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Business as Mission: The MENA Region

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Abstract

This paper investigates the relationship between spiritual and economic bottom lines within religiously devoted firms. The study focuses on a particular business model, Business as Mission (BAM), to determine whether pursuing spiritual objectives limits or improves firm performance. The author specifies a theoretical BAM enterprise input output model and then compares the theory with results from a primary data set of 12 surveyed BAM firms operating in the MENA region. The results suggest that while pursuing spiritual objectives in a firm limits economic output in the short-term, it provides the purpose and accountability to maintain pursuit of higher-level objectives.

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List of Abbreviations

CSR	Corporate Social Responsibility
UN	United Nations
BoP	Bottom of Pyramid
BAM	Business as Mission
B4T	Business for Transformation
MENA	Middle East and North Africa
SMEs	Small and Medium-sized Enterprises
KIIs	Key Informant Interviews
IO	Input-Output analysis
EIO	Enterprise Input-Output analysis

Section 1. Introduction

In recent years, the purpose of business as a profit-maximizing entity has come under increasing scrutiny. Despite the pervasive undercurrents of Friedman's adage that there is only one social responsibility of a business – to increase its profits – academics, politicians, citizens, and even members of the business community have recognized that the world cannot continue with 'business as usual' (Friedman, 1962; Møller, 2016). This rising moral consensus, that business should not prioritize profit maximization at the world's expense, has led to the development of new business models (Yunus, 2007; Prahalad, 2006; Borstein & Davis, 2010; Savitz, 2006; Willard, 2012). Yet, the evidence on these models and their effects on business performance remains widely debatable (McWilliams & Siegel, 2000; Bodo, 2016; Sesan et al, 2013; Smith & Darko, 2014).

CSR, social entrepreneurship, BoP and other models have expressed prophetic claims of their abilities to usher in new ways of doing business. Proponents contend that business is vital to addressing societal challenges and that these new models have the potential to contribute widely to global poverty reduction; however, these models are starved of financial support and when implemented are rarely coupled with enforceable accountability policies. Thus, these models have struggled to create long-term impact. Amidst the rise of CSR networks, UN and multi-stakeholder initiatives, and government legislation requiring CSR reporting or minimum CSR contributions, ultimately, businesses remain accountable to their shareholders vis-à-vis profit.

In order for business to be a force for good, a more thorough understanding of the relationship between accountability mechanisms and firm performance is necessary. This paper seeks to analyze the relationship of a particular business model's accountability mechanisms and the corresponding effects on business performance. The business model, Business as Mission, is

generally defined as sustainable Christian businesses that exist to glorify God and seek to create spiritual, economic, social, and environmental impact for individuals and communities (Tunehag et al, 2004; Russel, 2010; Tunehag & Gort, 2018).¹

After offering a justification of the research, the remainder of the paper is as follows. Section 2 compares and contrasts a BAM firm with a traditional firm and with CSR firms and social enterprises. Section 3 outlines the methodology employed in the study. Section 4 identifies channels of interaction between spiritual and economic sectors within a firm by specifying a theoretical BAM enterprise input-output model. Section 5 presents the survey results of BAM firms operating in the MENA region. The results offer some indication for a direct relationship between economic and spiritual bottom lines. Section 6 concludes that while pursuing spiritual objectives within a firm can limit economic output in the short-term, it supports the firm in its ability to maintain pursuit of higher-level objectives.

Justification 1: SME Perspective

The majority of BAM companies are SMEs (Rundle, 2018). Even though governments typically recognize the importance of SMEs as drivers of a domestic economy, formal institutions often lack the reach or capacity to affect SME's daily operations (Hamann et al, 2017). Therefore, the direction of an SME is by and large determined by the personal

¹ While there is a minor distinction in the literature between business as mission (BAM) and business for transformation (B4T) – businesses that prioritize the profit and spiritual bottom lines and establish themselves in the poorest areas of the world – since B4T is a particular subsection of BAM and the majority of the relevant literature addresses BAM, the author employs the BAM term throughout the study (Lai, 2018; Lai, 2015).

philosophies, values, and aspirations of its founders (Jamali et al, 2015). This study seeks to better understand how founders' religious values and beliefs may affect firm performance.

