

Christian Business Ethics in Theory and Practice Cross-Cultural Perspectives

**Excerpts from discussion of leadership panel*

**Editor's Note:**

The economic turmoil of recent years has heightened the awareness of business ethics across the world. For Christians, the only ethical standards that matter are those laid down by God in His Word. On Oct. 1, 2012, the Center for Christianity in Business at HBU convened a conference in which a panel of business leaders from the U.S. and China, the world's two biggest economies but with drastically different cultural and political heritages, share their perspectives on best practices of Christian ethics in business. We hope an excerpt of the dialogue, as presented here, will offer great practical insights for all Christians dealing with ethical dilemmas in the marketplace that transcend geographical and cultural boundaries.

Henley: Just this afternoon I read a quote from a Chinese business expert who said, "Economic viability requires a serious moral ethics." Some say ethics are moral principles of right conduct that govern a person's life or a company's actions. But what is right conduct?

In 2007 during a special Politburo session convened to study the impact of religion, Chinese President Hu Jintao acknowledged, "The knowledge and strength of the religious people must be mustered to build a prosperous society." A Chinese scholar wrote, "Only by accepting and understanding God's transcendence as our standard can we understand important concepts like freedom, human rights, tolerance and equality." Another Chinese scholar suggested that "Christianity provides the common moral foundation that is able to reduce the corruption and narrow the gap between rich and poor, and even improve the environment."

Can ethics work apart from the concept of transcendent absolute moral values? What is the basis for ethical conduct when, in both China and the U.S., many in business today simply do not believe in God?

Jacobs: Ethics are an expression of morality and morality must be grounded on absolute values. If morality is negotiable then there is no morality. We Christians recognize our adversary who, from the very beginning, has tried to deny the existence of the absolute moral standard that is laid down by God.

There are only three bases for ethics. The first would be the vote of the majority. If most people in the world thought we should do away with people over 50 then this crowd would be a lot smaller here tonight. An alternative would be for a ruling minority to enforce their definition of ethics on the majority. We see that it doesn't work very well, as we behold the history of all dictatorships.

The third would be an absolute moral code laid down by a higher authority who is absolutely moral and righteous in character. God's Word and moral codes are trans-cultural and trans-temporal, because they never change. In a world that is lost in relative morality and conflicting philosophies, Christians must bear witness to the one standard that always works. Jesus is the only way.

Henley: What kind of standards do you see in the business world today if not the absolute standards you mentioned? What are the consequences of ignoring those absolute standards?

Jacobs: One example is the economic turmoil that

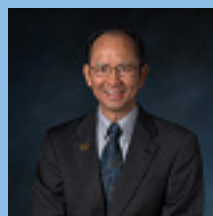
THE PANELISTS



Wallace Henley (moderator) is the author and collaborator of over 20 books, including his latest best-selling *Globequake: Living in the Unshakeable Kingdom While the World Falls Apart* (Thomas Nelson, 2012). Journalist, leadership consultant, and former White House aide, Wallace is the founder of Headwaters Leadership Institute and an Associate Pastor of Houston's 60,000 member Second Baptist Church.



Buck Jacobs is Chairman and Founder of The C12 Group, America's leading provider of Christian CEO/Owner roundtable services. Prior to C12's founding, Buck served as Board Director and Vice President of Sales of the S.H. Mack Company, where in 10 years he led a ten-fold increase in sales and was instrumental in the global development of a successful Christ-centered business which was later acquired by a large public company. During this time, the Mack Company was a founding member of The Fellowship of Companies for Christ International (FCCI) where Buck later served as the Florida Director. Buck's earlier experiences include Managing Director of Sta-Power Italia, Spa., CEO of The Executive Development Institute, and President and Director of R.G. Haskins/N.A. Strand Corp. Buck is the author of *A Light Shines Bright in Babylon – A Handbook for Christian Business Owners*, *A Strategic Plan for Ministry*, and *The Parable of The Janitor and the CEO*.



Steeve Kay was co-founder (1981), President and CEO of QTC Management, a leading provider of web-based medical disability evaluation services to America's \$400 billion disability benefit industry. Prior to QTC, which he sold in 2005, Steeve spent 15 years with several semiconductor companies in California's Silicon Valley and helped redesign and commercialize the world's first solid-state metal oxide semiconductor (MOS) power transistor, used in PCs, sound systems and many industrial applications. In 2003 Ernst & Young awarded him "Entrepreneur of the Year in Technology". Presently Steeve is an investor and philanthropist, and the founder of Tee Hub (business incubator), KINNOVATION L3C, Unicity, the Kay Institute of Thinking, and the Kay Family Foundation. He served as trustee of the University of California, Irvine and founded the Kay Center for E-Health Research at Claremont Graduate University. Steeve holds a MSEE from Stanford and MBA from Pepperdine University.



