	6.1
United States	2.7	3	3.6	3	2.7	1.6	1.6	1.6
France	4.4	4.2	4.3	3.9	4.1	5.3	3.4	3.3
Myanmar	7.9	7.7	7.7	7.3	7.3	7.9	7.1	6.5
Averages	4.65	5.13	5.31	5.285	5.365	4.98	4.795	4.81

Table 5. Test of Granger-Causality in the Economic Freedom scores (EFI) and Government Restrictions index (GRI) of 20 high-population countries between 2007-2014. Dependent Variable is the change in EFI in 2014.

Lagged Values of change in EFI only

Regression Statistics	
Multiple R	0.5916
R Square	0.3500
Adjusted R Square	0.0500
Standard Error	0.1107
Observations	20

	Coefficients	*Standard Error*	*t Stat*	*P-value*
Intercept	-0.0400	0.0274	-1.4584	0.1685
Y1	-0.1897	0.1995	-0.9509	0.3590
Y2	0.1446	0.1150	1.2572	0.2308
Y3	0.2500	0.2301	1.0868	0.2969
Y4	-0.1941	0.2144	-0.9053	0.3818
Y5	-0.1071	0.2107	-0.5084	0.6197
Y6	-0.0994	0.1981	-0.5020	0.6241

Chi-square	F-Critical
34.2857143	10.117013

Lagged Values of change in EFI and GRI

Regression Statistics	
Multiple R	0.7962
R Square	0.6339
Adjusted R Square	0.0063
Standard Error	0.1132
Observations	20

	Coefficients	*Standard Error*	*t Stat*	*P-value*
Intercept	-0.0215	0.0443	-0.4839	0.6432
Y1	-0.2837	0.2673	-1.0613	0.3238
Y2	0.0319	0.1577	0.2021	0.8456
Y3	0.3312	0.3126	1.0596	0.3245
Y4	-0.2301	0.4032	-0.5706	0.5861
Y5	0.0868	0.2582	0.3361	0.7466
Y6	-0.1383	0.2120	-0.6524	0.5349
X1	-0.0041	0.0669	-0.0619	0.9524
X2	-0.1078	0.0601	-1.7939	0.1159
X3	-0.0461	0.0734	-0.6281	0.5499
X4	-0.0382	0.1131	-0.3375	0.7456
X5	-0.0766	0.0948	-0.8073	0.4460
X6	-0.0617	0.0670	-0.9209	0.3878

Table 6. Government Restrictions index (GRI) between 2007-2014 for 10 countries where sufficient data is unavailable to calculate an Economic Freedom score.

Country	*GRI 2007*	*GRI 2014*	*Delta GRI*
Afghanistan	5.3	8.5	3.2
Belarus	5.9	1.4	-4.5
Bhutan	4.4	1.9	-2.5
Cuba	4.5	0	-4.5
Eritrea	7	0.4	-6.6
Laos	6.3	1	-5.3
Sudan	5.7	6.5	0.8
Turkmenistan	5.6	1.5	-4.1
Uzbekistan	7.7	3.3	-4.4
Western Sahara	4.8	3.3	-1.5
		Average	-2.94

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The Peter Process and Pedagogy:

Applying Biblical Truth to Business Education

Abstract

This paper integrates the developmental insights provided by Peter in his second epistle with modern literature on that process and the role of education in that process. Peter had the unique opportunity of connecting the secular understanding of his time with the revealed truth he possessed as a follower and student of Christ inspired by the Holy Spirit. The paper provides a thoughtful study of some of the relevant Scriptural assertions while noting parallels and complementary themes from modern scholarship especially in the realm of management. The goal is to unearth or underscore valuable discoveries that may help build a comprehensive process model for student transformation that will facilitate effective pedagogy. The model was used in a capstone course as the organizing principle and core content around which various sources and types of knowledge were incorporated to provide students with a foundation for lifelong learning and personal growth. The approach and the results are discussed.

The Peter Process and Pedagogy

Applying Biblical Truth to Business Education

Introduction

We all are driven to find out why we matter. A key factor in human behavior, from suicide to sainthood, is a belief in the extent to which our being alive on this planet is meaningful. We strive to find a way to validate that our ongoing presence here is worth its pain and is more than its pleasures. Christians are not exempt from this yearning, in fact we may be more keenly aware of it than anyone else, in view of our belief that God sacrificed His Son to rescue us. We do not want to squander a life purchased at such a price. So Peter really strikes a chord when, after describing what this paper refers to as the “Peter Process” (2 Peter 1:3-7), he writes in 2 Peter 1:8 “For if you possess these qualities in increasing measure, they will keep you from being ineffective and unproductive in your knowledge of our Lord Jesus Christ” (NIV). With this promise, he lays out a path to life’s purpose fulfilled.

But what does any of this have to do with formal education? As will be shown in this paper, Peter is laying out a holistic process of personal growth and transformation that most definitely encompasses education. It offers us insight into the process that God will have our students walking through as He shapes and molds them to be “made holy, useful to the Master and prepared to do any good work” (2 Timothy 2:1 NIV). As we understand His process, we can better recognize our role in that process.

That fulfillment of purpose derives far more from being than doing is itself somewhat novel today. We live in a task-oriented world, given to separating personal traits from professional competence and performance – a fact that even the perceptive in the secular media have begun to recognize (Brooks, 2015).

In terms of the field of management, Covey is one who writes about this idea:

> [A]lmost all the literature in the first 150 years or so [of modern leadership scholarship] focused on what could be called the Character Ethic as the foundation of success—things like integrity, humility, fidelity, temperance, courage, justice, patience, industry, simplicity, modesty, and the Golden Rule…. But shortly after World War I the basic view of success shifted from the Character Ethic to what we might call the Personality Ethic. Success became more a function of personality, of public image, of attitudes and behaviors, skills and techniques, that lubricate the processes of human interaction (Covey & Blankenhagen, 1991, p. 18).

The loss of this understanding might well coincide with the growing secularization of our society, marketplaces, and educational foundations. How it happened is beyond the scope of this paper, but how we can do more to return to it is not. Some of the greatest management thinkers of our time, like Herbert Simon, have demonstrated the power of interdisciplinary knowledge and integration (Augier, 2001, p. 407). So it is completely reasonable to expect Christian management educators and researchers to integrate the revealed truth of God's Word with the discovered truth from a variety of disciplines. And it behooves us to learn how we can enhance our own character development as well as participate in that of our students. This paper, then, will build our understanding of Biblical transformation of character around the passage in 2 Peter chapter 1, integrating it with the frameworks and knowledge provided by management and other scholarly literature. Notably, most of the literature linkages will come when focusing in on the key topic for the study.

Literature Review

Second Peter and the Process

To fashion the theoretical and philosophical to our study, we begin with an exegetical study of relevant revealed truth as it was penned by Peter in his second letter to the young Church of the first century. Here is the passage in its entirety.

> His divine power has given us everything we need for a godly life through our knowledge of him who called us by his own glory and goodness. Through these he has given us his very great and precious promises, so that through them you may participate in the divine nature, having escaped the corruption in the world caused by evil desires. For this very reason, make every effort to add to your faith goodness; and to goodness, knowledge; and to knowledge, self-control; and to self-control, perseverance; and to perseverance, godliness; and to godliness, mutual affection; and to mutual affection, love. For if you possess these qualities in increasing measure, they will keep you from being ineffective and unproductive in your knowledge of our Lord Jesus Christ (2 Peter 1:3-8, NIV).

Provision for the Peter Process

As management scholars it should be easy to recognize that God is the ultimate example of good management. Any management textbook will tell you that providing the resources needed to accomplish the task is the first order of business if success is to be a possibility. Deming would put it in terms of management removing systemic obstacles to worker success (Gartner & Naughton, 1988). And so, Peter introduces the process with the statement “His divine power has given us everything we need for a godly life through our knowledge of him who called us by his own glory and goodness” (2 Peter 1:3 NIV). The unpopular point made by this passage is that this provision is not universally available. Divine power is only providing this to those who know Him. It underscores the oft ignored "elephant in the room" when we call on unbelievers in business to behave ethically and righteously without the power of God. It is even worse when we allow their failings to justify our own.

We therefore need to educate our students first of all, to be sure of their own personal rebirth. They may arrive at our doors with a *cultural* belief inherited from their environment, but they need to leave with a faith of their own, where they have encountered the living God for themselves. Otherwise our best efforts to educate them towards Christlikeness will be hollow. It also means that we can call them to a higher standard than those with whom they will work. They have access to truth and power that their coworkers will not have. They should expect more of themselves than of others: "From everyone who has been given much, much will be demanded; and from the one who has been entrusted with much, much more will be asked" (Luke 12:48 NIV). The same can be said of us as Christian educators. We need to model to our students by holding ourselves to a higher standard, fully stewarding the resources and opportunities we have been given, while also exemplifying compassion and forgiveness.

Having identified the provision of our resources, Peter goes on immediately to explain how (and to what end) we access them: "Through these he has given us his very great and precious promises, so that through them you may participate in the divine nature, having escaped the corruption in the world caused by evil desires" (2 Peter 1:4 NIV). This is again a sign of God's impeccable leadership. The access to needed resources is assured (His promises) and the provision of resources is immediately and directly tied to a strong sense of individual purpose that Drucker would appreciate (Greenwood, 1981). We note here that Peter does not jump to the Great Commission nor the Great Commandment – because even those mission statements are subordinate to a higher purpose. He takes us back to Genesis and the very first (and most fundamental) statement regarding the purpose of our existence: “Let us make mankind in our image, in our likeness” (Genesis 1:26 NIV). Only in recent times has the marketplace discovered (or perhaps rediscovered) that clearly elevating the organization to a higher purpose is helpful for motivating and unifying efforts (e.g., when “oil companies” became “energy companies”). What a difference it can make in the motivation of our students if they grasp a much larger vision for their education than simply gaining marketable skills and credentials. This is the tremendous advantage for the Christian educator teaching in a Christian context. Students can be exposed to how the immediate relates to the ultimate. And, most importantly, if they know Christ, the power to change is available (2 Timothy 1:7). For the Christian educator in a secular context, this likely would require engagement via a club or individual connection to impact believing students.

Beginning the Peter Process

The resources are in place, the vision has been cast, and now the rank and file must put their feet on the ground and go. How does that happen? Peter sends them out, first of all, with: “For this very reason … make every effort to add to your faith goodness” (2 Peter 1:5 NIV). The first observation to be made is that Peter takes their faith as a given. The provision is accessed via promises. Promises are accessed by faith. There is no use trying to move forward without those elements in place.

It is not news that trust is essential for an organization to flourish – whether we speak of God’s kingdom or Amazon (Friedman, Khan Jr, & Howe, 2000). Before we can educate our students, we must motivate them. And to motivate them, they must believe us, and more importantly, they must begin to know and believe the promises of God. Again, our own training and culture push us as educators to separate our lives into personal and professional, into the private realm of faith and the public sphere of the intellect, skills and expertise. The passage will go on to show us the way to holistically develop, but it starts with a foundation for everything in the realm of the spirit (and the Spirit).

The next valuable insight (especially for educators) is that instead of connecting faith directly to learning, Peter first takes us to something that the NIV Bible translates as *goodness.* Other translations use *moral excellence* or *virtue*. The world in which Peter wrote was steeped in Aristotelian tradition and would have understood its usage quite readily. The Greek word here (*arête*) is a challenge to translate directly for the modern reader of English, and merits further explanation. Thayer's Greek Lexicon[i] explains *arête* as:

> a word of very wide signification in Greek writing; any excellence of a person (in body or mind) or of a thing, an eminent endowment, property or quality. Used of the human mind and in an ethical sense, it denotes 1. A virtuous course of thought, feeling and action … any particular moral excellence, as modesty, purity … used of God, it denotes his power … perfections … [used] in the Septuagint for splendor, glory, praises (Blue Letter Bible, 2016).

In the parlance of modern management, the construct here for *excellence* might equally be represented by its synonym: *quality*. Often the two are used together (Young, Kumar, & Murphy, 2010). Quality products and services are those that fulfill the highest expectations for the buyer. An interesting way to think of this mandate to believers is a commitment to being of the highest quality. But quality according to what ideal? If we hail back to Peter's foundation of the meaning of our lives (to be the image of God), then we can see that we are to be committed to being the highest quality representation of the One true God that we can possibly be. Because, as Peter pointed out at the beginning of the passage, God has "called us by his own glory and goodness (*arête*)" (2 Peter 1:3 NIV).

In summary, if we believe everything Peter has said since the beginning of the chapter, we will be motivated by our faith to become excellent representations of the God who created, forgave, redeemed and sustains us. From a management perspective, we could say that it provides a vision larger than ourselves, and thus the motivation and direction for a sustained focus of our energies.

The beauty of this vision is that an infinite God provides for a wide variety of types of people to express that image with excellence according to their own unique personalities, experiences and gifting. From the beginning of Genesis, we have understood that the ideal representation will be a composite one, requiring a diversity of expressions (originally male and female) to be declared "good" (Genesis 1 NIV). When we, as educators, bring this vision to our students, we are not enforcing uniformity. Each can be a unique expression of the Divine exemplar.

The vision also provides a unifying theme, which is needed for the Body of Christ to work together. In his first letter, Peter writes in 1 Peter 2:9 "But you are a chosen people, a royal priesthood, a holy nation, God's special possession, that you may declare the praises of him who called you out of darkness into his wonderful light" (NIV). The same word *arête* (in the plural) is here represented by the word "praises" (or again, in the NASB it will be translated as "excellencies"). We achieve the highest quality by all working towards the same goal individually and yet together. Perhaps Drucker would chime in here, noting that the opportunity for specialization and individual freedom with accountability, within a unifying vision, is a powerful force within an organization (Wartzman, 2014).

Action and the Peter Process

Now that we have enough of the right kind of motivation and focus, Peter moves us to specific action, because we are not really "good" until our intention becomes action. We need to know what to do. And so, the next phrase Peter pens is "and to goodness, knowledge" (2 Peter 1:5 NIV). It is notable that whereas the resources for our growth come from a precise or correct knowledge (*epignosis*) of God (verse 3), the form of the word used here (verse 5), within the growth process, is the simpler form of the word (*gnosis*). It seems then, that we should bring a pursuit of quality to whatever we learn. Here we run up against a heresy in civilizations that goes back as far as the Greeks, Egyptians and the ancient Chinese. The Greeks, for example, bifurcated knowledge and skill into the liberal arts and the servile arts (Duderstadt, 2010, p. 14). Men who were free to choose, would invest their time, energy and talent in pursuits of the mind – the liberal arts – and leave manual labor and expertise - the servile arts - in the hands (literally) of the slaves (Duderstadt, 2010, p. 14). From Joseph, we know how the Egyptians detested shepherds (Genesis 43:32, 46:34). And engrained in the Chinese culture are the ancient classifications of standing in society called "four occupations" or "four categories of the people" (Huang & Gove, 2012). In contrast, we can note from God's selections through Biblical history that occupation was rarely a factor in His preferences. Moses was a shepherd when called to leadership (Exodus 3) as was David (1 Samuel 16). Many other examples could be given, but most important was the preparatory calling of Jesus. He was a carpenter (Mark 6:3) turned rabbi and he metaphorically identified himself as the Good Shepherd (John 10 NIV).

As a profession, doesn't it seem that we academics tend to elevate our occupation as being superior to that of many others? Is this Biblical? Shouldn't we acknowledge and encourage excellence regardless of the type of activity or occupation? The management literature supports how stratification is an unhealthy influence in organizations and managers do well to fight it. The whole Servant Leadership model is predicated on the humble recognition of the importance of the “lowest” types of service in an organization (Greenleaf, 1977).

Another outgrowth of this doctrine is the pursuit of all kinds of knowledge. Peter puts no limit on the direction our learning might take. This only makes sense, since all that can be truly known (to be true) was authored by the One we seek to emulate. Whether we are learning about atoms or apple cobbler, and no matter what organization might patent an idea, God provided the foundational science. The implications of this for educators should be obvious. We need to encourage our students to learn well and to learn broadly – with only one caveat: We do need to help them develop filters for discerning fact from fiction (for there is the “father of lies” authoring his own fabrications as well).

Needless to say, Peter is far from done. He now calls on his readers to add “to knowledge, self-control” (2 Peter 1:6 NIV). Our natural tendencies to sloth, diversion, and comfort need to be overcome as we do what we should, rather than what we feel like doing. One is reminded of the passage where James writes “Do not merely listen to the word, and so deceive yourselves. Do what it says” (James 1:22 NIV). We need not belabor the point that to know and not do is a waste, poor stewardship of a gift, and an offence to God. The Parable of the Talents is one very pointed and poignant reminder of this. And, to this day, good business accept this reality: The gap between a great idea and a great product is essentially a lot of work. Thomas Edison is one who could be referenced if anyone desired to challenge this.

And since the knowledge can come from any aspect of life, so must the application (towards a quality representation of God). From knowing how to care for our teeth to knowing how to fly an airplane to merchandising a product, we should apply “best practices” as much as possible. But we will be fought by our natural inclinations (and by people around us), so acting on the knowledge is wearisome. For example, meekness is repugnant to our flesh and often mocked by our culture. And so Thayer's Lexicon definition for the word Peter uses is telling: self-control is "the virtue of one who masters his desires and passions, esp. his sensual appetites" (Blue Letter Bible, 2016). As Jesus states "Whoever wants to be my disciple must deny themselves and take up their cross and follow me" (Mark 8:35 NIV). Philippians 2 reminds us that He did just that by coming and doing what He did.

What comes next? We continue to look at the requirements for following Christ by turning to one of the parallel accounts of the Parable of the Talents. This one includes a word that Matthew left out. Luke's rendition (with italics for emphasis) is: "Whoever wants to be my disciple must deny themselves and take up their cross *daily* and follow me" (Luke 9:23 NIV). The Greek word for *daily* here can be interpreted generally as referring to *each day* or *during the day* (Blue Letter Bible, 2016). Both meanings have the implication of consistent repetition. The latter definition implies even more iterations by implying that it must be applied every time it is needed throughout the day. This certainly lines up with Peter's next mandate: "and to self-control, perseverance" (2 Peter 1:6 NIV).