Justification 2: Religion & Development Perspective

Since the early establishment of development as a field of academic inquiry, religion and development have often been perceived as at odds with one another (Deneulin & Rakodi, 2011). Hence, regardless of their contributions – whether positive or negative – religious actors and institutions remained at the periphery of mainstream development literature (Smith, 2017). Recent findings associating Christian missionaries with development outcomes, including the global proliferation of liberal democracy, have led to a resurgence in the investigation of religious contributions to development efforts (Woodberry, 2012; Smith, 2017). Although the contributions of missionaries and other religious actors in improving education and healthcare in poorer communities have been frequently studied, the role of Christians in establishing businesses in underdeveloped communities remains largely under examined. Given the magnitude of historical and contemporary examples of such businesses, this study seeks to understand how integrating religious objectives into a business entity affects firm-level outcomes (Beals, 2014).

Justification 3: BAM Perspective

The BAM movement is extensive (Tunehag, 2018). Although BAM models have been widely adopted by many Christian churches and organizations, little of the relevant literature has sought to rigorously investigate the implications of operating a BAM firm (Rundle, 2018). In fact, the vast majority of the literature has been overtly affirmative or 'cheerleading' in nature (Albright et al, 2014). This study seeks to further the work of Russel (2010), Rundle & Steffen (2011), Lai (2015) and Tunehag & Gort (2018) by offering two new perspectives. First, by

seeking to characterize the relationship between economic and spiritual bottom-lines. Second, by focusing on the MENA region, which up until this point has typically either been ignored due to a lack of data availability or has been included only as a subset of a larger study.

Section 2. Theoretical Analysis

This section compares and contrasts BAM theory with traditional firm theory, CSR theory, and social entrepreneurship on three dimensions: purpose, profit, and accountability. These three dimensions were selected to determine the fundamental theoretical differences between BAM firms and other firm models.

2.1 BAM vs. Traditional Firm

BAM firms exist, '*Ad maiorem Dei gloriam*', for the greater glory of God (Tunehag et al, 2004; Lai, 2018). They seek to leverage business as a vehicle for holistic transformation of underdeveloped communities (Johnson & Rundle, 2006; Tunehag, 2018). Even though BAM firms are intentional about the development of local peoples and societies, they are still profit-seeking entities (Tunehag, 2018). In one sense, they are profit-seeking, similar to a traditional firm, but in another, their motivation stretches beyond Friedman's notion that firms exist for the sole purpose of profit maximization (Friedman, 1970; Dunham, 2018; Lai, 2018). Contrary to Friedman's reasoning that firms should not exercise social responsibility as they exist to make as much money as possible within the boundaries of society, BAM firms emphasize a business entity's potential to positively impact society (Friedman, 1970; De Graff et al, 2013).

In spite of the abstract nature of a BAM firm's pursuit to 'glorify God', theoretical and empirical work suggests that working towards a higher objective affects firm-level performance. Oblique theory posits that companies pursuing higher-level objectives tend to be more successful than those that pursue a narrower focus of profit-maximization (Kay, 2010). Empirically, Collins

& Porras (1994) found that companies guided by purposes beyond profit generate up to 6x higher returns than their profit-seeking peers. These findings coincide with a larger body of literature that present moral arguments and business cases for the role of business in embracing purposes beyond profit (Harvard Business School, 2014; Roche & Jakub, 2017).

Unlike a traditional firm, BAM companies are profit-seeking, but they are not necessarily profit-maximizing (Anonymous, 2018; Tunehag, 2018). BAM entities operate on a holistic or multiple bottom line framework, considering economic, social, environmental, and spiritual impact all to be of value (Tunehag, 2018). Although BAM companies may prioritize their bottom lines differently according to their context, BAM companies traditionally prioritize economic and spiritual impact (Rundle, 2018).