Bill Mearse is Managing Director of Accenture's Houston office and Chief Operating Officer (COO) of the firm's Resources Sector, a \$5+ billion business involving the oil and gas, chemical, utilities, metal, mining and paper industries. He is responsible for the growth and profitability of the Resources global business and participates on several Accenture management committees.



Tao Zhang is the Director and Deputy General Manager of The Beijing Hiconics Drive Technology Co., Ltd. and is a Shareholder and Senior Consultant with Beijing Gohigher Environmental Technology Co., Ltd. He is also an attorney with the Jin Tai Law Firm in Beijing. He holds an EMBA from Tsinghua University and a doctor of law from Wuhan University.

the world has endured in recent years. I believe it is the direct result of the absence of those standards. We are paying the price for the unbridled greed that permeated our economic-political system for far too long. Without the restraint of clear absolute standards, man will always seek his own interest at the expense of others.

Henley: Every sector of life has a kingdom mission from God. The mission of business is to provide for society's material needs in a fair and honest manner. Embracing God's Word is the only way to ensure that business is done right. Marketplace Christians in China today face unique challenges in this respect. How are they coping with these challenges?

Zhang: The business environment in China is more complex than in the U.S due to legal and cultural differences. After China joined the World Trade Organization in 2001, political and business leaders started paying more attention to moral values across the world. Many Chinese Christians are young in their faith, but they seek spiritual growth eagerly and show obedience in action, not merely in words. When they face ethical dilemmas, and there are many in China, marketplace Christians often react in one of several ways.

First, they may compromise, a reaction more or less in line with Chinese cultural traditions. The danger here is of course they may fall for the second best instead of the best option, the easy choice instead of the right choice.

Second, they may choose to avoid the situation altogether because they want to be faithful to the Scripture. It is not unusual for some to abandon their professions after their conversion because they do not want to face temptations.

Then there are those who act as "shrewd as serpents and innocent as doves" (Mt. 16:10). A business man in Wenzhou decided to engage in businesses that do not rely heavily on *guanxi* (relationship) – which typically involve under-the-table deals to advance the business. When the pressure mounted for compromising his principles, he redoubled the quality of his management and built networks through close friendship with the leadership of vendors and customers.

Another entrepreneur made himself known for his integrity and the high quality of his products. When the poor quality of his competitors' products was exposed and backfired on their business, customers turned to him in droves and his business was greatly blessed.

I believe there is no substitute for earnest supplication when we are challenged ethically in the marketplace. Our God who is faithful will surely guide us to the right decisions. As Apostle Paul reminds us: "We also exult in our tribulations, knowing that tribulation brings about perseverance; and perseverance, proven character; and proven character, hope; and hope does not disappoint." (Rom. 5:3).

Henley: In the early decades of the Industrial Revolution people worshipped on Sundays but left the Scripture behind come Mondays, leading to widespread mistreatment of laborers in the workplace. Over time those who understood the Bible's teaching about the worth of human beings helped bring about changes in management philosophy which gave new priority to the development of the worker. This new awakening to the ethical treatment of workers in turn led to improved morale and productivity, thus affirming the wisdom of God's Word.

Given that God's laws always set a higher universal standard than man's, what are some best practices marketplace Christians need to follow to ensure they work to please God and not just man?

Mearse: One of the best practices I have experienced is to differentiate our behavior, to set apart from the world as the Scripture commands. I started working at age fifteen, for my dad, who would tell me "Son, always remember whatever you do, whatever you say will be a reflection on me because I am the boss." Christians need to remember that what we do and what we say will always reflect on God.

Some behaviors are fairly basic – I don't use profanity and I don't drink. When I travel, and I do that too frequently as a consultant, I will leave the rest of the party after dinner and go to bed, when the others opt for the men's club. That accomplishes two things: first I differentiate my behavior; second I am the only one without a headache the next morning.

Second, we must learn to manage risk. This means avoiding compromising situations, those that could put us in trouble before we know it. Being able to recognize these dangers and to run from them, much like what Joseph did with Potiphar's wife (cf. Gen. 39), is critical.

Back in the 1990s when I was managing our SAP energy practice, we needed to recruit people from outside of the U.S. to catch up with the fast growing

market. One job candidate told me he needed a special visa to get into the U.S. When I told him we don't do that, his reaction was "Oh, you follow the rules?" "Yes, every time," was my response.

In another instance we got a proposal on a huge but complex deal from a client. Upon careful examination it became obvious that part of the deal was illegal. Some in our organization suggested we should bid and perhaps we can finesse our way out of it later. I would have no part of that and we chose not to bid. One thing I learned about managing risk is that if you avoid compromising situations on principle, people will recognize that and fewer compromising situations will present themselves.