Living on planet earth provides a constant stream of opportunities to apply what one knows or not. Some will be novel, some will be like an unwelcome but persistent neighbor. With heat from within, and hostility from without, our resolve will be tested. Which is why Peter calls us to patiently endure – that is the meaning of the Greek word here – *hypomenō* (Blue Letter Bible). And it is at this point that we will bring in a phrase from the beginning of the process that was intentionally left for discussion at this point. At the start, Peter called his readers to go into the process "applying all diligence" (2 Peter 1:5 NIV). This phrase combines two important words, *pareisphérō* - meaning "to bring in or contribute besides to something" – with *spoudē* - meaning "with haste, earnestness, diligence" (Blue Letter Bible). So at each stage of the process, while God has contributed His power, promises and personal example to the project, our one real input is our whole hearted diligence. In other words, we are not to respond to God's call with a divided heart (see James 1:7-8).

Why raise the issue here? Because we may well be eager to apply our faith, embrace God's ideals, and learn all that we can, but when it comes to denying ourselves time and again, it is easy to lose our enthusiasm. Consider the Parable of the Sower … shallow soil and weeds are both examples of those who fail to continue in this process when it becomes difficult. Jim Collins might chime in here with management principles like developing a "Culture of Discipline" and persisting with efforts to spin the "Flywheel" (Collins, 2001). Elsewhere Jesus will tell would-be followers that "No one, after putting his hand to the plow and looking back, is fit for the kingdom of God" (Luke 9:62 NIV). Is it possible that our generation of parents and educators have failed our students in this regard? In our attempts to protect their self-esteem and bolster their confidence, have we done them a disservice by not letting them take risks or experience much in the way of consequences? Do we bear the culpability of their having a stilted view of reality where they have little awareness of the connection between their choices and the true consequences of those choices? If so, we have a responsibility to change our methods.

Personal Presence in the Process

It is critical at this point to reference something (really, it is Someone) that is conspicuous by its (their) absence in the passage that is yet critical to the whole, and quite valuable in particular to address here. In the beginning of his first letter – which, based on 2 Peter 3:1, he assumes his readers have seen – he references believers in the context of the Trinity as those "who have been chosen according to the foreknowledge of God the Father, through the sanctifying work of the Spirit, to be obedient to Jesus Christ and sprinkled with his blood" (1 Peter 1:2 NIV). In the passage at hand, the Father and Son are specifically mentioned but not the Holy Spirit. And yet, comparing the two passages, the process described here clearly is part of, if not the essential core of, the sanctification process that is attributed to Holy Spirit in 1 Peter 1. One is left to surmise that the goal of this passage is to emphasize *our* role and responsibility in our sanctification, and that is why the Holy Spirit is not referenced. *And yet, this process is not possible without His working*. We know from other Scriptures that our ability to fight against our flesh is directly due to the Holy Spirit taking on our flesh (e.g., Galatians 5:16) and a comparison of this passage with the *Fruit of the* Spirit (Galatians 5:22, 23) shows important overlaps, in particular the qualities of self-control and love (*agape*). So while Peter here shines the spotlight on us, elsewhere we are provided assurance that we have Divine help all along the way. Our part, as Paul writes, is to "be strong in the grace that is in Christ Jesus" (2 Tim.2:1).

Beginning to see Results from the Peter Process

We now encounter the next insight in the passage when it says to add to "perseverance, godliness" (2 Peter 1:6 NIV). This is another important word in the Greek (*eusebeia*) and we will go to Vine's Expository Dictionary for help: "from *eu*, 'well,' and *sebomai*, 'to be devout,' denotes that piety which, characterized by a Godward attitude, does that which is well-pleasing to Him" (Vine & Unger, 1996). This word first appeared in the introduction to the process, where Peter pairs it with life (*zōē*) as an essential to our existence for which God has provided. This hearkens to our first point about the basic purpose of our creation being to represent God in some unique way. Later on, in the third chapter of his letter, he will revisit the same word in another verse about how we are to be: "Since all these things are to be destroyed in this way, what sort of people ought you to be in holy conduct and godliness" (2 Peter 3:11 NIV). So we must consider this not just as another link in the process, but as a major milestone in our development.

And it is important to note where this comes in the process. It comes where perseverance has allowed self-control to apply knowledge over time and across situations. What happens to us when this occurs? Or, more pointedly, what happens when one does the opposite – if, for example, a young man makes a habit of covertly studying certain attributes of the opposite sex? To his great embarrassment, he may find that that will become his default behavior, even when face to face. One evidence that this is not uncommon is the T-shirt young women (especially on college campuses) sometimes wear which states "My eyes are up here." (Gervais) On the other hand, if a young man does as Job did (Job 31:1), he can train his eyes to look away from inappropriate sensual stimuli, saving himself a great deal of struggle with memories, not to mention those embarrassing moments. As we persevere in our self-control by God's grace, these behaviors becomes habitual, resulting in godliness – habits of mind and body that are honoring to God. We will return to this topic later as the mainstay of our study.

There is still the piety aspect to the word that must be considered. Why does this word seem to marry good habits and piety? Romans 5:3, 4 where the results of perseverance are expressed in two separate words which translate roughly as "proven character" and "an expectation of good" (Blue Letter Bible, 2016). While an entire paper good be written just on this one unique pairing, there is a succinct and poetic phrase in the old hymn, Amazing Grace, that seems to capture the essence of it: "twas grace that brought me safe thus far and grace will lead me home" (Newton, 1779).

But here we must forge on and complete the process we have begun. Peter introduces a new wrinkle. Up until this point, the process has been primarily individual and decidedly vertical (i.e., towards God) in orientation. But now Peter says to add “to godliness, mutual affection” (2 Peter 1:7 NIV). We are now reminded that we are not alone in our pilgrimage. Every word picture used by Peter in his first epistle to describe how we depict God’s *excellencies* (*arête* plural) were corporeal. This would suggest that we only truly fulfill this calling in community.

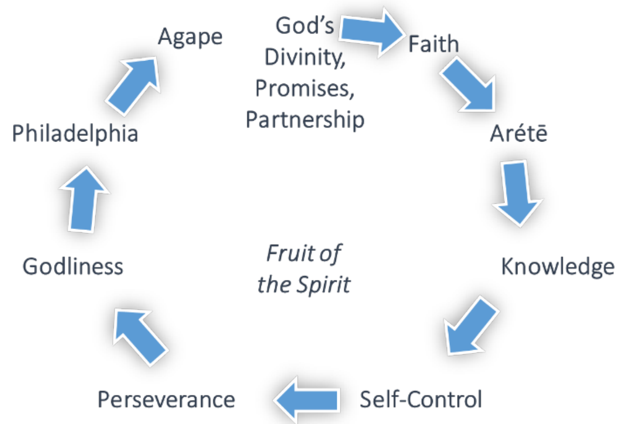
The good character that we have developed through obedience over time is essential for developing healthy relationships. Thankfully, it is natural to form bonds of friendship with those who share our values and faith. Buchanan (2007) astutely points out that the original meaning of the Greek word *philadelphia* refers to the bond shared between children of the same father. In polygamous societies today there is still a special bond between half siblings even though they have a different mother. This understanding helps us theologically and practically. It reminds us that our priority in human relationships starts with our “family of believers” (Galatians 6:10 NIV) made up of Christ Jesus and all His adopted children: “but as many as received Him, to them He gave the right to become the children of God” (John 1, NIV). We are to learn to love first by loving those who are easier to love because they share a common bond – our relationship with and love for our Heavenly Father.

And finally Peter arrives at the culminating point of the process. He has us add to “mutual affection, love"(2 Peter 1:7 NIV). Recall that the goal of the process is to fulfill our calling to be a quality image of God. In New Testament terms, the objective is that Christ is formed in us (Galatians 4:19 NIV). To truly become like Christ, our capacity to love must mature to where we can love someone even when there is absolutely no basis for love besides our own character. That is *agape*, which is the word Peter is using here, and which is used often in the Scriptures in defining God's heart towards the human race. As it says in Romans 5:8, "But God demonstrates his own love for us in this: While we were still sinners, Christ died for us" (NIV). We have truly arrived at the destination for our lives if and when we fully obey the two greatest commandments – loving God and loving others as ourselves.

There is one more clause that, if passed over, it would be to our detriment. We return to where we started, to Peter's promise to us that our lives can truly matter. We note that he starts the sentence of promise with an inherent caveat: "For ***if*** you possess these qualities in increasing measure" (2 Peter 1:8 NIV). Instead of thinking of this as a linear progression with a starting line and a finish line, we need to realize that it is more cyclical: Peter says of the qualities listed that if we possess them *in increasing measure* – this is an ongoing process. It should be seen as a continuous process in a spiral, where we revisit each aspect over and over as in life, but at escalating levels of knowledge and maturity, resulting ultimately in more godliness, deeper fellowship and greater capacity to love any and all. The other implication is that we cannot retire from the process without risk. We all know from our own experience that good habits are easier to lose than bad ones, and the process is either going one direction or the other.

The following (Figure 1) is an attempt to visually model the process we have just studied. It tries to capture the essential elements of the process in relationship to one another. In several cases the actual Greek word is used where the English word might not adequately encompass the meaning of the construct as it is expressed in the original language.

Figure 1



The Implementation of the Model in IDIS 410

This fall term will mark the third time that this model has been applied to the undergraduate classroom in an interdisciplinary capstone course for Business majors in their senior year at a Christian Liberal Arts university.

A copy of the syllabus is provided as an appendix. The premise is that this course anticipates a transition from just being the student to taking responsibility for their own personal curriculum. From here on, apart from graduate studies, they are responsible for their own growth.

Essentially the course was run in a seminar format where students were guided in taking on the responsibility of teaching themselves and each other. The objectives included creating an awareness of how (and why) their professors had used the pedagogies that they had, how they had learned and grown in the university environment, and above all, how all of it tied to the growth process explained in the first chapter of 2 Peter. The beauty of this passage is that it places responsibility for ongoing growth directly on the individual believer (in partnership with God) at a point when these students need to begin to do exactly that.

The first step is for the students to read some version of this paper on the Peter Process, as well as a white paper written by the university about a variety of epistemological approaches to knowledge acquisition (it had been written to support the university as it sought to transition to an *Inquiry-based Core Curriculum*). This is done as part of the effort to encourage students throughout the course, through the class structure, content and assignments, to look back on how have they been taught, how have they learned, and when have they really learned. A critical part of this comes with the reading and discussion of “Make it Stick” a 2016 book that accumulates some of the most recent research – particularly in the cognitive realm – on how we really do learn. Chapters of the book are aligned to be read in parallel with relevant themes from the Peter Process.

The second facet of what they are encouraged to do throughout (specifically tied to Peter’s use of *gnosis*) is to revisit and augment their understanding of both the diversity of sources of knowledge they can access, and the attendant multiplicity of types of learning experiences. They will read, for example, a number of peer reviewed articles. But they also read Mayfield’s book titled “Assimilate or Go Home - Notes from a Failed Missionary on Rediscovering Faith.” This is the very blunt autobiography of a woman who started out seeking to convert Somali Muslims refugees and then the journey of learning from them and from her own mistakes that came as a result. This underscores how experiential learning occurs if and when one takes the time to reflect on and gain insight from life’s lessons. It also highlights how growth occurs as a process.

Meanwhile, students are required to research the various facets of the *Peter Process* and teach their peers what they learn. Their presentations are required to employ a variety of epistemological sources and pedagogical approaches. For example, learning from history would be reflected in references to historical events or trends related to the theme. Experiential learning might show up as a learning activity or as a segment of a movie or talk embodying a related truth. Predictably, part of the presentation would include learning from linguistic analysis rooted in the original language and even from parallel constructs in other languages like Chinese or Arabic. Some resources are provided (books, articles, etc.) to the student researchers, but they are also expected to discover new sources and introduce them. A demonstration video of how to use Google Scholar is included.

The theme each week is a different (subsequent) facet of the process and there was a set of readings for all of the students to read that matched that theme. After the presentations, there is a roundtable discussion (graded simply on a 4-point scale – 1 *showed up*, 2 *contributed* 3 *somewhat prepared*, 4 *well prepared*). Students, seated in a circle, are prompted with a variety of questions – mostly seeking that they synthesize the concepts from the various readings and tie them to the Peter Process. Then the student team that has presented that theme is to take notes as well as participate in the discussion. They are then to take what they had learned through research, combined with what comes out of the class discussions to author a book chapter. At the end of the term, a Kindle book is published that compiled their edited chapters.

Finally, literally as the last requirement, they create a personal growth plan based on the process, to encourage them to reflect on how to take initiative to be intentional in their development going forward. The objectives are to be linked to the concepts in the Peter Process with a timeline and milestones.

There has been some very positive feedback with numerous students having reported that the course was transformational. But there are also some major challenges including:

- Students who are not as academically prepared as they should be as seniors. They tend to be overwhelmed by the quantity of reading and level of contribution required.
- Students who, while capable of doing the work, are not convinced of the importance and validity of so much work – or this kind of study – at this point in their lives. For example, they prioritize finding a job post-graduation, or even just making sure to graduate over so much work so close to the end of their time in university.
- Students who are either not Christian or who do not embrace an understanding of the Bible as the literal, Divinely inspired Word of God and/or the supernatural working of God as assumed in this approach to personal growth.

The first challenge is typical of many classes and the usual mitigating strategies apply. The hope for the second group is that some will come around as they are forced to engage the content simply to meet their felt need of completing the course with an acceptable grade.

The third group are unique and merit further attention and commentary. To understand how they are accommodated, a more in-depth look at one of the themes for the course will be helpful.

When we arrive at the Perseverance to Godliness linkage, there are a great number of sources (academic and other) within and beyond the Christian realm that can be referenced.

There is scholarly research that was done in Hong Kong where hundreds of Christian business professionals were studied to see what factors influenced their desire and ability to respond ethically to difficult choices (Chan, Lee, & Yeung , 2011). They examined a multitude of factors but very few were found to correlate with ethical responses. However, a couple of factors were both statistically and conceptually significant:

> Our results indicate that religious habits can affect workplace ethical decisions. Religion does play a role in contemporary business ethical behaviors. However, religious habits need time to develop. One indication of this is that fellowship and discipleship training is more effective at developing Christians than lecture-style talks and seminars (2011, p. 59).

The more general management literature will also assert that *habits* are the key to success (Covey & Blankenhagen, 1991) while mostly evading the use of the term *character*. But the link between habits and character has long been accepted, especially in the academy. In his highly popular work of 1859, *The Student's Manual Designed, by Specific Directions, to Aid in Forming and Strengthening the Intellectual and Moral Character and Habits of the Student*, John Todd states: “The greatest results of the mind are produced by small, but continuous efforts” (Todd, 1859). Some modern educators have argued for developing entire curriculums around the objective of developing “habits of the mind” (Costa & Kallick, 2009) and others will tie those habits directly to the building of character (Schnorr, 2000, p. 143).

A recent publication that synthesized the work of many different researchers and built a model around the *habit* construct (Wood & Rünger, 2016). Appropriately titled *Psychology of Habits*, this work, starting in its abstract summarizes what sounds a great deal like what could be restatement of a portion of Figure 1, above: “Habits form as people pursue goals by repeating the same responses in a given context” (2016), They go on to observe that habits start out as intentional, purpose-driven behavior, typically reinforced by reward of some kind. It should be noted that the reinforcement can be anything the actor deems as pleasurable – so we can put a “hedonic gloss” (Berridge & Kringelbach, 2008) on almost anything – for example a response that we view as fitting and pleasing to God. This is what James means to do when he opens his letter with:

> Consider it pure joy, my brothers and sisters, whenever you face trials of many kinds, because you know that the testing of your faith produces perseverance. Let perseverance finish its work so that you may be mature and complete, not lacking anything (James 1:7.8 NIV).

Thankfully, once habits are formed, intention is no longer required (Wood & Rünger, 2016). In fact, there is clear evidence of reduced activity in the brain where cognitive activity (i.e., intent and purpose driven decision making) resides, once a response becomes habitual (O'Doherty, 2004). In short, when the situation is a familiar one, what has been a repeatedly chosen response in the past becomes the default behavior in the present, unless someone deliberately stops to think about their actions. In fact, changes like new purposes and changes in reward may not even be able to stop the habitual response from occurring, especially under great stress (Wood & Rünger, 2016). In the negative, this can contribute significantly to addiction (Heinze, et al., 2009). In the positive, we can see this as the basis for good character. And in the realm of management, this new-found understanding is already being related to professional competency (Rock & Schwartz, 2006).

In brief, students are not just invited, but encouraged, to incorporate other perspectives into the themes when presented and discussed. And that includes other belief system perspectives. Muslim students have pointed out that in their language, the word for knowledge inherently includes action, implying that the linkage between knowledge and self-control fits with their paradigm. Chinese students have found parallels (and contrasting perspectives) to various themes in concepts like filial piety and certain aspects of the chi. It seems that as long as the atmosphere in the class is that any perspective is “fair game” and can be contributed (and valued for potential insight), that students who want to engage in the course content are able to do so. The fact that Peter himself is leveraging pagan Greek words and concepts to express spiritual truth and insight provides a Biblically sound invitation for this to happen.

At a graduation event this last year, a Chinese student who self-identified as an atheist expressed his appreciation for the class, stating that he found the course immensely valuable. Muslim students have expressed similar sentiment. Perhaps the seeds of truth will eventually bear spiritual fruit, but for now at least, the fact that these students were able to find meaning in a course with so much Biblical content is gratifying.

Broader Implications of this Paper

The most valuable implication from this study is that when Peter lays this pedagogical framework, he is hitting at some very foundational realities of how we are made, and how we are made to grow. It is important to recognize that no matter what the competency is that someone develops, there are multidimensional influences on its acquisition and multidimensional impacts from its acquisition and application. Most importantly, we must address the missional and relational elements that feed into and flow from knowledge and skill acquisition. The worst thing we can do is equip our students and unleash them on the world with all kinds of business skills in absence of a sense God’s calling on them, and without healthy vertical and horizontal relational skills. The least we can do is provide them with the tools for the lifelong process of developing them.

Further work is called for on how to follow through the entire Peter Process within our academic context. Perhaps we can start with the recognition that the best context for rich relational development to occur alongside of skill development is in the unsheltered environment referenced before. If so, then we need to encourage and help our graduates to find good mentors to coach them and to model healthy relational habits.

In Closing

This paper cannot, and will not attempt, to exhaust all of the implications and applications of the Peter Process to what we are trying to accomplish with those we recruit into our business programs. Hopefully it will contribute to the discussion and find application in a few situations where it can make a difference. Peter wrote his epistle and the passage at the heart of this paper to those that he knew had been and or would be facing enormous pressures to compromise in their response to the call of God. Whether this paper does justice to his teaching is open for discussion; but whether what Peter writes is relevant to us and our students is not.

