CBAR

Christian Business Academy Review

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Christian Business Academy Review

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PURPOSE

The *CBAR* is a blind peer-reviewed spring publication of the Christian Business Faculty Association. The *CBAR* is devoted to promoting Christian business education through publication of faith-based articles that focus on **Creative Instruction** (cases, innovations in pedagogy, materials, and methods for teaching undergraduate and graduate business students), **Curriculum Development** (book reviews, ideas for and experience with the creation of new courses and programs of study), **Professional Issues** (the role of business programs and faculty in assessment, accreditation, compensation, teaching loads, and professional development), and **Research in Business Education** (original empirical studies and surveys dealing with the evaluation of teaching methods, learning attitudes, and evaluation techniques).

The *CBAR* aims to publish manuscripts which add to the body of knowledge. These manuscripts will represent both good scholarship and good pedagogical thinking. The authors must establish an academic context for their ideas. Authors should include a section with some discussion of other people's work in the area in order to place their efforts in the larger context of a growing pedagogical scholarship. The aim is to publish the combination of scholarly skills (literature reviews, informed thinking, building on previous research, etc.) and pedagogical exploration (new ways of teaching – or thinking about – the subjects and materials in which *CBAR* readers are most interested).

The suggested page limit varies by focus area. Creative Instruction manuscripts should be shorter (5 to 10 pages double-spaced) and do not necessarily need to have quantifiable results. Curriculum Development and Professional Issues manuscripts should vary in length depending on the level and depth of the literature review and whether or not a hypothesis is being tested. Manuscripts in Curriculum Development and Professional Issues should be between 5 and 20 pages double-spaced. Research in Business Education manuscripts should include a literature review and some form of quantifiable support for or against a hypothesis. Research in Business Education manuscripts should be about 20 pages double-spaced.

The *Christian Business Academy Review* is listed in the 10th edition of *Cabell's Directory of Publishing Opportunities in Management.*

STYLE INSTRUCTIONS

Readability and author anonymity is of primary importance for the review process. Submitted manuscripts should be double-spaced using an easily readable font such as Garamond 11. Manuscripts should include a cover page with title, authors, and their affiliations. Author(s) name should not appear in the body of the paper. The first page of the paper should include the paper title, followed by an abstract of not more than 100 words, and then followed by the first section titled "**INTRODUCTION**."

Up to three levels of section headings are allowed: level one (all caps), level two (left justified with first letter of each world capitalized), and level three (left justified with first letter of each word capitalized and all italicized). Tables and figures should be numbered starting with 1 (e.g., Table 1: Sample Demographic Characteristics). Note in the body of the paper approximately where tables or figures should be placed using double lines with (insert Table 1 here) between double lines. Place any tables, figures, and appendices after the reference section. Tables and figures should be in a portrait orientation with 1 inch margins on

all sides. Use endnotes, not footnotes, and avoid excessive usage of endnotes. The endnotes section should appear at the end of the paper but before the references section. References should be noted in the body of paper in parenthesis, e.g. (Lantos, 2002). All references should appear alphabetically by author's last name in the references section as follows:

Lantos, G. P. (2002, fall). How Christian Character Education Can Help Overcome the Failure of Secular Ethics Education. *Journal of Biblical Integration in Business*, 19-52.

POLICY REGARDING PREVIOUSLY PUBLISHED MATERIAL (INCLUDING CBFA MEETING PRESENTATIONS)

The *CBAR* does not normally publish manuscripts (or book reviews) that have been previously published in other journals, books, or magazines. The *CBAR* will consider manuscripts of papers presented at regional or national meetings (including those presented at the CBFA national meeting). In this regard, authors should note that the *CBAR* is a blind peer-reviewed academic journal. The *CBAR's* standards for manuscript acceptance may be quite different from those of acceptance for meeting presentations. Frequently, regional and national meetings are forums for early versions of ideas, as well as for discussing issues related to a particular discipline's pedagogical, organizational, and political concerns. Therefore it is the position of the *CBAR* that papers presented at meetings should be substantively changed for consideration as manuscripts for the *CBAR*. While it is not practical to quantify the required degree of change, it would be expected that the author(s), in a letter accompanying the manuscript, would be able to document the substantive changes made in development of the manuscript for review by the *CBAR*. The *CBAR* reserves the right to not publish material considered to be insufficiently developed as a journal manuscript. Authors who do submit manuscripts developed from previous paper presentations should recognize that they may forfeit some of the "blindness" in the blind review process. While all identifying information will be deleted in manuscripts sent to board of review members, one or more members of the board may have knowledge of the paper as a presentation. Such papers are often published in meeting proceedings and these may well be known to reviewers (especially from the CBFA's own national meeting).

SUBMISSION INSTRUCTIONS

Manuscript submissions should be done electronically. Please specify the focus area for your manuscript (i.e. Research in Business Education, Creative Instruction, Curriculum Development or Professional Issues). Email a file of your submission in Microsoft Word to ktsaunders@anderson.edu.

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Call for Papers – Special Section:
Advancing Rookie Year Readiness
Christian Business Academy Review

CBAR

PURPOSE

In addition to the established sections of Research in Business Education, Creative Instruction, Curriculum Development and Professional Issues, the Christian Business Academy Review is pleased to announce a special section for the 2011 issue devoted specifically to helping students make the transition from college to the marketplace. The CBAR invites input from colleagues with insights to share on this important issue.

Christian business faculty work tirelessly to prepare students for lives of service to God in the business world. Typically the focus is on educating students to be competent, faithful professionals over the long-term. Although this is very important, not enough attention has been given to graduates' crucial first year. Previous research suggests that the first year is a stressful one, especially for those who want to live their faith in a secular environment. It is also a year when habits get shaped that will impact marketplace faithfulness for years to come.

Are we doing all we can to increase the likelihood that students' first year will be a successful one? In this section of the CBAR we invite you to share what you currently do to facilitate the immediate transition from college to corporation as well as share ideas of what you would like to do. Possibilities include things like collaborations with career services departments or alumni, senior capstone or seminar classes, commissioning of graduates, internship follow-ups, and mentoring programs. What does your department or school currently do that colleagues would benefit from learning about? What *could* be done to address this issue for students? What specific issues – like handling unhealthy social pressures, dealing with corporate indoctrination tactics, demonstrating technical competence, or determining appropri-

ate ways for rookies to express faith at work – most need addressing? What instructional methods are most effective in conveying this kind of information?

Getting new employees off to a good start is very important to most of the companies where our students take jobs. We should be equally concerned about helping our students get ready for their rookie year. Many of us are already doing interesting things to this end. Please share your practices and ideas with the rest of us.

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SUBMISSION INSTRUCTIONS

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Christian Business Academy Review
2009-2010 Board of Review

2009 CBFA Conference
Best Practice Presentation Winners

ACCOUNTING
Using Head, Hand and Heart in Managerial Accounting

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ABSTRACT: *The purpose of this presentation is to discuss alternative teaching practices in a managerial accounting class by using this year's CBFA conference theme: Head, Hands and Heart. Secular business classes incorporate head and occasionally hands, but since mentioning Jesus is not allowed, the heart is not integrated into student learning. Inclusion of the heart can give students more than just the mechanics of what they need to know in business; it will also teach them why this is important.*

Teaching job-order costing using traditional lectures and slides accommodates the visual and auditory learners (head) but can leave a tactile (hands) learner confused. One way to incorporate all the learning styles while giving the class a real-world experience is to turn the classroom into a t-shirt factory and each student becomes a production manager. Students set up Excel templates for their shirt production and become actively involved in a simulated production process after receiving job-cost sheets for an order. Each student uses his Excel template to calculate and requisition materials, labor, and factory overhead. These techniques help the students understand the real-world steps that a production manager would use and how the costs flow from raw materials, to inventory and eventually into COGS. This t-shirt company exercise can also be integrated into other business courses, such as marketing and economics. By using the same company throughout their classes, the student experiences a realistic, hands-on approach to business for each course.

Learning styles are important to Christian colleges, but adding the heart separates us from our secular counterparts. Incorporating a scripture notebook can tie a Christian worldview into the classroom. A scripture is given each week that relates to the subject area and the student has to read the verse and write what it means to them and how they can apply it in the workplace. Combining the three areas of the theme — Head, Hands and Heart — will incorporate Christ into the curriculum in addition to giving students a better understanding of business concepts.

FINANCE
An Interactive Activity for Financial Management

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LAW
Use of Regional Economic Research as an Alternative to Writing Papers

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ABSTRACT: *It is apparent that students in both MBA and upper-class undergraduate courses are tired of writing research papers. They approach research/writing assignments with a robotic attitude: they turn them out and forget them. In large measure (and this is especially true for MBA students) students find research papers to be boring and not constructive. As an alternative, it is possible (and preferable) to offer an alternative to research papers: an actual study of some aspect of economic or legal conditions in the area where students reside (in the case of the author, the Boise Valley in Idaho, an area with a population of approximately 650,000 people). The author's experience is that all classes have (as a unanimous group) jumped at the opportunity and that they have done so with enthusiasm. Classes are warned that it may require more work than writing a paper, but students are regularly attracted by the opportunity to create some new item of knowledge.*

Research is assigned as a class project (in large classes it may be preferable to break the assignment into two studies) and the class is required to work as a team. Students are expected to follow basic procedures for academic research (it may be necessary to take class time discuss expectations) including a thorough literature survey, an instrument design phase, target class definition and identification (a typical requirement would be that students identify and contact 120 companies), administration, collation, analysis, and suggestions for further research. Students produce a final report and provide the instructor with all back-up data. The emphasis is not, however, on the rigor of academic research; the project is more about the process of reaching into the community for information.

In some instances if may be possible arrange to have the students' work made public in some forum, albeit not necessarily a formal setting. In one instance, work was submitted to an ACBSP regional conference and was accepted. An MBA student traveled with the instructor to the conference to help present the study. (That study was also accepted for presentation at the ACBSP national conference.) In other instances, the local newspaper or the local business newspaper may find the information to be newsworthy and may agree to write an article concerning the study. (In the Boise Valley, the local business newspaper has a standing offer to publish the results of student surveys.) Examples of studies to date include "Use of In-house Lawyers in Local Companies," "Content of Ethical Codes in Force in Local Companies," "Use of Tuition Reimbursement Programs in Local Companies," and "Nature of Retirement Strategies in Use in Local Companies."

Benefits of the Approach: (1) an alternative assessment tool which students perceive to be more meaningful; (2) the students become much more engaged; (3) the study occasions significant contact between the university (through the students) and many local businesses; (4) there is follow-up publicity for the students, the program and the university in the articles and other publicity; (5) students are building new knowledge concerning the local business community; and (6) the work can provide a foundation for scholarship activities for the instructor.

MANAGEMENT
Venture Out: An Entrepreneurial Introduction to Business

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MARKETING
Use of Buzz teams in Introductory Marketing Courses

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ABSTRACT: *The objective of this presentation is to simulate a Buzz Team with colleagues as participants. As a result of this session, colleagues will gain practical ideas for use in marketing or other business courses. Professors face challenges today in terms of a variance of undergraduate student demographics and experiences which can make it difficult to create a cooperative environment where students feel they belong and learning is facilitated. Buzz Teams provide an avenue to help overcome these obstacles.*

Buzz Teams facilitate two of the principles discussed in "7 Principles for Good Practice in Undergraduate Education," as published by the Johnson Foundation: cooperation among students and active learning. Through the adaptation of a folder system, Buzz Teams have been shown to create a classroom community of communication, learning, skill development, challenge, competition, and fun. Key areas in the presentation include a brief discussion of the mechanics of a Buzz Team and active participation in Buzz Team exercises.

Book Review
Management: Current Practices And New Directions

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What are the differences between organizations run on faith-based principles and those run without that filter? Historically, academics and practitioners have answered this question by providing broad comparisons in perspectives or motives, or they have simply contrasted the two types of organizations and management through anecdotal evidence. There have been few resources on the market that address this question in a systematic analysis of organizational management. The landscape changes with a new management text, co-authored by Bruno Dyck and Mitchell J. Neubert, that provides the first systematic framework and language on which to hang this discourse. Mainstream texts were beginning to add pieces to our understanding of other-centeredness management concerns, such as corporate social responsibility, stakeholder theory, social entrepreneurship, and servant leadership, but these were often presented as add-on features, or fringe elements, to an entrenched orthodoxy. Dyck and Neubert weave the foundations of other-centeredness into a fully integrated "alternative" approach and perspective to organizational management, while comparing and contrasting it to mainstream views.

It should be noted that this text is not identified explicitly as faith-based; it is a text for all audiences and published by one of the major North American mainline publishing groups (Houghton Mifflin Harcourt). Dyck and Neubert capitalize on what they view as a subtle but determined shift in management theory and practice in the West from a perspective that is more materialistic and individualistic to one that seeks a more wholistic balance among multiple forms of well-being, and the latter simply aligns more closely with the principles and tenets of the major faith groups. The "mainstream" and "multistream" terms were coined by the authors to identify the contrast-

ing perspectives on management in this text, with MAIN giving reference to materialism and individualism, and MULTI providing reference to "multiple forms of well-being (e.g., material, physical, social, ecological, spiritual, intellectual, aesthetic) for multiple stakeholders (e.g., owners, employees, suppliers, customers, competitors, neighbors, future generations)" (p. xix). Mainstream assumptions, many of which are drawn from Rational Choice Theory, are increasingly being called into question, particularly with renewed emphasis on sustainability and sustainable organizational practices. By contrast, multi-stream management methods are increasingly being advocated not only on moral and humanitarian grounds, but also in the interest of better and more sustainable management, including a better bottom-line over the long term.

Management: Current Practices and New Directions follows a similar scope and sequence to the most popular management texts in use today. The authors begin with a section introducing students to management basics, followed by several chapters on the environment and context of management. The heart of the text is the analysis of the familiar four major functions of management: planning, organizing, leading, and controlling, also known as the POLC Model. For each of the book's 18 chapters, the authors present the material first from the mainstream perspective, which compares favorably with other popular management texts. Then they present the same principles from the multi-stream perspective and provide comparative analysis of each facet of management with the mainstream view. For some chapters and principles the differences are very subtle; for others, it is quite stark. This juxtaposition of perspectives, presented item-by-item, provides the continuous and consistent contrast and comparison that builds a new framework of understanding of the multistream

view, and it invites students naturally to identify their own experiences and views with one of these two perspectives.

The contrasting of perspectives approach in the text provides an excellent launching pad for comparative assignments and class discussion. While the authors espouse a preference for multi-stream management techniques in most organizational situations, they provide a fair and balanced view of both approaches, and they teach the importance of situational management and leadership, even providing examples where mainstream techniques may still be the ideal methods to apply. My students have really enjoyed the comparison of the two approaches to management, and a good percentage of them have identified with both perspectives, given specific management situations.

For the past several years I used one of the top mainline management texts, and I found that I was trying to add many of the perspectives offered in the Dyck/Neubert text that I am now able to identify as "multi-stream." With the new text, the multi-stream perspective is fully integrated into every element of management we study, and it provides a semester-long analysis of the competing perspectives; this presents for the students a more systematic, comprehensive, and integrated review that bolsters student interest, reflection, analysis, and learning. Class discussions now almost always revolve around the comparison of the mainstream and multi-stream approaches, and I believe my students are energized by this analysis, drawing them in for deeper learning and understanding of the principles of management.

Whereas mainline management texts often focus on U.S. for-profit organizations, another difference the Dyck/Neubert text offers over many others on the market is that management is explored within the broad organizational contexts of both for-profit and nonprofit, and both domestic and international. This more inclusive approach allows students from all countries and cultures, and in such diverse fields as business, education, social work, biology, and sport and recreational leadership, to find relevance to organizational management in their settings and in their chosen career fields. Since adopting this text, I have fewer questions from non-business majors about how this material and course is relevant to them, and I have documented more in-class participation from non-business majors.

Many of the features and resources packaged with textbooks today are included with this management text. In addition to having excellent readability qualities, each chapter includes an opening and closing case study that applies the learning for that lesson with real life experiences; these are selected with a good balance of for-profit/nonprofit, and domestic/international. One of my stu-

dents, who had previously used another mainline text, commented to me that he found the cases in the Dyck/Neubert text "more real"; I attribute his assessment to the contrasting approaches to management and in more settings, thus allowing a more diverse student population to find relevance. Chapters are also infused with special break-out boxes that explore "Management in Practice," "Digging Deeper," "What Do You Think?," and "Hands-on Activities"; these provide relevance to student experiences and make good discussion starters in class. Each chapter begins with a helpful "Road Map" outline and also concludes with a chapter summary and questions for reflection and discussion. A full line of instructor resources is packaged with the text, including a good set of chapter-by-chapter short video clips.

As a professor of business and economics in a Christian Anabaptist university, I had struggled for several years trying to teach principles of management using secular, mainline resources while also trying to integrate values consistent with my/our faith and heritage — the values that distinguish our institution and program from nearby state universities. While it felt like the two perspectives were converging naturally in some areas, a virtual glass wall between the two seemed to block full integration. Dyck and Neubert have shattered that barrier with their groundbreaking text that I believe represents a tipping point in the way we study and teach management theory and practice. It reminds us that we don't need to consider faith-based and secular views to organizational management in isolation; rather, a fully integrated perspective is not only possible but preferred in bringing the best of management thinking and experience to readers who are ready to receive an integrated perspective.

I needed a text like this to lend validation to the distinguishing characteristics of my faith and faith-based university, and the structure and language provides a standard framework for analysis, communication, and collaboration with these issues. At the same time, I think secular programs and universities will find equal validation in this offering, if not from a faith-based perspective then on the basis of best practices for sustainable organizational growth and development. I recommend this text for all audiences but strongly suggest that professors in faith-based institutions add it to their list of examination review copies for undergraduate management courses.

REFERENCE

Dyck, B. and Neubert, M. (2010). *Management: Current Practices and New Directions.* Boston: Cengage/Houghton Mifflin Harcourt

Introducing C.S. Lewis to the
Business Ethics Student

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ABSTRACT: *There is a tendency to compartmentalize morality which prevents consistent application of moral principles in business and personal life. To effectively teach business ethics from a Christian perspective, a morality informed by a Christian worldview must be integrated into all facets of the students' lives. The idea that there are morals for business and morals for the rest of life must be shown to be false. One way to do this is to introduce students to C.S. Lewis' writings on the "Law of Right and Wrong" to show the students that morality is real and is not relative. The purpose is not to turn a business ethics class into a class on Lewis but to introduce Lewis' simple, but profound, ideas to the students in order to lay a foundation regarding the "Law of Right and Wrong" as students begin a discussion of business and morality.*

INTRODUCTION

Several years ago, students in a business ethics course I was teaching were assigned to read and write a review on the book *In His Steps* by Charles Sheldon. This is Sheldon's well-known story of a church in which the members decide to preface every action and every major decision with the question, "What would Jesus do?" (Sheldon, 1993). It was the source of the WWJD fashion trend that was seen several years ago among many high school and college students. There was a student in that business ethics class who made me question whether the WWJD movement was more about outward apparel and less about internalization of its message.

In writing his review of the book, one young man presented a critique of what he believed to be an error in the worship practice of this fictional church. The fictional church used an organ and the student was a proponent of only acappella singing in worship. That he was extremely indignant about the matter was evident from the passion with which he wrote. However, it was what that young man did later in the semester which really got my atten-

tion. A few weeks after writing the review, this same student, in a subsequent class discussion, expressed his dissatisfaction with the campus cable television system because he was prevented from watching Howard Stern's television program. The seeming disconnect between his zeal for doctrinal purity and his blatant disregard for common decency in wanting to watch what can only be described as extreme indecency was eye-opening to me.

This incident served as a catalyst in my thinking about how we are able to fence off certain areas from moral codes we use in other areas. For instance, the young man would never dream of letting a Howard Stern monologue serve as a sermon alongside his acappella singing. Yet, in his heart, he had found room for both Howard Stern and a concern for doctrinal purity in worship practices.

ETHICS IN BUSINESS AND ETHICS IN LIFE

One activity in which I had my business ethics students engage was an exercise that required them to draw the line on eavesdropping on a competitor's conversation. The exercise is designed to be one of "progressive snoop-

ing" in which the eavesdropping becomes more and more blatant. While nearly all students draw the line at some point, they can all justify their eavesdropping at points prior. Inevitably, one of the justifications given is the idea that "this is business." In other words, the perception seems to be that some behaviors are fair in business that might not be fair in other areas of life.

A famous article that contributes to the idea of compartmentalizing moral behavior from a business context compares the rules of business to the rules of poker. In 1968, Albert Carr claimed that business was like a game and had rules that were a "far cry from those of private life." Carr likened the business world to a game of poker in which no one is expected to be truthful, but, instead, expectations demand that one bluff and deceive others within its own "special ethics" (Carr, 1968). The underlying thesis of the article is that there is right and wrong in a business context and right and wrong in other spheres. All is moral as long as one is in compliance with the law.

