

Profit with a Higher Purpose:

A Christian Guide to Business Leadership

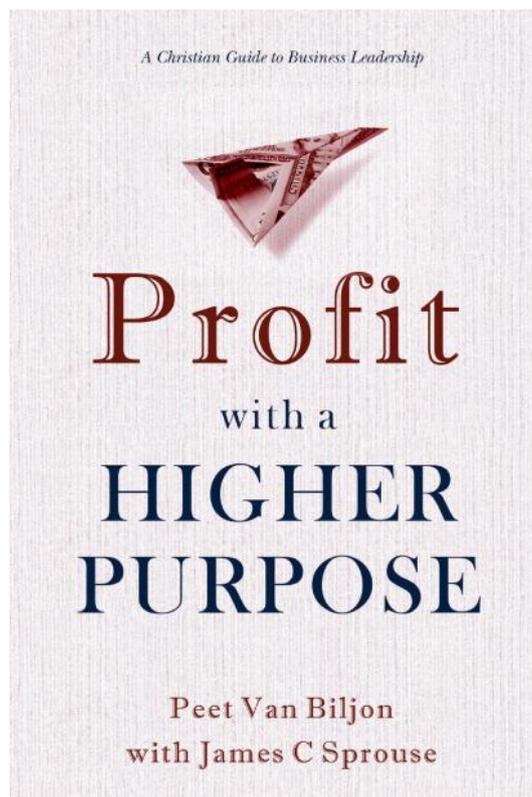
By Peet van Biljon with James Sprouse

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Many years ago, I was on a business trip to New York City but had failed to appreciate the impact that school holidays would have on the availability of those I wished to meet. Finding myself in mid-town Manhattan with no meetings on Ash Wednesday, I went to one of the large churches on Fifth Avenue to be ‘ashed’. That day, I had a revelation that has stayed with me: that the word “sin” is literally at the heart of “business”. Of course, all our human interactions and associations are tainted by our fallenness, but when we are about our daily business, contending for our livelihood, we are especially alert to opportunity and perhaps more vulnerable to temptation.

Innovation consultant Peet van Biljon and Methodist pastor James Sprouse have documented dozens of contexts, amply illustrated, in which these temptations are very real and present dangers to a business leader who is a professed follower of Jesus Christ. The book is at its most powerful when it challenges compartmentalised thinking – the easy failure to connect the moral teaching and example of Jesus with contemporary business practices and malpractices. From damaging management styles to unjust wages, long-hours working, sharp sales techniques, the protection of business reputation, brutal terminations, shareholder primacy

over other stakeholders, downright bribery and corruption, the authors draw out the inconsistencies in common behaviours with biblical teaching on Christian discipleship. The book nails some of the obvious – and not so obvious – contradictions



between what we claim to believe and the way we act when wearing our business hats.

In two key chapters, “The Big Time Crunch” and “The Many Sacrifices of the Ideal Worker”, the authors summarise a wealth of research on the destructive consequences of overwork and of oppressive working environments. Quoting the opening

verses of Genesis 11, comparisons are drawn between today’s super-workers and the ambition of the Babylonians to achieve the impossible by mere human effort. Jesus was plainly aware of the issues of sleep deprivation, burnout, collateral damage to family life and friendships arising from a culture of over-work and instead modelled withdrawal to quiet places and the importance of times of reflection, recuperation and prayerfulness.

Another significant section of the book addresses the decision to lay off workers, whether in the context of a business downturn or a strategic decision to offshore or downsize. The authors contrast the very different approaches taken in Germany versus the US and UK during the slump that followed the 2007-08 global financial crisis. In Germany, imaginative ways were found to retain the maximum number of employees in order to avoid the expense of redundancy and subsequent re-hiring. The authors acknowledge that work and workers will often

be relocated for justifiable reasons, but argue that companies should adopt a code of honour in such circumstances. Thinking of the way that God prepared Abram, Moses and Joseph for their respective journeys into the unknown, the authors suggest that companies should prepare departing workers better for their journeys, by equipping them with transferable skills, matching

the amount of severance pay to the individual's likely difficulty in finding another job and giving enough warning of redundancy. This would allow them time to prepare and adjust to a new reality.

As a manual for living a principled life in a morally compromised world, this book is to be commended. Time and again, the authors dissect a seemingly innocuous business practice and contrast its effects with those of the new and living way that Jesus modelled. Shrinkflation (reducing product size but keeping the same price) is a violation of biblical injunctions against the use of false measures (Prov 20: 21,23). Expecting productivity improvements from a workforce that is provided with poorly maintained or out-of-date equipment is akin to Pharaoh's cruel requirement of the Hebrew slaves to make "bricks without straw".

There is a very strong challenge in chapter 10 to the business objective of maximising shareholder value – arguing that, for example, the (US) law does not impose any enforceable duty on corporate directors or executives to maximise profits or the share price of a publicly quoted company. Boards are free to pursue other objectives such as social responsibility, paying a living wage and environmental protection, should they so determine.

A weakness of the book lies in its presumption that profitability is the business norm. In small and medium-sized businesses, this is plainly not the case, and to an increasing extent even larger businesses experience long intervals of unprofitability. Research on UK small businesses finds that only 40 per cent make a profit in a typical

year. In the US, among the constituents of the smaller company Russell 2000 index, a third were loss-making in 2015. While less than one in ten large companies that populate the S&P 500 were loss-making, over the past decade there has been an astonishing concentration of profits in a relatively small group of super-star businesses, such that average measures of the profit rate or return on capital give a misleading picture.

Lax enforcement of anti-trust regulations and increasing technological barriers to entry have helped three-quarters of US industries to become more concentrated over the past twenty years. Firms that survive in the most concentrated industries tend to enjoy higher profit margins, abnormally positive stock returns, and more profitable merger and acquisition deals. Empirical research suggests that market power is becoming an important source of value, and that the nature of the US product markets has undergone a structural shift that weakens competition. One reason for the increased concentration is the increase in horizontal Merger and Acquisition deals. These have surged drastically over recent years. Firms seeking to increase the concentration in their industry, and particularly their own market share, seek to acquire smaller competitors to consolidate their position.

The book's litany of criticisms of business practice in the naked pursuit of gain can be laid at the door of these behemoths with ample justification. However, the great majority of businesses operate near the breadline when it comes to profitability. Think of the very many small businesses where the proprietors and their families work unpaid hours to keep the business alive. And of the start-up businesses where long hours are worked to achieve the breakthroughs needed to

establish the franchise. Even for profitable small businesses, it takes very little for profits to be eroded – for example, the appearance of a rival product or larger competitor or the cancellation of a key contract. Global corporations often squeeze their myriad suppliers to the point of unviability in pursuit of shareholder value.

Hence, the ethical circumstances in which much of what is produced and sold in the world today do

not come close to the high standards advocated in this book. 'Sin' may be at the centre of 'business', but this does not excuse us from our personal responsibility to bring kingdom values into every corner of our business lives. The authors have identified the problems and difficulties, urging us to review our practices and consider kingdom alternatives. Neither law nor custom requires business leaders to exact every pound of flesh. 

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