END NOTES

[1] Thayer's Lexicon as used here is provided through the Blue Letter Bible online at http://www.blueletterbible.org. This is a Greek-English Lexicon of the New Testament by Joseph Henry Thayer (often simply referred to as Thayer's Lexicon). This version of Thayer's Lexicon was prepared by the Blue Letter Bible staff, from a public domain copy.

Spring 2016

Course Description:

This course motivates students to explore ways in which they can have an impact for God's kingdom in a rapidly changing world economic environment. It gives students the opportunity to integrate disciplines in the liberal arts and religious studies, as well as business administration and economics, so as to provide them with a biblically-based worldview and set of strategies for influencing the workplace in which they are called by God to serve.

Course Learning Objectives:

	Course Learning Outcomes	SLO*
At the end of the course, students should have the knowledge and skills to:		
1	Understand and explain the key elements in the process of transformational learning.	1, 4
2	Understand, synthesize and personalize diverse knowledge sources into insightfully written and verbal communications and personal applications.	2, 3
3	Understand the interactions of spirituality, actions and habits and the resulting impact of those interactions on personal character and participation in community and organizations.	5, 6, 7

**Please see last page of syllabus for Student Learning Outcomes (SLO).*

Required Texts and Materials:

Substantial reading is required in this course. The books you are required to acquire are listed. But there is substantial reading beyond that. The list of other sources is to be found in MyCourses. **The *MyCourses* site will be the primary means for all course information and course materials.**

Books to Acquire

Mayfield - Assimilate Or Go Home … Rediscovering Faith (RF) - Bookstore
In the Hands of God… All Means Attitude (AA) – Kindle
Called to Transform (CT) – from Bookstore only
Power of Habit (PH) – a pdf of the book is provided online
Images of Organizations (IO) – a free summary is given online
City of God - Augustine (CG) – I recommend the Kindle version
Making It Stick (MS) – Bookstore

Course Outline / Reading List:

Please see the course web page, on "MyCourses", for the precise daily schedule including readings, assignments, etc. Proposed weekly plan will be as follows:

Week	Date	Topic	Learning Objectives	Preparation / Readings	Assignments
1	8-Sep	*Introduction and Overview*	Understand the syllabus; understand the Peter Process and its/our purpose	Read Peter Process paper and watch Peter Process video*	Discussion
2	15-Sep	*Promises /* **Partner**	Note how modern management has found out what God knew all along about leadership and human nature.	Read article on Management Theory of Motivation*; Also Read AA Chpt 1; CT Chpt 6; IO Chpt Prologue;	Discussion; Presentation
3	22-Sep	**Faith**	Understand true faith and faith in the truth.	Read The Unentitled Gospel (About Me)*; Also Read RF Chpt All;	Discussion; Presentation
4	29-Sep	**Arête**	Fully understand this concept and how/why Peter adopted it from the Greeks.	Read article on Christ as Exemplar; Image of God*; Also Read AA Chpt 2,4; MS Chpt 1,2;	Discussion; Presentation
5	6-Oct	*No class - Professor at a Conference*		Review City of God on Kindle	Augustine Assignment
6	13-Oct	**Knowledge**	Explore epistemology; expand our understanding of the nature and value of knowledge.	Read essay on Ways of Knowing*; Also Read AA Chpt 5; IO Chpt 1; MS Chpt 3,6;	Discussion; Presentation; **Book Chapters on Diligence, Faith and Arete**.
7	20-Oct	**Self-Control**	Understand how/why knowledge is not acquired without action and why most right action is difficult to	Read articles on Delayed Gratification and Self-Control*; Also Read AA Chpt 3; IO Chpt 2; MS Chpt 4,5;	Discussion; Presentation; **Book Chapter on Knowledge**
8	27-Oct	**Perseverance**	Grasp the value of consistency and persistence in personal habits to life-long learning and ethics in business.	Read article on Habits and Intention*; Also Read AA Chpt 6; CT Chpt 4; IO Chpt 3; MS Chpt 7;	Discussion; Presentation; **Book Chapter on Self-Control**
9	3-Nov	**Godliness**	Grapple with the meaning and source of godly character	Read article on ethical behaviour in business people*; Also Read PH Chpt 1,2,3;	Discussion; Presentation; **Book Chapter on Perseverence**
10	10-Nov	*No class - Remembrance Day / Reading Break*			**Annotated Bibliography**
11	17-Nov	**Philadelphia**	Recognize how learning to love starts where the bonds come (super)naturally.	Read article on charismatic leadership*; Also Read CT Chpt 5; IO Chpt 6;	Discussion; Presentation; **Book Chapter on Godliness**
12	24-Nov	**Agape**	Learn some lessons on living and loving in a hostile world by caring wisely.	Read article on Care Ethics*; Images of Organization summary*; Also Read AA Chpt 8; CT Chpt 2; IO Chpt 8; MS Chpt 8;	Discussion; Presentation; **Book Chapter on Phileo**
13	1-Dec	**Diligence** */ By the Spirit*	Work through the struggle between our part and God's part in our growth.	Read articles on Support and Diligence and Self-determination theory and work motivation*; Also Read AA Chpt 7,9; IO Chpt 9;	Discussion; Presentation; **Book Chapter on Agape**
14	8-Dec	***Take-home Final Exam is due.***			**Book Chapter on Diligence**
		*The readings marked with an * above can be found in the list of links in MyCourses under Readings*			

Course Activities/Requirements:

Assignments:

A. *Class Discussions 20 points*

Each week (starting in the second week) students are expected to prepare for discussion of the topic, particularly by going through the required readings. Therefore, also each week a student will receive a class discussion grade based on their verbal contributions during the class discussions. The final class discussion grade will be calculated as (*Average Points Earned/4)*20*. The grading rubric is:

A	Absent with permission
0 pts.	Absent without permission
1 pt.	Showed up
2 pts.	Showed up and participated in the discussion.
3 pts.	Came *prepared* and contributed from the readings to the discussion.
4 pts.	Came *well prepared* and contributed *extensively* from the readings to the discussion.

B. *Synthesis Assignment 10 points*

Most people understand that history/past experience can teach us a great deal. But that is only true if we can make valid connections between that history / past experience and present or future situations such that we gain insight that is helpful. This assignment is about developing that ability. Peruse Augustine's "City of God" for a topic that seems to match a similar situation or issue today. Then find a contrasting or parallel (news or magazine) article from our time describing it. Explain what Augustine's analysis and arguments contribute to understanding and responding to the current day issue. 300 to 500 words. Cite pages in City of God and use APA format to cite the current day article source.

C. *Capstone Project (60 combined points)*

a. *Research (Individual) Assignment 10 points*

Whether you end up in graduate school in the future (highly likely) or not, it is very valuable for you to become somewhat conversant with the foundation of most of what we call "knowledge" in our time. The gatekeepers of modern knowledge are the peer-reviewed journals. This has both strengths and weaknesses as we will discuss in the topic of *knowledge.* But you will be expected to find and use peer-reviewed journal sources for your presentations (see next assignment) and an important part of that is finding them. So on the date specified in the outline, you are to submit (as a Word document – one per person) a list of three peer-reviewed articles (related to your presentation topic and distinct from those of your presentation partner) in an annotated bibliography. That simply means that you will provide a citation of the article in proper APA format, followed by two or three paragraphs summarizing the article. Answer the following questions: What topic/theory was studied? Who or what sources were studied? What was learned?

b. *Presentation (Group) Assignment 30 points*

Starting in the second week, you will begin to demonstrate that you are seniors going out to be teachers, coaches and leaders. Your task (in pairs) will be to take the basic prompts and resources provided and research the concept that you have chosen. Your group will provide the rest of the class with an hour long instructional session. An assignment description will be provided and grading will be based on the rubric provided with that document.

c. *Book Chapter (Group) Assignment 20 points*

After your presentation, you are to take what you learned from your research and from what came up in the class time dedicated to your topic and write a book chapter on the topic. Your chapter should be structured as follows: Introduction, Definition, Research Findings, Additional Observations, Summary of Key Points, Implications, Conclusion. The chapters will become an eBook that we will publish via Amazon and use for the final exam. Draft copies will be distributed progressively as we move through the semester and chapters are added.

D. ***Final Exam 10 points***

Your final exam will be a take home final exam where you will write out a plan detailing what steps you plan to take in the future to become a life-long learner, linking it to the various facets of the Peter Process as learned in the course and, where possible, as laid out in the course eBook.

E. ***Extra Credit 5 points***

If you can recite (from memory with no assistance) the entire 8^{th} chapter of the book of Romans, it will be worth 5 points extra credit towards your final grade. No partial credit.

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WHEN MAKING MONEY IS MORE IMPORTANT THAN SAVING LIVES: REVISITING THE FORD PINTO CASE

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ABSTRACT

Despite a long tradition of ethics training in business colleges, managers commonly make unethical business decisions. This paper reports a five year study of ethical decision making of business students (n = 192). In an undergraduate microeconomics course, students were presented with financial data from the infamous Ford Pinto case where defective engineering, coupled with unethical management behavior, resulted in a number of fiery fatalities. Facing the decision to repair the cars or pay the estimated costs of lost wrongful death lawsuits, 56.8% of students chose to pay for the deaths. This paper describes the classroom experiment and uses logistic regression to compare the characteristics of the group choosing the correct ethical decision (repair the cars), with the group choosing the incorrect ethical decision (pay for the deaths).

INTRODUCTION

> *On a long enough timeline the survival rate for everyone drops to zero. I was a recall coordinator, my job was to apply the formula: A new car built by my company leaves somewhere traveling at 60 mph, the rear differential locks up, the car crashes and burns with everyone trapped inside. Now should we initiate a recall? Take the number of vehicles in the field A, multiply it by the probable rate of failure B, multiply the result by the average out of court settlement C (A x B x C = X). If X is less than the cost of the recall, we don't do one.* Narrator, Fight Club.

Despite a long tradition of ethics training in business colleges, managers regularly make unethical business decisions. This paper reports a five year study of ethical decision making of business students. In an undergraduate microeconomics course, students (n = 192) were presented with financial data from the infamous Ford Pinto case where defective engineering coupled with unethical management behavior resulted in a number of fiery fatalities. Facing the decision to repair the cars, or pay the estimated costs of lost wrongful death lawsuits, 56.8% of students chose to pay for the deaths. This paper recounts the Ford Pinto case, describes various ethical decision criteria, details the classroom experiment, then reports the results of the study.

THE FORD PINTO CASE

In 1971, the Ford Motor Company rolled out the Pinto to compete with economical subcompact imports such as cars made by Toyota and Volkswagen. A pet project of Ford president Lee Iacocca, the Pinto represented significant changes in American automotive manufacturing; the car offered drivers 38 highway miles per gallon of gasoline, weighed about 2,000 pounds and was priced at no more than $2,000 (Shaw, 2005, p. 71).

But this popular vehicle had a fatal defect. A 20 mph rear-end collision collapsed the gas tank, spilling fuel, which would then ignite the car. The impact crumpled the car's body so the doors could not open, effectively sealing the driver and passengers in an inferno. These results were discovered during crash tests of prototypes and the actual car. Ford management's "compressed schedule" precluded design changes as the production tooling was in place prior to completion of the crash tests (Shaw, 2005, p. 71).

Despite knowledge of the Pinto's dangers, Ford rushed to produce and sell the car in 1971, one year before known National Highway Traffic Safety Administration standards were to be implemented that aimed to reduce fiery crashes. The Pinto did not meet the new safety standards, and, rather than correct the defect, Ford instead "successfully lobbied, with extraordinary vigor and some blatant lies" against the safety standard (Dowie, 1977, p. 20).

Costs of correcting the defect were estimated at only "$5 to $8 per vehicle" (Shaw, 2005, p. 72) plus unknown but likely costly production line modifications. From 1971 to 1980 3.1 million Pintos were sold, and Ford faced $15 million to $24 million in recall costs. Around that same time, the NHTSA had estimated "society loses $200,725 every time a person is killed in an auto accident" (Shaw, 2005, p. 72). So the decision to not repair the vehicles had a break-even point somewhere between 77 and 123 lives.

From 1971 to 1980 hundreds of deaths occurred, and Ford faced over 100 lawsuits. In the widely publicized Grimshaw case, in 1972 Lily Gray's Pinto stalled while merging onto a California freeway. She was rear-ended, the car caught fire, and Ms. Gray died. Her 13-year old passenger Richard Grimshaw received "disfiguring burns" (Mcintosh, 2001, p. OD07). A jury awarded $3 million in compensatory damages to the victims, and hit Ford with $125 in punitive damages, which were later reduced to $3.5 million. Most of the other lawsuits were settled privately out of court, and so the true costs to Ford remain unknown.

Ford corrected the defect in 1980, but hundreds had already been killed or injured, and the lawsuit damages paid by Ford must have greatly exceeded the estimated repair costs of $15 million to $24 million. According to a damning article in *Mother Jones* "Ford waited eight years because its internal "cost-benefit analysis," *which places a dollar value on human life*, said it wasn't profitable to make the changes sooner" (Dowie, 1977, p. 20).

In the court of public opinion, it is widely agreed Ford made the incorrect decision to not modify the cars but instead plan to pay out the anticipated wrongful death lawsuits. Numerous managers at the Ford Motor Company had undoubtedly graduated with business degrees and had participated in formal ethics training at business schools. Why then, did they make the incorrect ethical decision, and why do managers today continue to make unethical decisions?

ETHICS

Supreme Court Justice Potter Stewart once stated, "Ethics is knowing the difference between what you have a right to do and what is right to do" (Baker and Lesch, 2013, p. 322). A business manager's decisions when facing moral dilemmas at work largely depend on their ethical standards which have some basis in philosophy such as deontology and teleology. Similarly, adhering to a religion such as Judaism or Christianity influences adherents to choose correct instead of incorrect behavior.

Deontology, the science of duty, encourages correct decisions. Koven notes, “ in a deontological system, duties, rules and obligations are determined by some higher power” and “acts are morally wrong or right in themselves” (2015, p. 3). Immanuel Kant and John Rawls provide deontological influence in ethics. Kant’s (1785) concept of categorical imperative suggests moral obligations are always binding in all situations including business decisions, meaning a person should always make the right decision regardless of context. Despite motives such as profit maximization, complying with orders from a supervisor, or avoiding getting fired, a person should always make upright choices. Rawls (1971) broadly addressing the problem of distributive justice offers ideas of liberty (every member of society deserves maximum freedom so long as their freedom does not impinge on another’s freedom) and justice (inequalities are allowed so long as society’s poorest members are not worse off). Had Ford engineers and managers considered categorical imperative and Rawlsian Justice they might have followed their own moral compass (categorical imperative) and favored consumers over shareholders (justice) rather than surrendering to pressure from executives.

Teleology suggests decisions should be made following the principle of “the greatest good for the greatest number” (Luke, 1994, p. 398). Teleology is consistent with the idea of utilitarianism, the prevailing ethical doctrine in play at Ford when executives decided not to build additional safety features in the Pinto. But the Pinto case ended utilitarianism; as Chewning notes, “Utilitarianism as a defense against personal harm and injury promptly died, never to be argued again in the public domain” (2011, p. 28). Ford’s cost benefit-analysis favoring shareholder wealth over customer safety was perceived as extremely callous, and utilitarianism evolved into a mostly discredited ethical standard. Teleology may encourage decision makers to consider the optimization of expenditures on safety. If Ford maximized safety features, the car may have been too costly to produce. By contrast, excluding all safety features from the car’s design could result in profit maximization. The simple concept of “optimal expenditures on safety” remains problematic to implement. Nonetheless, in the Pinto case, society has spoken that the level of safety features built into the Ford Pinto are far below any optimal safety standard.

Numerous Jewish teachings admonish adherents to practice moral and ethical behavior that apply to business contexts. For example, texts in the Torah admonish caring for the poor by leaving part of the harvest in the field (Leviticus 19: 10), not stealing (Leviticus 19: 11), not lying (Leviticus 19: 12), not practicing fraud and not withholding wages from workers (Leviticus 19: 13). Abundant passages in the book of Proverbs warn about unethical business practices, such as “A false balance is abomination to the Lord, but a just weight is his delight” (11: 1, KJV). Had engineers and managers at Ford followed Jewish principles, it is likely the Pinto rollout would have been delayed until safety modifications could be implemented.

Christianity also provides profuse guidelines for moral and ethical business behavior, with two major ideas. First, people are accountable to God for all of our actions. Jesus taught “No man can serve two masters: for either he will hate the one and love the other…ye cannot serve God and mammon” (Matthew 6: 24, KJV). The apostle Paul admonished the Colossians, “And whatsoever ye do, do it heartily, as to the Lord, and not unto men” (2: 23, KJV). Had Ford employees held themselves accountable to God instead of executives or shareholders, they likely would not have released a product they knew was defective. The second major principle of Christianity related to business ethics is the Golden Rule. Jesus taught “Therefore all things whatsoever ye would that men should do to you, do ye even so to them” (Matthew 7:12, KJV). Ford employees with knowledge of the Pinto’s dangers would likely avoid purchasing such a car for themselves, but they were willing to sell the Pinto to others, violating the Golden Rule.

A person’s business decisions may be influenced by how they think philosophically and religiously. But thinking right is not the same as acting right. Employees at all levels of an organization must exercise ethical behavior, and yet ultimate responsibility lies with a company’s executives. According to Koven, “ultimately, ethical ambiguities must be transformed by pragmatic leaders into specific directives, prescriptions, and proscriptions of behavior” (Koven, 2015, 1).

PRESENTING THE FORD PINTO CASE TO STUDENTS

Four decades after the actual Ford Pinto disaster, in a sophomore level microeconomics course, this author presented the Ford Pinto case to business students. Most of the course had been completed already including the study of markets, marginal analysis, supply and demand, and cost curves. In the course, students are exposed to pro-business ideas such as Coase’s (1937) theory of the firm and Milton Friedman’s (1970) essay, “The Social Responsibility of Business is to Make a Profit,” but also contrasting ideas through biblical faith integration exercises that instruct students to be honest, act justly, and care for the poor and the environment. These theoretical lessons encourage students to widely consider multiple stakeholders including firms, individuals and governments.