Carr's article is highly regarded for good reasons. He raises valid points that are still discussed today by those who study business ethics. Obviously, one cannot enter a sensitive negotiation and lay everything on the table and expect a favorable outcome. The withholding of information by one party to create uncertainty on the part of the other party is crucial to negotiations. However, there is a point at which Carr's position becomes the proverbial slippery slope. As Fritz Allhof has pointed out, one cannot argue that what is legal is necessarily moral, and, in doing so, one violates a long-standing principle of moral philosophy that one cannot reason from what is to what should be (Allhof, 2003). Slavery was once legal but certainly was never moral.

However, this idea that what is legal is moral could be argued to pervade business ethics. How often have we heard that as long as a business "plays by the rules," they should do whatever they need to do to make the largest profit possible? If playing by the rules is defined as the letter of the law, it opens the door to a company like Enron which used the "three percent rule" in a way to keep the contingent liabilities related to special purpose entities off of its balance sheet. Using a law or an accounting standard in such a way as to deceive others is immoral whether it is legal or not. Compartmentalization of morality and similar rationalizations can have significant implications as the Enron story so clearly reveals.

Is it possible that this compartmentalization reached its apex in the 1990s when we were told over and over that a man's private indiscretions have no bearing upon his job performance? In writing of the oval office occupant during the 1990s, columnist Mary McGrory wrote "the simple truth that has been apparent to the man and woman in the street from day one: reprehensible is not impeachable" (Bennett, 1998). Such a statement is a perfection of the compartmentalization of morality. While it is possible to acknowledge a violation of a moral concept and even use a word like reprehensible in doing so, we can safely rope off the violation and segregate it so that it has no bearing at all in judging, in this case, a person's suitability for office. It is exactly the same type of thinking used by the doctrinally correct Howard Stern fan who insisted on acappella music on Sunday morning and Howard Stern late at night. That type of thinking seems to lead to the conclusion if one keeps the rules (in this case the doctrinal rules), then one need not worry as much about the character of the rule-keeper.

As a final note in this section, it is important to point out that while morality is not relative, context can matter and may help explain our tendency towards compartmentalization. For instance, appropriate dress for the beach may not be appropriate dress for a worship service. The underlying moral standards of modesty and respect for others still exist. However, the undeniable confusion that comes into play when one tries to tease out manners and modesty from underlying morality may contribute to the thinking that standards of morality shift depending upon context.

ETHICS AND MORALITY

In an article appearing in the November 2003 issue of *The CPA Journal*, editor Robert H. Colson correctly points out that mere rules are not enough to enforce good standards of behavior on accountants. He says that the significance of standards depends upon their source of authority and that ethical systems will rarely produce the desired results if they are only constituted by a set of rules that must be followed. He then makes a statement which, if misinterpreted, can contribute to the compartmentalization of morality from other aspects of life. He says, "Morality is personal and subjective, whereas, professional ethics are associated with a group and are usually objective" (Colson, 2003). While it is true that professional rules of ethics are not the same thing as abiding standards of morality, standards of ethics should always be consistent with morality and not in conflict with it. Morality is not personal and subjective. The prophet Isaiah long ago condemned the moral sophistry of a shifting morality: "Ah, you who call evil good and good evil, who put darkness for light, who put

bitter for sweet and sweet for bitter! Ah, you who are wise in your own eyes, and shrewd in your own sight" (Isaiah 5:20-21). There are moral laws in the universe that are fixed and imposed upon all humans by the Creator. The idea that God's moral law is not fixed is as old as the Garden of Eden when the serpent says, "Did God say, 'You shall not eat from any tree in the garden?'" Man has always been given the choice between the truth of God and a lie. In his letter to the Romans, Paul condemns those who would suppress the truth and, while claiming wisdom, exchange the truth of God for a lie.

We err if we attempt to disassociate ethics with the moral base from which ethical codes derive their authority. Colson seems to do this in presenting a case of conflicting loyalties in which a person's "morals" come into conflict with "professional ethics" when CPA confidentiality rules prevent an accountant from blowing the whistle on morally repugnant behavior. This is not a conflict between morality and ethics as much as it is a conflict between one moral principal (keeping one's confidence) and another (a duty to expose corrupt behavior) created by conflicting loyalties. While this may seem like merely a semantic argument, it is more than that. In essence, a very simple view of morality and business ethics may be in order. A study of business ethics is predominantly a study of morality in a business context. John Maxwell made the case in the book *There's No Such Thing as Business Ethics* that one standard of morality applies to both life in general and business in particular (Maxwell, 2003).

Distinctions between ethics and morality are often created by a discomfort with the idea that we might actually be imposing morality on anyone. It is generally acceptable to impose ethics, but it is politically incorrect in modern society to insist on morality. However, is there any real difference if one says lying is unethical and another says it is immoral? While there are some purely practical reasons for codes of ethics, they largely function as an imposition of morality upon a group of people. As Robert Bork once stated when presented with the protestation that you cannot legislate morality, "We legislate very little else" (Bork, 1990).

ETHICS AND IMPLICATIONS OF THE MORAL LAW

Morality has too much of a religious tinge to it for the secularist. While the secularist will take safe haven in an argument of the ethical, he begins to get uncomfortable with the idea of the moral. Charles Colson was invited to speak at Harvard in 1991. His speech was titled "Why Harvard Can't Teach Ethics." His thesis was that Harvard is unable to teach ethics because they have given up on the idea of moral absolutes. In going back to the original meanings of the words "ethics" and "morals," Colson pointed out that ethos literally meant a stall or hiding place; a place that was secure and immovable. Mores, from which we get morality, means that which is always changing (Colson, 2000). Ironically, the popular meanings today seem reversed as corporations are constantly revising their codes of ethics while the concept of morality seems associated with an authoritarian, fixed code now bypassed by postmodern thought too enlightened to be constrained by such. While it is the case that codes of ethics need to be revised in order to keep up with changing circumstances, underlying moral standards do not change. For instance, the field of biotechnology is faced with what may seem to be new ethical issues each passing year as technology advances, but the underlying morality springing from the fact that man is made in the image of God does not change.

Colson went on in that speech to discuss how one book had completely changed the way he approached and lived life. The book was *Mere Christianity* by C. S. Lewis. In that book, Lewis argues that things we know are inherently right and wrong give us clues as to the meaning of the universe and the being behind the universe. In short, Lewis shows what he calls the "Law of Right and Wrong" is powerful evidence for the Lawgiver. As such, *Mere Christianity* becomes a viable vehicle to underscore to today's students the idea that morality is real.

D'Souza says, "Morality is both natural and universal. It is discoverable without religion, yet its source is ultimately divine" (D'Souza, 2007). When one fully realizes there is a "moral law" and that law is as fixed as are the "physical laws" of the universe, it becomes more likely that knowledge of such law will permeate one's views of all aspects of life. In an attempt to get business students to realize the importance of doing the right thing, it is crucial to get them to realize there is a power greater than themselves who is actually concerned with their actions. Lewis takes this path in his apologetic. His argument progresses from the inherent knowledge of the moral law, to the lawgiver, to God, and, finally, to Jesus Christ (Lewis, 2001). Therefore, I believe introducing business ethics students to this argument creates a good "launch pad," if you will, into discussions of business and morality.

IMPLICATIONS FOR OUR STUDENTS

In his forward to the book, Lewis makes clear that his purpose was not to help one make doctrinal distinctions among Christian denominations. His purpose was far more basic than that. He believed taking such a path would have indeed undermined his message to his intended audience.

". . . I think we must admit that the discussion of these disputed points has no tendency at all to bring an outsider into the Christian fold. So long as we write and talk about them we are much more likely to deter him from entering any Christian communion than to draw him to our own. Our divisions should never be discussed except in the presence of those who have already come to believe that there is one God and that Jesus Christ is His only Son" (Lewis, 2001).

Whether you agree with such sentiments or not, it brought to mind a parallel issue regarding our Christian college students. Many have been exposed to disputed points over "worship wars" all of their lives. Could it be, whether they come from a traditional or non-traditional congregation, that too much energy has been spent on these disputed points to the neglect of basic right and wrong? Could that have anything to do with the mindset of the doctrinally strict Howard Stern fan? Is it also possible that in a non-traditional congregation's desire to be relevant, trendy, and cutting edge, it has failed to instill notions of right and wrong? Could these things have any relevance to the failure to permeate all areas of our lives with right and wrong? While it is possible to find congregations on both sides of these disputes which adequately address basic issues of morality, it is also true that time and energy spent in one area by necessity limits time and energy spent in another.

A colleague recently told me of someone he knew who was filling in for a professor in a Christian business ethics class. The substitute went into the classroom and said, "I am so damned tired; I had a hell of a night last night." Students, wide-eyed and open-mouthed, were shocked to hear this from a Christian professor. This wise professor then asked them why they were so shocked when it was tame compared to what they hear in the movies they choose to attend and even the conversations they have among themselves. It was a brilliant illustration of moral relativism and how we are experts at taking a standard of behavior that is unacceptable in one situation and being perfectly comfortable with it in another. If vulgar and coarse talk is wrong in the classroom at a Christian college, then it should be wrong in the den with the television or in conversation with friends. However, that is a distinction we have long since forgotten how to make.

Over the last several years, I have noticed this same disconnect among Christian college students. A survey of the Facebook pages on a Christian college network can reveal some interesting finds. For instance, a quick browse through some students' pages will reveal those who proudly proclaim their faith and allegiance to Jesus Christ right above a section in which they display a favorite quote or two that is laced with profanity. Of course, not all do this, but many do. A former student's Facebook page displayed one of her interests as "feeling close to God" while her profile picture on the same page displayed how close she was getting to the male dancer performing a lap dance. Another student managed to combine "reverence" for God with profanity by proudly displaying the following quote on her page from a rapper named Lil Kim: "Besides God, what the f___ should I fear? The only one that can stop me is the girl in the mirror." Could any quote better illustrate how comfortable we have become in mixing the holy with the profane? Colson (1999) says the "church's singular failure in recent decades has been the failure to see Christianity as a life system, or worldview, that covers every area of existence."

While it may be tempting to suggest the business ethics professor and Lil Kim are each playing the same game of using a juxtaposition of the sacred and profane to get attention for a more important point, I do not believe this to be a fair comparison. Lil Kim is in no way making a case against the acceptance of filthy talk. However, that is at least part of what the professor is doing. Lil Kim, so far as I know, is not making any theological claims as to why mixing the sacred and the profane is a bad idea. The professor is making such a claim by showing the class how far they have gone with this idea of moral compartmentalization.

As a final note in this section, we also err if we assume our students share church backgrounds similar to our own. In a recent discussion with a student about some minor dispute, I jokingly asked her if the point upon which she was insisting was "in the Bible." She immediately replied in a very serious tone, "I don't know, I've never read the Bible." Once again I was faced with the truth that my assumptions as a professor at a Christian college often do not line up with reality.

INTRODUCING LEWIS TO BUSINESS ETHICS STUDENTS

Because of noting the moral inconsistencies in my own life as well as the lives of others, I searched for something that would be personal as well as foundational for a

study of business ethics. While it is easy to ask why not simply take them to the Bible, the Bible may be something some of our students have not even seriously considered. My intent was to get them to see things from another perspective; indeed, to even see the Bible and God from another perspective. Lewis' *Mere Christianity* fills that role quite nicely.

Lewis begins his case for Christianity with an appeal to acknowledge what we all intuitively know is true — there is a right and a wrong. He points out that in virtually every activity we undertake, at some point we quarrel about what is right and wrong. He says that when these quarrels occur, you very seldom hear someone say "to hell with your standard." Instead, one party attempts to justify his position by explaining that what he has done does not actually violate this standard. However, the fact that the quarrel is able to proceed at all is because both parties do indeed have in mind some sort of standard which Lewis refers to as the "Law of Right and Wrong" (Lewis, 2001).

While such an argument by Lewis may seem deceptively simple, it is really a very powerful point. The fact that humans are able to quarrel about right and wrong is very strong evidence that right and wrong actually exist. He says there would be no sense in a footballer arguing he had not committed a foul unless there was some agreement about the rules of football (Lewis, 2001). Likewise, there is no sense in arguing about right and wrong in any context if there is not some acknowledgement that right and wrong actually exist.

This acknowledgement that right and wrong actually exist is the first step away from the idea of moral relativism and situational ethics. Although his argument is simple and basic in its application, it is usually something students have never considered in quite that way. After spending a lifetime of being exposed through the media to the idea that morality is shifting and changing, an argument that puts forth the idea that morality is real and not simply the rules of a particular game or relevant only in a particular context is a new concept to many. Lewis concludes this argument with two points:

"First, that human beings, all over the earth, have this curious idea that they ought to behave in a certain way, and cannot really get rid of it. Secondly, that they do not in fact behave in that way. They know the Law of Nature and they break it. These two facts are the foundation of all clear thinking about ourselves and the universe we live in" (Lewis, 2001).

This can be seen in the defenses put forth in the high-profile business fraud cases in the earlier part of this decade. You would not be able to find one defense of any of the accused that is totally dismissive of the moral standards upon which all criminal charges were based. To do so would be an incredibly silly legal defense, but it would be silly only because there is "this curious idea that they ought to behave in a certain way" (Lewis, 2001), and they are unable to get away from it at a time when it would be most convenient for them to do so. Indeed, today's most famous and widely-published atheists want others to know that they themselves are moral (D'Souza, 2007). It is not an insignificant point that those who believe the universe is totally random and totally without meaning cannot resist to invoke the language of morality. If they truly believe they live in such a universe, it is remarkable they insist upon having a license to use the language of morals and ethics. And yet, that is exactly what they do.

It is this simple idea presented by Lewis that I believe can become a powerful motivating force if we can get our students to fully grasp it. I believe it is a mistake to downplay the significance to students' exposure to this. Many students who read Lewis' ideas about right and wrong told me something to the effect, "Wow! I never thought about it like that." And, given today's cultural influences, why would we expect the response to be any different? With today's college students, such a basic idea emphasized in the classroom is neither too simplistic nor inadequate. Postmodern culture is telling our students that all truth claims are equal, all beliefs and lifestyles should be praised as equally valid, there is no right to judge another's views or behaviors, and truth is whatever is right for you. However, truth demands an acknowledgment that right and wrong actually exist. They are real. They are more than human constructs that are only appropriate in a particular culture and place in history. Morality, what Lewis calls this "Law of Nature," does not change when one leaves the Sunday school class and enters the boardroom or the executive suite. The idea that it does is as pernicious an idea as has ever been. Moral relativism is an especially tempting idea when coupled with the prospect of monetary gain. Therefore, as teachers whose students will no doubt one day face such temptations, we should pay special heed to the words Paul gave to Timothy:

"Of course, there is great gain in godliness combined with contentment; for we brought nothing into the world, so that we can take nothing out of it; but if we have food and clothing, we will be content with these. But those who want to be rich fall into temptation and are trapped by many senseless and harmful desires that plunge people into ruin and destruction. For the love of money is a root of all kinds of evil, and in their eagerness to be rich some have wandered away from the faith and pierced themselves with

many pains. But as for you, man of God, shun all this; pursue righteousness, godliness, faith, love, endurance, gentleness. Fight the good fight of faith; take hold of the eternal life, to which you were called and for which you made the good confession in the presence of many witnesses" (I Timothy 6:6-12).

The pursuit of righteousness must take precedence over the pursuit of things. After all, that promise of eternal life is why we believe in the value of Christian education. "Educating for eternity" is more than a mere slogan; it is at the very heart of integrating faith and learning and should be the core mission of every Christian teacher.

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Engaging Business Practitioners to Develop Students' Faith and Talents

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ABSTRACT: *Bringing business practitioners into our classrooms provides unique opportunities to develop our student's faith and talents. We discuss the benefits of guest experts in terms of informing and inspiring our students as well as broadening our networks for internships, jobs, and philanthropy. We confront two challenges: 1) persuading the experts to come to offer advice, and 2) convincing the students to take it. We offer ten suggestions to maximize the benefits of engaging business experts in our classes.*

INTRODUCTION

Do we want our students to grow in knowledge and wisdom? Would we like them to be inspired to greater works? Would we welcome excellent internships and meaningful placements upon graduation? Could our business schools and universities benefit from alliances with corporate and individual philanthropists?

As a result of inviting business practitioners to speak with our students, Spring Arbor University has reaped all the above benefits. We have been able to attract entrepreneurs like founder of Domino's Pizza Tom Monaghan, Fortune 500 CEOs including Harold Poling of Ford Motor Company, and New York Times best-selling authors like Jim Collins to speak for free or nominal fees. Nationally recognized experts in business provide insights, wisdom, and inspiration that have been life-changing to our students. Yet beyond getting the guests to give the advice lays the challenge of getting students to take it.

In this article we consider the benefits and share what we've learned about choosing, attracting, and benefiting the most from business practitioners as special classroom guests. Specifically we aim to do the following:

1) Help our colleagues appreciate the value of bringing expert business practitioners to their business courses.

2) Help fellow faculty tap Christian business leaders from the community who can serve as "salt and light" and "lamps on stands" to our students to grow in faith.

3) Help students invest their talents to the maximum benefit of their Lord.

4) Help business experts pass on the fruit of their labor to future generations.

5) Inspire students to live out their faith in their business practices.

6) Help our fellow faculty develop lasting ties with those in positions to offer internships, jobs, and monetary contributions to our schools and universities.

BENEFITS OF DRAWING BUSINESS PRACTITIONERS INTO OUR COURSES

Larry Sayler and Ivan L. Filby's presentation at the 2009 Christian Business Faculty Association Annual Meeting titled "Teaching Young Dogs Old Tricks" offers worthy advice on making optimal use of guest speakers, especially regarding encouraging faith development. E. R.Melander (2001), in his article "Educating the Practitioner: Strategies for Focusing on the Student in the Undergraduate Business Curriculum," emphasizes the importance of developing students into practitioners. One of his three fundamental strategies is "to identify and strengthen relationships with academic and student development professionals and agencies within the institution *as*

well as with actual practitioners" (Melander, 2001, p. 9) (emphasis added). Our approach provides an operational strategy to reach that goal among several others. By bringing business practitioners into our courses we set the stage for many benefits emanating from the immediate contact students have with the guest and continuing on through the later relationships that grow out of the visit. Students stand to gain almost immediately in several ways, including growing wiser, more skilled, and further inspired. As time goes on, students, faculty, and the university gain in other ways including excellent internships and job placements. These new friends of the school sometimes later contribute time serving on boards, and they also may donate substantial financial funds. Here we explore the benefits of bringing business practitioners into our courses more fully.

Students Gain Wisdom

Remarkably in today's secular world, Webster's Third International Dictionary continues to define wisdom as the "principle or personification of God's will." When we bring Christian business leaders to our campuses and classes, our students stand to gain not only good business advice but insight into the will and personality of God. For example, our students recently heard Lance Thompson describe how his firm rescued the Bank of Louisiana from impending bankruptcy following hurricane Katrina. Lance's firm provides disaster recovery services to banks, essentially backing up their electronic records in case of disaster. Bank of Louisiana's main computers were trapped in their flooded headquarters, and their back-up system was also destroyed by the hurricane. Because they could not open for business, they were one day away from being permanently closed by the Federal Deposit Insurance Corporation. Though the bank was not a client of his firm, Lance arranged for the hard drives to be extracted from the bank's computers and transported to his facility in Michigan. For several weeks the Bank of Louisiana operated relying on remote computers in Michigan. Our students learned that a wise business person often goes the extra mile as part of being a leading provider in their industry (Thompson, 2007).

Students Learn Techniques

When Domino's Pizza founder Tom Monaghan visited our students, he shared a technique he called "the most valuable development tool I ever discovered." This "job performance and review" process involved routine monthly meetings between each employee and their supervisor covering five specific questions. Our students learned a simple, manageable technique that will serve them well and helped to make its author a billionaire philanthropist (Monaghan, 2001).

Students Become Inspired

A few years ago, best-selling author Jim Collins granted us an exclusive interview for our students, the video recording of which we continue to use in our courses. Jim urged the students to create a "stop-doing" list and asserted that such a list is more important than a "to-do" list (Collins, 2004). One of our students was inspired to stop investing his time in a particular video game that had consumed hours of his time each week. He reinvested the time in running for President of the Student Government Association and won! The opportunity to meet and be mentored by expert guests is often inspiring.

Students Make Contacts for Internships and Jobs

Several years ago we went seeking entrepreneurs to visit our courses in entrepreneurship. Many of these visitors have since hosted internships with our students and some have hired them. Both sides benefit. Students gain valuable experience and employment, and the guests find intelligent, loyal employees of high character. Over the past decade, one of our guests has hired half a dozen of our graduates into excellent positions.

Our Schools Form Important Alliances

In several instances individuals we have invited to coach our students have become lasting, generous, and influential friends of our university. Several members of our board of trustees first came to know the university through class visits. In one instance, a donor made a six-figure contribution because he was so impressed that we clearly integrate our religious faith with our business education. In another case, a credit union funded a specially equipped financial trading center room because they came to know us by visiting a class.

We All Enjoy the Experience

When we invest time in bringing business experts into classes, we all usually enjoy the experience. Our guests feel honored and valued. Our students experience a pleasant change of pace and new learning modality. Faculty members have a fresh learning experience of their own. College and university officials enjoy meeting new friends who may later return to lend support in other significant roles. The guest is a celebrity, and the day seems to be a celebration. Thus, we all enjoy the experience.