This study investigates whether a BAM firm's pursuit of multiple bottom lines, particularly the spiritual bottom line, has any significant effect on the economic performance of the firm. One plausible theory would be that the different bottom lines are tradeoffs of one another: an increase in the economic bottom line (profit) would result in a corresponding reduction in one or more of the other three bottom lines. For example, an increase in profit could have resulted from an increase in the investment of time and capital devoted to the development of a new product, resulting in a reduction of time and capital allocated to social, environmental, and/or spiritual objectives. An alternative theory would suggest that the bottom lines reinforce one another. An increase in the economic bottom line would also result in an increase in the spiritual or other bottom lines. Perhaps the increase in the economic bottom line would cause employees or local community members to be more open to the spiritual objectives of the firm. This competing theory will be explored further in Sections 4 and 5 of this paper. Regardless of which theory dominates, operating with respect to multiple bottom lines broadens the definition

of a BAM firm's success by encompassing the holistic contributions the BAM firm makes to society.

BAM firms tend to adopt similar, if not identical, management and operational models as traditional firms – including traditional mechanisms of firm accountability (Lai, 2018; Tunehag, 2018). A simple model of corporate accountability reveals that firms experience both upward accountability to investors and downward accountability to customers (Faguet, 2018; Keay & Loughrey, 2014).² Investors hold managers of a firm accountable through exercising 'voice' – exerting pressure on firms by reviewing audited financial reports and attending shareholder meetings (Hirschman, 1970; Faguet, 2018). The more direct route of firm accountability is through the profit mechanism – customers 'exit' a firm by ceasing to purchase the firm's products and/or services (ibid.). This applies equally to a BAM firm and a traditional firm.

Concerning firm accountability, BAM firms differ in that they include God as a relevant stakeholder (Tunehag, 2018). BAM firms add an additional route of accountability from the BAM firm's managers to God (ibid.). Similar to the pursuit of a 'higher purpose', it is not entirely obvious how being accountable to a 'higher authority' could influence the manner in which a firm operates. Since there is no accompanying enforceable accountability mechanism, whether through a legal, political, or economic apparatus, one may not expect this 'higher authority' to affect the inner workings of a BAM firm. Alternatively, if a manager is fully

² For the purposes of this study, a simple model of accountability is sufficient to demonstrate the differences between accountability of a BAM firm and traditional firm. For a more extensive review of corporate governance models, refer to Ahmad & Omar (2016); Passador (2017); Cheffins (2013).

convinced that she will one day be held accountable to this ‘higher authority’, on the basis of how she treated her employees, customers, and the manner in which she operated the firm, it would be plausible that this could affect the way she operates the company (See Section 4). Figure 1 below summarizes the comparison of a traditional firm’s routes of accountability, adopted from Faguet (2018) and Key & Loughrey (2014), with a BAM firm’s routes.