The case was presented verbally in class, accompanied with a short video of a test crash wherein a Pinto was rear-ended, the gas tank exploded igniting the car, the car’s body crumpled, and the doors could only be opened with excessive force. Figure 1 is a screen shot from the video. The written assignment rubric included the following case description:

> You are a business analyst working at the Ford Motor Company in 1976. The new Ford Pinto has sold well in its first year of production, but there have been some challenges. The subcompact product category is crowded with competitors’ cars such as the Honda Civic, the AMC Gremlin, and the Chevy Vega. Additionally, some people have been injured or killed in fiery Pinto collisions. Conduct a cost curve analysis following the guidelines below and write a business report directed to Ford management.

Figure 1. Ford Pinto Fiery Test Crash

Students were given Ford Pinto production data including output, total costs, and total fixed costs. The assignment required students to calculate numerous statistics for each daily output level including average costs, daily profit, annual profit and others. They were to present their calculations in tables and graphs. Figure 2 shows the key graph illustrating three annual profit comparisons which are 1) $75 million profit without this dilemma, 2) $67 million in anticipated profit if the company chooses to not repair the cars, but pay the predicted wrongful death settlement amounts, and 3) $50 million in profit if the company spends $100 per car to fix the cars. Due to economies of scale the lines on the graph slope upward, but then slope downward due to diseconomies of scale.

Regarding students' final decision to plan to pay the costs of lost wrongful death lawsuits or to repair the cars, this instructor was careful to provide neutral advice to students with statements such as, "Once you've completed accurate calculations, use whatever criteria you choose to make your decision, such as relying solely on profit maximization calculations, following some ethical criteria, or any other information you wish to use." Students were informed the wrongful death outcome included the death of the driver and/or passengers, and the lawsuit damages would be paid to surviving relatives.

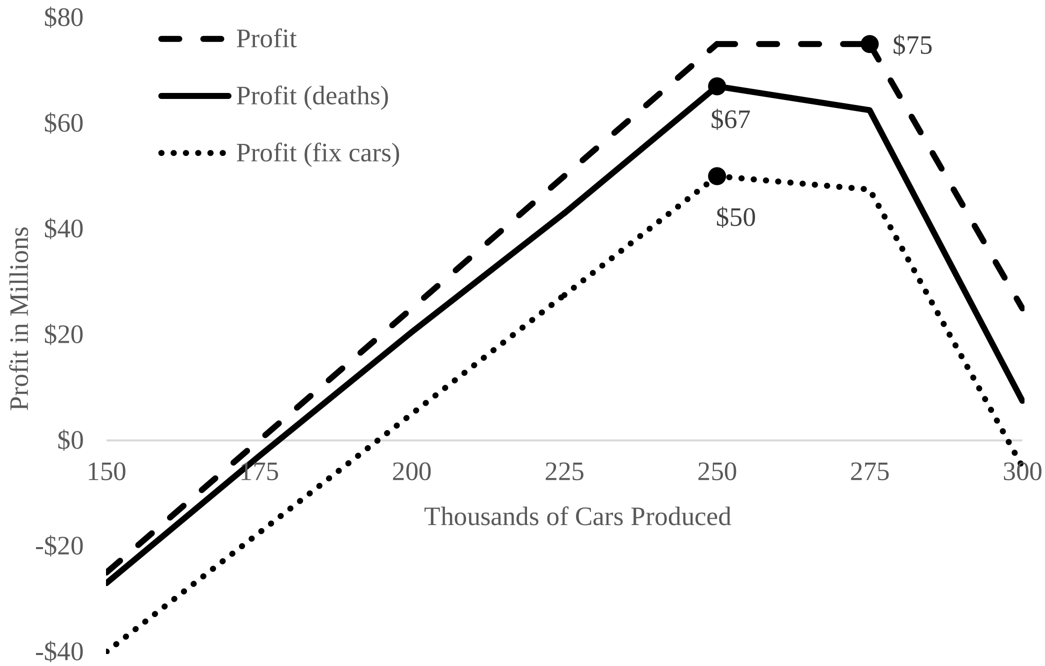

Figure 2. Annual Profit Comparisons from the Class Assignment

RESULTS OF THE CLASSROOM EXPERIMENT

Of the 192 students across five years in the Principles of Microeconomics course, 56.8% chose to not repair the cars, but instead to plan to pay the anticipated costs of the wrongful death lawsuits, which were estimated to be 16 wrongful deaths per year with settlement amounts of $500,000. This decision resulted in annual profit of $67 million for Ford per year, as compared to just $50 million in annual profit if the company repaired the cars (see Figure 2).

Table 1 reports descriptive statistics for all 192 students, the 107 students who chose to pay for deaths, and the 85 students who chose to repair the cars. Independent group mean comparisons were conducted using the *t*-distribution which are also reported in Table 1.

Students who chose to pay for wrongful deaths had slightly higher GPAs (mean = 3.27 vs. 3.24); perhaps students were more focused on performing correctly on the assignment, rather than making an ethical decision. Those students had also completed more academic units (mean = 96.76 vs. 87.25) and this difference was statistically significant (t = 2.53, p = 0.012). This finding is especially disheartening, as students who have spent more time in business school are expected to exhibit more ethical behavior, however this result may be an indicator of student fatigue; the longer they spend in college, the less engaged they become. Students who chose to pay for wrongful deaths also scored lower on this assignment (mean =74.94 vs. 83.51) and these results were statistically significant (t = -5.12, p = 0.00); this was partly due to a -5 percent penalty for making the wrong decision.

Figure 3 shows student decisions by major. International business majors had the best ethical behavior with only 40% choosing to pay the costs of wrongful death lawsuits, and finance majors displayed the worst ethical behavior with 79% choosing the wrongful death option.

Table 1. Descriptive Statistics

	mean	median	st. dev.	range	diff.	*t*	
All students (*n* = 192)							
pay for deaths (1 = yes, 0 = no)	0.57	0.50	0.49	1.00			
female (1 = yes, 0 = no)	0.48	0.00	0.50	1.00			
GPA	3.22	3.26	0.39	1.90			
class (1 = freshman…4 = senior)	2.84	3.00	0.77	3.00			
units	89.40	87.00	27.00	148.00			
grade	78.70	80.00	12.20	60.00			
Students who chose to pay for the wrongful deaths (*n* =107)							
female	0.47	0.00	0.50	1.00			
GPA	3.27	3.32	0.39	1.94			
class	2.85	3.00	0.76	4.00			
units	96.76	91.00	24.51	115.00			
grade	74.94	76.00	10.97	51.00			
Students who chose to repair the cars (*n* = 85)							
female	0.54	1.00	0.50	1.00	-0.07	-1.07	
GPA	3.24	3.24	0.37	1.75	0.032	0.58	
class	2.82	3.00	0.79	4.00	0.03	0.27	
units	87.25	82.00	27.55	138.00	9.51	2.53	**
grade	83.51	87.00	12.18	60.00	-8.57	-5.12	***

$* \ p \leq .10$. $** \ p \leq .05$. $*** \ p \leq .01$.

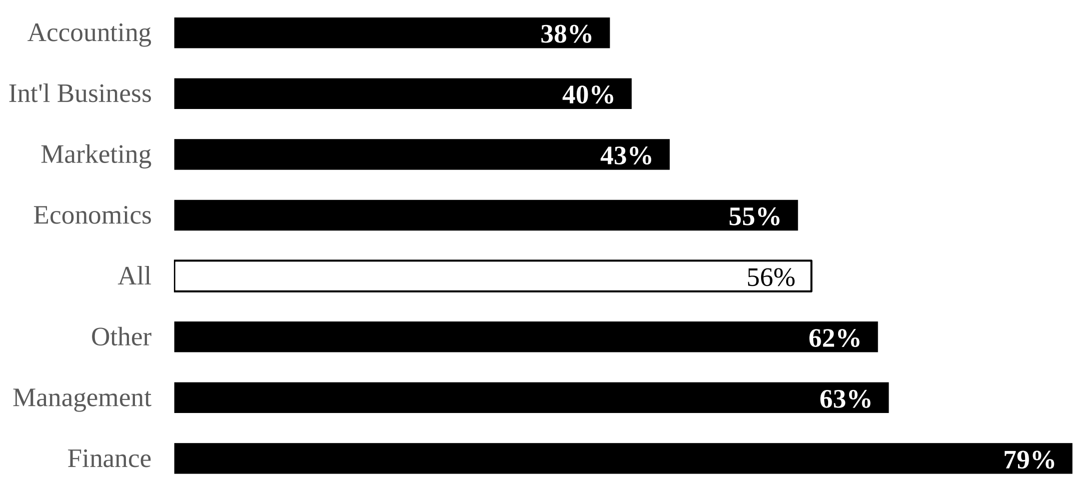

Figure 3. Students Choosing to Pay for Wrongful Deaths (*n* = 192)

Logistic regression analysis was also conducted on the data set and three subsets (marketing, accounting and management majors) classifying students in two categories (1 = pay for wrongful deaths, and 0 = fix the cars). Other majors were excluded due to small samples. These results are shown in Table 2. Each of the four models was statically robust (pseudo $R^2 > .15$).

The model including all 192 students showed results consistent with the *t*-tests reported above. Females were less likely to make the decision to pay for wrongful deaths ($B = -.364$), and students with higher GPAs were more likely to pay for wrongful deaths ($B = .525$), but these results were not statistically significant in this data set. Students were more likely to pay for wrongful deaths if they had completed more academic units ($B = .018$, $p < .01$), or if they received a low grade on the assignment ($B = -.040$, $p < .01$). These last two findings are statistically significant.

Marketing students ($n = 30$) were more likely to make the incorrect decision if they had completed more academic units ($B = .063$, $p < .10$). Accounting students ($n = 21$) were more likely to make the wrong decision if they received a lower grade on the assignment ($B = -.150$, $p < .10$). Management majors ($n = 88$) were more likely to make the wrong decision if they had a high GPA ($B = 2.179$, $p < .05$), and if they received a lower grade on the assignment ($B = -.111$, $p < .01$).

Table 2. Logistic regression classifying students in two categories (1 = pay for wrongful deaths, 0 = fix the cars)

	All		Marketing		Accounting		Management	
	B		*B*		*B*		*B*	
female	-.364		‡		‡		-.632	
GPA	.525		1.330		‡		2.179	**
units	.018	***	.063	*	.016		-.001	
grade	-.040	***	-.061		-.150	*	-.111	***
constant	1.268		-5.708		10.977		2.868	
pseudo R^2 ††	.186		.408		.273		.335	
-2 Log	234.049		30.168		23.915		91.619	
% correct	70.3		70.0		71.4		72.7	
n	192		30		21		88	

* p ≤ .10. ** p ≤ .05. *** p ≤ .01.
† = removed due to multicollinearity
‡ = removed due to small sample size
†† = Nagelkerke R^2

ASSIGNMENT DEBRIEF

Upon returning the students' papers, a classroom discussion followed, wherein students were informed they made an incorrect ethical decision if they chose to plan to pay the costs of the wrongful death lawsuits instead of making the correct ethical decision to repair the cars. The Grimshaw case was discussed, with an emphasis on the $6.5 million settlement, which far exceeded the $500,000 estimated cost of each wrongful death lawsuit. Not only had these students made an incorrect ethical choice in favor of profits, no profits would actually materialize. In fact, applying the Grimshaw payout of $6.5 million, the company would not earn the estimated $67 million per year, but instead lose $29 million per year. Students were informed their decisions mirrored the actual Ford case, with managers making an unethical decision that ultimately did not materialize in maximized profits.

As noted above, students who chose wrongly were more likely to be upperclassmen and students with higher GPAs. The latter group are grade-conscious and were disappointed to learn, not only did they make an unethical decision, but in doing so, they earned a lower grade on the assignment. Lively, and sometimes emotional, discussions ensued. Numerous students vigorously defended their decision to plan to pay for the wrongful deaths. Their justifications largely fell into three broad categories.

The most common justification was, "I only made this decision because it is a college paper; if I was an actual employee at Ford with lives on the line, I would never make this decision." This is a logical fallacy, as the stakes are very low on a college paper, as compared to making monetary and safety decisions with real people's lives. To say I am only unethical in small matters, but would be ethical in large matters is not credible.

The second most common excuse was, "I made my decision based on economics, not based on human lives or ethics." This finding is especially disturbing. Some consider "business" to only be about profits (cf. theory of the firm), but the field of economics more broadly considers not just microeconomic factors such as firm profits and consumer utility, but a wider view of stakeholders including overall societal welfare.

A third excuse given the instructor was, "I only made this decision, because I thought it was the decision you wanted." Students were informed the instructor would prefer they make ethical decisions. Some students felt tricked, and others were saddened with themselves that they failed the ethical test. Emotions ran high. This troubling finding is most consistent with the actual case. Milgram's (1974) research on obedience is informative here. It is likely executives at Ford shifted moral responsibility to the engineers and business managers, who in turn shifted their sense of responsibility back to the executives. Members of an organization are more likely to make incorrect ethical decisions when they can shift blame away from themselves personally, either up or down the organizational chart.

DISCUSSION AND CONCLUSION

Despite decades of scholarship and teaching on ethics in business schools, managers regularly make unethical decisions. Numerous ethics journals exist, and nearly all business schools integrate ethical teaching into the business curriculum, but unethical behavior occurs quite regularly in the marketplace. Ethicists have an unrealistic expectation that, given proper training, people will act correctly. A more realistic approach might be that ethical training may only provide a nudge such a that a person may become more ethical, whereas expecting people to always act correctly may be unrealistic. Perhaps an "optimal level of ethical behavior" exists and business school training can contribute a nudge to increase ethical behavior while not completely eliminating all unethical behavior. This idea of a nudge along the ethical continuum is illustrated in Figure 4.

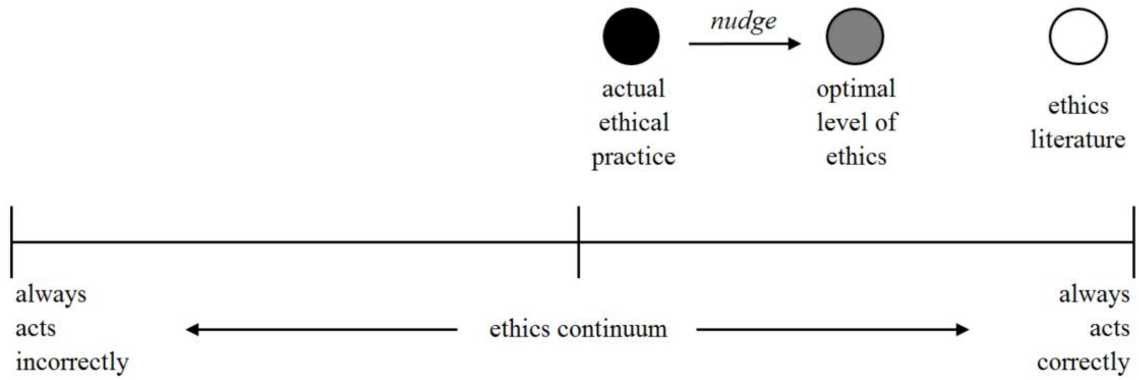

Figure 4. Optimal level of Ethical Behavior

This paper reports the results of a five year study of business school ethical behavior. Students were introduced to the Ford Pinto case in the context of the cost curves portion of a sophomore level microeconomics course. It is widely agreed executives and managers made the incorrect ethical choice to produce the Ford Pinto knowing the car was dangerous, and 56.8% of students did not differ from the actual employees of the Ford Motor Company. For less than $100, the defective gas tank could have been modified, dramatically improving the safety of the car, presumably preventing hundreds of deaths and injuries. This paper contributes an important finding to the ethics literature, that despite decades of ethical training in business schools, students remain willing to make unethical choices in favor of profits. It is beyond the scope of this paper to suggest improvements in ethics training; but this study provides evidence there is more work to be done in training ethical leaders of the future.

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APPENDIX A: THE ASSIGNMENT RUBRIC

Principles of Microeconomics, Business Report #3

Case Description:
You are a business analyst working at the Ford Motor Company in 1976. The new Ford Pinto has sold well in its first year of production, but there have been some challenges. The subcompact product category is crowded with competitors' cars such as the Honda Civic, the AMC Gremlin, and the Chevy Vega. Additionally, some people have been injured or killed in fiery Pinto collisions. Conduct a cost curve analysis following the guidelines below and write a business report (APA style) directed to Ford management.

Introduction and Case Description (maximum 100 words) **10%** _____

- ☐ Describe the Ford Pinto.
- ☐ Explain the subcompact car market structure (quote the textbook if necessary).
- ☐ Briefly introduce the major sections of this report.

Cost Curves (maximum 100 words) **20%** _____

- ☐ Write a paragraph describing Table 1, Figure 1 and Figure 2.
- ☐ Complete Table 1, Figure 1 and Figure 2 and include them in your report.

Normal Profit Maximization (maximum 100 words) **30%** _____

- ☐ Write a paragraph describing the data in Table 2. Also note the break even price and shutdown price.
- ☐ The market price is $2,000. Recommend the quantity to produce.
- ☐ If the market price for subcompact cars falls to $1,500, how many Pintos, if any, should Ford produce?
- ☐ Complete Table 2 below and include it in your report. (Annual profit is daily profit x 250 workdays).

Revised Profit Calculations (maximum 150 words) **30%** _____

- ☐ The Ford Pinto was found to have a defective gas tank. The company can fix the cars for $100 additional cost, or they will have to pay on average $500,000 in wrongful death lawsuits lost. Write a paragraph describing this situation and the data in Table 3 and Figure 3.
- ☐ Complete Table 3 and include it in your report (daily cost = $100 x output, cost of deaths = WDLL *$500k)
- ☐ Complete Figure 3 showing all three annual profit calculations.
- ☐ State the maximum profit if Ford fixes the cars or if Ford decides to pay the cost of deaths.
- ☐ State whether Ford should fix the cars or pay the cost of deaths, and what quantity to produce.

Conclusion (maximum 50 words) **10%** _____

- ☐ Summarize the analyses above, restating your key decisions.

Mechanics (factored into above score)

- ☐ Spelling, grammar, punctuation, etc.
- ☐ Graphs and tables have clear titles and labels.
- ☐ Descriptions and explanations of tables and graphs precede the tables and graphs.
- ☐ Page format according to APA style.
- ☐ Correct in-text citations according to APA style.
- ☐ Accurate References page according to APA style.