TWO OPTIONS: SPECIAL EVENTS OR ROUTINE CLASSES

We have benefited from encounters with business practitioners as guests in two formats: the special event and visits to routine classes. Our special event is completely built around distinguished guests while the routine courses

bring special guests in as an enriching element in our regular courses.

About 15 years ago, as a special project for her MBA, Lisa Lofgren helped design and develop our special event course called Solutions Seminar. This annual event, offered as a one-credit-hour course in leadership, centers on our special business practitioner guests. These are often people of national or international renown. Over the years our guests included the following:

Dennis Bakke, the former CEO and co-founder of AES, a completely decentralized *Fortune 100* corporation, who believes businesses exist primarily to glorify God and serve, not just to make money.

John Beckett, CEO and owner of R.W. Beckett Company, the world's leading producer of oil burners for heating systems. John wrote *Loving Monday, Succeeding in Business Without Selling Your Soul*, which has been published in several languages.

Ronald Beebe, Vice President of Acquisitions and Strategy for Airgas, and a major participant in growing that company from a few million dollars revenue to over 600 times its original size.

Bo Burlingham, Senior Editor, *Inc. Magazine*, author of *Small Giants*, co-author of *Open Book Management*, and T*he Knack: How Street Smart Entrepreneurs Learn to Handle Whatever Comes Up.*

Jim Collins, author of two number one bestsellers in business, *Good to Great* and *Built to Last.*

Les Dietzman, CEO of Family Christian Stores and former close working associate of Sam Walton.

John Grettenberger, vice president of General Motors and General Manager of Cadillac Motor Car Division; during his tenure Cadillac received the Malcolm Baldrige National Quality award.

Mike Guthrie, CEO of Spectra LLC and Detroit Chassis LLC; he and his brother, Carlton, are sole owners of Spectra.

Harry and Juanita Hosmer, founders of Royale Energy, an oil exploration and production company, whose stock is publicly traded on the NASDAQ exchange.

Jack Lousma, astronaut and commander of the space shuttle.

Thomas Monaghan, founder of Domino's Pizza, the Ave Maria foundation, and Ave Maria University.

Ginny Morton, manager of the most profitable division of the largest employer in the world, Tad/Addecco.

Terri Norris, extraordinary sales representative who rose above over a thousand to be the best in the Cintas Corporation.

Harold "Red" Poling, CEO of Ford Motor Company, retired. During Poling's tenure as CEO, Ford grew in quality, market share, and profitability.

Jim Skivington, professor turned entrepreneur who left academia to buy and grow a multi-million dollar business and found another multi-million dollar business.

Christina Thompson, CEO of Lifeways, ranked the best community mental health center of its size in the United States.

Lance Thompson, entrepreneur in banking services.

Robert Watson, commander of the Salvation Army of the United States, America's largest charity.

Roy Westran, Former CEO of Citizen's Insurance who led the firm to forty-fold growth and its initial public offering.

We generally invite three or four featured guests to each seminar. Students read about them and their work in advance of their campus visit. The campus visits happen on a Friday evening and Saturday. We usually have four time segments, one for each guest. Each segment involves an interview with our host, a question and answer session with a panel of students, and a time for general questions from the audience. Following the visit, students set goals based on what they learned from the guests and seek to work changes in their lives. Several weeks later they submit their workbook from the course that includes their notes from the speakers' presentations, the goals the student sets, and an essay detailing the outcome of implementing their new initiatives. Often students report dramatic growth from this course.

We also benefit from involving special business prac-

titioners in our regular courses. While I teach primarily in the areas of leadership, organizational behavior, and human resources management, the approach of involving expert practitioners can enrich courses in other sub-disciplines such as marketing, accounting, and finance. Although we are somewhat less likely to bring internationally known figures into routine courses, we have managed to bring some extremely interesting people into relatively small courses. Over the years we have enjoyed visits with the following:

John Drake, a Senior Vice President of Human Resources for CMS Energy and employer of nearly 20,000 people.

David Rawson, former U. S. ambassador.

Jan McCubbin, mother of 28 children, all adopted, most from other countries, many with major challenges such a blindness or severe injuries.

Mary Ellen Sheets, Founder of Two Men and A Truck.

Harvey Gainey, founder of Gainey Transportation Systems, record holder for longest run on list of fastest growing companies in Michigan.

One benefit of having brought a person to the special event is that we may later be able to involve them with smaller groups of our students. For instance, Dennis Bakke initially came to our Solutions Seminar as a featured guest to address a class of over one hundred students. Months later Bakke was happy to grant a live phone interview so that the eight students in a graduate seminar in human resource management had the opportunity to hear and talk with him.

TEN STEPS TOWARD GREAT RELATIONSHIPS WTIH BUSINESS PRACTITIONERS

We have learned a great deal about how to bring special guests to work with our students, how to help students benefit, and how to foster lasting alliances with our guests. The principles that work are quite similar for special events and routine courses, so we will offer generic advice and where appropriate adapt the general suggestion for the special circumstances of the special event format or the routine course one.

1. Ask Yourself, "What Do You Want?"

Jesus' first spoken words in the Gospel of John, "What do you want?" (John 1:37) provide a good starting place

for us. Beyond the excitement of bringing a celebrity to class, what do we really want? For example, at Spring Arbor University, we want our students to have the opportunity to learn from the best of the best. Each time we bring in a guest, I learn something as well. Beyond learning techniques, students learn valuable emotional, moral, and spiritual lessons. Thinking about what you want students to learn will lead you to who to invite. For instance, I like to show students that really successful leaders are seldom as arrogant and abrasive as Donald Trump. Students learn an important lesson when they see how humble and gentle very powerful people like Red Poling (Ford CEO), John Beckett (R. W. Beckett Co CEO), and Robert Watson (commander of the Salvation Army of North America) are. Many of these lessons go beyond words into the realm of inspiration and role modeling. An epiphany may happen when the student realizes "Christians can be winners," or "I think I could one day do something like our guest did."

What do you want? Most of the guests we host come from the area of leadership since that is my major teaching interest; perhaps you teach accounting, marketing, or finance. Would your students benefit from having an expert practitioner visit to talk about a day in the life of a Certified Public Accountant, an advertising executive, or a Certified Financial Planner? Might your students be inspired to take Christian principles into these fields by listening to someone who is already doing this?

2. Ask Yourself "Who Do I Want?"

What would you like your students to be like as they grow? Think about who you would like them to emulate. I personally feel great that my students have had a chance to speak with Dennis Bakke, the Christian co-founder of AES, a $35-billion-dollar company that has been #40 in the Fortune 500. I am delighted that Jim Collins, author of Good to Great, has given our students valuable personal advice. I feel really great that our students have been able to learn from the words and example of John Drake, senior vice president for Human Resources for CMS Energy who has "retired" from the business world to build, staff, and oversee the growth of a Christian orphanage in the Philippines. I am also grateful that scores of other people I admire have come to help students grow into people whom God will regard as "good and faithful servants." Based on what you want to accomplish, who would you like to bring to your students?

3. Develop a Strategy

Consider where the speaker best fits into the context of your course. Recognize this as an opportunity to help students learn something that they would not learn from

"textbooks." With a little forethought, you can find the most appropriate way to fit the guest to the course. This will help you to guide the guest in knowing what subjects you will be discussing. Target your guest's areas of expertise rather than expecting them to "cover" some of your routine course topics.

We provide our guests with a standard set of sample questions we have developed to guide our conversations. We suggest that you ask guests to discuss their faith biography, how they practice their faith at work, and some of the challenges and setbacks they have faced. Students appreciate authenticity and will usually respond better to testimonies than mini sermons. We also have students submit questions of interest to them and allow the guest select from those questions. Finally, we maintain and open informal atmosphere where students are encouraged to pose questions that arise during the visit.

4. Ask Your Students "What Do You Want?" and "Who Do You Want?"

When we first began inviting guest experts to class, we thought we were pretty good at picking those who would help most; over time I've gained great respect for the ability of students to recognize great potential guests. Recently I hosted eleven experts on leadership in a one semester course. At the end of the course, I asked each student to rank them according to their benefit to that particular student. I learned a lot. In a field that included a United States ambassador and Jim Collins, the top ranking went to the mother of one of the students who, having been raised in poverty by two blind parents, went on to become an assistant United States attorney who had recently successfully argued a case in the United States Supreme Court. I have learned to ask my students what they wanted, who they wanted, and who really benefitted them.

I have also learned to ask the students "Who do you know who would make an excellent guest speaker?" It was by using this approach that we were able to identify and recruit some of our most beneficial guests, including the aforementioned prosecutor. She inspired students with her persistence in overcoming personal challenges, and she also impressed them with practical career advice, specifically, that it was okay to back away from a path you had started down if it proved to be a mistake.

5. Create a Comfortable Setting

When we first began our special event, Solutions Seminar, we asked distinguished people to come to give a speech. This actually proved daunting for some of them. A major executive from one of the five largest firms in the country confided, "Since I'm recently retired, I no longer have a speech writer." Also, speeches often prove not the best learning vehicle for students. So we learned to ask instead, "Would you please come in for a virtual fireside chat? Think of the students as your nephews and nieces, and share with them what you have learned that you would like someone to have shared with you at their age." This neutralizes the resistance to having to write and deliver a "speech," and it creates a much more vibrant and interactive setting for learning.

6. Show the Guest You Really Want Them!

How have we attracted world-class talent either for free or at nominal cost? The key has been to show an authentic passionate desire for them come visit and to do so in innovative ways. Repeatedly very well-known guests have told us that they usually decline invitations to speak, yet they accepted ours. Why?

Originally we made very conventional approaches to our guests — a business letter followed up with a phone call — and we were often disappointed with the results. But persistence and innovation paid off. A case study helps illustrate our growing understanding and effectiveness. I had read a great deal about Tom Monaghan, his business success, his approach to developing people and their talent, and his faith. I was convinced he would be a great guest speaker. I wrote a very careful letter inviting him to speak at the first Solutions Seminar. I followed up with a call to his public relations person and received a very polite and professional rejection. Later, I was reading about Dale Carnegie's success in bringing speakers to his courses in Brooklyn, New York:

"So we wrote them, saying we admired their work and were deeply interested in getting their advice and learning the secrets of their success. Each of these letters was signed by about a hundred and fifty students. We said we realized that these authors were busy — too busy to prepare a lecture. So we enclosed a list of questions for them to answer about themselves and their methods of work. They liked that. Who wouldn't like it? So they left their homes and traveled to Brooklyn to give us a helping hand" (Carnegie, 1981 p. 57).

The next year we approached Monaghan again. We asked for an interview rather than a speech. We sent a large custom invitation created by a skilled calligrapher and signed by nearly one hundred students, faculty, and administrators. This time I requested my assistant to mail it to Mr Monaghan, and when she asked for his address I suggested she look it up. I assumed she would send it to his office, but she actually sent it to his home. The invitation went directly to Monaghan rather than his staff, and he loved it. He mentioned it as he emerged

from his car upon arrival, he mentioned it again when he met our president, and again he mentioned it during his interview. He said, "That was quite an invitation. And the thing that impressed me the most was your emphasis on Christ."

More recently we moved to a 20' x 30" sheet of parchment like paper. On it a calligrapher pens a greeting that resembles the Declaration of Independence. It says something along these lines:

"We hold these truths to be self evident: that students learn the most from those who know the most. We greatly admire your achievements in [specific achievements, such as founding Domino's Pizza and using your wealth and influence to launch a major university]. We would like to bestow on you the top honor of the School of Business at Spring Arbor University to be a featured guest at our Solutions Seminar.

This sheet is individually signed by our president, dean, business school faculty, and about 120 students. Other speakers, many of whom normally command fees we could not afford, have had similar reactions to that of Tom Monaghan. A best-selling author and senior editor from Inc Magazine said "I never do this sort of appearance, but the approach was so persuasive." The founder of a multi-billion-dollar international corporation told us, "I don't usually speak at Christian schools, but what an invitation!" One entrepreneur had the invitation framed and brought it with him to show it to us.

We have also had success with another approach we learned about in Bob Briner's *The Leadership Lessons of Jesus* (Briner and Pritchard, 2001). Briner observes that Jesus Christ personally approached those he invited to be disciples. When we decided John Beckett would be a beneficial guest, I drove two hundred miles to have lunch with him and to personally invite him. He accepted.

One reviewer of the manuscript for this paper made a worthy observation:

"The idea of a personalized, hand-designed invitation to speak to the students is an interesting innovation. The design uses calligraphy and the invitation is signed by a large number of students and sometimes faculty and administrators. The invitation explains how much the students admire the work and character of the speaker and has to be very persuasive. It makes it clear that being invited is a great honor. Great psychology or salesmanship!"

One pitfall here is that it is so good that others may be tempted to copy it by rote. It should instead be interpreted as showing the need to yourself be innovative and to come up with your own methods of attracting high profile speakers. Indeed, if many schools copied this approach, it would no longer be novel and business executives who talk with one another would recognize it as routine rather than special for them.

Our approach to expressing the breadth and intensity of our desire for a guest to join us is only one of many possibilities. Our students, especially with their knowledge of contemporary technology, could provide a variety of novel ways to show a guest how much our students would appreciate a visit.

7. Make It Easy for Students to Take the Advice and Hard for Them Not to

Encouraging and enabling the students to incorporate the advice and inspiration of our guests is the most important part of the process. The students are ultimately more important than the guests, since they can make the whole process worthless by simply not taking any of the advice or drawing any inspiration. To help students find a lasting benefit, we use a workbook in which they take notes and on which they are graded. In the special event, Solutions Seminar, students are charged with taking good notes, extracting the best advice for them personally, setting up a plan to implement it, and weeks later writing a paper that describes the outcome of their plan.

When we bring guests into our routine courses, we use a different approach to engage the students. We tell the students that after the interview we will ask them to review their notes and then some of them will be called on to tell the speaker and the class the most significant thing they learned and what they intend to do differently based on that learning. In our regular leadership classes we also use a workbook that guides the students and provides a standard place for notes. We engage the students in setting written goals and working in accountability partnerships so that the goal is revisited and progress measured and encouraged.

8. Honor the Guest by Showing Them the Student Growth

After our special events we send samples of completed workbooks to our guests. The guest knows that they offered advice, and now they see exactly how students took, applied, and benefited from it. When guests visit our routine courses, the follow up questions to students mentioned above serve to assure engagement and this honors the guest. We also prepare and send a large thank-you notes (11x17 folded in two) with a class picture, signed by each student with a brief comment about what they appreciated about or gained from the guest visit.

9. Capture The Moment For Future Students

Make video recordings of your special guests. With our guests' permission, our students continue to benefit from video recording of the guests' campus visits. The chances of

getting Tom Monaghan or Jim Collins to visit a class or allow an interview again are small, but students still show us that they benefit from their advice, even when it is delivered through video recording. Five and even 10 years after a visit, we continue to use excerpts from guest interviews, and students continue to change their lives in response. For example, our guest Terri Norris, the super-star sales representative, discussed the significance of her habit of starting each day with a quiet time, and several students have since adopted that habit based on encountering her by means of a video recording. Through video recordings great guest visits continue to bear fruit years later.

10. Build Lasting Alliances with Your Guests

We have enjoyed many benefits from our associations with guest speakers. Though I have never solicited donations from guest speakers or the people who come to hear them, our university has received substantial donations and pledges as a result of bringing Christian business practitioners to our students.

Spring Arbor University makes a strong commitment to find internships for our students, and we go the extra mile to help our students find initial job placements. In many cases, we have been able to match talented students to our guests' needs for excellent interns and employees to their mutual benefit.

Finally, when we look at our current board of trustees for the university, we find several outstanding members of that board whose first contact with our university was being invited to be a featured guest in one of our courses.

Evidence of Talent and Faith Development

What evidence indicates that engaging business practitioners actually does develop students' talents and faith? In their course workbooks students often report that they have grown better at investing their talents as well as in their faith. The following statements drawn from these workbooks illustrate this growth:

Student A: "My life has changed since I got my priorities in order. I have learned that while work should and will always be a priority, it will not be my top priority. I have made the decision that I do not want my life to be centered on my job, but rather my family. Success means different things to different people and my personal success includes a loving family that will be prioritized"

Student B: "I have always been one to believe that knowledge is power, and Blake's comments just furthered my belief of this philosophy. I love learning and I am especially pleased when a concept that I learned in school can be applied the very next day. Now that is power! This goal speaks for itself as I am pursuing an

MBA at age 42! You are never too old to learn new things and although I am not sure what I will be doing with my MBA, I know I am where God intends me to be and that the knowledge that I gain will lead me to some place great!"

Student C: "I think that my fifth commitment to make cards with encouraging words on them not only helped me but also helped my roommates and suitemates! I wrote some verses on a few different note cards and put a different one up on the mirrors and in the bathroom every week. I thought about what the verse means and what God was trying to tell me for a few minutes before going about my day."

Student D: "This course has also helped me to demonstrate the care and personal relationships that I want to foster with others. My personality tends to run more heavily along the lines of task-orientation rather than relationship-based living. It has been a long-standing personal goal to be able to connect with others relationally more frequently, as I have come to realize more and more how crucial this is for a truly meaningful life. This provided me an opportunity to "put feet" to those desires in a more concrete way, and it was very encouraging to me to receive the positive responses that I did from others. I think that out of the wealth of information and advice that I will continue to use from this class, that this final outcome is most important of all."

Student E: "My last commitment was to witness and pray for the students I am currently going to school with. There was one kid in particular I focused on these last few weeks. I met a student named Nick who is really neat but he isn't a Christian. I prayed for Nick and really got to know him over this semester. One thing I sometimes forget to do is write down specific requests and names to pray for. Overall, I believe I did an excellent job of fulfilling my commitments and the main object in this course."

Student F: "This summer is going to be huge for me. The internship at the church is going to be in New York, so I will be moving July 1 to start a new journey in life. I pray that the things I learned this year and through this class will continue in molding me into the person God wants me to be. God has blessed me, and I want to pass that blessing onto others around me."

Also, at Spring Arbor University we routinely evaluate courses and faculty by means of a standard survey instrument that provides student anonymity. Two items on this instrument help us gauge the success of our courses and faculty: 1)Do you believe that you have become (or will become at some future date) a better manager because of

this course? 2)As a result of this course, or working with this professor, my Christian faith has increased.

The data dealing with expert practitioners are encouraging. In the most recent edition of the Solutions Seminar, our special events course, 97.6% of students reported they had or would become better managers as a result of the course, and 81.6% indicated their Christian faith had increased. This compares favorably with the average scores for all business classes offered that semester, where 92.7% reported becoming better managers and 69.0% indicated they had grown in their Christian faith. These data suggest that a course based on guest speakers fosters growth better than our other business school courses which place less or no reliance on guest expert business practitioners.

Should the faculty evaluate the advice given by the guests? Fortunately our guests almost always offer valuable advice. As a faculty member I will sometimes mention a point the speaker made that was especially useful to me. We often encourage students to tell the guest something they found valuable from the visit, either on the day of the visit or in a thank you note. Our guests respond very positively to this procedure. We have not found it necessary to contradict advice given by a guest, although we strongly encourage students to sift the advice they are given. We are careful in inviting guests to choose individuals whose lives seem to embody the spirit of our school and especially the Spirit of our Lord.

Further Development

We continue to refine our approach to using experts wisely in our courses and we welcome others joining us. Our course and faculty evaluation tool asks open-ended questions that help us identify elements of our courses that are more or less valued by our students. For instance, we ask, "What was especially useful and should be retained? What was not especially useful and could be eliminated? What was missing that should be added?" Over time these questions have helped us to better focus our courses on the needs of our students.

CONCLUSION

Our students, our faculty, and our university have been richly rewarded through our attempts to enhance learning by bringing outstanding Christian business practitioners to our classrooms. This is an investment that requires considerable effort, but the benefits far outweigh the costs. We believe our business faculty colleagues at other colleges and universities will find this a worthy investment of resources from which they will reap joy as they and their students learn, become inspired, and forge valuable relationships that benefit the business school and university long after the guest appearance.

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Venture Out: An Entrepreneurial Introduction to Business

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ABSTRACT: *Venture Out is a semester-long project which introduces elementary business skills and concepts from an entrepreneurial perspective. Student teams research and select a product to sell to students, create a mini-business plan, and present their plan to a board of judges from the business community. If their request is approved (up to $500), teams purchase and sell their product. After repaying the loan, teams donate their profits to a beneficiary and they reflect on their performance and lessons learned. Venture Out benefits students, the academic business program, and the community in tangible ways. Venture Out and other classroom-as-organization (CAO) programs are described.*

INTRODUCTION

Venture Out is a semester-long activity that reinforces learning through the launching and running of team-run micro-businesses. Although a Venture Out type experience can be inserted into a business curriculum in various places, we have incorporated it into our Introduction to Business course to provide an early, functionally integrated, active-learning experience. Others incorporate a similar experience as an upper-level elective once students have a foundation in marketing, management, finance, and other business disciplines. As we have administered it, Venture Out requires no funding and minimal staff support. It provides an opportunity to apply and integrate basic business knowledge as well as delve into the practical details of launching a new venture. Venture Out showcases the business program to community leaders and generates funds which can be shared with the academic institution and broader community. We provide background on the origins and rationale for these types of educational activities and describe our institution's approach to Venture Out.