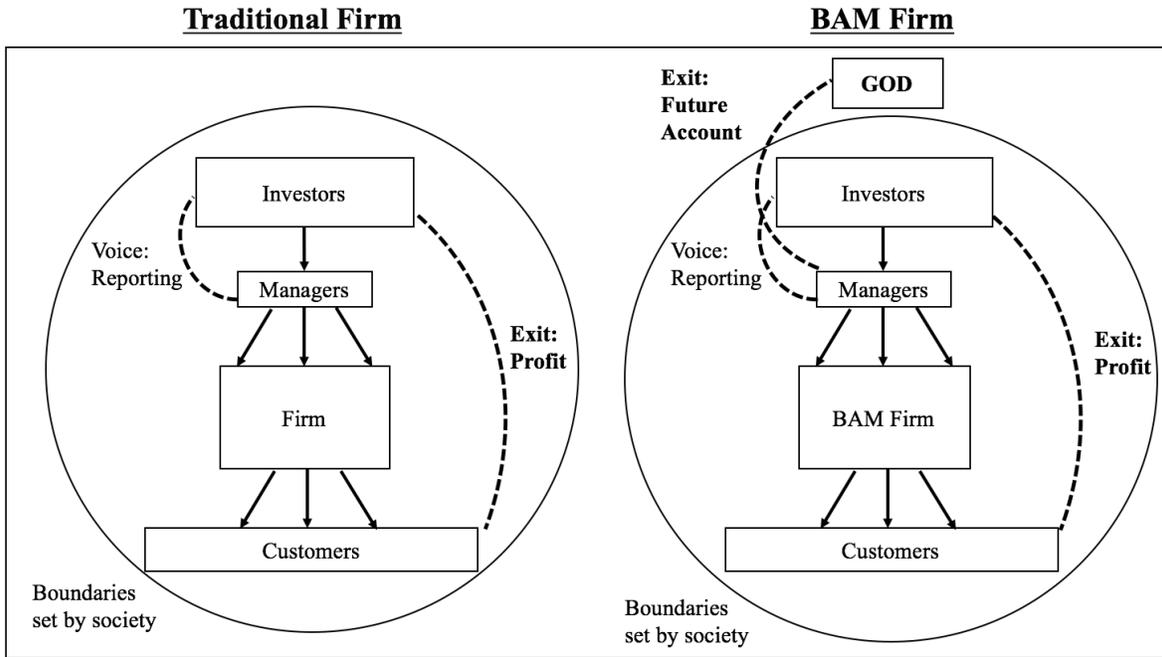


Figure 1 - Simple Model of BAM vs. Traditional Firm Accountability

2.2 BAM vs. CSR

The BAM business model has been referred to by some as CSR+ because they share some important commonalities (Tunehag, 2018). BAM theory adopted the triple bottom line concept from CSR and then added a spiritual component to create the multiple or quadruple bottom line (Elkington, 1994; Tunehag, 2018). CSR theory also recognizes that profit is not an end in itself and businesses should pursue a broader purpose (Bowen, 1953). Moreover, CSR theory defends the profit system by asserting that profit should be pursued with the needs of society in view (Bowen, 1953).

While there are similarities, critics of CSR theory offer a more nuanced perspective. Howard Bowen, widely regarded as the father of CSR, recognized that the social responsibility concept was of minimal effectiveness (Acquier, Gond & Pasquero, 2011). Without some form of social accountability, such that the public had influence on firms, the call on businesses to embrace social responsibility proved ineffective (ibid.). CSR became a reputational tool (Heijne, 2017). Firms were willing to take some steps to avoid doing any harm, and at times to have some positive impact, but only as long as those steps did not hurt financial results (Rundle, 2018). CSR was not entirely unsatisfactory. In fact, there are many examples of positive impact resulting from CSR models; however, after laying the foundation for the CSR model, Bowen realized it lacked any form of enforceable accountability (Heijne, 2017; Acquier, Gond & Pasquero, 2011). Instead, it relied on the 'good will' of managers to embrace the concept (Willard, 2012).

The core distinctions then between BAM and CSR are threefold. First, the purpose of a BAM firm 'to glorify God' is unique to CSR's pursuit of doing no harm. The distinction lies in intent. CSR is willing to do no harm and some good, so long as it does not hurt the financial bottom line (Johnson, 2009). A BAM firm exists to glorify God no matter the cost. A BAM firm's reason for existence is holistic transformation and business is merely the means to that end (Johnson, 2009). Where a CSR firm might stop its CSR activities or programs in order to continue making money, a BAM firm would not compromise on its *raison d'être* (ibid.). Second, BAM firms are intentional about establishing themselves in poorer communities. CSR models, on the other hand, are typically adopted into large corporations that pursue some form of social engagement whether in poorer communities or not. Third, CSR business models suffer because they fail to introduce any enforceable accountability mechanisms. BAM firms are also subject to

this same critique. Later sections will explore whether acknowledging a ‘higher authority’ results in any tangible effects on firm performance.

2.3 BAM vs. Social Entrepreneurship

Of all the models under analysis, BAM theory is perhaps most similar to social entrepreneurship (Rundle, 2018). Social entrepreneurs are not strictly profit-seeking, but rather, they are motivated to create value for society by solving challenging social problems (Santos, 2010). Social enterprises maximize social impact, while seeking to develop financially sustainable business models (Bornstein & Davis, 2010; Rundle, 2018). Both BAM firms and social enterprises pursue higher objectives. In fact, under both models, firms may at times be willing to sacrifice profit in order to reach their higher-level objectives (Dunham, 2018). Although BAM businesses and social enterprises appear to be quite similar, they are unique with respect to accountability.