Total Score: **100%** _____

Table 1. Output of Ford Pintos, Per Workday, Year 1976

Output	TC	TFC	TVC	AFC	AVC	ATC	MC
600	$1,300,000	$1,000,000		x	x	x	x
700	$1,400,000	$1,000,000					
800	$1,500,000	$1,000,000					
900	$1,600,000	$1,000,000					
1,000	$1,700,000	$1,000,000					
1,100	$1,900,000	$1,000,000					
1,200	$2,300,000	$1,000,000					

Figure 1. Total Costs, Fixed Costs and Variable Costs

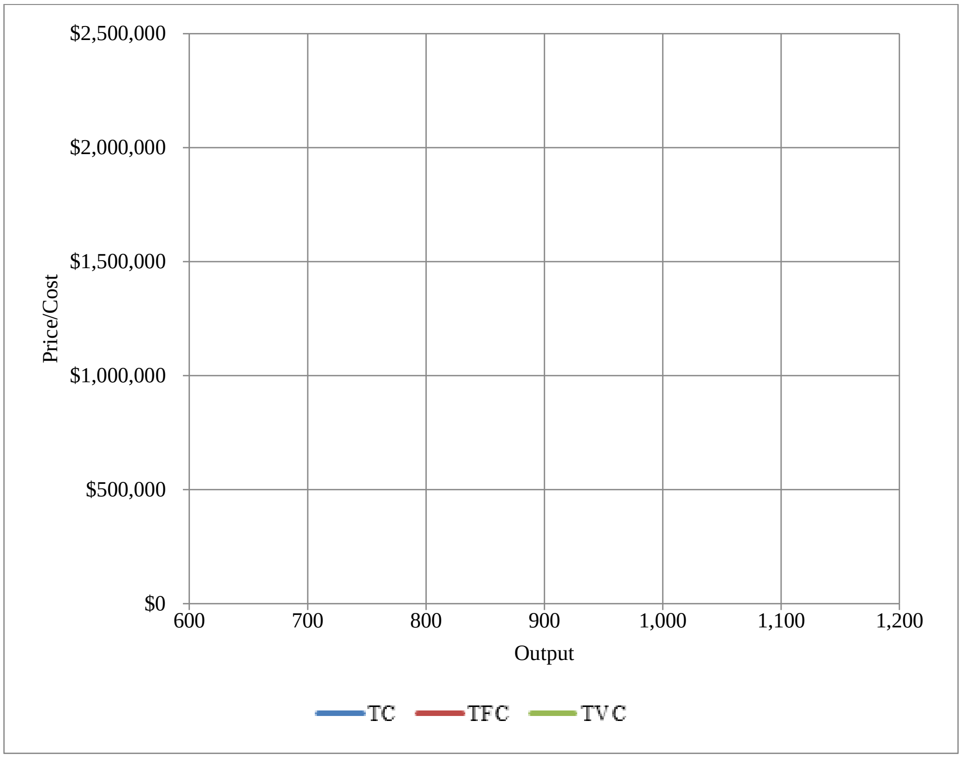


Figure 2. Average Fixed Costs, Average Variable Costs, Average Total Costs, Marginal Costs, and Price

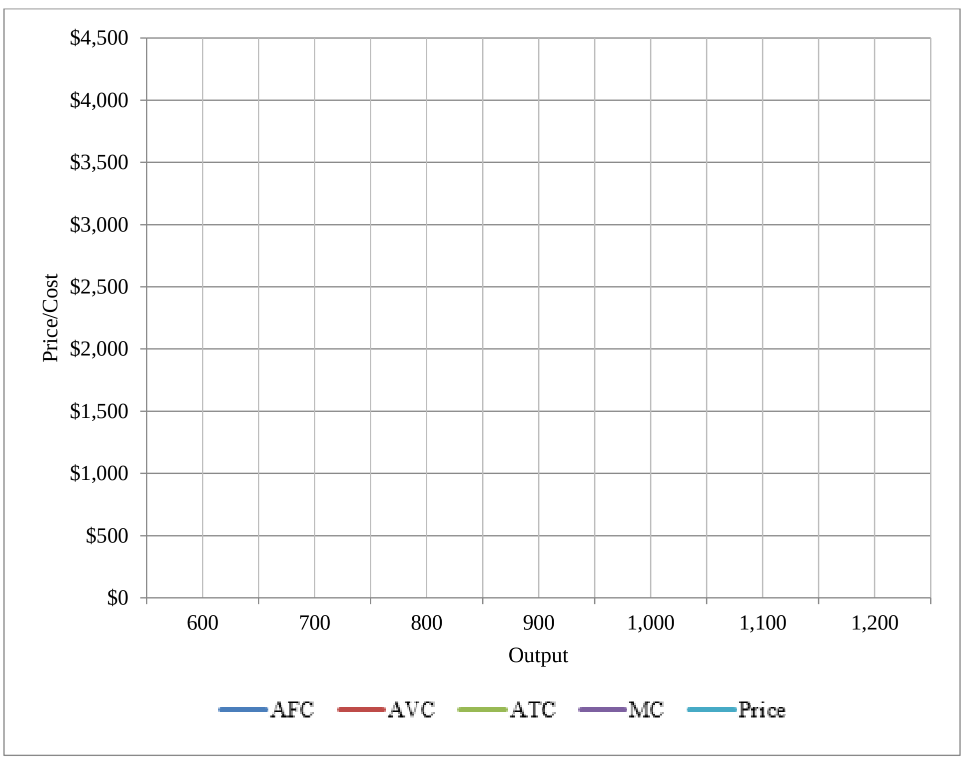


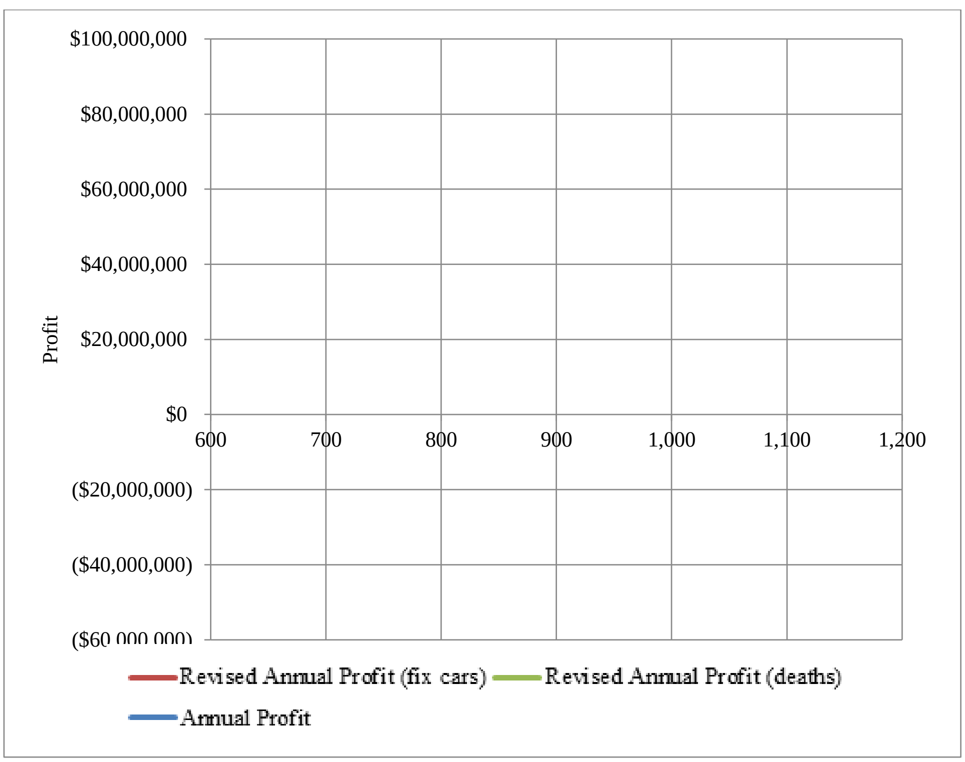
Table 2. Normal Profit Calculations

Output	Price	TR	MR	MC	Daily Profit	Annual Profit
600	$2,000			x		
700	$2,000					
800	$2,000					
900	$2,000					
1,000	$2,000					
1,100	$2,000					
1,200	$2,000					

Table 3. Revised Profit Calculations

Output	Daily Cost to Fix Cars (+$100)	Revised Daily Profit	Revised Annual Profit (fix cars)	Wrongful Death Lawsuits Lost	Cost of deaths ($500,000 each)	Revised Annual Profit (deaths)
600				4		
700				6		
800				9		
900				14		
1,000				16		
1,100				25		
1,200				35		

Figure 3. Profit Comparisons



Student Aha Moments: Knowing, Loving, and Telling Unique Strengths Story

Paper for the Christian Business Faculty Association (CBFA) Conference
“More than the Bottom Line: Business Education to Change the World”
Point Loma Nazarene, San Diego, California
October 19-21, 2017

Rev. Gayle Wiese, Anderson University (IN) and Point Loma Nazarene University
Dr. Michael Wiese, Point Loma Nazarene University

Key Words: StrengthsFinder, Life Coaching, StrengthsQuest, Personal Branding

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Abstract

The effectiveness of one-on-one student coaching, using the CliftonStrengths (StrengthsFinder) assessment tool is tested. Findings suggest important benefits of one-on-one coaching. Recommendations for effective use of CliftonStrengths coaching, as part of the Christian business school program, are offered as a means to enhance student self-awareness and efficacy.

Purpose of Paper

The purpose of the paper is to determine if one-on-one coaching using the CliftonStrengths (StrengthsFinder) instrument improves the students':

- Understanding of how God has uniquely created them
- Appreciation of how they are created
- Ability to use Strengths to accomplish tasks
- Proficiency at telling their personal and compelling story

Using systematic observational research, session notes, and student responses to an anonymous survey instrument, the paper reports on the benefits of this program. The results are recommendations on how Christian business programs can use personal coaching as a way for students to know, love, live, and tell their personal story. The desired outcome is to assist students to be aware of and more articulate about their purpose in life and capable of deeper and more meaningful service…beyond the bottom line." Important Aha moments that are likely to be informative and potentially transformational to the students' ability to serve the mission of Christ are identified.

Academic Research on Value of CliftonStrengths

The idea of personal strengths is not new. In the business world, the use of the concept of strengths is common in personal and firm assessments. Peter Drucker acknowledged this when he said, "most people think they know what they are good at. They are usually wrong…. and yet, a person can perform only from strength" (Drucker, 1999). Inspired by the idea that the nurturing of human performance should focus on strengths, not weaknesses, Donald O. Clifton, Ph.D. committed his career to this notion. His research was inspired by the following question: "What would happen if we focused on what is right with people rather than fixate on what is wrong with people?"

Clifton's research led to the creation of Strengths-Based Psychology, and he created the assessment tool known as the Clifton StrengthsFinder.® This instrument was popularized by the book StrengthsFinder 2.0 by Tom Rath (2007). The tool has been used by millions of people and is accepted as a coaching tool by thousands of businesses around the world. Gallup's Clifton StrengthsFinder assessment is the first step in helping people identify their talents. Clifton StrengthsFinder results give people a way to discuss and develop their unique combination of skills, talents, and knowledge -- also known as strengths.

The use of the tool on college campuses is not new. According to Louis (2011; The Gallup Corporation, 2013), "over 600 college campuses and over one million students have taken the Clifton StrengthsFinder and engaged in StrengthsQuest, a formal educational model designed to provide students with knowledge and awareness of their individual talents." Various campuses have active StrengthsQuest programs and a growing body of research has been conducted on the effectiveness of CliftonStrengths (Braskamp, 2016).

Gallup's research provides one point of inquiry. A review of the research by Gallup (Asplund, Lopez, Hodges & Harter, 2007) cites the following benefits of the use of the StrengthsFinder instrument and process.

- People who use their strengths are 3 times as likely to report having an *excellent* quality of life.
- People who use their strengths are 6 times as likely to be *engaged* in their jobs.
- People who learn to use their strengths every day have 7.8% greater *productivity* at work.
- Teams who receive strengths feedback have 8.9% greater *profitability*.

Various studies in university settings suggest the usefulness of the tool to improve self-awareness, academic performance, social effectiveness, career development and transition into the workplace. Soria et.al. found significant improvement in perceived leadership development through the use of the Strengths assessment and various activities related to Strengths through the First-Year program at a large public Midwest university (2015). At another large public university, Stubblefield et.al. found statistically significant positive associations with the Strengths program and the following variables:

retention, student success and career development (2014). Others studies have found similar results (Schreiner, 2006; Louis, 2012).

There are critics of CliftonStrengths. Deborah Tom writes that the definition of Strengths used by Gallup is not consistent with the latest psychological thinking (2016). A recent article in Harvard Business Review (Chamorro-Premuzic, 2016) calls into question the validity of the research findings supporting the notion that developmental interventions based on strengths is more effective than a focus to improve weaknesses. The claims against CliftonStrengths relate to a concern that it de-emphasizes the need to consider weaknesses in management development and that it may tend to be more of a self-help tool, not a real means to improve effectiveness (Chamorro-Premuzic, 2016). Niemiec suggests the use of the VIA Survey over the StrengthsFinder tool, because he sees it as more comprehensive and focused on core character issues. He also says that StrengthsFinder has not been sufficiently peer reviewed.

Biblical Background

Every person is created in the image of God, and God said that it was very good (Genesis 1:27, 31a). Reggie Joiner of ReThink Group describes being created in the image of God as the "potential to believe, imagine, and love, to care, relate, and trust, and to reason, improve and lead" and encourages people to treat every kid who breathes like they were created in the image of God. Ephesians 2:10 (NLT) says "For we are God's masterpiece. He has created us anew in Christ Jesus, so we can do the good things he planned for us long ago."

As a follower of Christ, we clearly have a mandate to use the "talents" that God has given us to do the "good things he planned for us long ago." Jesus makes that clear in the Parable of the Talents (Matthew 25:14-30).

> 14 "For it will be like a man going on a journey, who called his servants[a] and
> entrusted to them his property. 15 To one he gave five talents,[b] to another two, to
> another one, to each according to his ability. Then he went away. 16 He who had
> received the five talents went at once and traded with them, and he made five
> talents more. 17 So also he who had the two talents made two talents more. 18 But
> he who had received the one talent went and dug in the ground and hid his master's
> money. 19 Now after a long time the master of those servants came and settled
> accounts with them. 20 And he who had received the five talents came forward,
> bringing five talents more, saying, 'Master, you delivered to me five talents; here, I
> have made five talents more.' 21 His master said to him, 'Well done, good
> and faithful servant.[c] You have been faithful over a little; I will set you over much.
> Enter into the joy of your master.' 22 And he also who had the two talents came

forward, saying, 'Master, you delivered to me two talents; here, I have made two
talents more.' 23 His master said to him, 'Well done, good and faithful servant. You
have been faithful over a little; I will set you over much. Enter into the joy of your
master.' 24 He also who had received the one talent came forward, saying, 'Master, I
knew you to be a hard man, reaping where you did not sow, and gathering where
you scattered no seed, 25 so I was afraid, and I went and hid your talent in the
ground. Here, you have what is yours.' 26 But his master answered him, 'You wicked
and slothful servant! You knew that I reap where I have not sown and gather where
I scattered no seed? 27 Then you ought to have invested my money with the
bankers, and at my coming I should have received what was my own with
interest. 28 So take the talent from him and give it to him who has the ten
talents. 29 For to everyone who has will more be given, and he will have an
abundance. But from the one who has not, even what he has will be taken
away. 30 And cast the worthless servant into the outer darkness. In that place there
will be weeping and gnashing of teeth.'

The reality that we are "fearfully and wonderfully made" (Psalms 139:14) is evident in each person's unique StrengthsFinder talent themes. According to Gallup's research there is 1 in 275,000 people who will share the same themes in any order. There is a 1 in 33 million possibility of a match for the same exact order for the top 5 themes.

Curt Liesveld (1951-2015), former pastor and Gallup Learning and Development Advanced Consultant, says "There is something broken in us that only Jesus Christ can fix, and there is something powerful in us that should not be wasted. Those are our talents."

Coaching Experiment and Research Method

Lopez and Louis (2009) call for approaches that start with measuring CliftonStrengths but then provide individualized educational experiences for students. Many of the efforts found on campuses focus on workshops, information meetings, and group discussions. Rarely is there one-on-one coaching with a Gallup Certified Strengths Coach for a large group of students. Most of the actual coaching sessions are for volunteers. Therefore, uniform one-on-one coaching experiences, for a large group of students who are required to participate as part of a course, is rarely conducted. This paper reports on an effort to overcome these limitations and test the efficacy of one-on-one coaching as a course requirement at a Christian college.

During the 2015-2016 academic year, a Midwestern Christian university tested a program to provide one-on-one CliftonStrengths coaching, using a Gallup Certified Strengths Coach. The program was for all students in a business basics course that is taken by all majors, normally in the freshmen year. After a positive response from students and faculty, the program was extended to include all students in a senior seminar in ethics and leadership. The program idea is to provide, over a four-year period, all business majors with two coaching experiences. In 2016-2017, 165 students received coaching using CliftonStrengths. Over 300 students have been coached in the last two years.

The process begins with the student completing the online CliftonStrengths Assessment. Two reports are produced, and they are the *Strengths Insight Guide* and the *Signature Themes Report* that explain the student's top 5 Themes. The reports are submitted to the coach, and she conducts a pre-session review in preparation. The student and coach then meet for a 50 to 60-minute session. In the session, the coach asks questions to assist the student in learning his/her themes, loving his/her themes, and living his/her themes. The student is asked about their academic and career goals, past accomplishments, a personal description, current challenges, future challenges, and two exercises to begin to leverage his/her talent themes into strengths through awareness and investment. After the session, the coach produces a summary of the session that is then provided to the student.

Notes of the session are taken and given to the student within a few days of the coaching session, and patterns of attitudes and behaviors are observed. Students also write a self-assessment (in the introductory business course) and a "Discovering You" paper (in the senior seminar) that is read and assessed by a faculty member. This establishes a third-party observation on the student's impressions, benefits, and reported outcomes of the experience.

Additionally, students were given an opportunity to assess the coaching session relative to specific desired outcomes. Through an anonymous survey of students, respondents reported whether or not program outcomes were achieved. The objective of the survey was to determine if the following outcomes were achieved, as perceived by the students.