BACKGROUND

Venture Out is considered a classroom-as-organization" (CAO) approach to learning business because it entails launching and running organizations in the context of a academic course (Meyer & Gent, 1998). Several CAO efforts trace their inspiration to Miller (1991), who crafted and refined a classroom-as-organization management course at Bucknell University in the early 1980s. CAOs have the advantage of offering active learning with closer supervision and clearer learning goals than most practica or internships (Boud & Solomon, 2001; Ryan, Toohey & Hughes, 1996), and they provide more realism than some business simulations. As summarized by Cohen (1993, p. 88):

"Our objective is not to simulate an organization but rather to create genuine organizational issues for students, to put them in the position of an organizational member who must deal with such problems as how work gets allocated; how one works with others who bring different expertise to tasks; how one influences and motivates subordinates, peers, and superiors; how one copes with ambiguity in solving difficult tasks that do not have any obviously

correct single answer; how disagreements among coworkers can be resolved; and how decisions will be made."

Many of the early CAO approaches were designed as a vehicle for exploring organizational behavior (e.g., Balke, 1981; Greenhalgh, 1979), often under assumptions that favored student-directed experiential learning within organizational ambiguity (Ramsey and Fitzgibbons, 2005). Miller and others (e.g., Barry, 1990; Goltz, 1992; Putzel, 1992) extended the CAO approach to include business functions while emphasizing behavioral dynamics. As Miller notes, the CAO approach (1991, p. 152) "requires students to identify real business project customers and service project clients, to define and respond to the needs of those customers and clients, to design and deliver products and services, to negotiate with suppliers, administrative agencies and other stakeholders, to finance all company operations, and to be accountable for cash flows and company budgets.... In the process...students are required to deal with the realities of surprise, conflict, risk, and uncertainty that arise from the inevitable incompleteness of formal organization and control system designs."

Although a CAO experience can be effectively integrated at several points, integrating it early in the curriculum makes sense for several reasons. While case studies can expose students to sophisticated dilemmas, CAO particularly well-suited to teach business basics. While not exclusively used this way, CAO approaches provide a foundation of prior knowledge onto which new abstract or detailed knowledge can be built (Entwistle & Peterson, 2005). This reflects the way in which entrepreneurs (Shane, 2000) and organizations (Cohen & Levinthal, 1990) learn and identify new business opportunities. Thus, a CAO approach models entrepreneurship and emphasizes the value and skill of learning from reflective experience. For many students, active learning enhances interest, relevance, and skill and knowledge integration, and it often results in transformational learning and memory more often than a lecture format (Goltz, Hietapelto, Reinsch & Tyrell, 2008; Kember, Ho & Hong, 2008; Trigwell, Prosser & Waterhouse, 1999; Tobias, 1994). Experiential learning provides a space for students to be simultaneously challenged and supported (Kolb and Kolb, 2005) and it can enhance their self-awarenes an social awareness, which serve as a foundation for self-management and relationship management (Sheehan, McDonald, and Spence, 2009). For all these reasons, we incorporated a CAO approach into our Introduction to Business course and named the experience, Venture Out. The next section describes details of our approach.

VENTURE OUT

Structure

Our classroom as organization experience has nine tasks, which students complete over a 15-week semester (see Figure 1). We devote each Friday class session to Venture Out and use the corresponding 50-minute sessions on Monday and Wednesday to explore fundamental business topics such as economic systems, business history, business functions, careers in business, and faith and ethics. Each week during the semester is devoted to one Venture Out task except for "selling," which is extended to four or five weeks to allow students time to sell their products. The following activities comprise each task as detailed in the Venture Out student manual (Lynn, 2008):

Figure 1: Venture Out Tasks
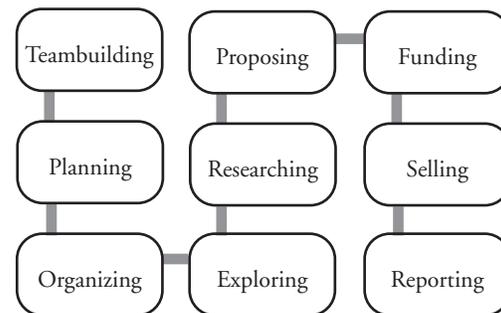
Teambuilding: Students divide into teams, build *esprit-de-corps*, and subdivide into three groups — management, marketing and production, and accounting and finance.

Planning: Teams write a company mission statement and set team expectations.

Organizing: Teams attempt simple market analysis and segmentation and decide upon an appropriate legal form for their company (e.g., LLC, S Corp, non-profit corportion).

Exploring: Students begin discussing possible products, suppliers, and beneficiaries. The accounting and finance group within the team develops a pro-forma budget and a team photo is planned.

Researching: The team constructs, distributes, and analyzes a market research survey in which they ask potential customers (largely, other students) about their possible products, pricing, and other relevant information such as sizes, colors, and the respondent's propensity to purchase.

Proposing: Students decide upon a product, beneficiary, and supplier after considering Better Business Bureau and other supplier considerations. They approve a compa-

ny budget, choose a company name, and prepare a business plan and presentation.

Funding and Ordering: Teams pitch their business plan to a loan review board constituted by outside judges. If their plan is approved, they order the product. Team members complete an evaluation of themselves and their teammates.

Selling: During this multi-week period, teams sell their products and compare their sales performance with projections. They motivate team members and adjust their sales and pricing strategies as needed.

Reporting: Teams prepare an annual report which contains a letter to shareholders, financial statements, team and individual sales performance, group reflections about lessons learned, and minutes of team meetings.

Celebrating: Teams turn in the last of their sales revenue and their annual report. They complete a second self- and peer-evaluation.

Operations

Venture Out teams generally consist of eight students. We allow students to pair up with other students but as freshmen, few groups fill completely by self-selection. This allows us to diversify groups by gender and major. We attempt to teach high-performing team practices throughout Venture Out beginning with the setting of team expectations in the planning task. We also provide tips on team effectiveness behaviors (such as those suggested by: Alie, Beam & Carey, 1998; Oakley, Fedler, Brent & Elhajj, 2004; St. Clair & Tschirhart, 2002).

A constant challenge in Venture Out is helping students learn effective team skills rather than merely survive a group assignment (c.f., Ellis, Hollenbeck, Ilgen, Porter, West & Moon, 2003; Rassuli & Manzer, 2005; Scott-Ladd & Chan, 2008).

Half way through Venture Out, teams present their mini-business plan to a loan review board. The board is generally staffed by two guest judges and the course professor. Guest judges have included entrepreneurs, commercial bankers, recent alumni, faculty emeriti, small business development center counselors, and other members of the business community. Over fifty individuals have served as Venture Out judges during the past decade at our institution and many of them were not previously familiar with our business program. Venture Out judging provides an opportunity to build bridges from the academic to the business community.

In the loan review session, teams are allotted 15 minutes — five minutes for the business plan presentation, five minutes for the judges to ask rapid-fire questions, and five minutes for the judges to deliberate about the loan request, which may be fore up to $500. Judges call the students back into the presentation room for feedback after they have reached a decision about the loan. If a team's venture is not approved, the team is given directives for improvement and the team presents informally to the course professor after revising their business plan.

Venture Out products are charged to a university purchasing card and expenses are allocated to an account which is replenished as teams pay back their loans. Thus, no loan fund is required. (Some institutions fund their CAO programs to ensure against possible bad loans and/or avoid having a temporary negative fund balance.) As part of the business loan, students sign an agreement that they will repay the loan in full. To date, with over three hundred teams and a decade of experience, no team has defaulted. To simplify the bookkeeping for students and staff, no interest is charged against the loan and no collateral is required.

We require that at least 80 percent of each team's sales be to on-campus students, and we do this for two reasons. First, we want to reward teams with superior value propositions which is intensified by on-campus competition. Second, knowledge of the campus marketplace allows us to assess sales risk relatively well — we know the students' spending habits and competing. We have chosen not to allow teams to propose services for two reasons: We want students to feel what it is like to have to make regular sales to pay back a loan, and we want the teams to have an asset of material value to sell. If a team, for example, hosted a concert but few attendees showed up, the team and the academic program would incur greater risk. Teams generally are limited to selecting one product to sell rather than two or more different products because we believe it encourages careful market analysis and product choice. A minimum product order of near $500 is often required to reach price breaks which allow the teams to achieve a reasonable target profit.

Some teams sell their product to a club or other campus organization. In these cases, we emphasize working closely with the organization to design the product and deliver high-quality customer service. The most common products sold are tee-shirts, but other Venture Out products have included hats, car decals, sweatpants, playing cards, foam fingers, sunglasses, picture frames, air fresheners, dress shirts, backpacks, spirit towels, pocket knives, scrubs, decals, recorded music, necklaces, bracelets, socks, folding chairs, calendars, and other items.

Students are allowed to request permission to use official university logos on their products. In the process, they learn about branding and graphic design. Students

inevitably learn about copyright, trademark, and social responsibility in product design and business operations as well.

Students are encouraged to turn in their money frequently to a departmental administrative assistant who serves as the Venture Out banker, and who makes purchasing card transactions and deposits, and provides a weekly report on sales for public display in class during the sales task. No other resources are required to operate Venture Out besides the willingness of the instructor and leading the effort and permission to use a purchasing card account for financial transactions. All team money is due on Wednesday of the last week of class. This provides adequate time to reconcile accounts and pursue any final questions about balances and beneficiaries. The team's annual report is due on the final day of class.

Grading

Venture Out generally constitutes a quarter to a third of the total course grade. Grading is divided between group and individual grades. The same grade is given to each team member for the business plan, annual report, and the total team profit. Individual grades are assigned for individual sales and the two peer evaluations. Occasionally we have multiplied the business plan and/or annual report by the peer evaluation score to obtain a proxy grade for an individual's contribution to the written team documents. Peer evaluations not only provide individual accountability in a team project but they provide an opportunity to discuss effective approaches to performance appraisal.

Effectiveness

Effectiveness indicators to date are mostly anecdotal. When the course is assessed, students regularly applaud the Venture Out experience. Students often include their business plan or annual report in their portfolio and list their Venture Out experience on their resume. Beyond the learning of business basics, students in Venture Out over the past decade at our institution have donated over $50,000 to local, national, and international beneficiaries and have established an endowed scholarship for students. Occasionally, a class has banded together to maximize their gift by directing their funding to a single beneficiary. Prospective students and their parents are generally enthusiastic about the idea of a freshman launching a business during their first year in college.

VARIATIONS

Several variations of the classroom-as-organization approach exist. A few past and current variations include the following:

• Emphasizing management learning, obtaining corporate funding as program support, incorporating a service project for the beneficiary, and using program graduates to coach teams (Bucknell University)

• A sophomore-level, two-semester program where students plan ventures during the first term and operate them during the second; student businesses include larger loans and off-campus business venues (University of Evansville)

• A festival sales approach where students decorate booths and sell products during a single weekend, emphasizing information systems in the business venture (University of Texas)

• Compressed venture planning and execution during a retreat-type weekend (Lipscomb)

• Integrating business core courses at the junior level with co-requisites in marketing, management, business law, and other courses (University of Oklahoma)

• Running a case analysis concurrently with the project to enrich learning during a two-semester course sequence and offering up to $3,000 in funding per team (Babson College)

• Using the experience as a major component in a one-credit freshman course and engaging Students in Free Enterprise (SIFE) members as business planning consultants (Oklahoma Baptist University)

• Integrating board presentations at the end of the project and the public vetting of projects at the beginning of the experience (Canisius College)

FUTURE DEVELOPMENTS

Venture Out has been a successful experience for students and the academic program at our institution for a decade. Possible future developments include placing a higher value on product innovation. Indeed, one student asked if his team could purchase a refrigerator for $50,

repair it, and sell it for $300. We continue to learn from faculty and student perspectives like these. We have experimented with electronic tools to complete team tasks and have watched as students have found new ways of communicating and collaborating. We have relied on anecdotal evidence and previous research as indicators of effectiveness, but further testing on Venture Out may add insight on possible enhancements. The closer we can mimic business processes in a challenging but simple and supportive way, the more we believe the Venture Out will enhance learning. Thus far, it has been a worthwhile tool for learning business basics.

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An Interactive Interest Rate
Activity for Financial Management

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ABSTRACT: *Students often have little understanding of appropriate interest rates, since textbook problems routinely provide a rate. In this activity, small groups establish interest rates and identify concerns for several realistic loan requests. This prepares the class for a brief lecture on interest rate components, including the risk-free rate and various risk premiums. Follow-up discussion of the loan requests and possible changes enables the instructor to assess the lecture's effectiveness and misunderstandings. Biblical references to debt, interest, and usury can be used as a lead-in to the topic or as a follow-up to integrate Christian faith with this topic.*

INTRODUCTION

Interactive classroom activities are a way to involve everyone, even the quiet and reserved students, in discussion and work which will support the concepts and principles you want to cover. The activity discussed here has been used effectively in financial management to stimulate dialogue on setting interest rates and to set the stage for a short lecture, though the emphasis is on active learning.

INTEREST RATES

Interest rates are critical to financial decision making. Many problems such as those related to the time value of money rely on an assumed rate of interest, often with little regard as to why that rate was chosen or if it's appropriate. These and other problems often pull an interest rate out of nowhere and use it to make a critical decision. Yet choosing an improper rate can lead to erroneous conclusions and poor decisions. Student experience with interest rates is usually limited to credit cards and student loans and they have given little thought to how those rates are determined. The activity, Establishing Interest Rates (Appendix), provides a series of situations which will help students understand the key components of any interest rate and how those components help us to build an appropriate rate of interest based on a specific set of circumstances.

Begin by dividing the class into groups of 3-4 students. With no other introduction, they are asked to discuss each situation and intuitively assign what the group feels is an appropriate rate of interest. Each group is also asked to list the reactions and concerns that they have in each situation. Emphasize that there are no correct answers but that they may want to consider and compare the circumstances of the situations as they arrive at a rate of interest. Once the students have had 10-20 minutes to discuss the situations, begin a class discussion. (To save class time you can also have the students do the initial discussion outside of class.)

Each group is asked to report on who is assigned the highest rate and who gets the lowest rate. Then the students are asked to justify the rates assigned. and the class explores the reasons for disagreements between groups. This sets the stage for a short lecture on the components of interest rates based on the following:

$$r^1 = RF + RP^1$$

where r^1 = nominal interest rate for situation 1
RF = risk-free rate
RP^1 = risk premium for situation 1

These elements can be further defined as follows:

RF = r* + IP
where r* = a real rate of return and IP = inflation premium.

In other words, at the very least, investors expect to receive a return which compensates them for the rate of inflation plus some real rate of return.

The risk premium (RP) may represent a variety of additional concerns often referred to as issue characteristics (IC) for which investors may desire to be compensated. One way to frame these is as follows:

IC = DP + LP + MP
where   DP = default premium to reflect the chance the loan will not be repaid;
LP = liquidity premium to reflect the length of the loan;
MP = maturity premium to reflect the uncertainty associated with not knowing the nature of capital markets in the future or the value fluctuations which might occur due to changes in the general level of rates.

You can also discuss the financial risk associated with increased amounts of leverage and how this might play a role in the default premium.

Once these basic components have been explained, refer back to the activity and the decisions made. This provides you with an opportunity to evaluate how well the students have understood the point of your lecture. Ask the students if they would make changes in any of the situations. What rates would they increase or decrease and why? Alternatively you can pick the highest and lowest rate situations and discuss them in light of their unique issue characteristics. Many students will connect with Jim and Melissa and their loan for a honeymoon cruise. They will relate to the somewhat precarious nature of the personal finances of a young couple just getting started. In this case students will quickly note the default risk and the fact that the loan is unsecured. Each situation provides potential for discussion depending on what you would like to emphasize.

Be careful not to get sidetracked into a discussion of who does or does not deserve a loan unless you have more time to spend on the activity. For instance, some students will argue that a college president like Dr. Bigshot should not need a loan to buy his wife a ring. (It's interesting to see how the psychology of a name like Bigshot influences

them.) They may be correct but that's not the primary point of the activity. On the other hand, if students push this, you might suggest that there may be things we don't know about Bigshot. For instance, he might have a good income but he and Mrs. Bigshot have devoted significant portions of their income to support a special needs grandchild or an elderly parent. Or they may have recently returned to academia from service with an international relief agency where he received a small salary. Whatever the case, you can easily move this into a discussion of credit standards and the five C's of credit (Gitman, p.652). If time does not permit at this point in the course, you can use the results from this activity again during the working capital management topics. All of the cases can be used to discuss the establishment of credit policy and standards. In this respect students can be asked what other information they would want from each of these loan applicants.

Finally, you may wish to point out how market imperfections or abnormalities can create situations in which these equations don't quite work as the equation suggests. In 2008 and 2009, with short-term U.S. Treasuries near zero percent return, investors did not receive the risk-free rate implied by the formula. Even FDIC-insured accounts did not return the rate of inflation.[1] While the theory implies that investors would not make these kinds of investment, we all know that many did. The formula also breaks down when applied to credit card rates due to the fact that these rates apply to large classes of borrowers rather than being based on individual circumstances. In spite of these problems, this activity can be used to teach effectively the basic concepts which determine the interest rates paid.

To integrate the activity with faith issues refer to the biblical references to interest in Ezekiel 18, which discuss usury and excessive interest. For somewhat less controversial passages, use Christ's parables in Matthew 25:27 or Luke 19:23. You might also discuss the proper and improper use of debt in personal and business situations. While opinions based on biblical teachings may differ somewhat, everyone will agree that we have an obligation to pay our debts (Romans 13) and that "the borrower is servant to the lender" (Proverbs 22:7). Whether a brief reference or a more extended discussion, students seem to appreciate the opportunity to consider these connections between our faith and daily business practice.[2]

No matter whether you devote a small amount of time to the activity or expand its use, you will create a teachable moment in your classroom and reinforce learning through a memorable activity.

ENDNOTES

[1] A period of deflation occurred from October thru December 2008 and again during March 2009. http://data.bls.gov/PDQ/servlet/SurveyOutputServlet?data_tool=latest_numbers&series_id=CUSR0000SA-0&output_view=pct_1mth

[2] Eric Elder and Brian Porter offer interesting perspectives on the subject of charging interest in the JBIB, Fall 1999.

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APPENDIX
Financial Management Activity
Establishing Interest Rates

As a lender you have been told that the following loans have been approved. Your job is to determine the appropriate interest rate considering those factors you feel are relevant.

1. Joe wants to buy a house for his family (wife and two children). He is a 27 and makes $42,000 per year. He is requesting a loan of $50,000 for 20 years.

    Rate - _____ Concerns -

2. Dr. Bigshot is president of a local university. He and his wife are about to celebrate their 25th wedding anniversary. Bigshot wants to buy his wife a diamond anniversary band and wants a two year loan for $2,500.

    Rate - _____ Concerns -

3. Mary is a college student entering her final year of college. Financial aid has just told her that one of her grants has been eliminated and she will need $4,000 to register for classes. She needs a $4,000 loan with 10 years for repayment.

    Rate -   Concerns -

4. Jim and Melissa just graduated from college and plan to be married in 3 months. They wish to borrow $3,500 for a honeymoon cruise. They think they can pay the money back over three years.

    Rate - _____ Concerns -

5. Omar needs $7,500 to buy equipment to begin his own painting and home repair business. He has been working for someone else and now wants to be his own boss. He is investing $15,000 of his own savings in a truck for the business. He plans to pay the loan off with earnings from the business.

    Rate - _____ Concerns -

Using Demonstration Experiments to Illustrate the Pitfalls of Unintentional Moral Relativism

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ABSTRACT: *Unintentional moral relativism (UMR) is a judgmental phenomenon involving inadvertent misapplication of an ethical standard believed to be objective or absolute. It occurs when a decision maker intends to apply an ethical standard, but circumstances change the application of the standard without the decision-maker's awareness, such that the standard is inadvertently misapplied. Research evidence and classroom experience show that even individuals who ascribe strongly to moral absolutes are prone to the pitfalls of UMR. This article offers three examples of experiments that can be done as classroom demonstrations to illustrate proneness to circumstantial biases that can influence students' ethical judgment.*

INTRODUCTION

When Christian students of business ethics are confronted with the idea that their judgment can be prone to relativistic sway, they often bristle with indignant denial. After all, they believe in moral absolutes, and they look to biblical principles to provide their ethical standards and inform their decisions. They wear WWJD bracelets and sincerely intend to apply the Ten Commandments and Golden Rule uniformly across situations to make ethical evaluations and decisions – in business as in life.

Unfortunately, good intent – even firm commitment – is not sufficient to protect one from the pitfalls of relativistic judgment and consequent bad decisions/behaviors. Consider the case of "pre-Cana" (prenuptial) counseling. Imagine if pastors were to ask engaged couples if they intend to cheat on their future spouse. What proportion do you suppose would express an intention to be unfaithful? (Answer: zero! They are in love!) And so the rate of infidelity and divorce should be zero, right? But, sadly, it is not, even within Christian communities. External circum-

stances, as well as our sinful nature, can interfere with good intentions and skew judgment, leading to bad decisions and regrettable outcomes. To avoid being trapped in the snare of temptation, one must not only disavow evil and embrace good, but also fully understand the dark circumstances under which one can be led astray.