One could imagine that a social entrepreneur, similar to a BAM manager who believes in a ‘higher authority’, could also believe in a ‘greater good’. Like a ‘higher authority’, the ‘greater good’ lacks an enforceable legal, political, or economic apparatus, but it may provide a moral compass through which the social entrepreneur makes decisions. Where this line of reasoning falters is in relation to the enforcer. For a social entrepreneur, the ‘greater good’ lacks an individual or institutional enforcer. The ‘greater good’ is a subjective force, determined by the extent to which the social entrepreneur holds herself accountable to that force. A BAM manager however, takes the ‘higher authority’ to be God – a being who the manager believes she will one day encounter. For the BAM manager, this ‘higher authority’ is an objective force with the ability to cast a verdict on the manager’s life. Theoretically then, there is sufficient reason for one to expect that the upward accountability of a BAM firm may be stronger than that of a social

enterprise. Even if the upward accountability for both a BAM firm and social enterprise were of equal strength, social enterprises also suffer from weak downward accountability where BAM firms do not (Faguet, 2017). In efforts to maximize social impact, social enterprises often distribute products below market prices so their customers can gain better access to the products and services (ibid.). Their customers typically become dependent on the firm, as there are no other viable exit options – other firms offering products and services at similar price points. This limits the downward accountability of a social enterprise to its customers (Hirschman, 1970). A BAM firm traditionally distributes its products at market prices, and therefore is not subject to the same critique (Lai, 2015). Although a BAM firm and social enterprise appear rather similar, there are considerable theoretical differences pertaining to accountability.

2.4 Summary

Table 1 below summarizes the theoretical analysis conducted in this section for BAM firms in comparison with traditional firm theory, CSR, and social entrepreneurship.

	BAM	Traditional Firm	CSR	Social Enterprise
Purpose	‘Higher Purpose’: To Glorify God and Holistically Transform Societies	Profit as Sole Responsibility	Do No Harm, Do Some Good	Create Social Value
Profit	Multiple/Quadruple Bottom Line Framework	Profit Maximization	Triple Bottom Line Framework	Social Impact > Profit
Accountability	Traditional Firm Mechanisms + Additional Upward Route: Managers to ‘Higher Authority’	Upward: Managers to Investors Downward: Firm to Customers = Profit Mechanism as Exit	Lack of Enforceable Accountability Mechanism	Upward: to ‘Greater Good’? Downward: Exit Options Weakened

Table 1 - BAM in Comparison

Section 3. Methodology

This project employed a mixed-methods approach. Desk-based research and key informant interviews were conducted to determine the theoretical differences between BAM

firms and traditional firms as well as more conventional models of socially responsible business. Drawing on input-output analysis theory, a conceptual model was constructed to identify plausible channels through which spiritual inputs may affect the economic output of a firm. A survey instrument was distributed to BAM businesses in the MENA region to collect both quantitative and qualitative data in order to understand the relationship between the economic and spiritual bottom lines.

Desk-based research and KIIs with BAM scholars formed the body of evidence for the theoretical comparative analysis. The desk-based research comprised primarily of academic books and articles as well as policy and think tank literature, particularly for BAM theory. Five KIIs of roughly 1 to 1.5 hours in length were completed in order to understand the most recent theories and findings. The interviews were semi-structured and conducted via telephone and Skype. The data was analyzed across the three spectrums – purpose, profit, and accountability – to focus the analysis on the critical differences between models.

The conceptual framework was constructed drawing on input-output theory and production theory. By applying the logic of input-output theory, the author developed an enterprise input-output model to identify potential interactive effects of the spiritual and economic sectors within a BAM firm.

The survey instrument was created and distributed to BAM firms in the MENA region. The survey consisted of 58 questions and was designed for CEOs or top-level managers to complete (See Appendix B). Prior to launching the survey, a pilot survey was reviewed by 12 relevant experts: 4 BAM scholars, 3 academics at the LSE, and 5 BAM practitioners. The survey launched on 23 May 2018 and remained open until 5 July 2018. The largest network of BAM companies in the MENA region and two of the largest Christian missions organizations

distributed the survey to BAM managers and owners. Given the difficulty in accessing BAM businesses (since the majority are privately owned), the survey was designed to be exploratory in nature with a targeted sample of 15-20 businesses. In total, 21 responses were collected with 9 discarded due to incompleteness. A total of 12 responses remained for analysis.