As a result of the coaching session, does the student report…

- **a.** an improved ability to translate "who you naturally are" to accomplish any task that you need to perform?
- **b.** an enhanced ability to describe how strengths make a person unique?
- **c.** a desire and ability to actively invest in talent themes to leverage them into strengths in his/her professional and personal life?
- **d.** an ability to use a unique theme profile to tell his/her personal story in a compelling way?
- e. articulated benefits personally received from the CliftonStrengths coaching experience?

Results

Observation Research

Notes of each coaching session were taken and reported to the students in a feedback report. The coach was in a position to observe and report student reactions to the session. Dominant patterns of before the coaching session attitude and post-session attitudes included:

- Interested to Amazed
- Skeptical to Engaged
- Disinterested to Interested
- Disinterested and Unchanged

What was clear and visible were the Aha moments when a student identifies talent themes in their life, embraces them as worthy, commits to leveraging the themes into strengths and then are able to articulate their unique story using their strengths. These moments are important because they often happen within one session. Some students come to the session interested and leave amazed. Others start the process with visible skepticism or disinterest but leave the session willing to engage or interested in consider the merits of CliftonStrengths further. There are some, however, that come to the session disinterested and leave with the same sentiment.

Reasons for Skepticism

It is common for students to come to the session with some skepticism. The overwhelming majority of students took the StrengthsFinder assessment as part of a liberal arts course. After the assessment, the students received their top five report and in some cases, participated in a group discussion about CliftonStrengths. In other cases, student campus leaders participated in some training using CliftonStrengths. Patterns emerged suggesting the following reasons why students are skeptical of CliftonStrengths before coaching:

1. Students express a belief that they have been over-assessed, using multiple good tools, without sufficient explanation, interpretation or application. It is common for students to receive their reports with minimal conversation and without one-on-one coaching of the talent themes. This can result in misinterpretations of the themes and can also lead students to come to the initial coaching session with misconceptions and frustration because the prior exposure to Strengths was insufficient.

2. There was also evidence of some miscommunication of strengths on campus. Insufficiently trained persons often used CliftonStrengths in a way that is not supported by the academic research and led to erroneous applications. For example, it was common for students to have been told that they were not capable of completing particular tasks (or to serve in specific campus roles), because they did not have a particular talent theme. In other cases, students were taught that a particular talent theme is more desirable, and this led to theme envy.

3. A common contributor to skepticism came because descriptions of talent themes alone were insufficient for the student to see himself or herself in the narrative. As a result, the student does not understand the relevancy of the theme. For example, if a student sees a dominant theme of “command,” they may read the description and not fully understand the nature and applications of this theme. The student’s inability to interpret a theme on his/her own leads to skepticism.

Observation Results from the Coaching Session

To overcome these objections, the student needed a one-on-one coaching session. The researchers observed the following changes in attitudes and an enhanced ability to personally connect with the top five talent themes as a result of coaching. The common patterns are:

1. A student has a point during the session when he/she realizes that each of the 5 talent themes describe him/her. Reading the reports help, but there is often a point in the coaching session when the student “owns” the themes and can articulate the behaviors that are aligned with each specific theme. When this happens, it is common for the posture of the student to change and for the body language to communicate a sense of self-awareness and personal pride.

2. There is commonly a moment in the coaching session when the student is able to describe how he/she can use their talent themes to achieve their personal goals in a more productive and enjoyable way. As a result, the student is able to articulate an action plan for how they can use their talent themes to accomplish a task that is of importance to his/herself.

3. In many cases, there is a time in the session when the student can articulate, in a succinct statement, who they are by using their talent themes. The themes give students a common language to describe how they are able to accomplish tasks and goals. Descriptive phrases are found in their Strengths Reports, and as students collect narratives and experiences that validate their talent themes, intentionality and awareness begins to leverage themes into strengths.

There is observational evidence that students can achieve specific outcomes as a result of the coaching session. As will be reported, next, these outcomes are acknowledged by a strong majority of the students. As a result of the coaching session, students are more likely to be able to 1) acknowledge the themes in his/her life, 2) express appreciation for the themes, 3) see how the themes can be leveraged into Strengths to achieve specific tasks and, 4) in the best case scenario, articulate their unique story (personal brand) that aligns with their Strengths.

One (acknowledgement of themes) and two (expression of appreciation for themes) happens most of the time as a result of the coaching session. To move to three (ability to leverage themes into strengths to accomplish specific tasks) and four (articulation of personal brand using Strengths) is most likely to be achieved after two one-on-one coaching sessions.

Exceptions to a Positive Engagement with Strengths

Clearly, not all students embrace the concept of strengths through the coaching session. A minority of students do not appreciate the coaching session. The survey corroborates these observations. The following possible reasons are observed.

1. The student feels that they have sufficient self-awareness and therefore do not believe the conversation is beneficial.

2. A few students do not see the significance of CliftonStrengths and discount it as a small college program that is not big enough for them to personally embrace.

3. Other students appear unwilling or uncomfortable with the concept of self-examination. Some may actually fear this process. Overwhelmingly, these feelings were overcome in the coaching session, but there are exceptions. In some cases, there may be reasons why the student is unwilling or unable at this time to embrace their themes and celebrate how God has made them.

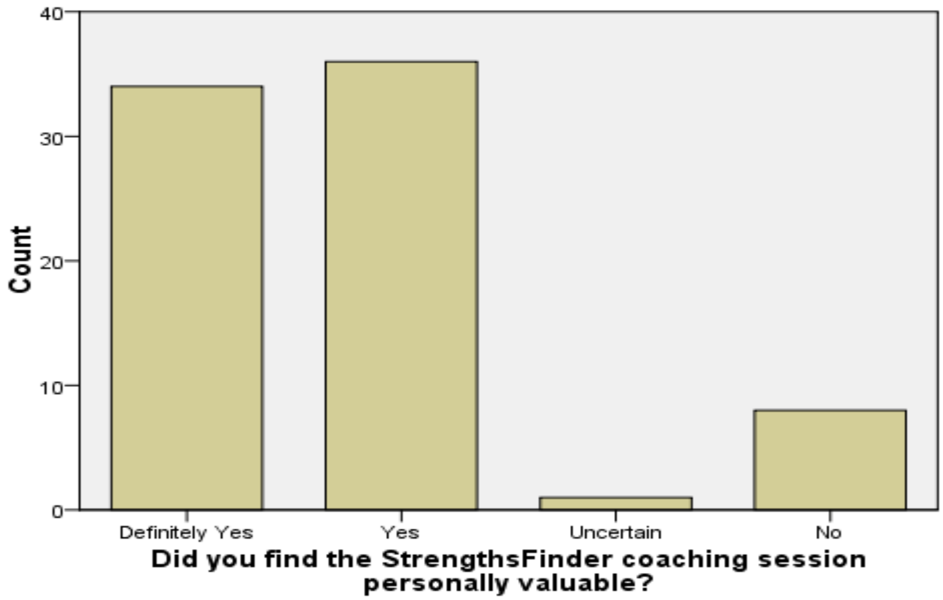
Survey Research Findings

A voluntary survey of participants using Survey Monkey was conducted in March 2017. Eighty-two participants in the undergraduate program responded to the voluntary survey (50% response rate). The purpose of the instrument was to receive students' feedback on the coaching program and to measure student-reported benefits as they align with specific desired outcomes.
The profile of participating students is:

- 33% freshmen

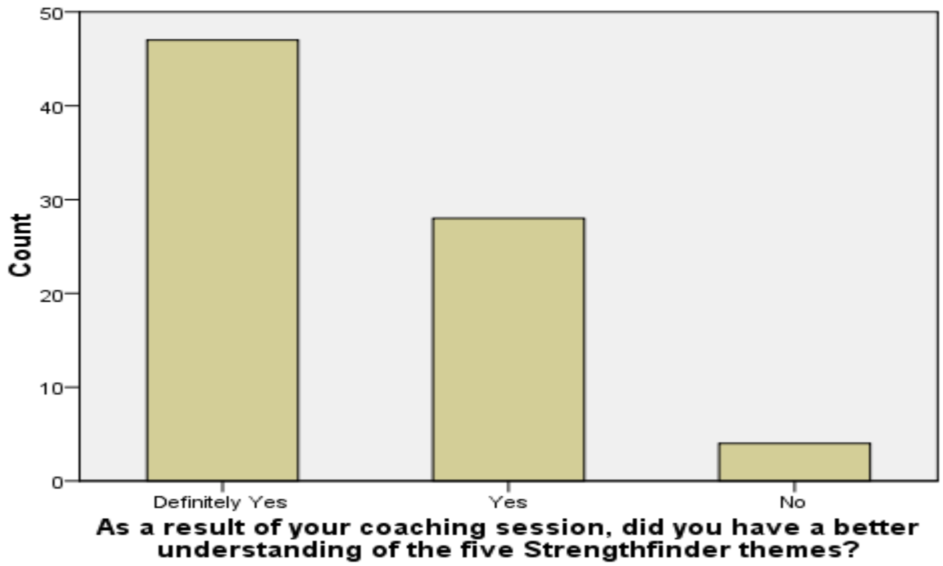
- 47% seniors
- 16% have had two sessions (one in Business as a Profession and one in Senior Seminar in Ethics and Leadership)

Eighty-nine percent of the students said that they believe the coaching session was personally valuable. Of these, 42% said “definitely yes.”

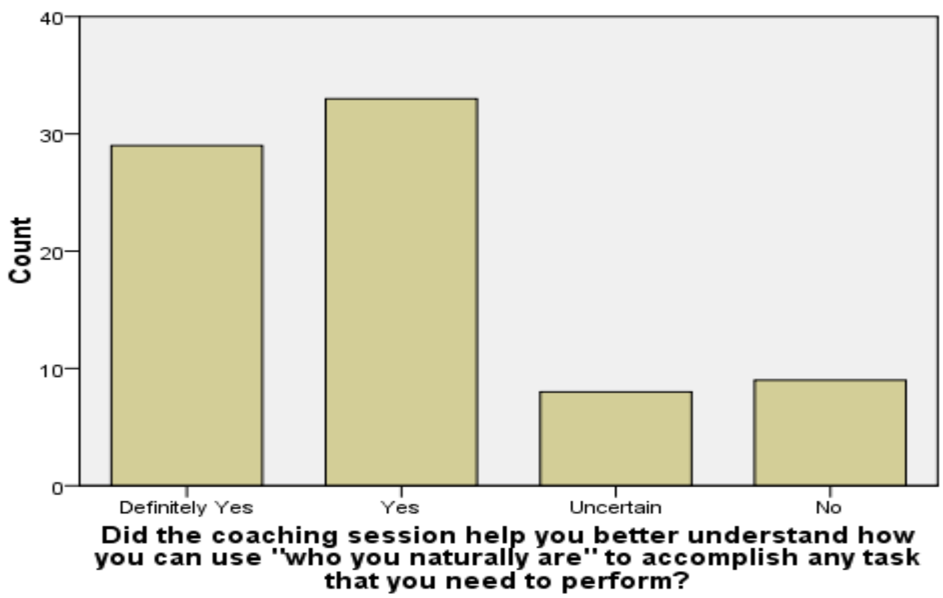


What are the specific benefits reported by the students?

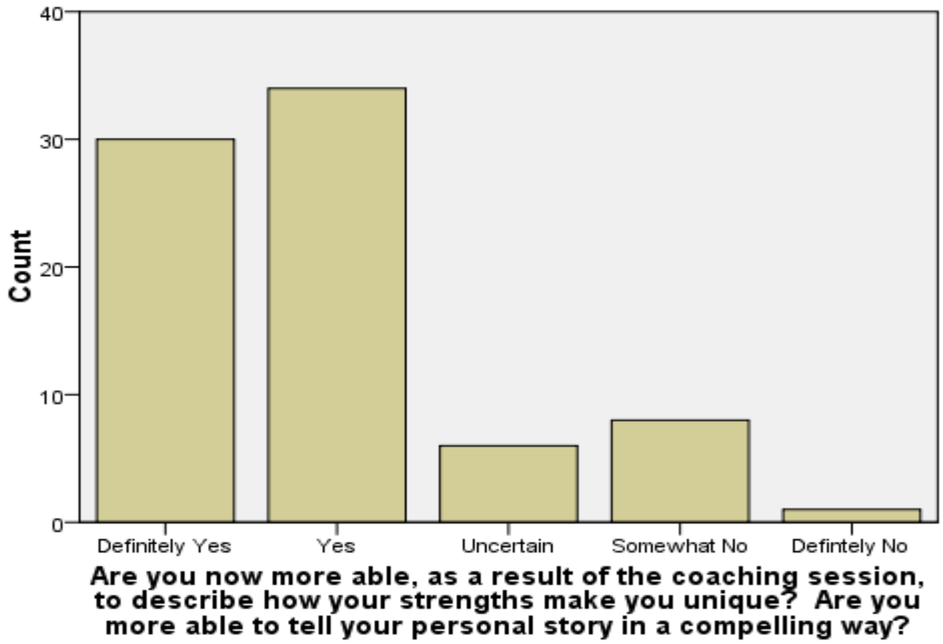
- 95% (57% “definitely yes” and 38% “yes”) report the following benefit: As a result of the coaching session, I have a better understanding of my top five CliftonStrengths themes.



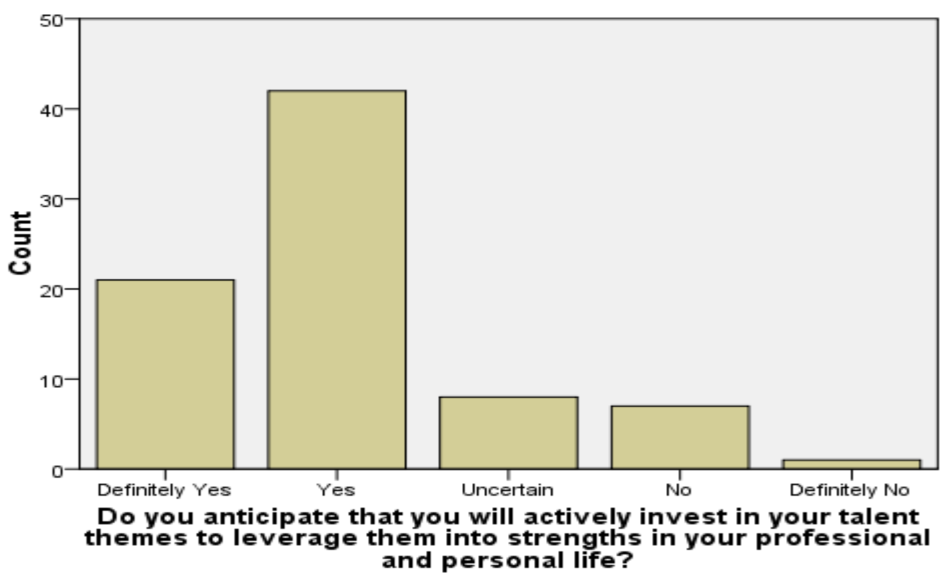
- 80% (38% “definitely yes” and 42% “yes”) report that the coaching session helped the student better understand how to use “who you naturally are to accomplish any task that you need to perform.”



- 81% (37% “definitely yes” and 44% “yes”) say that they are more able now, as a result of the coaching session, to describe how their strengths make them unique and more able to tell their personal story in a compelling way.



- 81% (26% “definitely yes” and 55% “yes”) say that they anticipate actively investing in talent themes to leverage them into strengths in their professional and personal life.



Statistical analysis (independent-sample t-tests to see if there is a significant difference in mean scores between two groups) suggests that senior students are more likely to say “definitely yes” or yes” to each item.

Item: 1=Strongly Agree, 5=Strongly Disagree	Group	Mean Score	Probability
Did you find the CliftonStrengths coaching session personally valuable?	Freshmen Seniors	2.0741 1.5000	p=.005
As a result of your coaching session, did you have a better understanding of the five StrengthsFinder themes?	Freshmen Seniors	1.7780 1.3889	p=.05
Did the coaching session help you better understand how you can use "who you naturally are" to accomplish any task that you need to perform?	Freshmen Seniors	2.5926 1.6111	p=.00
Are you now more able, as a result of the coaching session, to describe how your strengths make you unique? Are you more able to tell your personal story in a compelling way?	Freshmen Seniors	2.3701 1.6110	p=.001
Do you anticipate that you will actively invest in your talent themes to leverage them into Strengths in your personal and professional life?	Freshmen Seniors	2.5185 1.7778	P=.01

The students who did not see value or did not believe that they benefited were all freshmen. Additionally, students who have had two coaching sessions are significantly more likely to say that the coaching session had the desired benefits and that they are committed to “actively investing in talent themes to leverage them into strengths in their professional and personal life.”

Open-End Response Analysis

Students were given an opportunity as part of the survey to articulate the benefits of the coaching session. Patterns of responses suggest that following key outcomes, in priority order.

1. Students overwhelming say that the session allowed for an understanding of the 5 top themes and a belief that the themes accurately describe him/herself.
2. The second most cited benefit is a sense of personal appreciation and a resulting confidence. Among the comments is a spiritual realization of how God has made them and how their Strengths align with personal mission and giftedness.
3. The next most often stated benefit is the ability to accomplish tasks in a way that is consistent with personal strengths. There are students who are able to articulate

how leveraging themes into strengths has helped them with projects, job interviews and in job performance.

4. There is also evidence that some student realize that they now have words to describe themselves and to be more articulate in telling their story.

Conclusion and Recommendations

The findings of this study suggest that one-to-one coaching with students enhances the CliftonStrengths experience for students. This experiment in a systematic and holistic approach to CliftonStrengths coaching at the Christian university suggests merit in using one-on-one coaching. The value in this approach is found in the enhancement of higher-level outcomes. While other forms of engaging with CliftonStrengths enhances students' awareness of personal strengths, the addition of a personal coaching session is likely to improve the probability that the student will be equipped to leverage the talent themes into active strengths, be able to articulate their personal story using their talent themes and express a commitment to intentionally activate talent themes into strengths as part of life.

These findings are important for the Christian business educator. Our goal is to prepare students who will contribute to the financial welfare/mission of organizations and to do so in a way that is "salt and light" in the world for Christ. The experiment of CliftonStrengths coaching in this Christian business school suggests that students can become more aware of their God-given talent themes, more appreciative of their uniqueness and more effective at living in a way that is consistent with their natural giftedness. Joy is found when we love the way God has made us and when we are more effective in living out of our authentic selves.

The following recommendations are offered.