By analogy, the intent to remain faithful to one's beliefs in moral absolutes is not sufficient to protect one from the snare of poor judgment in business. Just as a magnet can pull a compass needle away from true north, one's "moral compass" can be pulled off course by the powerful sway of circumstances. Imagine a yardstick made of a temperature-sensitive material. We assume it to be an objective measure of 36 inches, and it will always appear to be graduated in 36 one-inch units. However, when exposed to cold it will contract to less than 36 inches. When exposed to heat it will expand to more than 36 inches. Woe to the carpenter or seamstress who trusts such a measure! The classroom demonstration experiments that follow illustrate circumstances that can distort the application of ethical yardsticks typically applied by Christian students in

the context of business ethics. This variable yardstick/stray compass phenomenon has been called "unintentional moral relativism" (UMR), a term that can be traced to a Journal of Business Ethics article by Boyle, Dahlstrom, and Kellaris (1998). UMR can be caused by any number of circumstantial judgment biases, as illustrated in the following experiments.

DEMONSTRATION 1: THE CONTRAST EFFECT

One source of UMR is a judgmental bias known as the "contrast effect." According to adaptation level theory (Helson 1948, 1959), a contrast effect occurs when exposure to a prior event establishes a frame of reference used to judge a current event. For example, the same "room temperature" living room may seem cool to someone arriving from a hot kitchen, but warm to someone arriving from the cold outdoors. The same "event" (i.e., room temperature) is judged differently according to the frame of reference established by exposure to prior circumstances.

By analogy, despite one's intention to apply an absolute standard, ethical judgments can differ according to frames of reference established by prior circumstances (Boyle et al., 1998). Imagine an experiment in which the central task is to rate the ethics of a controversial business practice on a ten-point ethical/unethical scale. The controversial practice is something that many students would recognize as being in the mid-scale "gray area" of ethics. (It is legal, but you would not be proud to tell your mother and pastor you did it.) Although instructors may wish to devise their own example of a gray-area practice, and are strongly encouraged to do so, here is an example used by Kleiser et al. (2003), working with students at a state university:

Salesperson M, who works for the XYZ company, frequently invites his customers to baseball games to show his appreciation for their business. The XYZ company encourages "gift giving" as long as the client's company does not have a policy prohibiting such behavior, but forbids gift-giving when the client's company does not allow it. One of M's customers works for such a company where gifts, like dinner or a ball game, may not be accepted. Salesperson M is aware of this policy.

Over the past few weeks, this customer has been less than pleased with XYZ company. During the close of a recent sales call, the customer said to M, "I understand XYZ has season tickets to the baseball games. Is there any possibility that we could catch a game?" Believing that going to the game would secure future sales, M invited the customer to the ball game. Three days later, the customer placed a major order with XYZ company.

Prior to rating the practice on an ethics scale (Dabholkar & Kellaris, 1998), half of the class is asked to read a brief newspaper report about a recent homicide (or some other exemplar of extremely unethical behavior). The other half is asked to read a brief account of the life of Mother Teresa (or some other exemplar of good behavior). The two readings should be of similar length and assignment of students to readings should be random. Optionally, some students can be assigned to a control group that sees just the scenario, with no priming material. Rating of the controversial business practice should follow immediately after the reading:

Please indicate your opinion of salesman M's actions as described in the preceding scenario by circling an appropriate number on each of the following scales.

In my opinion, his actions were:

Ethical 10 9 8 7 6 5 4 3 2 1 Unethical

If the instructor tabulates the average ethical rating for each group – those primed with a negative exemplar of behavior and those primed with a positive exemplar — it is likely you will find that the very same controversial business practice seems more ethical to the "homicide group" and less ethical to the "Mother Teresa group." Voila — UMR. This is what Boyle et al. (1998) and Kellaris et al. (1996) found, and it is consistent with the author's experience using this demo in his classroom. If we apply an absolute standard consistently, we should always arrive at the same judgment. But, as this experiment demonstrates, judgment can be skewed circumstantially by inadvertently adopted frames of references. A variation on this experiment would be to ask students if they would hire the salesman in the scenario rather than rating his actions on an ethics scale (Sivadas et al., 2003). Follow-up discussion could focus on identifying and adopting appropriate frames of reference, as well as potential consequences of adopting inappropriate frames of reference. Once the principle of UMR is understood, the instructor can challenge students to generate and critique frames of reference, as well as to identify inappropriate reference points and their potential pitfalls for Christians.

DEMONSTRATION 2: THE FRAMING EFFECT

Another source of judgmental bias that can lead to UMR is the "framing effect" (Tversky & Kahneman, 1981). The framing effect occurs when a choice option is described (or

"framed") in a way that makes it seem subjectively more attractive. Despite being objectively the same quantity, a glass described as "half full" may seem more attractive than a glass described as "half empty." That is because whereas one description emphasizes what one stands to gain, the other calls attention to what one stands to miss. Naturally, people are attracted to gains and averse to loss. Research by Kellaris et al. (1994) shows that the framing effect is sufficiently strong to lure the unwary into favoring the less ethical of two choice options.

Here is an adaptation of a classic demonstration of the framing effect (Tversky & Kahneman, 1981) as applied to a choice with ethical content. All students should be presented with the following scenario:

Imagine that you are the CEO of a large company. You just found out that a major competitor will be entering your market. Reliable forecasts estimate that to remain profitable, you may have to lay off 6,000 employees. You must choose a plan to deal with this situation. You have narrowed your choices down to two alternatives. (Assume that the forecast and the estimated consequences of the alternative plans are accurate.)

Students should be assigned randomly to one of two groups. Group 1 should see this version of the choice decision:

PLAN A: This plan is somewhat controversial. It stretches the limits of legality, but if it is adopted, 2,000 employees can definitely be retained.

PLAN B: If this plan is adopted, there is a 1/3 probability that all 6,000 employees can be retained, and a 2/3 probability that no employees can be retained.

Group 2 should see this version of the choice decision:

PLAN A: If this plan is adopted, 4,000 employees will definitely lose their jobs.

PLAN B: This plan is somewhat controversial. It stretches the limits of legality, but if it is adopted there is a 1/3 probability that no employees will lose their jobs, and a 2/3 probability that all 6,000 employees will lose their jobs.

In terms of expected utility, the choice options are objectively the same within versions (2,000 jobs saved = 1/3 * 6,000 jobs saved) and between versions (2,000 retained = 4,000 lost). Prospect theory predicts that people will prefer certain gains over probabilistic gains, but probabilistic losses over certain losses. Hence, despite the objective equivalence of the plans, the expectation is that people given the choice decision framed in terms of gains (first version) should prefer Plan A; those given the choice decision framed in terms of loss (second version) should prefer Plan B. The twist here is that the plans framed more favor-

ably are also the more ethically controversial! Will any students fall for the framing effect even when the more attractively framed option is less ethical? A simple cross-tabulation of "version" (gains/losses) by "choice" (plan A/B) will reveal the answer. In a similar experiment, Kellaris et al. (1994) found that as many as half of the sales professionals they surveyed preferred the less ethical option when it was framed attractively. A recent administration of this demo experiment at a Christian University found that 5 of 23 students in Group 1 preferred Plan A and 10 of 23 students in Group 2 preferred Plan B, despite these choices being ethically controversial.

DEMONSTRATION 3: THE NUMEROSITY BIAS

Yet a third source of UMR-causing bias stems from the tendency to use decision heuristics — mental shortcuts — to simplify decision tasks. The use of heuristics is more likely when one is under time pressure to come to a quick decision or when the complexity of a decision taxes cognitive resources and thus motivates shortcuts. One common heuristic on which people rely is to count the number of items presented rather than evaluating content on its merit. This is known as the "numerosity effect" (Pelham et al., 1994). When the "items" are reasons to do or not do something, one might find multiple "lame" (weak) reasons to be more compelling than a few sound, strong reasons due to their mere number. Sweeney and Kellaris (2008) found that ethical ratings of a controversial act were lower among people presented with 12 (versus three) reasons not to do the act, despite the 12 reasons being somewhat superficial. Conversely, ethical ratings of the same act were higher among people presented with 12 (versus three) reasons to do the act.

To illustrate the numerosity bias to students, ask them to read a controversial (mid-scale) business practice as in Demonstration 1 above. Before asking for ethical ratings, present half of the students with three reasons to do what the actor in the scenario did. Building on the Kleiser et al. scenario cited above, Sweeney and Kellaris (2008) presented this list: "1. This is a perfectly legal, well-accepted relationship-building technique. 2. The customer asked to be taken to the game. 3. There were no negative consequences." Present the other half of students with the same list, continuing with: "4. In fact, there were positive consequences. 5. Salesman M was just doing his job. 6. It's just a ball game, not an expensive gift. 7. Everyone does this. 8. Refusal could have damaged the relationship. 9. It was not a tangible gift, such as money or a TV set. 10. Salesman M did not make the initial overture. 11. XYZ bought those

season tickets for a reason. 12. The tickets might have gone unused and been wasted." (Taken from Sweeney & Kellaris, 2008.) Optionally, some students can be assigned to a control group that sees the just scenario, without the list of justifications.

The expected result is that those given 12 justifications for performing the act described in the scenario will rate the act as more ethical; those given only three justifications will rate the act as less ethical. This is, in fact, what Sweeney and Kellaris (2008) observed. However, in one administration of this demo at a Christian University, the reverse effect was obtained. Reading 12 justifications made students suspicious ("me thinks thou doest protest too much") and more critical. Nevertheless, the point is that if students apply an absolute standard, judgment should not be swayed in either direction by reading a list of justifications.

A variation of this experiment would be to generate lists of three and 12 reasons not to do the act described in the scenario, in which case the expected results (those obtained by S & K) would be a lower average ethical rating for the group exposed to the longer list. If Christian students were not prone to this judgmental bias, one would expect the means of both groups to be identical (or statistically similar). Moreover they should not differ from a control group who saw and rated the scenario without seeing three or 12 justifications.

A FEW PRACTICAL TIPS...

In smaller classes, results of a demonstration experiment can be tabulated instantly by asking students to (1) complete the exercise, (2) identify which group they are in, then (3) shout out the number they circled (Demonstration 1 and 3) or which plan they chose (Demonstration 2). The instructor can record results and tabulate them by hand or assign one student to be the class "statistician." In large classes the instructor can collect students' responses, enter them in a spreadsheet or analytic program such as SPSS or SAS, and report the results at the next class meeting.

These demonstration experiments have produced the expected pattern of results reliably over multiple iterations. Nevertheless, sometimes the results of an experiment are obfuscated by the responses of outliers. In experiments involving ethical ratings, some students may refuse to make any distinction between slightly and extremely unethical acts. Premeditated murder is wrong and "borrowing" a paperclip from an office without permission or replacement is also wrong; hence, both acts may be rated

as a one on the 10-point ethical(10)/unethical(1) scale by some individuals. Should that occur in your demonstration, consider excluding such outlier responses from the calculation of the group average. This is justifiable on the grounds that means are highly sensitive to outlying observations, outlier responses are atypical and hence not representative of the majority, and may reflect a misunderstanding of or refusal to perform the experimental task which calls for use of the 10-point scale (not just its endpoints).

Another hazard to watch out for is that the heuristic bias in Demonstration 3 can melt away or even reverse direction with ample critical thinking. In one case, students at a Christian university who were exposed to lists of three or 12 positive justifications found themselves disagreeing with the justifications. Whereas the longer list had potential to generate more disagreement, students exposed to 12 positive justifications produced lower average ethical ratings than students exposed to three positive justifications. On the surface, this appears to be a failed experiment. However, the lesson here is still valid: if the application of absolute, Christian ethical principles is consistent across circumstances, the various groups in the experiment should have produced statistically similar results. In fact they did not. Results vary across lists whether the lists provoke agreement or disagreement with the justifications presented.

If class size is very small, an alternative to conducting the above demonstrations in class would be to assign students to collect data from fellow students and share results in class. This could be done in other, larger classes either during class time (with prior consent), or as students enter/exit a class. Alternatively data could be collected in a dormitory, dining hall, at a chapel, or other convocation.

CONCLUSION

Like drivers who believe that traffic laws apply to all the other motorists on the road, students often seem to believe that judgmental bias is a problem to which the ethical decisions of others are prone. The demonstration experiments offered here are designed to illustrate that (1) human judgment is prone to subjective, circumstantial bias, (2) whereas Christians are equipped with human brains, our ethical judgment is not immune to such biases, and (3) despite sincere intent to apply moral absolutes when making ethical judgments, our subjective judgment can be swayed circumstantially by reference points, frames, reliance on heuristics, and other sources of bias.

The good news is that being aware of sources of bias can mitigate their deleterious effects on judgment. UMR is

a fragile enemy that runs from minds fully engaged and armed with information. As Christian business educators, it would seem imperative that we "arm" our students with this information in a way that convinces them of its value and motivates them to take it to heart. In my experience, preaching in the classroom has limited impact. A single, dramatic demonstration experiment, by contrast, can be a highly effective way of getting an important message through. The author has found that self-generated evidence is a powerful teaching tool for chipping away at the natural resistance of a youthfully over-confident, "surely not I, Lord" mentality.

Some additional points of discussion might include questioning from a Christian perspective the very idea of ethical "gray areas" and scalar ratings represented in these exercises. One might also question the idea of making ethical judgments on the basis of outcomes ("consequentialism"), as in Demonstration 2. Christian ethics, rooted in scriptural injunction, is in essence deontological (Hunt & Vitell, 1986). Ends do not justify means when the means are per se unethical. Are there other subtle examples of importation of values (Jung & Kellaris, 2001) underlying the experiments? Students can be challenged to address this question to foster critical thinking and to map the significance of the experiments onto a Christian ethical framework. Yet another direction for discussion would be the roles of individual and cultural differences in shaping ethical responses (Jung & Kellaris, 2004).

Although these demonstration experiments are intended for use in business ethics classes, they could also be used in any introductory business class (e.g., marketing or management), in a business statistics class, or in a marketing research class as a methodological illustration with ethical implications, or in a psychology or consumer behavior class to illustrate psychological principles with ethical implications.

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Just Pay It?
Bribery and Higher Education
in the Czech Republic

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ABSTRACT: *The fall of communism in the Czech Republic brought great opportunity in higher education. New legislation allowed for legally recognized private colleges and universities. However, the legal changes did not erase the entrenched structures of political corruption and bribery. What does it "cost" to pay a bribe? On the other hand, what does it cost not to pay the bribe? That was the question facing Richard Smith. As a Christian administrator of a secular college in post-communist Czech Republic, Smith had to decide whether to pay the relatively small bribe to the judge for the much-needed accreditation.*

INTRODUCTION

Charles Bridge is a definitive landmark for the Czech people. There are several important bridges that cross the Vltava River in Prague, but Charles Bridge is the old one, the one with the statues, the one linking the past to the present. However, Richard Smith was almost unaware of the bridge as he crossed it, deep in thought, on his way to a meeting with his board of directors. What should he do about paying the "bribe" for accreditation? How can the mission of Anglo American College move forward without the college being officially recognized by the government? How can the academic ministry to Czech students continue without the legitimization of accreditation? Or is the payment of a "bribe," in fact, a necessary transaction fee that facilitates the doing of business? Would paying a bribe (transaction cost? facilitation fee?) undermine the very ministry he came to do?

RICHARD SMITH AND ANGLO AMERICAN COLLEGE

Upon finishing his Ph.D. at Westminster Seminary, Richard Smith and his wife, Karen, found the perfect overseas opportunity for teaching and ministry. They discovered the International Institute for Christian Studies (IICS), a Christian mission organization which places Christian professors in secular universities outside North America.

Smith's training was in theology, and he was eager to share his knowledge and his faith with university students. IICS placed Smith in Prague, Czech Republic, to teach at Anglo American College (AAC), a small, independent college with departments of humanities and business. Smith immediately began teaching classes and building the Christian Studies Program (CSP) at AAC, a program which would allow humanities students to minor in Christian studies. The program was his "baby" and he poured his energy into it.

In a short amount of time, an IICS team was formed to teach in Prague. This team consisted of six professors and their families. Four of those professors taught in the CSP at AAC and two of them taught in the business school. As IICS team leader in Prague, Smith focused his attention on building the CSP, teaching classes, and spending time with students, in that order. He viewed the CSP as the centerpiece of the IICS ministry in Prague. He was, therefore, carefully protective of it. In 2001, the AAC Board of Directors removed the AAC president for embezzling funds and asked Smith to serve as interim president. This was a huge decision for Smith. His vision for IICS at AAC was focused on the CSP and did not necessarily include an administration position for himself, though it did appear to be a God-given opportunity for influence. He was honored to be asked to take the responsibility and yet there were only so many hours in a day. To be president sounded very attractive, but how could he do that job and

continue to build the CSP? He and others (faculty, some students, even team members) wondered, "Is there a conflict of interest here somewhere?"

Ultimately, Smith agreed to be interim president of AAC. This added another "hat" to the many that he already wore. He was determined to fulfill the responsibilities of president with integrity. Richard Smith was a Christian man, he represented a Christian organization, he was establishing a CSP, and he was actively evangelizing students. He felt a responsibility to behave in an ethical manner which was transparent to all. Adding to this importance was the knowledge that the prior president of AAC was asked to leave because of clear unethical behavior, the embezzlement of college funds.

Almost immediately, as acting president, Smith was instrumental in removing the dean of the school of business and replacing him with another IICS appointee, David Whitney. The outgoing dean was seen as ineffective and unprofessional but not lacking integrity. The newly appointed dean had impressive experience in teaching and administration in higher education in the United States. With Smith as president, Whitney as dean of the school of business, and the majority of the IICS team teaching in the CSP, the potential impact of IICS on AAC and its students was tremendous. After all, AAC had a total of approximately 300 students, 5 administrators, and approximately 20 full-time and part-time instructors.

Indeed, even within the team, there were those who believed that the IICS mission would be somehow compromised if the team held too much concentrated power at AAC. Maybe it was better to operate in a minority position. A few students noticed the increasing presence of IICS professors and administrators with one student commenting, "I think this school is becoming AACC, Anglo-American Christian College."

HIGHER EDUCATION IN THE CZECH REPUBLIC

"In Czech history, education has always maintained a good tradition and, until 1939, it was considered one of the best in Europe." (Sebkova, 1996, p. 275) Education has long held an esteemed position in Czech culture. Indeed, Czech national self-identity is based on the notion of being educated and cultured, and most Czech heroes and leaders throughout history have been seen as intellectuals (Holy, 1996).

The four decades of communism following WWII had a major impact on all aspects of Czech life, including higher education. During this time, the number of students enrolled and the fields of study were tightly controlled according to the central plan, which was not necessarily related to the current needs of society or the economy. Following the "velvet revolution"[1] of 1989, the system changed rapidly with new legislation and internationalization (Stastna, 2001). Virtually all of Central and Eastern Europe were inundated with foreign advisers, teams of experts, representatives of foundations, and representatives of numerous universities who influenced educational reform. A certain initial acceptance of these foreign educational models occurred; however, the attractiveness of those foreign ideas was partially offset by a "restoration trend" (Cerych, 2002), which was rooted in national history and the education tradition of Comenius. Johanne Amos Comenius was known to all Czechs as the "Father of Modern Education" (Jakubec, 2003). He had enormous influence on Czech attitudes towards education and was considered a national hero. Especially in the early 1990's, the Czech Republic's internal conflict consisted of the need to "catch up with the rest of Europe" and, simultaneously, to defend and protect Czech educational tradition.

While most Czechs viewed their educational system as solid or even quite good, there were nonetheless many (internal) calls for reform immediately after the fall of communism in 1989 (Perry, 2005). The Higher Education Acts of 1990 and 1998 had a profound effect on higher education by granting universities a great amount of freedom in self-government and autonomy and also by allowing for further creation of new programs and institutional diversification. The government no longer dictated enrollment and courses of study. Applications to universities increased. Attention to the humanities was revitalized (math and science had been heavily promoted during communism). Tuitions and fees were introduced for the first time. Programs and methodologies were examined and adjusted. Market forces were considered in program design.

Particularly relevant to this case, these legislative acts allowed for the establishment of private institutions of higher learning and allowed the introduction of the bachelor degree as the first step to diversification of higher education. (Prior to this, university study was at least a five year plan, leading to a degree comparable to a Master's degree in the United States). One innovative start-up was AAC which was the dream of a small group of Czech and American visionaries. The dream began in the mid to late 1980's. The concept was to create a new college (or university) which would use Western-style instructional techniques with courses taught in English. It was expected that this college would attract Czech and Slovak students, as

well as students from other parts of Europe. In 1990, the AAC began offering classes and degree programs in the humanities and business administration (see Appendix for timeline). Within a few years they added degree programs in international relations and legal studies. The students who studied at AAC came from Czech Republic and Slovakia, as well as other countries in central Europe, the former Yugoslavia, and a few from outside Europe.