The principal analysis techniques were qualitative in nature. Grouping and categorization were utilized in order to characterize the relationship between economic and spiritual sectors. Legitimization techniques were employed to explore underlying factors and potential alternative explanations for the observed relationship. In conducting analysis, 3 categories of BAM firms were identified. In order to gain further knowledge of the firms represented in the three categories, additional questions were sent to a representative firm for each category. Representative firms were selected by their willingness to receive follow-up questions, as expressed in the initial survey, and by the degree of thoroughness of their initial responses (See Appendix E).

The MENA region was selected for this study due to several reasons. First, BAM businesses are increasing in number not only globally but particularly in the MENA region (Tunehag, 2018). Therefore, the study is timely and relevant. Second, the prevalence of Islam throughout the MENA region offered a unique context for investigating how the integration of spiritual objectives affects business performance. If similar research were to be conducted in the United States or a country that is considered to be relatively more open to the Christian religion, any effect of spiritual integration on firm performance would have to take into account the potential impact of an overzealous religious customer base. In other words, it could be the case that a Christian firm in the United States is experiencing economic success because of a strong religious following. Christian firms operating in regions relatively less open to the Christian faith

would likely not enjoy the same support. The MENA region offered a context that largely controls for this potential positive bias. There is concern that hostility towards Christianity in parts of the MENA region could actually lead to a negative bias of the estimate. This is addressed in the survey.

Section 4. Conceptual Framework

This section introduces the BAM enterprise input-output model. The purpose of this section is to develop a conceptual framework of how spiritual and economic bottom lines interact within a firm. In order to overcome the limited sample size and empirically test the model, a theoretical model is specified in place of a quantitative model.

4.1 Overview of IO/EIO Theory

To create the BAM EIO model, the author relied primarily on logic from IO theory. IO analysis is largely accredited to Wassily Leontief who introduced both IO tables and IO models in the mid to late 20th century to quantify the interaction between different sectors of production within an economy (Farag, 1967). Since then, IO theory has been used for national accounting purposes (Sohn, 1986). IO theory has also been utilized at the enterprise level to investigate questions of production and energy wastes, environmental impacts, and other issues (ibid.). The basic logic of any IO/EIO model is that there is an interdependent relationship between the input and output sectors within an economy or enterprise (Leontief, 1966).³ That is to say, a change in the final demand of one output sector will result in a multiplier effect and alter the outputs of other sectors (Sohn, 1986). A change in output sector x, also changes the output for any sector

³ For simplicity, the author utilizes the term sectors (typically synonymous with economies) to describe the distinctive divisions of a BAM firm – economic and spiritual.

that takes x as its input (O'Connor & Henry, 1975; Farag, 1967). This logic typically holds assuming constant returns to scale and no substitution between inputs (Christ, 1955).

4.2 Applicability to BAM Firm

IO/EIO theory is useful for the current study as this research seeks to understand the interaction between two bottom lines within a firm. Many BAM scholars have characterized the relationship between the spiritual and economic bottom lines as interactive (Johnson, 2009; Tunehag, 2018; Lai, 2018). This section seeks to advance the theory by presenting plausible mechanisms through which the bottom lines might interact.

IO/EIO theory was selected as the foundation of the BAM model for two reasons. First, it has been increasingly utilized by scholars in various fields to analyze questions pertaining to firm production and outputs (Yazan, 2015; Albino et al, 2002). IO/EIO theory is applied to firm production and output analysis in order determine the interactive or multiplier effects of changes in inputs and outputs as opposed to just the most efficient levels of inputs to maximize a single output.

Second, this type of analysis offers a systems perspective useful in characterizing the relationship between the two bottom lines. The inherent macro-level perspective embedded within IO/EIO theory allows for a framework to theorize on the behavior of a BAM firm as an entire entity.