1. Schools should consider, when feasible, a one-on-one CliftonStrengths coaching session for business students.

2. To be most effective, follow-up with the student after the coaching session is recommended. Students tend to walk out of the coaching session encouraged to act on the action plan that was developed. At that point in time, the students are positive about the experience and setting a date for a follow-up is likely to improve the sense of accomplishment and progress at leveraging talent themes into strengths.

3. Coaching of freshmen is recommended, but the requirement of CliftonStrengths coaching is likely to be less enthusiastically embraced by some students. Seniors are very likely to see the relevancy of the coaching session as they understand the

applications on career search and early on boarding to positions. Coaching in both the freshmen and senior year is endorsed by this study.

4. Linking CliftonStrengths coaching to the formal curriculum and having students write about their experience, as part of the process of developing their personal brand, was beneficial. All of the faculty members who teach the various courses testify to the value of the coaching experience as evidenced by the writing and endorse the use of both coaching and of writing about the experience as a required assignment in the class.

This experiment will continue. There is sufficient evidence of important "Aha moments" for the students. Data will be collected over a cycle of at least two one-on-one coaching experiences for each undergraduate student in the university. The data will allow for a tracking of outcomes and more comprehensive examination of whether or not this program is beneficial over time. The goal over time is to create a CliftonStrengths saturated culture where students anticipate the discovery of their talent themes and are actively engaged to leveraging them into strengths.

Note: Appreciation is expressed to Mr. Max Fell, Accounting student at Point Loma Nazarene University, for his assistance on this document.

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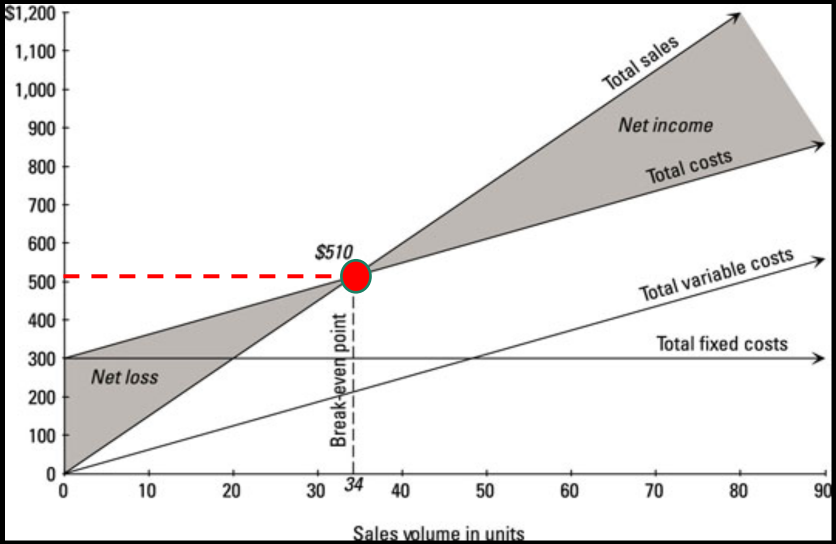
A Markup Method of Breakeven Analysis:
An Invention

Michael E. Cafferky, DBA MDiv

Editor, *Journal of Biblical Integration in Business*



Practice Session

- "But ***Cost*** is not known*!*" (emphasize the word *Cost*)
- Drum roll

Scriptural Foundation

- **Truth** (*emeth*)
  - **Faithfulness** in action

"Buy **truth** and do not sell it; get **wisdom** and instruction and understanding."
Proverbs 23:23

- Grounding action in **reality.** Breakeven analysis presents an interesting question for the conversation about *emeth*.

"The works of his hands are **truth** …"
Psalm 111:7-8

Scriptural Foundation

- **Wisdom** (*chokmah*), **Prudence** (*ormah*)
  - Part of covenant relationships:
    - Who are affected by business decisions?
    - How are they affected?

“I **wisdom** dwell with **prudence**…”
Proverbs 8:12

  - Study a situation closely to **gain insight** and understanding (This invention is the result of studying breakeven analysis closely.)
  - **Avoid danger** whenever possible: Danger affects you and others. Breakeven is an attempt to avoid danger.

“How blessed is the man who finds **wisdom** and the man who gains understanding.”
Proverbs 3:13

The Contribution of This Invention

- Presents the derivation of a practical formula.
- Applies breakeven in a new way for the first-time retailer.
- Combines ***marketing*** thinking with ***accounting*** thinking.

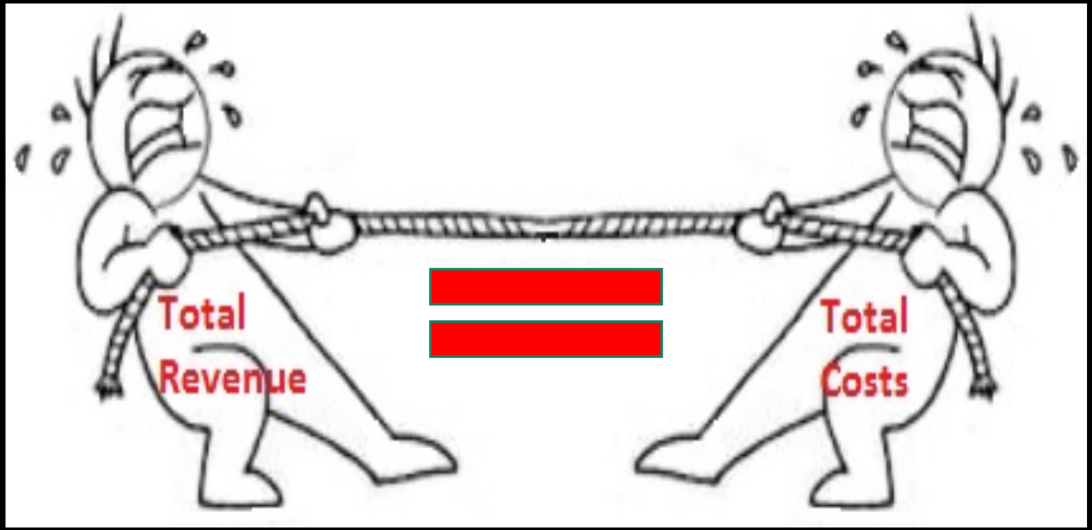
Challenges for Inexperienced Entrepreneurs

The big unknown:

REALITY

Challenges for Inexperienced Entrepreneurs

- a.k.a. Cost-Volume-Profit (CVP) Analysis



- Forecasting without historical data.
- Assuming future data will be the same as present data.

Challenges for Inexperienced Entrepreneurs

- CVP difficult to estimate precisely in advance.

Breakeven Analysis

- CM as a Dollar ($) amount → # ***Units***

$BE_u = FC / CM_u$

- Where
  - **FC** = Fixed Costs
  - **CM_u** = $SP_u - VC_u$
  - **SP_u** = unit Selling Price
  - **VC_u** = unit Variable Cost

Breakeven Analysis

SNAK CHIP MFG, INC.					
$BE_u = FC / CM_u$					
$CM_u = SP_u - VC_u$			u = per Unit	(BAG)	
			$SP_u =$	$2.47	per bag
FIXED COSTS			**VARIABLE COSTS: CHIPS**		
Utilities	$15,000		Potatoes	$0.67	
Leases	12,000		Salt	0.02	
Insurance	5,000		Seasonings	0.05	
Labor	100,000		Fat	0.26	
Mktg & Sales	50,000		Packaging	0.07	
R & D	10,000		Labor	1.00	
TQM	8,000		Total VC_u	$2.07	per bag
Total FC	$200,000		$CM_u =$	$0.40	per bag
$BE_u =$	$200,000/$0.40				
$BE_u =$	500,000 bags				

Breakeven Analysis

- CM as a ratio (or %) → # ***Dollars***

$BE_{\$} = FC / CM_{\%}$

- Where
  - **FC** = Fixed Costs
  - **$CM_{\%}$** = $(SP_u – VC_u) / SP_u$ (Ratio based on ***Selling Price***)
  - **SP_u** = unit Selling Price
  - **VC_u** = unit Variable Cost

Breakeven Analysis

SNAK CHIP MFG, INC.					
$BE_{\$} = FC / CM\%$					
$CM\% = (SP_u - VC_u) / SP_u$			u = per Unit	(BAG)	
			$SP_u =$	$2.47	per bag
FIXED COSTS			**VARIABLE COSTS: CHIPS**		
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Labor	100,000		Fat	0.26	
Mktg & Sales	50,000		Packaging	0.07	
R & D	10,000		Labor	1.00	
TQM	8,000		Total VC_u	$2.07	per bag
Total FC	$200,000		CM%	16.19433%	
$BE_{\$} =$	$200,000 / .1619433				
$BE_{\$} =$	$1,235,000				

Breakeven Analysis

- ***Retailer***: hundreds of different products
- Different CM for each product
- How to forecast if CM unknown in advance?
- What if Costs (**C**) are unknown in advance?

Markup

- **Markup:** "cost plus pricing" Adding a percentage to the **Cost** of a product to arrive at a **Selling Price**

$$\mathbf{MU_{\%}} = (SP_u - C_u) \,/\, \mathbf{C_u} \qquad \text{(Ratio based on } \textbf{\textit{COST}}\text{)}$$

Where

$\mathbf{SP_u}$ = Unit **S**elling **P**rice

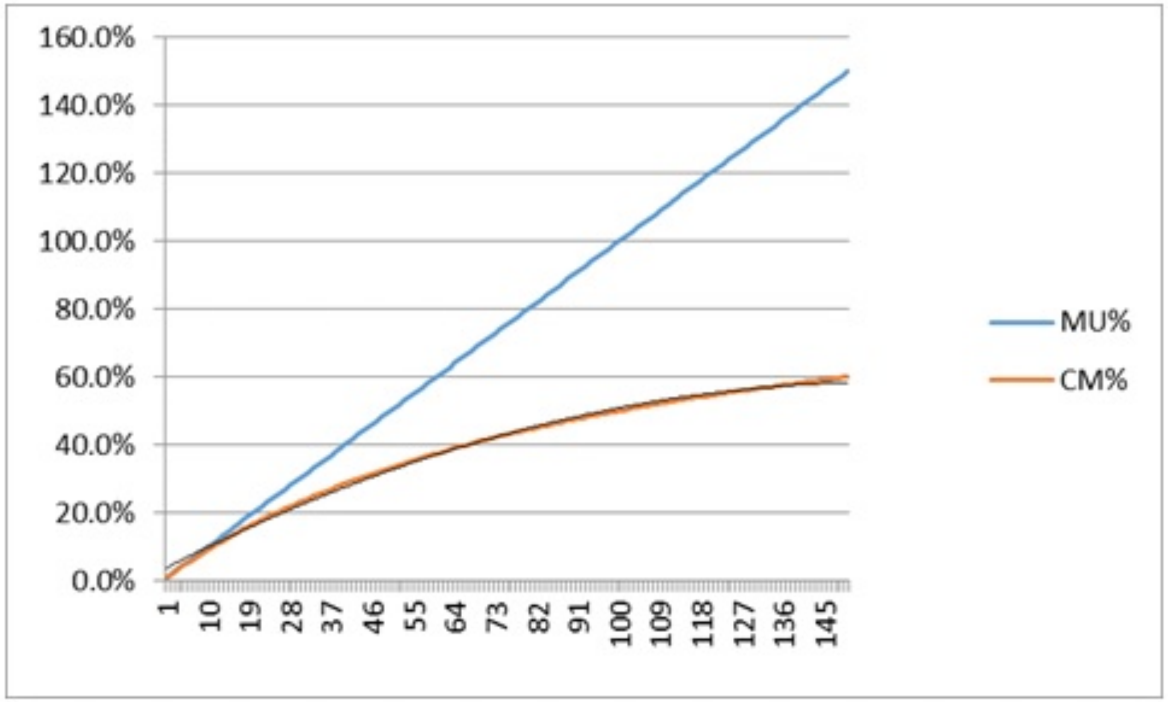
$\mathbf{C_u}$ = Unit **C**ost

$$\mathbf{CM_{\%}} = (SP_u - VC_u) \,/\, \mathbf{SP_u} \qquad \text{(Ratio based on } \textbf{\textit{Selling Price}}\text{)}$$

$$\mathbf{MU_{\%} \neq CM_{\%}}$$

MU% ≠ CM%

COST (C)	SP	MU%	CM%
1.00	1.05	5.0%	4.76%
1.00	1.06	6.0%	5.66%
1.00	1.07	7.0%	6.54%
1.00	1.08	8.0%	7.41%
1.00	1.09	9.0%	8.26%
1.00	1.10	10.0%	9.09%
1.00	1.11	11.0%	9.91%
1.00	1.12	12.0%	10.71%
1.00	1.13	13.0%	11.50%
1.00	1.14	14.0%	12.28%
1.00	1.15	15.0%	13.04%
1.00	1.16	16.0%	13.79%
1.00	1.17	17.0%	14.53%
1.00	1.18	18.0%	15.25%
1.00	1.19	19.0%	15.97%
1.00	1.20	20.0%	16.67%
1.00	1.21	21.0%	17.36%
1.00	1.22	22.0%	18.03%
1.00	1.23	23.0%	18.70%
1.00	1.24	24.0%	19.35%
1.00	**1.25**	**25.0%**	**20.00%**



Markup

- *If* we assume that all **Variable Costs** for a retailer are in the **Unit Cost** (**C**) of the product when purchased from distributor or manufacturer,

  then

  $$\mathbf{CM_{\%} = (SP - C) / SP}$$

  $$\mathbf{MU_{\%} = (SP - C) / C}$$

Markup

- ***If*** we assume that all **Variable Costs** for a retailer are in the **Unit Cost (C)** of the product when purchased from distributor or manufacturer,

  then

  $CM_{\%}$ = (SP – C) / SP

  $MU_{\%}$ = (SP – C) / C

This is a BIG "If"

Markup

- ***If*** we assume that all **Variable Costs** for a retailer are in the **Unit Cost** (**C**) of the product when purchased from distributor or manufacturer,

  then

  $CM_{\%}$ = (SP – C) / SP

  $MU_{\%}$ = (SP – C) / C

What is the same in each equation?

Markup

- ***If*** we assume that all **Variable Costs** for a retailer are in the **Unit Cost** (**C**) of the product when purchased from distributor or manufacturer,

then

$$CM_{\%} = (SP - C) / SP$$

$$MU_{\%} = (SP - C) / C$$

What is the ***same*** in each equation?

Markup

$(SP - C) = \boxed{CM_{\%} * SP}$

$(SP - C) = \boxed{MU_{\%} * C}$

Since $(SP - C) = (SP - C)$ (***if*** the key assumption is true for the situation)

then,

$$\boxed{CM_{\%} * SP} = \boxed{MU_{\%} * C}$$

And solving for $CM_{\%}$

$$\mathbf{CM_{\%} = (MU_{\%} * C) / SP}$$

Say it with me now: <u>But **Cost** is not known</u>*!*

Markup

- $\mathbf{MU_{\%} = (SP - C) / C}$

- $\mathbf{SP} = (C * \mathbf{MU_{\%}}) + C$

- And if

$$\mathbf{CM_{\%} = (MU_{\%} * C) / SP}$$

- Then,

$$\mathbf{CM_{\%}} = (\mathbf{MU_{\%}} * C) / \underbrace{[(C * \mathbf{MU_{\%}}) + C]}$$

This is what can happen if you play with algebra…

Say it with me again:

"<u>But **Cost** is not known</u>*!*"

Markup

What is **CM%** if the Unit Cost = **$1.00** ???

For every **$1.00** of Unit Cost (i.e., holding Unit Cost (**C**) constant at $1),

$$\mathbf{CM_{\%}} = (MU_{\%} * 1) / [(1 * MU_{\%}) + 1]$$

And then,

$$\boxed{\mathbf{CM_{\%} = MU_{\%} / (MU_{\%} + 1)}}$$

Markup

What is **$CM_{\%}$** if the Unit Cost = **\$4.53** ???

$$\mathbf{CM_{\%}} = (MU_{\%} * 4.53) / [(4.53 * MU_{\%}) + 4.53]$$

$$\mathbf{CM_{\%}} = \cancel{4.53}MU_{\%} / \cancel{4.53}(MU_{\%} + 1)$$

And then,

$$\boxed{\mathbf{CM_{\%} = MU_{\%} / (MU_{\%} + 1)}}$$

Markup

- **$BE_{\$}$ = FC / $CM_{\%}$**

- Then, substituting the new formula for **$CM_{\%}$**, we have a new breakeven formula using **$MU_{\%}$** instead of **$CM_{\%}$**:

Markup

- **$BE_{\$}$ = FC / $CM_{\%}$**

- Then, substituting the new formula for **$CM_{\%}$**, we have a new breakeven formula using **$MU_{\%}$** instead of **$CM_{\%}$**: **(drum roll, please)**

Markup

- $\mathbf{BE_{\$} = FC \,/\, CM_{\%}}$

- Then, substituting the new formula for $\mathbf{CM_{\%}}$, we have a new breakeven formula using $\mathbf{MU_{\%}}$ instead of $\mathbf{CM_{\%}}$:

$$\boxed{\mathbf{BE_{\$} = FC * (MU_{\%} + 1) \,/\, MU_{\%}}}$$

What About Multiple Products…?

- Organize products into product lines and **calculate the weighted average markup** for the product lines.