AAC experienced its own growing pains within the context of post-communist Czechoslovakia (which became the Czech Republic in 1993), a nation in transition, while Czech society grappled with which higher education changes to embrace. Generally, they hoped to modernize and protect their heritage simultaneously. Nevertheless, it was one of the very first private, secular institutions of higher learning in the Czech Republic following the communist era.

It was one thing to pass laws to liberalize higher education and yet another thing to interpret and apply them. It was during this period of confusion and hope that AAC applied for accreditation with the Czech Ministry of Education. Generally, accreditation is sought for legitimacy and recognition for adhering to certain standards. In this case, accreditation was, perhaps, even more important as the private university concept was brand new and needed validation.

INTERNATIONAL INSTITUTE FOR CHRISTIAN STUDIES (IICS)

While these tumultuous changes were occurring in central Europe, another start-up was launched across the Atlantic (see Appendix for timeline). In 1987, the International Institute for Christian Studies signed its first contract with Rivers State University in Nigeria to establish a Department of Christian Studies. The first IICS professor, Danny McCain, was assigned to teach in that program and thus, the IICS ministry was born. The distinctive mission of IICS is "to teach all subject matter from a Christian worldview in secular university classrooms." More specifically, IICS "places faculty from a wide range of disciplines in teaching positions at secular universities outside North America and the United Kingdom. We also establish Departments of Christian Studies provide library collections, sponsor business and teacher training seminars, and provide curriculum consultation" (http://www.iics.com).

After entering Nigeria in 1988, IICS expanded to central Europe and the former Soviet Union. In the early 1990's, IICS had professors teaching in universities in

Russia, Ukraine, Romania, Poland, and Belarus, as well as parts of Asia. In 1997, IICS had 22 professors teaching in eight nations. By 2005, IICS had 37 professors teaching in 15 nations, reaching even into Afghanistan and other Middle Eastern countries. It was during this time of growth the IICS board approved Richard Smith's appointment as interim president of AAC.

IICS co-founders, Danny McCain and Daryl McCarthy, led IICS from the very beginning. McCain led the ever-expanding ministry in Nigeria as well as other parts of Africa. McCarthy was CEO of the organization which was headquartered in Kansas City, Kansas. The entrepreneurial spirit of these two men was a significant driver in practically every IICS decision. McCarthy spent a great deal of time traveling and speaking in the U.S. and abroad, introducing people to the mission of IICS. One of his primary roles was to bring together professors, donors, and university placements. In a very organic fashion, IICS (via Daryl McCarthy) monitored world events, made contacts, followed up on connections, and sought universities that would be receptive to IICS professors. Once a contract was signed between a university and IICS, then a professor was appointed to a teaching placement. In some placement locations, there was a single professor. In other placement areas, a team evolved. Placement arrangements varied greatly. The universities sometimes, but not always, provided a small stipend, an apartment, or administrative assistance. In every case, the professor was expected to find his or her own way regarding housing, schooling for his or her own children, and other living arrangements. It was assumed that each placement was unique, and therefore, professors were given a great deal of latitude and responsibility regarding day-to-day decisions of how to conduct their ministry. At the same time, professor accountability was high. Several eyes were watching every IICS professor who was accountable to IICS headquarters, financial supporters, the university placement, students, and so forth. Ultimately, the IICS professor went to live and teach in another culture and represent Christ in an appropriate way.

IICS TEAM IN PRAGUE

The IICS team (professors and their families) were living in Prague on a long-term basis. These families lived among Czechs, using local shops, banks, and transportation. The motivation of these professors and their families was two-pronged. They wanted to teach their disciplines as fully as possible from a Christian worldview, and they wanted to share their lives (and faith) with students. They called themselves academic missionaries. They were moti-

vated by an enthusiasm to teach from a Christian world-view, to uphold scholarship with great integrity, and to represent Christ in their universities and to their students. Along with the other IICS professors, they were inspired by the words of Dr. Charles Malik, former president of the United Nations General Assembly and Security Council, who said, "The university is a clear-cut fulcrum with which to move the world. Change the university and you change the world" (http://www.iics.com).

In Prague, the six professors and their families (with children ranging from a new-born baby to a high school senior to fully grown adults) met regularly for social events, to discuss team business and to pray together. They shared their lives with one another in many ways. In addition to teaching at AAC, the professors taught classes at universities spread across Prague, including Charles University and University of New York in Prague. The lives of the team members overlapped a great deal, and yet, each professor's family found its own niche within the Czech community.

After the first six months or so, most professors settled into daily life in the Czech Republic. There were plenty of ongoing adjustments, but they became less stressful and more manageable. However, teaching and living in another country is not a static experience and is never totally settled. Additional teaching and ministry opportunities arose frequently, such as an invitation to a neighboring country to teach a short course or the opportunity to assist with the translation and publishing of Christian literature or the chance to speak at European conferences and workshops. IICS professors carefully considered how they might participate in each opportunity, knowing that they could not realistically participate in all of them.

Other dilemmas presented themselves, as well. For example, IICS professors had to decide about paying income taxes in the Czech Republic. It was regarded as an individual (family) decision, though the Prague team chose to work through it together. Technically, IICS professors living and working in Prague could get around paying income taxes in either the U.S. or the Czech Republic. This, of course, was quite tempting. However, as a group, they decided that they should and would pay income taxes in the country where they reside, which meant paying Czech taxes. Financially, this was an expensive choice. However, it was seen by the group as the ethical and moral thing to do since they were, in fact, using and enjoying certain public benefits, such as transportation.

Yet another dilemma arose in deciding whether to pay (or not) a "transaction cost" to get residency permits processed. The annual event of renewing residency permits was a time consuming, frustrating process for any non-Czech person living in the Czech Republic. In Prague, there was a small window of time, only two weeks, in which a foreigner could renew a residency permit. The application had to begin and end not too early and not too late. If the renewal deadline passed, then the foreigner would have to begin the process from scratch which was even more time consuming. Generally, individual families would pay a Czech person to do the paperwork and handle translation issues. These assistants, usually young Czech women with good English skills, would learn their way around the foreign police, gather papers, wait in line, and generally do the leg work for a fee of about 5,000kc2 (approximately $140) per person/family member.

The whole process was extremely bureaucratic and also subject to the whims or moods of those processing the paperwork. Arbitrary delays, especially in the foreign police office, were costly and frightening for foreigners and even Czechs. For example, at the foreign police office, a number system was instituted where an individual would get a numbered ticket dispensed by a machine and then wait in line until his or her number was called. This attempt at fairness (first come, first served) was circumvented by a group of intimidating fellows who would bully their way to the front of the line, collect most of the tickets for the day from the ticket machine, and then "sell" them to those who needed to do business with the foreign police. It was suspected that these bullies were a part of the Ukrainian mafia. In any case, they were not Czech. They intimidated the Czech assistants. And they were not monitored by the Czech police. The "selling" price for those very essential tickets was 500kc (approximately $15). Complaints were filed, but the Czech police were unwilling to address the problem. Therefore, the Czech assistants made the decision to pay for the tickets and get the permits processed. After the fact, the assistants who knew the ethical standards of the members of the team reported to the team their experiences and expressed concern about being essentially forced to pay for the tickets. However, given the situation, the team members determined that, as foreigners, they really had no other options (except to let their residency permits expire). Certainly, they had no time for options. In the end, even though it was unfair and something of a bribe, they chose to treat it as a transaction cost, part of the cost of getting residency renewals.

BRIBERY IN CENTRAL EUROPE

"Under communism, citizens could expect neither serious consideration nor fair treatment without some means of 'interesting' the official in the case" (Grodeland et al., 1997,

p. 515). One study in 1994 showed that 61% of the citizens and 79% of the MP's (military police) in the Czech Republic would personally expect fair treatment from officials without recourse to contacts or bribery. In post-communist Europe, certain perceptions persisted. Grodeland et al. (1997) compared the perceptions of corruption in the transition years following 1989 in four countries; the Czech Republic, Slovakia, Bulgaria, and Ukraine. Based on their research, they found the following ways to "deal with" officials: acceptance, persistence, argue/threaten, appeal, bribery, and using contacts. Bribery was the most frequently mentioned strategy in all four countries and also the most frequently denied at a personal level. Using contacts and argument was also high in the Czech Republic. Interestingly, the study showed that in all countries acceptance, persistence, argument, and appeal were mentioned more frequently when attempting to get fair treatment. Bribes and contacts were more frequently mentioned in attempts to get favorable treatment. Thus, a distinction emerged between obtaining rights and in seeking favors.

According to Grodeland and colleagues (1997), bribery was hardly limited to the police, law enforcement, and political figures. Health care workers and teachers/professors were also cited as encouraging or at least accepting "a little token" from patients and students. In relation to the other three countries (Slovakia, Bulgaria, and Ukraine), the Czech Republic exhibited what the authors believed to be an "exaggerated suspicion and criticism" of officials in the area of bribes. This finding suggested two things. First, the perceived level of bribery was higher than the actual level of bribery. Second, most people blamed the officials for extorting bribes. Even so, some of those surveyed acknowledged the citizens' role in perpetuating bribery. As Cabelkova and Hanousek pointed out, "If corruption becomes ingrained in a society it is very difficult to root it out, even if the best legislation is in place and people perceive corruption to be a serious problem" (2004, p. 383).

At the conclusion of the study, Grodeland et al. (1997) ranked official corruption in those four countries, from lowest bribery level to highest bribery level, as follows: Czech Republic, Slovakia, Bulgaria, and Ukraine.

So, why worry about paying a relatively small bribe, especially when it appears that business cannot move forward without it? Some have suggested that though corruption has moral implications, the paying of bribes may simply be required to "facilitate privatization." However, most would agree that corruption distorts. It degrades economic efficiency and civil rights, it and creates instability (Grodeland et al., 1998).

BACK TO RICHARD SMITH'S DECISION

Crossing Charles Bridge on that foggy evening, Smith pondered the decision he must make. His sense of urgency competed with his sense of justice as he considered the situation and his options. The application for accreditation apparently was being ignored by the Ministry of Education. It had neither been denied nor was it moving forward in the process. Smith's sense of urgency was based on the academic calendar and the need for accreditation in recruiting students. Additionally, the very existence of the CSP was tied to the future of AAC. AAC would most likely get accreditation, eventually. But could Smith afford to wait? Could AAC afford to wait? Could the CSP afford to wait? The judge who would make the final decision had a reputation as a tough traditionalist who probably would not look favorably on a new college like AAC. Perhaps a transaction cost of 2,000 kc (approximately $55) was worth it and necessary, even though everyone knew that money would go directly into the judge's pocket. Perhaps, considering the times, it was a justifiable way to facilitate the privatization of higher education. The AAC administration, knowing how things get done, pressed Smith to pay it. However, Smith's sense of justice told him that it was a true bribe and that its "price" was too high.

Richard Smith entered the AAC building in Mala Strana ready to meet with his board of directors. He was still contemplating his decision.

SUGGESTED TEACHING APPROACHES AND QUESTIONS

This case is a true story written with the intention of helping students better understand the complexities of the difficult decisions often confronting those in cross-cultural leadership positions. It is intended for use at the undergraduate level in business courses which deal with ethical issues, such as principles of management, leadership, or business ethics. Some or all of the suggested questions listed below can be used depending on the issues being addressed. The suggested questions also do not represent an all inclusive list, as many others can be added at the discretion of the instructor. In addition to the questions below, a comprehensive set of teaching notes with suggested answers is available from the author.

1. Describe the constituencies to whom Richard Smith was accountable. Which, do you believe, were his top priorities? Do you see any conflicts of interest?

2. How were the two decisions (1) whether to pay the bullies for the tickets for residency permits and (2) whether to pay the judge to expedite the accreditation process similar? How were the two decisions different?

3. What difference, if any, is there between a bribe, a transaction cost and a facilitation fee?

4. What were Richard Smith's options? What were the pros and cons of each choice? How should his faith inform his decision-making process?

5. What should Richard Smith do? Why?

6. (Optional) At the time of this case, the Czech Republic was in transition from communism to a democracy and free market system. Describe how that fact (timing) affected this case.

ENDNOTES

[1]The term "velvet revolution" applies to the nonviolent collapse of communism in Czechoslovakia in 1989. See The Coasts of Bohemia: Czech History, by Derek Sayer for further insight into Czech history and culture.

[2] The currency of the Czech Republic is the Czech crown (kc), or koruna. At this time, the exchange rate was approximately 35 Czech crowns to one U.S. dollar.

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APPENDIX

Timeline: Czech Republic, AAC and IICS Events

1987	IICS begins - signs first university contract - Nigeria
1988	IICS placed first professor – Nigeria
1989	Velvet Revolution - democracy in Czechoslovakia
1990	IICS begins - signs first university contract - Nigeria
1991	IICS professors placed in Russia, Romania, Ukraine.
	AAC offers International and Legal Studies
1992	Czechoslovakia separates into Czech Republic and Slovakia
1993	IICS professors placed in Hunary, Poland, Belarus, Asia
1997	IICS has 22 professors in 8 countries
1998	Higher Education Act passed in Czech Republic
2000	Richard Smith appointed interim president
2001	IICS has 24 professors in 7 countries
2004	Czech Republic enters the European Union. IICS has 32 professors in 12 countries.
2005	IICS has 37 professors in 15 countries
2007	IICS has 40 professors in 16 countries
2009	IICS has 43 professors in 16 countries

CASE STUDY
Herr Foods Inc.

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ABSTRACT: *This case takes a unique inside look into the issues and decision process facing a company in the snack-food industry at a time of increased scrutiny regarding the health issues of certain foods, diets, and lifestyles. The fast-food industry already appears to be a target of interest, and actions have begun by fast-food companies and markets to counteract public perception. Will the snack-food industry encounter the same challenges? Do companies need to be taking a proactive or wait-and-see approach to the health and lifestyle related issues? Herr Foods top management, with a particular emphasis in the marketing and operations area, have been addressing the health food issue with a continuous review of their product line, operating procedures, new product development, and marketing strategies. A decision needs to be made by top management regarding the introduction of more health sensitive snack foods.*

INTRODUCTION

Herr Foods Inc. (http://www.herrfoods.com/) is a regional snack food company in the mid Atlantic and Northeast producing and distributing over 350 sku items under their name with potato chips representing over 50% of their revenue. Daryl Thomas, vice president of marketing for Herr Foods Inc. (Herr's), was driving to his office pondering the challenges that Herr Foods would have to address in the near future, especially with regard to a more health sensitive selection of snack foods. One of the lead stories on last night's (1/12/2005) evening news highlighted a report on the government's new Federal Diet Guidelines published by the Agriculture and Health and Human Services Departments.[1] One of the major recommendations was for Americans to slash their calorie intake and increase their exercise to 30 to 90 minutes a day. They advised people to lose weight but gave few specifics on how to do it.

The new dietary guidelines updated the food pyramid for the first time in 12 years. While most people were aware of the food pyramid, few seemed to follow it as evidenced by the increasing number of overweight and obese individuals.

The new guidelines promoted whole grains such as whole wheat bread versus refined foods like white bread or bagels. They also promoted more vegetables and fruit. Fewer calories, but not necessarily limiting carbohydrates, plus more physical activity were the keys to controlling body weight.

A committee of 13 scientists and doctors had spent nearly a year reviewing Americans' diet and health. They said people practiced sedentary lifestyles and made poor food choices, leading many to exceed the calories they needed even as they failed to get enough nutrition. People needed to choose their fats and carbohydrates wisely and severely restrict trans fat that could clog arteries. It was also important for people to reduce the amount of salt to about 1 teaspoon per day as salt was linked to high blood pressure.

This news announcement further reinforced what seemed to be coming from many different sources — the importance of a healthy lifestyle and proper eating. The fast-food industry had especially come under fire even with threats of lawsuits claiming that fast-food companies were responsible for individual illnesses and weight problems.

Daryl reflected on how Herr's had been in business for almost 60 years and how much times had changed. When

Herr's first started potato chip operations, many people had much more physically demanding jobs. Children did not have television or video games and spent more time involved in physical activities. He had recently heard that children may spend 5 hours a day in a sedentary activity after sitting all day at school. Much had also been learned over the last 60 years about healthy foods and preparation practices.

Daryl understood that change was critical for the long-term viability of a business. Jim Herr, founder of the company, often said, "A company standing still will eventually go backward."[2] Daryl wanted to review how Herr's had changed in light of increasing revelations regarding lifestyle and eating habits. The fast-food industry was already receiving some condemnation for products they serve, and he was well aware of changes they had made to maintain market share and customer satisfaction. Could the snack-food industry be far behind?

If the term "junk food" came up, Daryl suspected that — after hamburger and fries — many people would think "potato chips." Given that potato chips represented a significant portion of the production and profit of Herr Foods, Daryl thought it might be worthwhile to review how the company was responding to this changing environment. Being proactive to national trends and consumer concerns might also provide a new business opportunity. Promoting healthier snack foods could increase market share, especially in the health-awareness market. Specifically, Daryl needed to consider a decision to recommend a more health sensitive selection of snack foods.

COMPANY HISTORY

In 1946, Jim Herr purchased Verna's Potato Chips company in Lancaster, Pennsylvania, for $1,750. The company consisted of two iron kettles (each holding 100 pounds of lard), a three-potato slicer, a peeler that held 10 pounds of potatoes, and a 1938 Dodge panel truck. At 21 years old and with a $1,750 loan, Jim soon became a distributor of potato chips in a wax paper bag to small grocery stores and other food outlets in southeastern Pennsylvania. He and his wife, Miriam, worked long hours in front of the hot kettles perfecting their recipes and product quality. Building a customer base was equally difficult as there were similar operations selling essentially the same potato chip-type products in the Pennsylvania and Maryland area.

In 1951, a fire destroyed the entire operation. Jim, a religious man, believed God would lead them to a new location. Soon, they purchased a small farm in Nottingham — ideally located near his mission church where his family was active and closer to their distribution area. With all of his available resources and help from the local bank, Jim reestablished Herr's and expanded the scope of its operations.

Nottingham — located in the southwest corner of Chester County about 50 miles southwest of Philadelphia and 50 miles north of Baltimore — was a great location. Even though it was in a rural area, nearly 50% of America's population lived within a 500-mile radius. The county itself had one of the highest per-capita incomes in the state and was one of the fastest growing counties in the Philadelphia area. Jim found that the people practiced good moral and ethical standards, were religious, and provided a dependable and stable work force.

Jim and Mim's faith and commitment to fair and ethical business practices paid off over the years. Jim was a man of his word, and a simple handshake often closed many complicated agreements between customers and suppliers. Jim always made good on his promises and never forfeited on a debt obligation. If someone was unethical in their business practice with him, he showed compassion and was not vindictive. This was not a sign of weakness, but an effort to reflect his Christian testimony in all areas of his business.

Herr Foods grew and prospered with 1,500+ loyal employees and over 350 sku product line classifications. Herr's operated in a 10-state region between Massachusetts, Ohio, and Virginia with 23 distribution centers and its own fleet of vehicles to distribute its products to retailers. Revenues approached $200 million per year for this family-owned business, with potato chips accounting for about 50% of revenues.

The same values that Jim practiced in running the business were still evident as the second generation had taken over ownership and operation of the business. Jim's three sons, Jim, Ed, and Gene; his daughters, June and Martha; and his son-in-law, Daryl, were all active in the business and espouse the same strong Christian values and beliefs. Son Jim stated, "I've basically agreed with my father's philosophy of running the company (and its mission) to maintain a culture of integrity, fairness, and opportunity; to stress quality products and service; and to continue the growth of the company."[3]

CORPORATE CULTURE AND PHILOSOPHY

Jim Herr had always been a deeply religious man and believed that the corporate culture and philosophy should be grounded in Christian values and ethics. Maintaining

the highest levels of integrity, reputation, and excellence of Herr Foods in the eyes of customers, employees, suppliers, and other stakeholders was critical. Therefore, every significant decision top management made must be subject to something similar to a "What would Jesus do?" criteria:

Is the action in the best interest of all parties concerned?

If not, what additional actions, if any, will be needed?

Are we being a good steward of our resources — both financial and otherwise?

Does this action meet the highest ethical and integrity standards?

For this decision on more health sensitive snacks, there were several critical concerns some of which were company integrity and reputation, product quality, potential compliance regulations, emerging and/or maturing market segments, and media visibility. Daryl knows the importance of being sensitive to the market and the desires of all stakeholders and he wants the company to remain in a more pro active versus reactive mode.

PRODUCTS AND PRODUCTION

Given that there were 30 snack-food companies in Pennsylvania alone — along with the large national companies like Frito Lay and Nabisco — any level of success and growing market share was quite an accomplishment for Herr's. In addition to the extensive potato-chip product line, the company produced pretzels, tortilla/corn chips, popcorn, and cheese curls. Each line offered a variety of products with varying sodium, fat, nutrient content, and packaging. The company also distributed complementary product lines like salsas, dips, meat snacks, and an assortment of other items.

The pretzel production system was highly automated. Three hundred pounds of dough were produced every 8 minutes and fed onto four different conveyer lines. The operation ran continuously from Monday morning through Friday noon. On Friday afternoon, the equipment was cleaned. After the dough — either plain or sour — was blended into 10-pound sections it went through a pretzel die to form its shape. Depending upon the pretzel, 600 to 2,000 pounds per hour were baked in each of four ovens.