4.3 BAM EIO Model

Assume that there are two sectors of production within a BAM firm, spiritual and economic. Collectively, both sectors comprise of the primary inputs and outputs of the firm. Let economic output be defined as profit. Let spiritual output be defined as changes in individuals

and communities resulting from the communication of the Christian message.⁴ Further assume that there are constant returns to scale and that there can be no substitution between inputs. Lastly, assume that economic and spiritual input and output variables are easily measurable.⁵ Let spiritual input be denoted by SI and economic input as EI . Let spiritual output be represented by $S\pi$ and economic output $E\pi$. The following is depicted in Figure 2 below.

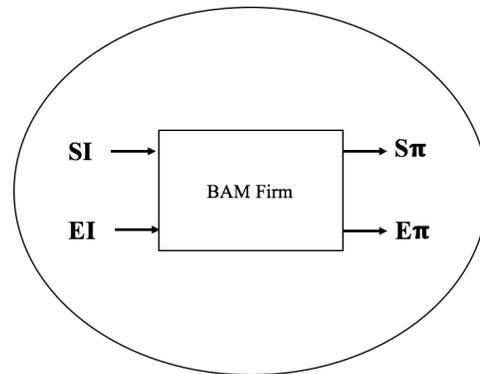


Figure 2 - Basic BAM EIO Model

To operationalize the model, the particular inputs within each sector are identified. For spiritual input, following from analysis conducted in Section 2, take HP (higher purpose) and HA (higher authority) as the two primary inputs. For economic input, drawing on firm production theory, take K (capital) and L (labor). The following is depicted in Figure 3 below.

⁴ Defined as a way of life (through words and actions) reflective of principles espoused by the Christian faith.

⁵ Since the model developed is theoretical as opposed to quantitative, any concerns of the feasibility of measuring spiritual impact are negligible. See Jakobsson et al (2014) and Waters (2018) for developments on spiritual impact metrics.

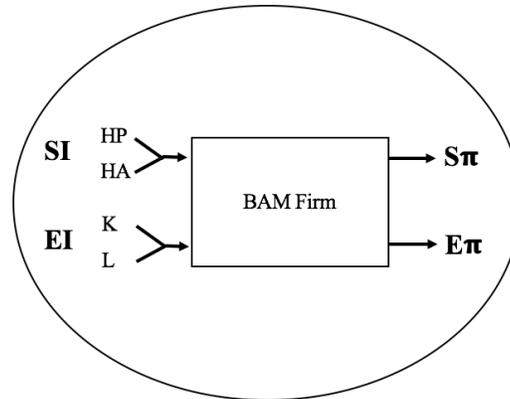


Figure 3 - Operational BAM EIO 2 Sector Model

The logic of the model is as follows. A BAM firm consists of two sectors. These sectors interact, implying that a change in one sector will result in some corresponding change to the other sector. In order to characterize the relationship between sectors, one must first derive the channels through which the sectors interact. Given the focus of this research and since much economic thought has already been devoted to understanding economic outputs as a function of economic inputs, Section 4.4 theorizes on the channels through which spiritual inputs can be expected to affect the economic sector of a BAM firm.

4.4 Plausible Effects of Spiritual Input

There are four identified channels through which the spiritual input of a BAM firm could affect the economic sector of a firm.

Higher Purpose – Motivation of Labor

Pursuing a higher purpose could lead to an increase in the motivation of labor. For instance, if a worker believes to be working not just as a machinist but for a higher purpose, this could lead to greater motivation and commitment in the worker's approach to her work. This would likely boost worker productivity, resulting in an increase in economic output. Heijne (2017) observed that not only does working towards higher objectives in a firm boost productivity, but it also results in better retention rates and attracts higher quality workers.

Higher Purpose – Allocation of Labor

One might expect that pursuing a higher purpose could also negatively affect firm productivity. If workers dichotomize the two types of output and value spiritual output over economic output, this would likely decrease firm production. One North African BAM business owner observed that some of his foreign workers who are Christian prefer to only work part-time or to only invest partial energy into the firm, so that they have more time to pursue spiritual objectives (Anonymous, 2018).