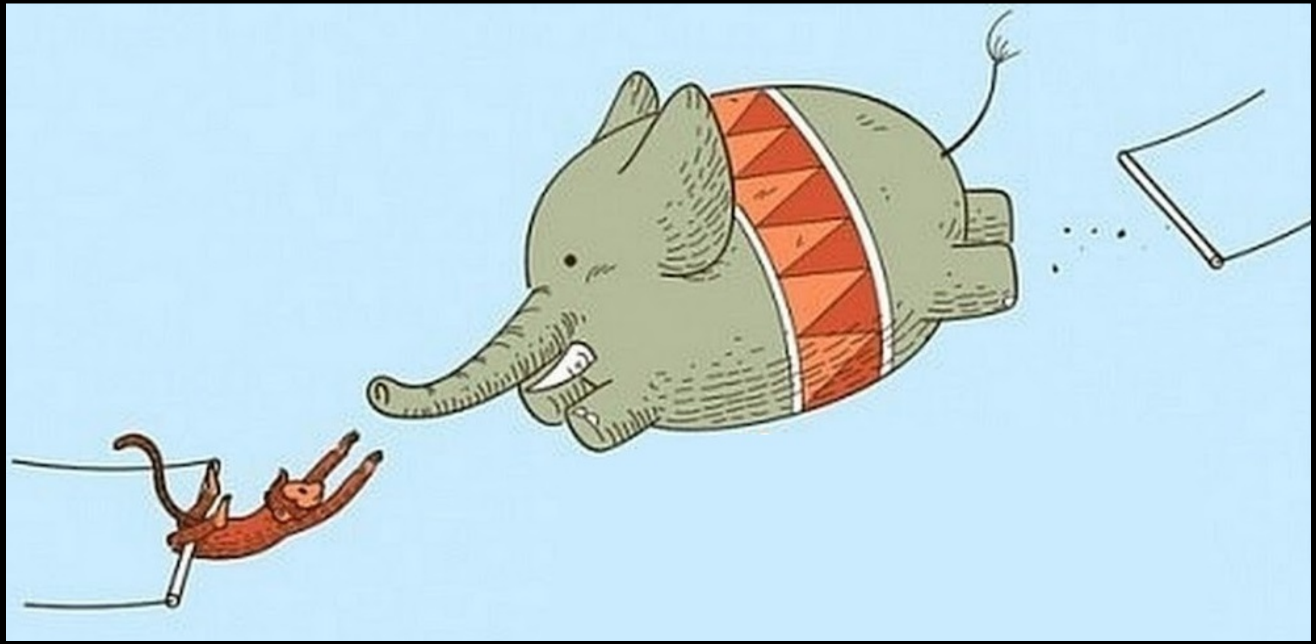
What About Multiple Products...?

- Estimate the Weighted Average **CM%**

BREAKEVEN USING WEIGHTED AVERAGE MARK-UP %*		
	Estimated	
Product Lines	Mark-Up (MU)	Weight
Vitamins & Supplements	60%	40.0%
Natural Foods	40%	45.0%
Bulk Foods	40%	15.0%
Weighted Average MU%		48.0%
CM% = MU% ÷ (MU% + 1)		32.43%
Fixed Costs		$250,000
BE$ = FC / CM% BE$		$770,833

Sensitivity Analysis: Errors in Estimation

- Human bias: ***Over-optimism***
- Overstating Markup or Weight → BE appears easier than it truly is



Errors In Estimating MU%	Errors in Wt of Hi-Margin Product	Theoretical True BE$	Calculated Breakeven	Error $$ Difference	% Error From True BE$	
20% Low	20% Low	$770,833	**$892,674**	$121,841	**15.81%**	Breakeven appears
20% Low	10% Low	$770,833	**$884,411**	$113,578	**14.73%**	Harder to achieve
20% Low	No Error	$770,833	**$875,000**	$104,167	**13.51%**	
20% Low	10% High	$770,833	**$864,754**	$93,921	**12.18%**	
20% Low	20% High	$770,833	**$854,839**	$84,006	**10.90%**	
10% Low	20% Low	$770,833	**$839,117**	$68,284	**8.86%**	
10% Low	10% Low	$770,833	**$831,910**	$61,077	**7.92%**	
10% Low	No Error	$770,833	**$822,917**	$52,084	**6.76%**	
10% Low	10% High	$770,833	**$813,825**	$42,992	**5.58%**	
10% Low	20% High	$770,833	**$804,435**	$33,602	**4.36%**	
No Error	20% Low	$770,833	**$785,561**	$14,728	**1.91%**	
No Error	10% Low	$770,833	**$779,009**	$8,176	**1.06%**	
No Error	**No Error**	**$770,833**	**$770,833**	**$0**	**0.00%**	
No Error	10% High	$770,833	**$762,295**	-$8,538	**-1.11%**	
No Error	20% High	$770,833	**$754,032**	-$16,801	**-2.18%**	
10% High	20% Low	$770,833	**$736,874**	-$33,959	**-4.41%**	
10% High	10% High	$770,833	**$731,510**	-$39,323	**-5.10%**	
10% High	10% Low	$770,833	**$730,917**	-$39,916	**-5.18%**	
10% High	No Error	$770,833	**$723,485**	-$47,348	**-6.14%**	
10% High	20% High	$770,833	**$708,211**	-$62,622	**-8.12%**	
20% High	20% Low	$770,833	**$696,301**	-$74,532	**-9.67%**	
20% High	10% Low	$770,833	**$690,841**	-$79,992	**-10.38%**	
20% High	No Error	$770,833	**$684,028**	-$86,805	**-11.26%**	
20% High	10% High	$770,833	**$676,913**	-$93,920	**-12.18%**	Breakeven appears
20% High	20% High	$770,833	**$670,027**	-$100,806	**-13.08%**	Easier to achieve

Limitations & Concerns

- Actual markup may not be known; it must be ***estimated***.
- Key Assumption: All relevant Variable Costs are included in (**C**).
- Does not apply to all types of businesses.
- Weighted Average CM can vary season to season.
- Precision is no better than the assumptions. - - - - - - - - - - - - - - -

Scriptural Foundation

- **Forecasting Paradox of CVP:**
  - CVP aims at ***exactness of reality***.
  - Reality: It may be only an ***estimate***.

  - How do the biblical concepts of **Truth** & **Wisdom / Prudence** apply?
    - **Faithfulness**. What if the goal of faithfulness is ambiguous?
    - Grounding in **reality**. What if reality is not known?

How can we be *faithful, wise* & *prudent*, under conditions of uncertainty?

Vol. 18 No. 2
MANAGEMENT ACCOUNTING Quarterly
Winter 2017

18(2), 1-11.

Estimating Retail Breakeven Using Markup Pricing

By Michael E. Cafferky, DBA

EXECUTIVE SUMMARY

In situations where calculating the traditional cost of goods sold is impractical, such as a first-time entrepreneur starting a small retail business, markup pricing can be used to estimate breakeven.

An inexperienced entrepreneur planning the start of a small retail business often must rely on extraordinarily broad, imprecise assumptions and estimates when forecasting what it will take for the business to become profitable. There are many unknowns in this situation that are potentially dangerous. Yet every year, thousands of people launch into the deep waters of starting a retail business, perhaps blissfully unaware of some of the hazards.

Paper available in *Management Accounting Quarterly*

- Cafferky, M. E. (2017) Estimating retail breakeven using markup pricing, *Management Accounting Quarterly*. 18(2), 1-11. https://www.imanet.org/-/media/b11fc3a98e17436a875ab7eb2204ffaf.ashx

THANK YOU.

QUESTIONS & COMMENTS?

Considering the data analytics revolution and lessons for Christian business faculty

Christian Business Faculty Association Conference
October 2017

Enrico Manlapig
Elayne Ko

Outline

- Background
  - Data analytics
  - Higher education response
- Potential pitfalls
- What lessons can we learn?
  - What does scripture say?
  - Suggestions for Christian educators
  - Suggestions for Christian practitioners

BACKGROUND

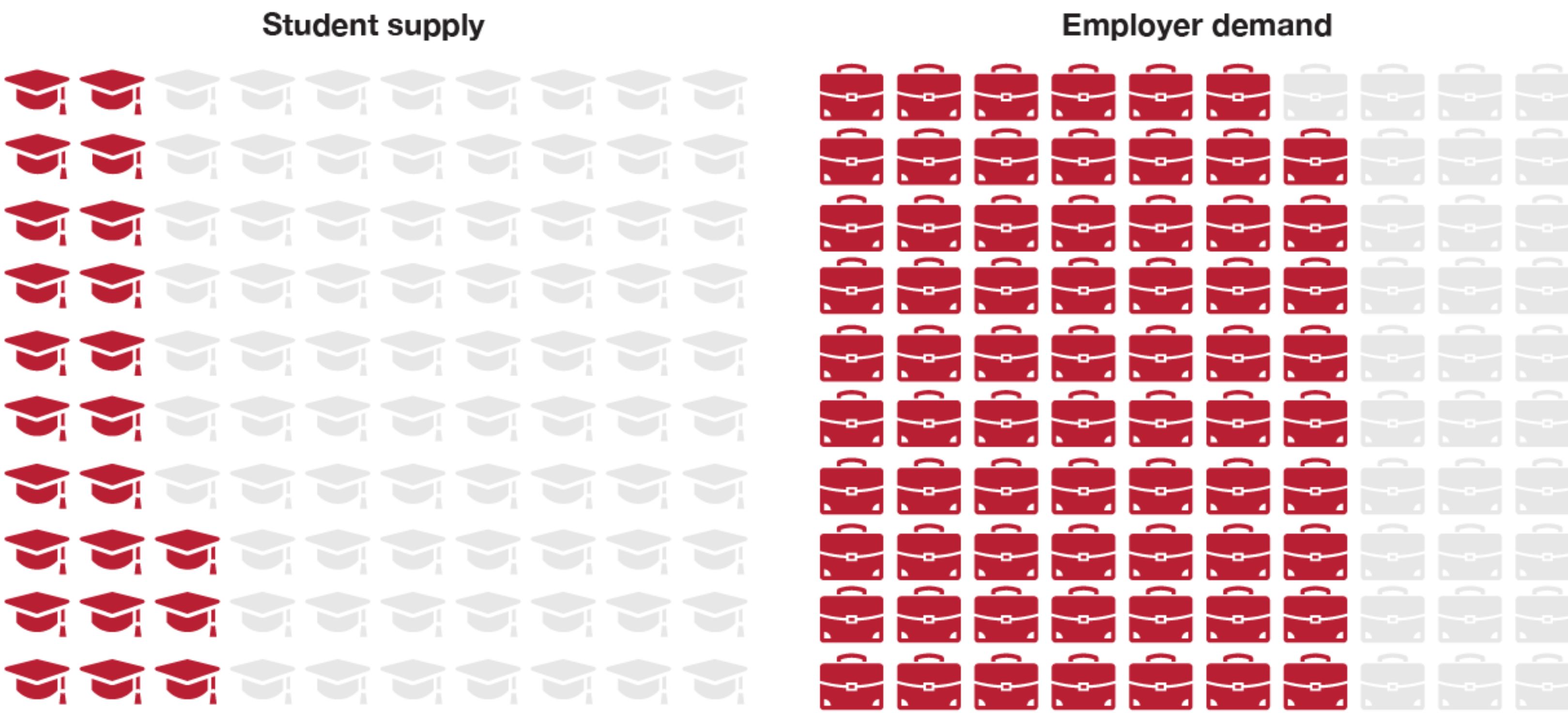
Business demand for data skills is expanding

- The volume of data continues to double every three years (*McKinsey Global Institute, 2016)*
- U.S. business could face a data analytic talent shortage of 140,000 to 190,000 by 2018 *(McKinsey Global Institute, 2013)*
- The culture we're growing is data hungry, the best idea driven by the best data wins *(Deloitte, 2013)*
- The shortage of data scientists is becoming a serious constraint in some sectors. *(HBR, 2012)*
- Companies respond that finding the right talent is the biggest hurdle they face in trying to integrate data and analytics into their existing operations… Many organizations focus on the need for data scientists…but another equally important role is that of the business translator who serves as the link between analytical talent and practical applications to business questions *(McKinsey Global Institute, 2016)*

The supply-demand challenge

Figure 1: Data science and analytics skills, by 2021

The supply-demand challenge



23% of educators say all graduates will have data science and analytics skills

69% of employers say they will prefer job candidates with these skills over ones without

Base: Higher education: 127; Business: 63

Source: Gallup and BHEF, *Data Science and Analytics Higher Education Survey* (December 2016).

Illustrative example

Higher education institutions are responding to meet demand

- *The State of Data Education in 2016*, Tableau
  - All but 7 of the top 150-ranked national universities offer formal analytics programs
  - 20% of 4-yr universities offer analytics programs, 2% of 2-yr institutions offer such programs
  - 52% of all new programs were created after 2010
  - 32% focus on business analytics/intelligence
- *Competency Map for the Data Science and Analytics-Enabled Graduate (2016), BHEF*
- *Investing in America's data science and analytics talent (2017), BHEF and PwC*

Purpose of this presentation

- Describe recent trends in data analytics
- Identify potential pitfalls associated with data analytics and decision making
- Introduce principles relevant to Christian educators currently or considering offering programs in data analytics

POTENTIAL PITFALLS

What makes decisions hard?

- Uncertainties
- Long planning horizon
- Multiple stakeholders
- Complexity
- Conflicting objectives
- Limited resources

Source: Clemen, R. T. ; R., Terence; Bodily, Samuel E. ;.Guyse, Jeffery. (2013). Making Hard Decisions with Decision Tools Suite (3rd edition). Mason, OH: South-Western.

Potential pitfalls: anecdotal observations

Data comforts and volume reassures

- More data is better: it improves statistical precision/beliefs
- Data seems to be a truly abundant resource
- Data suggests control

Data suggests rationality and predictability

- Empirical evidence is more "right" than gut intuition
- Data is perceived to be neutral and unbiased
- Data "supports" our agenda
- Mathematical analysis suggests rational logic

These observations suggest that data and analytics should be at the center of the decision making processes

WHAT CAN WE LEARN?

A Christian perspective must flow from a scriptural view of God and man

- The Dominion Mandate

  Gen 1: 26-28; Gen 9:1-10; Ps 8

- Stewards of gifts and resources

  Parable of the talents (Matthew 25:14-30; Luke 19:12-27)

- All work is God’s work

  Whatever you do, work at it with all your heart, as working for the Lord, not for human masters, since you know that you will receive an inheritance from the Lord as a reward. It is the Lord Christ you are serving. (Col 3:23-24)

Human limitations do not absolve responsibility

- Data is generated, collected, analyzed, synthesized by fallen people in a broken world within complex systems
  - People are finite and limited
  - People interpret and have biases
  - Economic models are meant to be representations and abstractions of reality
  - Ethical issues surround storage, use, privacy

- Good and bad data and analytics may be hard to distinguish

Example: Natural disasters

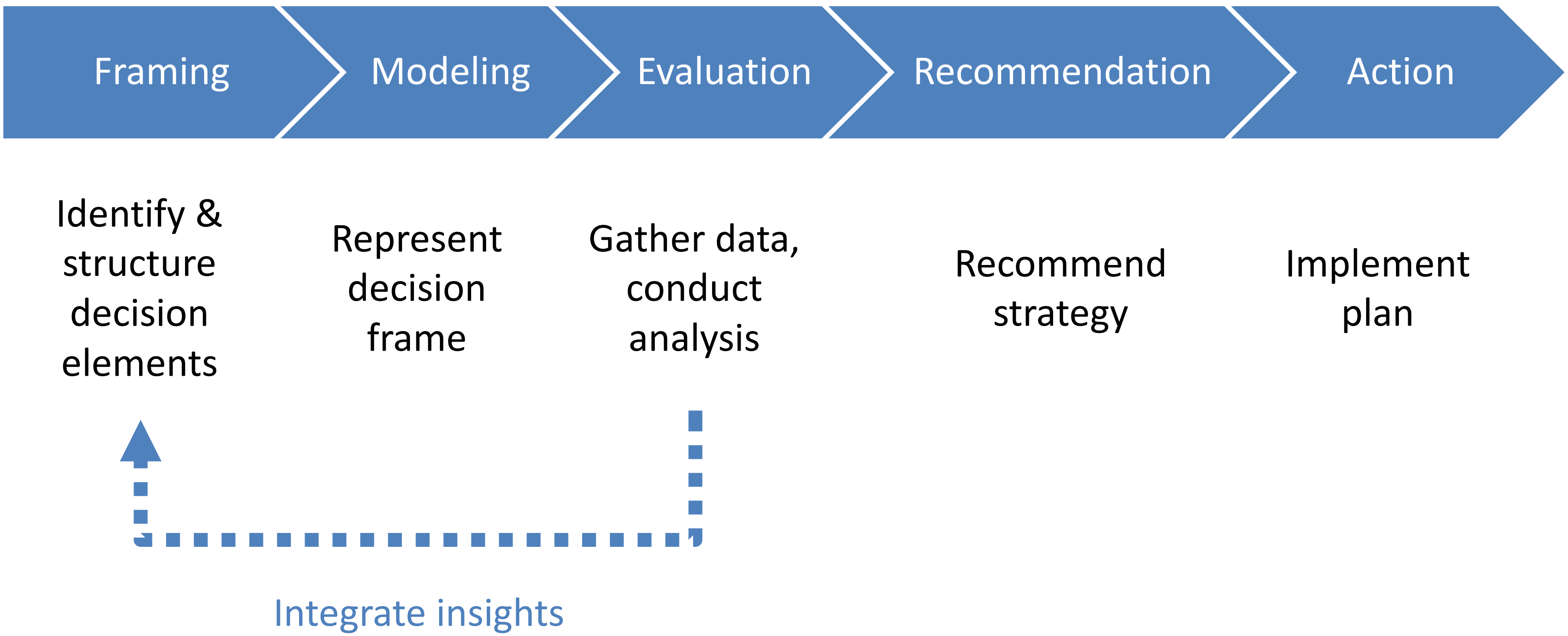
- Recent hurricanes affecting the US
  - Katrina in New Orleans, 2005
  - Irene in NYC, 2011
  - Sandy in NYC/NJ, 2012
  - Harvey in Houston, 2017
  - Irma in Florida, 2017

- Preparation decisions (e.g., evacuation) must be made despite
  - Uncertainty of the actual hurricane path
  - Potentially conflicting weather models
  - Inconsistent frequency estimates
  - Significant humanitarian and economic consequences

Suggestions for Christian educators

- Frame data and data analytics within context of Christian theology of human beings
- Offer classes in decision analysis
- Foster diverse perspectives
  - Data analytics within the liberal arts
  - Demographics
- Enhance outside ties
  - Professional societies
  - Involve for-profit and non-profit organizations
  - Involve church & para-church organizations

Training students for every part of the decision-making process



Howard, R. A. (1988). Decision Analysis: Practice and Promise. Management Science, 34(6), 679–695.

Suggestions for Christian practitioners

Framing

- Acknowledge brokenness and imperfection of solutions
- Examine desires / treasures
- Identify decision / alternatives, uncertainties / outcomes, values / preferences

Modeling

- Acknowledge brokenness and imperfection of analysis
- Recognize that models are representations of reality

Evaluation

- Gather data, conduct analyses
- Review analyses, interpret output, and synthesize insights
- Reflect on finitude and potential biases

Recommendation

- Recognize responsibility as steward
- Seek guidance and counsel
- Exercise wisdom
- Choose decision alternative

Action

- Execute implementation plan

Q&A