The tortilla/corn line produced both corn and tortilla chips. Two lines ran continuously at a rate of about 2,000 pounds of product per hour. The corn was soaked for 8 to 10 hours and then cooked for 2 minutes to a lumpy, creamed corn texture. The product was cut on a sheeter to the desired shape and then sent to a fryer for 15 seconds. The hot chip was then sent through a tumbler where seasoning was applied. One day per week, onion rings were produced in this assembly area. Onion rings were actually dehydrated potato flakes fried with onion seasoning applied.

Cheese curls and popcorn represent smaller product lines. Corn meal was used to produce cheese curls and extractors were used to remove moisture and apply seasoning. The product was baked for 1 minute to give it a puff texture and about 1,000 pounds were produced per hour. Popcorn products used a yellow gourmet kernel that was air popped. A tumbler removed small and un-popped kernels leaving the large hot kernels, which were seasoned.

The potato chip line was the biggest operation. Sixteen to twenty tractor trailer loads of potatoes arrived every day with 50,000 pounds of potatoes per truck. Each truck was hydraulically lifted to a 45-degree angle to dump the potatoes. It took 4 pounds of potatoes to make 1 pound of potato chips.

Potatoes were dropped into a washer where they were scrubbed and sent by water flume to three slicers. Potatoes were sliced at 24 slices per inch in less than 1 second. The potatoes then went to the vegetable oil vats where they were cooked between 3 and 5 minutes at around 325° F. Around 56,000 pounds of potatoes per hour were processed through five fryer ovens 16 hours a day. Afterward, they were dried and salted.

The chips were transported on a conveyer belt moving at 60 miles per hour where they passed under an opti-sort electronic sensor that identified chips that were either overcooked or green. The defective chips were blown off the belt. Various different stages along the conveyer size the chips before they reach a packing machine, with smaller chips going to the smaller packages.

The tortilla chips, popcorn, cheese curls, and potato chips were packaged by weight using a bucket process to accumulate the product. The product dropped into a waiting bag. Fourteen million bags of potato chips of various sizes were produced per month along with a similar quantity of other products. The production process was almost entirely automated until the bags were placed in cartons and inspected.

Cartons of all the product lines go into the warehouse where they were stacked by type. The entire warehouse inventory rotates out on a first-in-first-out basis three times per week, which was critical for a freshness-sensitive product that had about a 10-week shelf life.

Pretzels were the only remaining labor-intensive product line with only a partially automated packing function. Currently, individuals packed containers for many of the final pretzel products. Herr's was considering automating this process and cross-training existing employees into other jobs.

MARKETING

Brand and product marketing was a constant challenge. Herr's had to compete not only with the large national companies like Frito Lay, but also with over 30 regional snack food companies like Utz, Wise, and Snyder's of Hanover. The multitude of companies and proliferation of products had made competition in the northeast and mid Atlantic areas, where Herr's operates, especially complex.

Herr's was constantly considering new product lines and distribution and promotion strategies. With shelf space at retail outlets a premium, sales representatives must continuously work on building relationships with retail customers. Daryl thought about possible sources of competitive advantage in this area. Because of Herr's integrity and honesty, customers' trust in them had grown, making it easier for Herr's representatives to work with their clientele.

For example, Herr's had over 350 products, and given that snack packages tend to be bulky, sustaining shelf space at retailers was a major challenge. Fortunately, based on their continued relationship, retailers had maintained an interest in stocking Herr's products, but the question of capacity was a constant consideration.

Herr's was not alone as each producer in the snack food industry continued to solicit retailers for more and better shelf space for their individual brands as each expanded their product line based on new market trends. Thus, Herr's accounted for the competitive moves made by other snack-food distributors which were trying to capture the same shelf space. Other distributors also represented quality products and the retailers were interested in the product mix from all suppliers that met the highest percent of customer preferences and delivered the greatest profits.

CONSUMER ISSUES

To make matters more difficult, diversities had an impact on the snack-food industry. Customer preferences included more ethnic foods, hot foods, spicy foods, organic, and health foods. The issue for manufacturers was to try to forecast how long the various interests would continue

and what each would command in terms of market share over the long run. Most companies, including Herr's, would have to choose carefully which segment niches to target and invest in product development. Some of the product variations could be easily produced with different seasoning or changing of ingredients, so it was possible to participate, as Herr's was doing, in some of the specialty markets. Other requirements, like low fat, were more difficult because eliminating certain ingredients could drastically change the taste. Additionally, with any new product there may be the potential for new equipment and other capital investment demands. Finally, consumers may refuse to buy new products even if they were healthier.

The health concerns related to snack foods required a different marketing strategy. Realistically, many snack-food products may never be perceived as healthy. While some consumers think a potato chip was not especially good for you, they overlook the fact that it was not that much different than a baked potato with butter and salt. The potato was a vegetable that consumers find very nutritional, but very few people eat the potato plain. The potato could be seasoned to taste with everything from butter and salt to any number of toppings from sour cream to chili. The potato chip product was essentially replicating that baked potato process to suit individual taste and behavior of consumers.

To make healthier snacks, Herr's had been experimenting by incorporating alternative elements during production to meet a variety of diet needs and consumer interests. The selection of cooking oils that used trans fat-free oil or low levels of cholesterol had always been a practice. However, it was essentially impossible to eliminate all forms of saturated fat and sodium in the production process and still maintain the taste that consumer's desired.

If Herr's really wanted to produce only healthy snacks following some strict nutritional standards, over half of the product lines may be discontinued, significantly cutting revenue and profit potential. Many consumers would still want the previous products — healthy or not — and would just purchase a competitor's products sitting a few feet away on the shelf. Manufacturers simply could not forecast what percent of the market's consumer would strictly purchase foods for health reasons. Generally speaking, the low fat varieties of snack foods have not generated a strong consumer preference. In addition, many people eat snacks as a stress reliever, and potato chips were one of the most popular foods that consumers desired as a means of stress reduction.

The Snack Food Association had worked closely with other organizations like the American Council for Fitness

and Nutrition to develop healthy lifestyles with balanced diets that include snack foods. When consumed in proper proportions and in conjunction with appropriate daily activity, some snack foods may help regulate blood sugar and gave individuals more sustainable energy. Snack foods were also "fun foods" to relieve stress and tension and provide pleasure.

PRODUCT RESEARCH AND DEVELOPMENT

Daryl met with Phil Bernas, the vice president of manufacturing, who was familiar with much of the new product development and efforts made by Herr's to respond to nutritional concerns. Phil supported a company position they felt was in line with the Food and Drug Administration: it was not "good and bad food" but "good and bad diets" and a principle of "all things in moderation." Phil believed that the media focus would be more on diets than on individual foods.

Phil pointed out that the potato chip was high in Vitamin C, potassium, and fiber. A 1-once bag of chips provided over 13% of the daily Vitamin C requirement for children and 7% of the recommended daily allowance of iron. (See Exhibit 1.)

Because of health concerns, Herr's had been proactive in product research and development. About eight years earlier, they developed Rave, a product line using Olean — an indigestible fat with no calories. The product line was discontinued after two years because of lack of sales. Phil believed there was minimal customer satisfaction. The body actually craves calories, and consumers seemed to need some fats to gain calories. Olean was also a very expensive product at about five times the cost of vegetable oil. The products had to sell at a 25 to 30% premium over other similar products and also had a different texture and taste.

Herr's had also looked into a soy product called Crisp — a high protein snack with moderate levels of carbohydrate and low fat. The product was a mixture of soy, corn, and potato and looked like a rice cake. However, the cost was about double that for the typical snack-food product.

Consumers perceived pretzels as a healthy snack-food alternative. Herr's was very active in the pretzel market with several varieties including a wheat pretzel. The problem with pretzels was the high level of carbohydrates — around 98% — and many current fad diets were down on carbs.

Herr's, through a partnership with another snack food company, had been distributing power bars which were high in soy and low in carbohydrates and other similar

items. For Herr's to produce those products on their own would represent a significantly different production line and process. The partnership seemed to be a much more efficient way to penetrate this market.

Within existing lines, Phil indicated that reduced-fat potato chips might be an alternative along with low-salt varieties. It would be a matter of customer preferences. If a product line could not support itself, it generally did not get produced. The marketing issue always needed to be considered. With well over 200 different items and limited shelf space in most stores, there were only so many varieties of products that could be sold.

The type of oil used in the cooking process was also critical. Jim Herr switched from lard to cottonseed oil many years ago, and that had remained the vegetable oil of choice. Production people had found cottonseed oil to be low in saturated fat, with relatively good frying properties. This oil was reasonably inexpensive. The oil was about 30% of the material cost of a potato chip with the other 70% representing the cost of the potato. Also, about 35% of the final product was oil. Initially, about 70 to 80% of the potato was water. The cooking process reduced the water content to about 1 to 2%.

The research and development department determined the specs for each product, and they were closely monitored by the Quality Assurance Department. If problems persisted, team meetings were called to review situations. Appropriate changes were made to maintain high product quality.

Phil and Daryl were both aware that 40 to 50 prototypes were produced every month and of that maybe four to six major new items may be introduced in a year. Herr's also considered distributing about four new products per year through joint ventures, but generally every new product led to the elimination of an existing product as they had reached the maximum number of products they could fit on to their current allocation of shelf space or within their plan-o-grams.

Phil generally believed that the health-food and diet markets still had not found a level of stability. First, it was low fat, then low carbs, then high protein, next low sugar, and maybe next low salt. If Herr's tried to become a major player in either of these arenas it may just end up "chasing rabbits." It was not that difficult to create a healthier product; the trick may be to create market share to justify the fixed cost and develop staying power. The product had to taste good and, for most snack foods, should be crunchy.

MARKET RESEARCH

While Daryl was discussing the issue of nutrition with key staff, he asked his administrative assistant, Christina McGinty, to conduct some additional market research to try to determine the extent of this health-food movement and emphasis on diet and exercise by various influential groups and agencies.

Christina recalled hearing about a study of obesity trends in certain women which was started in 1985. Twenty years ago, around 10% of the population was 30 or more pounds overweight. The study was repeated about seven years later and around 12% of the population was 30 or more pounds overweight. In 2002 data was collected from all 50 states, and 20% of the population was overweight by 30 or more pounds.

A study by the New England Journal of Medicine in 2003 showed that snack foods comprised 10% of the total calories of adults regardless of their classification, from underweight, to optimal body mass index, to overweight, and finally obese body mass index. The study showed a very similar food mix between underweight and obese individuals.[4]

A Harvard study on childhood obesity of 14,000 American children came to a conclusion that snack foods and soda were not linked to obesity. While snack foods may have had low nutritional value, they were not an important independent determinant of weight gain among children. The study helped to reinforce a growing understanding that the lack of physical activity could be a more critical cause of childhood obesity.[5]

In a joint 2004 study by the United Health Foundation, the American Public Health Association, and Partnership for Prevention, 18 personal, community, and public health factors were used to measure the health of Americans. The study concluded that there had been a 17.5% improvement in overall health in the last 15 years but that the rate of improvement had slowed significantly. The rate of improvement was about 1.5% per year in the early 1990s, but that rate had slowed to less than 1% in recent years. A 25% reduction in the number of smokers since 1990 from 29.5% to 22% may have been the biggest factor in improved health.[6]

There was a general feeling that most consumers believed the food industry was not primarily responsible for the health problems faced by obese people. People had choices regarding where and what they ate. There was a feeling the food industry should not be legally responsible for the health problems of consumers who chose to eat at quick-service restaurants on a regular basis.

A very recent article by Food Processing stated that the message from analysts was make healthier products. However, the article contended that maybe food companies were being made the "scapegoat." The article contended that consumers were more worried about vanity than health when it came to obesity. Additionally, there could be a number of other more relevant factors causing obesity such as the reduction in smoking, stress, safety and security concerns, and a sedentary lifestyle.[7]

The snack-food industry grew by about 2.0% in 2002 and 3.6% in 2003. People in their 60s and 70s were considered light users, middle-aged (40s and 50s) who grew up on snack foods were heavy users, and youth were heavy users. Snack food consumption by teens was nearly six times higher than just five years ago.

While lunch had always been a prime target for snack foods with salty snacks as a favorite lunch item, dinner was becoming a much more popular time for snacks as well. Snacking was perceived as healthier probably as a result of the advertising emphasis on healthy snack foods. While natural products were gaining increased interest, taste was still a primary determinate for food preference.

Diets still attracted a lot of attention, from low carb, low sugar, low fat to high protein, but the trend seemed to fluctuate. The interest in low fat seemed to peak in the late 1990s, and the low-carb diet increased attention. In 2003 and 2004 more than 600 new low-carb products were introduced into the market. The biggest growth in low-carb products was in snack bars up 61% and salted snacks up 21%. The target market for organic and natural snacks seemed to be the female aged 25 to 44.

CASE CONCLUSION

The importance of diet and nutrition in peoples lives was gaining increased awareness by the public and rightly so. There were several ways a healthier lifestyle could be achieved from eating habits to exercise routines. Regardless of any positive or negative publicity related to nutrition issues, Herr's was going to be influenced by changes in consumer behavior. An excellent company needed to anticipate changes, know how they might impact operations, and respond accordingly. Daryl felt he had a good understanding of the nutrition situation; the key decision was if the company should introduce more health sensitive snack foods. Daryl needed to think of ideas and present feasible alternatives to top management.

	Exhibit 1: Nutrition Facts Per Serving of Potato Chips					
Item	Herr's Regular	Herr's Low Salt	Herr's No Salt	Snyder's of Hansover	Frito Lay Classic	Frito Lay Baked
Calories	140	140	140	140	150	110
Total Fat	8g	8g	8g	6g	10g	1.5g
Saturated Fat	2.5g	2.5g	2.5g	1.5g	3g	0g
Trans Fat	0g	0g	0g	0g	0g	0g
Cholesterol	0mg	0mg	0mg	0mg	0mg	0mg
Sodium	180mg	90mg	10mg	90mg	180mg	150mg
Carbohydrates	16g	16g	16g	19g	15g	23g
Dietary Fiber	1g	1g	1g	–	1g	2g
Sugars	0g	0g	0g	–	0g	2g
Protein	2g	2g	2g	2g	2g	2g
Vitamin A	0%	0%	0%	0%	0%	0%
Vitamin C	10%	10%	10%	15%	10%	2%
Calcium	0%	0%	0%	0%	0%	4%
Iron	2%	2%	2%	2%	0%	2%

SUGGESTED TEACHING APPROACHES AND QUESTIONS

Herr Foods Inc lends itself to an open-ended or directed discussion format in a classroom setting. Since healthy eating and obesity have recently gained considerable attention in the public spotlight, this case study may lend itself to a variety of presentation formats including role playing, a debate format, videos, on-line dialogue, web based research, or panel discussion. Essentially everyone consumes some amount of fast food and snack foods on a regular basis, and has an opinion on healthy eating and over eating. Side issues related to this case are almost unlimited including:

- parents of an obese child
- school lunch programs
- health insurance issues
- potential lawsuits
- sedentary lifestyles
- the importance of exercise

While this case focuses on the snack food industry, certainly the fast food industry is receiving the greatest exposure regarding healthy eating and obesity. Nationally known companies have taken actions in both directions when it comes to promoting its product lines from super-size portions to healthy choices. A secondary objective of this case could be to branch off into other industries or related issues to examine the extent of this dilemma on the public conscious. The instructor could use any number of presentation approaches to expand this topic and the related discussion. The movie/documentary *Super Size Me* could be an excellent introduction to the presentation of this case.

Some or all of the suggested questions listed below can be used depending on the issues being addressed. The suggested questions also do not represent an all inclusive list, as many others can be added at the discretion of the instructor. In addition to the questions below, a comprehensive set of teaching notes with suggested answers is available from the author.

1. How should Daryl Thomas address the issue of health concerns of snack foods?

2. Consider the feasibility of the decision of more health sensitive snack foods from a business policy and corporate culture and ethics perspective. Identify the critical issues which could impact this decision process.

3. Should Herr Food's develop a more health sensitive selection of snack foods?

4. What kind of a contingency plan, if any, should Herr Foods develop to answer critics or public sentiment if there is a backlash against the company concerning the health food issue?

ENDNOTES

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Preparing Business Students to be Salt and Light: Three Models of Faith Formation in Business Tested Head-to-Head

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ABSTRACT: *This study responds to the need for empirical work on the complex nature and dynamics of faith formation. A survey of business students tested three models of faith formation by indicating which aspects of these models best reflected perceived experience. Classic secular theory dominates the student development literature, including in the Christian academy. As a result, secular theory influences heavily the thinking of Christian student-life professionals. A first model was derived from classic secular theory. A cutting-edge model from the secular literature offered a second model. A third model was derived by the author from an explicitly Christian philosophy of education. The author expected this empirical study to verify the already highly verified classic secular model. Even so, the author's model was verified most strongly of the three models. This result offers encouragement to business faculty who teach according to their own explicitly Christian working models of how their students mature in their faith. Relevant literature, research warrant, methodology, and results are discussed below.*

INTRODUCTION: DIGGING AT THE ROOTS OF FAITH FORMATION

Even prior to the founding of the Christian Business Faculty Association (CBFA), members collaborated on a mutual mission — faith integration in business. With the launch of the Christian Business Academy Review (CBAR), the membership called for empirical research. Along these lines, discussion of the Martinez model for Christian Business Scholarship has been very fruitful in delineating different domains of faith integration scholarship in business (Martinez, 2004).

This empirical study examines how the mission of faith integration plays out in the area of student development, specifically in student faith formation. Its main focus is on Christian students, meaning those who self-identify as Christian. Recognizing that many Coalition of Christian Colleges and Universities (CCCU) admit students who do not self-identify as Christian, this study includes theories of student development that have been verified in the general student population.

To further develop metatheory of faith integration in

business (Smith, 2005), it may be helpful to start at the beginning, by examining the processes by which faith enters into business practice. Of particular interest to this study is where we scholars will root our theories of student faith formation. Will we test existing theories that are rooted in secular student development theory? Will we customize secular theory to fit Christian students? Will we initiate new theory from biblical sources?

This study tested these three approaches, embodied in three models, against each other. In order to study highly applied approaches to faith formation in a professional discipline, a population of business students in a CCCU college was the population of interest for this study.

PURPOSE OF STUDY: UNDERSTANDING CHRISTIAN FAITH FORMATION IN BUSINESS

The specific purpose of this research project was to study how well each of three models of student spiritual development fit the perceived experience of business students. This goal was set in the context of broader goals

that flesh out the faith integration mission of CBFA: Deepening and broadening our understanding of the complex and often unique faith formation processes that our students experience; encouraging the pursuit of distinctly Christian models of faith formation; and encouraging the pursuit of conceptual models of faith formation that closely fit our students, rather than the broader, secular student population. Its ultimate goal was that fuller understanding of how our learners grow in faith will inform pedagogy in Christian business programs.[1]

WARRANT FOR RESEARCH: ROOTED IN SCRIPTURE

Engaging with the wider culture to transform individuals and cultures in the image of Christ is a strong and shared theme for Christian institutions of higher education based on biblical theology. This shared mission orientation reflects Jesus' mission to his church, as given in Matthew 5:13-16, to be salt and light in the world. This study examined how this mission is pursued in the area of student development, specifically student faith formation.

Applied Faith

Of particular interest to this research is how students with an applied approach to their faith formation do so in the context of their professional disciplines. Jesus stressed in Matthew 5:16 that our good action, or our applied faith, when observed, has the effect of eliciting praise to our Father in heaven. In order to study highly applied approaches to faith formation in a professional discipline, a population of business students in a CCCU college were the population of interest for this study. Other professional disciplines, e.g., nursing, engineering, or teaching, may find this study applicable to their student populations, even though the survey questions were designed to analyze aspects of faith integration in business. Future research following this agenda will apply to a range of CCCU institutions.

Maturity Mandate

When Gaylen Byker was installed as president of Calvin College in 1996, Richard Mouw (1996) delivered a sermon titled "The Maturity Mandate." Mouw cited Ephesians 4:13, stating that we must equip students for service such that we may all "come to the unity of the faith and of the knowledge of the Son of God, to maturity, to the full stature of Christ." Mouw does not presume that maturity in Christ is ever perfectly attained. His interpretation of Ephesians 4:13 is that the goal of Christian life is to grow as tall as Christ, similar to growing from boyhood into manhood, rather than into human perfection. In this way, Mouw presented the college with what he called the

Maturity Mandate, to "educate in a way that people will move toward attaining the measure of the full stature of Christ." He urged the college to see this growth in Christ as both intensive and extensive: Intensive in terms of growing closer in intimacy with the Son of God; extensive in terms of "growing in our awareness of the extent of his power and authority."

Working Models

Given our institutions' faith formation goals, the reality in practice for faculty is that we act and teach on the bases of our own working models of how we think our students grow in faith. We do so because, as faculty, we cannot conduct faith integration in teaching without first making assumptions, implicit or explicit, about how faith formation works. Our assumptions can come from personal experience, denominational tradition, or scientific study. One might wonder, especially if personal experience is the sole source for a working model, if it reflects closely the experiences of all of our students. The better we understand our students' actual experiences of faith formation in their disciplines, the more apt our teaching and advising will be. Such considerations lead to the question:

Research Question

How closely do our working models of growth in faith in the disciplines reflect actual student experience?

