

Wisdom-Based Business: Applying Biblical Principles and Evidence-Based Research for a Purposeful and Profitable Business

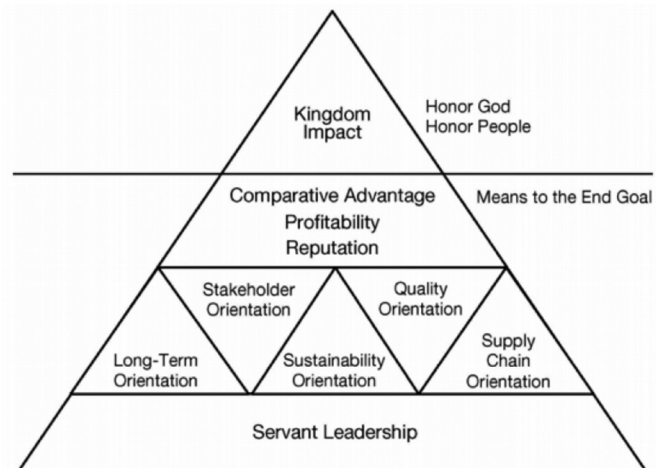
By Stolze, H., Zondervan Academic 2021.

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REVIEWED BY ANDY BORCHERS

Proverbs 31:10-31, an oft-studied passage, serves as fertile ground for Hannah Stolze's new book that integrates Scripture and business research in the pursuit of wisdom. The author combines her unique background in the military, academic research, and theological study in a tour de force that advances a new view of the *eset chayil* (valiant warrior) of the "Wife of Noble Character" passage. Her view moves beyond that of an impossibly ideal woman to describe a wisdom-based business model that combines academic research and biblical insights in a unique way. The result is a captivating read suitable for a wide audience.

Stolze systematically builds her means end model (shown below, p. 36) in chapters that start with a case study, build a biblical basis, and conclude with connections to business research. Her story begins by challenging neoclassical assumptions by Milton Friedman on the goal of the firm being profit maximization. Then, turning to Peter Drucker and William Pollard of Service Master, she advances a stakeholder perspective of honoring God and people as a firm's end goal. From there, she works from a base of servant leadership to a set of five "orientations" (one might call them strategies) that Stolze connects to the "Wife of Noble Character." Hence, when Proverbs tells us in 31:14, "She is like the merchant ships, bringing her food from afar," Stolze develops a supply chain orientation chapter. She appeals to Unilever and their historic efforts to create soap at a price everyone could afford (and benefit from) as her case study. Her coverage of research threads in supply chain management (SCM) shows that a SCM orientation leads to trust, commitment, and cooperation with supply chain partners (not to mention profit). In a similar vein, Stolze speaks to each of five orientations in her model.



Stolze makes a significant point in utilizing Riccardo's comparative advantage concept in her model instead of Porter's competitive advantage notion. As originally advanced, comparative advantage shows that all nations can benefit by doing those economic activities they are relatively (but not necessarily absolutely) capable of completing. Following Hunt and Morgan's work that extends comparative advantage from nations to firms, she argues that firms can coexist in a "win-win" world with differentiated offerings. In Stolze's view, business leaders can move beyond a neoclassical view of scarcity and embrace a world of abundance where stakeholders share in the blessings of innovative products. She states, "I believe that wisdom leads to a comparative advantage not a competitive advantage. We do not have more because we have won access to a scarce resource at the expense of losers" (p. 205).

The book takes a broad but readable stroke on a large topic. Hence, some readers may not be fully satisfied

with the individual chapters. Her words on supply chain management, for example, build on her graduate work in marketing distribution but are largely silent on older work on management science. Also, skeptics may find weaknesses in the examples she extols. An example might be her opening appeals to the story of Service Master. The story's strength is weakened by the eventual sale of the company to venture capitalists. The closing story on Tom's of Maine has a slightly better outcome when Colgate buys the firm and their business approach but begs the question, "will the culture endure?" One example that is hard to argue with is the 1,000-year run of Admont Abbey. Ultimately, executive succession is a critical limitation to the sustainability of corporate cultures in all of her examples.

Perhaps a more significant issue is this: are all of the stories of "businesses doing well by doing good" enough to meet the compelling challenges of our time? As a case in point, will a collection of well-meaning business leaders solve climate change or global poverty short of government (and even international) intervention and regulation? This is an unanswered question that all of the literature on business purpose ultimately needs to address.

Stolze's work has many strengths. She demonstrates a strong ability to combine scholarly work effortlessly, moving from business research to theological studies to Greek philosophy. While the book sounds like a heavy read, her engaging writing style and ability to explain complicated research stand out. For those inclined, Stolze provides detailed references that one can follow.

Wisdom-Based Business is a valuable resource for many audiences. College faculty may find it a suitable addition to their assigned reading lists in courses such as introduction to business, marketing, supply chain, and business ethics. Business leaders in Bible study groups will find the book a good choice, especially with the included discussion questions. Finally, business faculty can benefit by seeing Stolze's integration of faith with multiple research threads.

Wisdom-Based Business provides a unique and inspiring story that demonstrates a new way for business leaders to view their role in sharing God's *chesed* (Hebrew for kindness or love) in a world that sorely needs more of it.

ABOUT THE AUTHOR



Andrew Borchers, DBA, is professor of management and associate dean at the College of Business at Lipscomb University. His teaching and research interests are broad and encompass operations and supply chain management, information systems, and sustainability. He is actively involved as an editor of two case journals and serves in the leadership of several academic societies.