A third practice is to diversify your relationships. Many business people I know keep all their relation-

Christian Insights for Ethical Living in the Marketplace

Henley

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Jacobs

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Kay

"It is critical for leaders to live by example. They must act according to their core belief."

Mearse

"Differentiate our behavior...Learn to manage risk...Diversify relationships...Simplify decision making...(and) Think long term."

Zhang

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ships in their company or with people in the same business as they are. I keep my relationships not only in my business, but also with people in my church, my family, and other parts of my life away from business. Diversified relationships give us broader perspectives and keep us grounded ethically with help from many counsels.

Yet another practice is to simplify our decision making. We live in a world that creates a lot of gray, making it hard sometimes to tell right from wrong. One way to simplify decision making is to create more black and white; that is, to make decisions based on principles and not situations. As Christians, our decision principles spring from the Word of God. In fact many secular business books today discuss principles that are based on the Bible, yet many people don't even realize it.

A final best practice is to think long term. People who make poor ethical decisions are acting with myopic vision because these decisions cannot stand the test of time. For Christian to think long term is to think eternity. So as Christians our ethical behavior may cause us short term losses, but they inevitably lead to long term, eternal gains.

Henley: I was an aide to President Richard Nixon when the Watergate Scandal broke, sending many of my associates to jail. By God's grace two things protected me in that experience.

First my supervisor was a godly man who refused to participate in any shady activities. When the Watergate scandal was being planned, he and I were, thank God, conveniently left out.

Second, I set my boundaries when I first went to the White House, knowing it is a dangerous place. One boundary is to never have anything to do with a money bill from which I might benefit. Another is to never get involved in relationships that might hurt my wife and my family. Yet another is to never practice politics that attack an opponent's person, only the issues. These things limited my career, but they strengthen my witness and kept me out of jail.

What experience can you share that challenged you as a follower of Christ?

Kay: In business, leadership is everything. How successful an enterprise can become depends on the leader's value and vision and how they are shared and implemented among the ranks. It is critical for leaders to live by example. They must act according to their core belief. The devil presents Christian leaders with serious challenges often and core belief is where they can turn to for anchor.

In my firm we have rules against gift giving by subordinates to superiors especially during the holidays. This is not so much a symbol of our values but

more so to help cultivate a culture of integrity and minimize opportunistic behavior. As enterprises grow, procedures instituted to protect such culture become more important.

Once we had a contract in which we were required to pay the client \$200,000 when a certain volume of audit work was completed on their behalf. The contract lasted for 5-years, but by the time we reached the critical volume neither we nor our client remembered the clawback provision. After some time someone in our firm happened upon it and we wasted no time to send them a check for the amount agreed, although they did not expect it. Our integrity earned us more trust with this client as a result.

In another instance, we had to file a medical report to the government as part of our audit work. The state in which the audit was being conducted required a medical doctor to sign the report, although in our home state an assistant could sign on behalf of the medical doctor. It turned out at the eleventh hour when the report was finally ready, the medical doctor who should have signed the report was unavailable, and our onsite manager decided to sign on his behalf in order to meet the deadline. The report was rejected by the government because of this oversight and our business was subsequently closed down in that state as a result. This teaches us a lesson that integrity can never be compromised. There is no such thing as luck for dishonest deeds in business because we work in God's economy.

Henley: Centuries ago, a Roman wrote these words to another Roman: "As the soul is in the body, that's what Christians are in the world." He was describing all the good works of these people called Christians being done in Rome: feeding the hungry, caring for the poor, and dealing kindness even to the Romans.

We know the soul of a company is in its culture. How then do you infuse your values in the culture of your firm, knowing that it matters for the soul of the non-Christians in your workforce?

Jacobs: It starts with you. Walk the talk. Look for teachable moments when your behavior illustrates a biblical principle. Be willing and ready to explain why what you do will make a difference in situations. Memorize Matthew 6:32: "Seek first the kingdom of God and His righteousness, and all these things will be added to you."

Mease: First, as Christians we need to demonstrate our capability, showing our intellect as well as our work ethics. Christians should be the best workers a company has. Next we need to develop our credibility by making an impact with our integrity. If our capability and cred-

ibility are not in doubt, God will give us opportunities to have dialogues with others about our faith. That's how we will impact our culture as individuals.

Zhang: First we must pray for the workers, for the company's affairs, large and small. That's what my wife and I do every day, even through prayer networks using cell phones. Second, we need to walk the talk. As principals we must love and care for our subordinates with un-

bounded unselfishness.

Kay: We make no overt attempt to proselytize our non-Christian colleagues, but from our employee handbook to our daily interaction with them we bear the witness of biblical values. We engage marketplace chaplains in our firm who are there to share the good news and bring comfort to those who are in need. We lay a biblical foundation in our corporate culture which over time will and does win over many souls.

As the soul is in the body, that's what Christians are in the world.