REVIEW OF LITERATURE

This brief review of the literature on student faith formation covers five streams of literature: Christian pastoral, Christian worldview, Christian empirical based on Christian theory, Christian empirical based on secular theory, and general empirical based on secular theory.

Christian Scholars

Three of five streams of literature on student faith formation are explicitly Christian. The first could be termed the pastoral literature. Normally found in the ministry sections of seminary libraries, this stream of literature is based in theology and (mostly anecdotal) pastoral experience. Such literature is not cited for this study, because it is not, strictly speaking, empirical research.

Second, the Christian worldview literature has contributed significantly to faith integration in the business discipline, especially in sketching lines of meta-theory. Integration of worldview theory into business thinking by Roels, Goudzwaard, Ellul, Walsh, and others has contributed to a biblical understanding of business. Worldview literature tends to be more conceptual than empirical, citing cases of companies or individuals rather than statistical studies.

Daniels, et al. (2000) bring the worldview discussion of spirituality and management into a business education setting by developing implications of worldview for both management practice and pedagogy. They use worldview analysis to frame four contrasting lenses through which a student or businessperson views the world. Under such a frame, a student ascribes one or more worldviews. How the student arrives at this view is not analyzed.

For the current empirical study, multidisciplinary worldview theories formed the philosophical foundation of the third model tested (Clouser, 1991; Van Brummelen, 1994; Greene, 2003).

Two other Christian streams are empirically based. CCCU colleagues in psychology have developed a body of empirical work on the faith integration process over the past 25 years, much of it in the journal *Research in Christian Higher Education* (Smith, 2005).

New Models Based on Christian Experience

Some conceived new conceptual frameworks and instruments, based on their Christian experience of faith formation. I term this stream of literature empirical Christian innovation. These inventors may have referred to secular theory, but did not explicitly root their theory in secular thought.

Christian Models Based on Secular Theory

A second group of Christian scholars in psychology formed a fourth stream of literature. They dug deeply into the dynamics of spiritual growth by utilizing classic spiritual and moral development theories from the secular academy. The journal *Research in Christian Higher Education* published on average at least one high-quality empirical study a year for eight years. More importantly, these scholars evidence biblical purposes and principles throughout their theorymaking. In order to appreciate their contribution, it may be helpful to review some of the secular theories they drew upon, which constitute the fifth and dominant stream of faith formation literature.

Theories of Spiritual Development
from the Secular Academy

To find formal theories of faith formation that have been tested empirically, Christian scholars often look to the secular academy, where student development theory has matured. The classic, empirically based theoretical models of student spiritual development studied the general student population, rather than targeting Christian students. There are hints of Christian background in at least some of the more recent classic theorists, such as Fowler (1981) and Parks (2000).

Definitions: Faith Formation and Moral Development

"Moral development" is the prevalent term in the secular literature. Not a few theorists neglect to define the term. Roels (1990) not only critiques several definitions but states why she prefers Shelton's definition. She compared definitions of "moral development" by Kohlberg, Chickering, Heath, and Shelton, and decided that Shelton's definition was the most comprehensive.

According to Roels, Shelton defined the morally developed student as one who can answer the following questions:

1) To what am I committed?
2) Why am I committed to it?
3) How important is this commitment to me?
4) Do my behaviors manifest this commitment?
5) Am I still growing in this commitment?
(Shelton qtd. in Roels, p. 3)

For the purposes of this study, Shelton's definition of moral development is preferred, due to its comprehensiveness, clarity, and applicability in Christian experience (Roels, 1990). Because CCCU student life professionals tend to use the term "faith formation" more than the secular term "moral development," "faith formation" is the preferred term for this study.

The Secular Student Development Classics

In the extensive body of literature on the development of students that has grown since Chickering's original study, the work of Perry (1997) is centrifugal to any discussion of moral development. Others typically expand upon and critique his work. Perry's work documented the ways cognitive processes are tied to moral development. His model of expected growth has aided pedagogy design.

Kohlberg: Six stages of cognitive moral development

Kohlberg (1967) delineated six stages of development of moral judgment observed in individuals from childhood into adolescence and adulthood. His sequential, cognitive-developmental approach arose from comparing the work of Piaget, Fromm, Baldwin, and others. His work was not based in a higher-education setting, and normally only the last three stages would apply to college-age subjects. However, Kohlberg's work is one of the key theories from which any study of student moral development would benefit.

Fowler, a Christian minister and theologian doing research on spiritual development, developed a theory on "growth in faith" (1981). He described faith as Niebuhr did: "the search for an overarching, integrating, and grounding trust in a center of value and power sufficiently worthy to give our lives unity and meaning." His theory was based on comparing the individual development theories of Erikson, Piaget, and Kohlberg

Parks built an addition into Fowler's house (2000). She added a phase during the young adult stage to specifically reflect the college years. She felt that Fowler's model made an abrupt jump from adolescence to adulthood. She inserted a young adult stage between adolescence and adulthood. Like Fowler's, her theory is based on not only traditional student development theory but also her own experience as a minister, teacher, and counselor to young adults (Chickering, 2006).

A more recent but well-advanced line of student development theory springs from the work of Baxter Magolda (1995) and Pizzolato (2003). Pizzolato researched how at-risk students developed self-authorship. Pizzolato is working along the lines of previous research by Baxter Magolda in the identity theory branch of student development theory. Pizzolato found that student growth into defining self-identity was spurred by provocative experiences, which are more commonly described as defining moments (2003).

Application in the Business Discipline: Moral Management Development in the Secular Management Literature

Discussion of spirituality and business has recently become widely accepted in the secular, popular press. Such discussions are in their early stages in the secular scholarly literature, which is more descriptive and anecdotal than empirical.

Theories of spiritual and moral development set in the context of management education benefit from the heightened interest in spirituality in business. Business ethics courses enjoy renewed interest in the era that began with the Enron fraud scandal. Scholarly work is nascent in this area, and tends to be descriptive and untested (Barnett et al., 2000; Bell and Taylor, 2004; Dehler and Neal, 2000; Marcic, 2000).

CONCLUSIONS BASED ON THE LITERATURE

Secular Theories Clash with Christian Experience

Despite their usefulness, theories rooted in secular sources often clash with Christian thought and experience from the outset in their definitions of terms. Because secular attempts to define faith or spirituality are universalistic, they inevitably miss crucial particularities of Christian experience. For example, Patrick Love, a prominent scholar of student spiritual development, separates spirituality from religion. According to Love, spirituality is a search for meaning, wholeness, and purpose in life, whereas religion ultimately involves doctrine and dogma (2002). Kohlberg (1967), Fowler (1981), and Parks (2000) theorized that maturity is a process of moving from dualistic thinking to an inclusion of paradox, then to a universalistic spirituality.

Such a universalistic ideal is antithetical to Christian theology, and hence problematic for the study of Christian faith formation. Interestingly, secular-based studies, including Pizzolato's (2003) noted contrary results for respondents with high religiosity or strong Christian beliefs (J. E. Pizzolato, personal conversation, March 22, 2005). Not surprisingly, in my pilot test of these classic models, a Christian student faced with the binary choice of accepting or rejecting the model as reflecting his own growth had to reject on the basis of the universalist acme.

METHODOLOGY

The general research question (how closely do our working models of growth in faith in the disciplines reflect actual student experience?) was approached using two strategies. First, three explicit models of faith formation were selected, two from the literature, and one from the author's understanding of a Christian philosophy of business education, to represent the three basic vectors of a meta-theory of faith integration. Model One focuses on cognitive development. Model Two is based on identity formation. Model Three exemplifies faith integration that is learned in practice. Second, the general research question was divided into two subordinate questions:

1. Do business students at the college studied progress over the college years into higher stages of development?
2. Are any of the three models a reliable measure of faith formation for the business student population studied?

The first question tests the assumed developmental nature of all three models. The second question leads to a test of the models against students' perceived experiences of faith formation. Each of the three models tested is described in the survey instrument via a short vignette or personified development narrative.

Model One: Classical

John's story describes Parks' model of young adult growth in faith. Her model is the latest in a classic line of research in the general academy that has been validated for the general student population. Termed here the Classical Model, it is grounded in the work of Kohlberg, Fowler, and Parks (Chickering, 2006).

John Finds His Calling

As a teenager, John read his Bible often and prayed. His prayers began to include requests for guidance regarding a vocation in business. His ideas of vocation in business were what he gained from parents, family, church, and/or Christian schooling. As he grew more mature, he

began to critique and analyze the faith he had inherited. At times, he resisted the complete authority of his inherited belief system in the business world. He began to view other faiths as at least partially valid in how they relate to the business world.

A major step in maturing his faith was to own it for himself. He wanted to be recognized for who he was and who he was becoming. He had support from mentors, old and new, in developing his own convictions about how to conduct business. He made a commitment to his new view of himself as a Christian in business. He preferred to associate with others of similar belief, so he joined a Christian Business Breakfast Club. His openness to the people of other faiths was only within the boundaries defined by his Christian faith.

As John matured even more, he became comfortable associating with people outside his faith. He joined Rotary Club, where he was very active. He became able to cope with ambiguities and paradoxes in the Christian faith, while still keeping his convictions.

Model Two: Defining Moments

Mike's story describes a Defining Moments Model of student development. This model is based in student identity theory (Baxter Magolda, 1995; Pizzolato, 2003). Pizzolato found that student growth into defining self-identity was spurred by provocative experiences. Such experiences "disrupted students' equilibrium such that they felt compelled to consider and begin to construct new conceptions of self." This defining-moments approach resonates with a Christian approach called Work as Ministry, developed by Randy Kilgore (2002).

Mike's Defining Moment

Mike benefited from Christian schools and college in terms of much food for thought on faith integration in business. He thought about the person he would become and mulled over his choices.

But he did not own faith integration in business for himself until he was faced with a decision with only two choices: either comply with his boss and falsify sales reports, or lose his job. In this defining moment, he had to decide which fork in the road to take. He had support from mentors, but he had to analyze the implications and choose for himself. This choice provoked him to decide which person he would become.

He made his choice, and committed to it. This defining-moment choice determined the way he operated in the business world from then on.

Model Three: Extensive

Susan's story describes the researcher's model, which derives from what Mouw would term extensive faith for-

mation, which flows naturally from both a popular evangelical metaphor for faith formation and from a Kuyperian philosophy of education. This model sees Christian development as an ever-widening and deepening advance of a distinctly Christian worldview into all aspects of reality. The evangelical aspect of the Extensive Model derives from a popular tract entitled "My Heart, Christ's Home." This tract describes faith formation as the invitation of Christ progressively into further rooms in the house representing a Christian's life. For example, I may begin by inviting Christ in to the front door and the living room, but it may take time for me to realize he must also inhabit my kitchen and bedroom.

The Kuyperian aspect of the Extensive Model is grounded in the work of Clouser (1991) and Van Brummelen (1994). Susan's story is an attempt to express Mouw's (1996) concept of extensive growth in the form of fictional narrative. The dynamic of this model is territorial, along the lines of Abraham Kuyper's claim of the world for Christ: "There is not one square inch of the entire creation about which Jesus Christ does not say, 'This is mine! This belongs to me!'" Like the Reformed tradition that Kuyper represents, this model is intended to exemplify progressive, personal victories for Christ — in essence, the process of sanctification or dedicating one's life to God.

Susan Grows a Legacy

Susan made a commitment to Christ by accepting salvation. More and more, she wanted Christ to matter in different areas of her life, including her business life. She decided to apply biblical thought to her business life, first, by avoiding sin and second, by feeling the need to share the gift of salvation with coworkers. Some of her initial efforts went well, some did not. She also focused on charitable giving from her earnings. She began to want to live all of her business life for God's purposes. She became concerned that her company did not always have values that matched her own, and Susan tried ways to navigate that difference. She desired more and more to mature throughout her lifetime in her faith in her business life. She began to find ways to change her company for the better, in ways that reflected her inner convictions. She matured to the point that she was looking for ways to pass on to the next generation what she learned.

Survey Instrument

A survey instrument was given to students who took an Introduction to Business course at the college studied, which included students from four years of college classes. Reponses were voluntary.

The survey recorded responses on a modified Likert scale. The survey questions were of two types: (1) the full vignettes of the three models, as contrasted with (2) each aspect and stage of each model, separated out as a separate question for response. This research design facilitates testing each component of each model, to facilitate the possible customizing of the extant models to better fit the population.

TESTS AND RESULTS

Research Question 1 : Progress During College

Do business students at the college studied progress over the college years into higher stages of each of the three development models?

A Pearson Chi-squared test was conducted on each survey item, grouped by model, to test if the observed frequency distribution of responses to items differs from an expected distribution in which the class of the student matters. A P-value of less than 0.05 was the threshold for rejection of the null hypothesis of no association. Only three items met this threshold, but none of the three evidenced an association that showed increasing values with maturity.

TABLE 1: SEQUENTIAL DEVELOPMENT WITH MATURITY DURING COLLEGE YEARS

Survey Item	Chi-Squared P-value	Means FR, SO, JR, SR
Vignette for Extensive Model	0.052	3.96, 3.27, 3.96, 3.65
I want to be a model of Christian behavior in my workplace	0.029	4.35, 4.13, 4.54, 4.55
I went through a defining moment in my life that made me question my views	0.015	2.95, 3.36, 3.67, 3.24

Results 1: Cannot Confirm Growth in Four Years

Student responses to all statement items contained in all three models varied very little by class.

Conclusion 1: Agrees with the General Literature

It is very difficult to discern responses changing significantly with maturity over the college years. (Comments: I am surprised to see little influence from maturity in the classical model, because Parks focuses her stages of development in the college years. However, the general literature on spiritual and moral development of students indicates that longitudinal studies usually need to include five years after college to show statistically significant changes over time. Other considerations regarding slow development

include gender differences (Gilligan, 1982), and maturity that occurs outside college experience (Chickering, 2006), especially as students increasingly take time off from college. I am not surprised to see little change in defining-moments factors, because experiential influences from business settings are much more prevalent after graduation.)

This result clarifies the remaining results, in that items in the models that would be expected to achieve higher responses at certain stages of maturity will not confound significantly the results for those models.

Research Question 2: Which Model Fits?

Are any of the three models a reliable measure of faith formation for the business student population studied?

Results 2: Low Alphas for Secular Models

Vignettes representing the three models were presented to respondents. The results were ambiguous, in that the highest mean (or highest agreement) was seen for the defining-moments vignette, but it also had a significantly wider standard deviation than the other models.

TABLE 2: RESULTS FOR VIGNETTES COMPARED WITH RESULTS FOR ITEMS GROUPED BY MODEL

Vignette	Observations	Mean	Std. Dev.	Minimum	Maximum
Classic	105	3.75	0.89	2.00	5.00
Defining Moments	105	3.83	0.98	1.00	5.00
Extensive	105	3.74	0.89	2.00	5.00
Grouping	Observations	Mean	Std. Dev.	Minimum	Maximum
Classic	105	3.39	0.35	2.21	4.58
Defining Moments	104	3.67	0.55	2.00	5.00
Extensive	105	4.16	0.52	2.00	5.00
Free Writes	104	3.00	0.48	1.33	3.89

Statement items representing each of the three models were placed in four groupings: (1) statements representing the Kohlberg, Fowler, and Parks models; (2) statements representing the Baxter Magolda and Pizzolato models; (3) statements representing the Extensive model; and (4) statements or "free-writes" representing various comments made by business students studied, collected by Edgell. As seen in Table 2, the Extensive Model Grouping showed the highest mean. Standard deviations did not vary significantly, aside from the low standard deviation for the Classic Model Grouping. Because the standard deviation for the highest-mean grouping is close to the standard deviations of most of the other groupings, the results for the groupings by model are less ambiguous than the results for the vignettes. Based on the highest mean, it appears that respondents agreed most with the Extensive Model.

The next test chosen was Cronbach's alpha, to measure

how well the four sets of items measure the true underlying model. Cronbach's alphas for each grouping were derived and compared to a threshold of 0.8 or higher. The only sets that passed the threshold were the Extensive Model and the free-writes.

TABLE 3: CRONBACH'S ALPHA RESULTS FOR ITEMS GROUPED BY MODEL

Items Grouped by Model	Theorists	Cronbach's Alpha	Alpha if Drop Weakest Items
Classic	Parks	0.754	0.770
Defining Moments	Pizzolato	0.687	0.668 (no improvement)
Extensive	Edgell	0.885	No weak items
Free Writes	NA	0.876	0.886

As shown in Table 3, the Extensive Model grouping had the highest alpha. Hence, the statements of the Extensive Model reliably represent the studied business students' perceptions of their faith formation. The next-highest alpha was for "free writes," a loose grouping of student statements collected by Edgell, but three items were negatively correlated. Lower alphas for statements based on Classical and Defining Moments models indicate that elements of these models do not reliably represent the perceived experiences of this population.

Subsequent factor analyses were performed on all four groupings to see if elimination of the weakest-fitting statement items improved the reliability of any model to a statistically significant degree. The results are listed in the last column of Table 3. Reliability of the Extensive model did not improve with elimination of any items, such that the model's reliability has solid statistical significance. Elim-ination of items in the "free-writes" grouping brought it to a slightly more statistically significant reliability. Elimination of items in the Classical and Defining Moments groupings did not improve their reliabilities, nor were their reliabilities enough to rate statistical significance.

Conclusion 2: Secular Models are a Poor Fit

Customizing extant models of student spiritual development (Kohlberg/Fowler/Parks, Baxter Magolda/ Pizzolato) to fit a Christian population has very little promise.

Conclusion 3: Extensive Model is Best Fit

A model of spiritual development that springs from an Extensive Christian worldview, without dependence on classic or recent secular theories is the best fit to the studied business student population.

Limitations of the Study: Sampling Bias

This study is intended to describe business students in the college studied, hence the sample is the population. The study is not intended for generalizability.

The following considerations make the study a poor candidate for generalizability. Participation was voluntary, hence the sample does not constitute a random sample. The total sample was 105 respondents out of 318, or a response rate of 33%, perhaps due to conducting such an extensive survey during study time for final exams. Conclusions from this study will be limited to the business student population in the college studied.

IMPLICATIONS

What does this pilot study tell us about how business students, and other students at the college studied, grow in faith in their chosen disciplines? Possible implications are intriguing.

• This study suggests that standard models of spiritual development may not describe how students in the college studied grow in faith in their disciplines.

• This study found student experience to be most similar to the Extensive worldview framework to which students are highly acculturated at that college.

• Growth in faith is for these students not a rebellion against their parents' faith.

• Nor are their growth processes a series of sudden epiphanies, or defining moments.

• For these business students, faith formation is best described as a lateral and territorial expansion of their faith understandings into more areas of their lives.

These results raise questions, such as:

• Is this population of students substantially acculturated to an Extensive worldview by the close of their first year, such that this survey, administered at the close of the year, reflects this strong acculturation in first-year students? If so, this would explain the lack of significant difference between first- and fourth-year students in faith formation.

• Is this acculturation the product of the culture inside the college studied, or of a generalized Christian culture that students bring to their college experience?

• Are student perceptions of their growth far more optimistic than the realities? Student behavior often contradicts stated values and beliefs.

• Is this a generational phenomenon, reflecting the current college cohort, in contrast with previous generations?

Possible applications to other populations would include:

• None of the models tested, even the classic model, which has been verified extensively, show significant stepwise progress in the four years of college. Hence, modeling does not show great promise for assessment. Its chief use may be for designing curriculum and pedagogy for faith integration to best suit students' view of their maturation process. Existing means of assessment in business majors, such as case-related essays requiring critical thinking, faith integration, and knowledge of business concepts, assess faith integration in the major in ways that test what can be learned only in Christian colleges, and hence may give better evidence of progress during the college years.

• Faculty teach using their own working models of how they perceive student faith formation. These models are often based on an understanding of students that grows with time and feedback. Such working models, customized as they are to local populations, may be more reliable for understanding students than the well-known, general, classical model. It is very useful to test working models in a piecemeal fashion, to check each element for a good fit to the population.

FURTHER RESEARCH

Phase Two of this study explored these and other questions. It extended testing of the Extensive Model to Christian business practitioners who have completed college. Hence, Phase Two was not limited to the population previously studied. Funding was provided by a Lilly Vocation Venture Grant. Further phases will broaden the population to students and alumni from a wide range of CCCU institutions.

Contribution to Meta-Theory: Validate Working Models

A final consideration is how this study may support future CBFA scholarship. Smith (2005) recommended the development of meta-theory in faith integration in business. Such meta-theory would encompass the dynamics of faith integration which are currently partially described by existing models. A meta-theory of faith integration (Smith,

2005) would create space for validated working models of faith formation. This study makes a case for the potential validity of explicitly Christian working models.

ENDNOTE

[1] Linkages between spirituality and learning are often more assumed than proven; however, a dissertation at Azusa Pacific University connects spirituality dynamically to learning in college (Green, 2005).

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