Higher Authority – Ethical Business Dealings

Acknowledging a higher authority could result in different values and methods of conducting business. BAM firms seek to maintain the highest ethical standards by not dealing under the table, paying bribes, etc., even if that is a widespread local practice (Dunham, 2018). One could imagine that operating in a poorer area and not dealing within certain local customs (whether ethical or not) could result in a lower economic output, and therefore less capital to reinvest back into the business, at least in the short-term. Over the long-term, this may be overturned if the business is accepted by the local community as honest and ethical, resulting in better trust between customers and the company, and a higher demand for the firm's products and services.

Higher Authority – Local Compliance

A final identified channel of how spiritual input could affect a firm's economic output is through the BAM firm's commitment to obey and adhere to local laws and regulations. One example of this is through the payment of taxes. BAM firms may be more likely to pay their full share of taxes even if other local companies are tax-avoiding (Green, 2017). In the MENA region, local government officials often cite BAM firms among the companies that pay the

highest level of taxes (Lai, 2018). Since a higher proportion of economic output is being paid in taxes, this likely would result in a reduction to capital that can be reinvested back into the business. However, one might expect this to improve relations with the local government, which may increase the firm's economic output over time. This is particularly relevant for firms operating in communities where government officials significantly influence firm reputation.

4.5 Summary

This section developed the BAM EIO model in order to identify the channels through which a firm's spiritual input might affect a firm's economic output. These channels offer competing theories of interaction between economic and spiritual sectors. For the higher purpose input variables, a direct relationship between spiritual and economic output would be expected. Whereas for the higher authority input variables, an inverse relationship would be expected, at least in the short-term, which could shift into a more direct relationship in the long-term.

The direct relationship would be expected for both of the higher purpose input variables. In regard to the allocation of labor, studies have found that BAM firms that are more narrowly focused on conversion tend to produce both less economic and spiritual output (Rundle, 2018; Russel, 2010). Therefore, firms whose workers dichotomize thinking between economic and spiritual objectives will likely not only generate less economic output, but also less spiritual output. In regard to motivation of labor, those firms whose workers take the higher purpose of the firm as their core motivation could be expected to not only produce more economic output, but also more spiritual. The economic success of the BAM firm may offer more credibility for workers to communicate the Christian message.

One would, at least initially, expect an inverse relationship between economic and spiritual output for the higher authority variables. Section 4.4 theorized that both of the higher

authority input variables would likely result in a lower economic output, at least in the short-term. It would be highly implausible to conceive that operating a business in accordance with moral and ethical standards would result in lower spiritual output, especially if the standards are different from practices of the local community.

Although the BAM EIO model has been useful in identifying channels through which spiritual input can affect economic output, theory alone has proven insufficient in characterizing the overall relationship between spiritual and economic sectors within a firm. Section 5 seeks to address this by investigating the relationship empirically. A summary table of the potential effects of spiritual inputs analyzed throughout this section is included below.

BAM Input	Impact on Firm	Corresponding Effect	Resulting Output
Higher Purpose 1	Motivation of L	↑ Productivity	↑ Eπ, ↑ Sπ
Higher Purpose 2	Allocation of L	↓ Productivity	↓ Eπ, ↓ Sπ
Higher Authority 1	Ethical Business Dealings	↓ Eπ, ↓ K	→ Eπ, ↑ Sπ SR: Eπ ↘, LR: Eπ ↗
Higher Authority 2	Local Compliance (i.e. taxes)	↓ Eπ, ↓ K	→ Eπ, ↑ Sπ SR: Eπ ↘, LR: Eπ ↗

Table 2 - Potential Spiritual Input Effects⁶

Section 5. Empirical Findings

This section presents the empirical findings from the 12 surveyed BAM firms in the MENA region.

⁶ An upward arrow denotes a positive effect, downward arrow a negative effect, horizontal arrow an uncertain effect, upward and to the right arrow a positive effect over time, and downward and to the right arrow a negative effect over time.

5.1 Summary Data

The collected data coincides with broader BAM theory. BAM firms exist to glorify God, they prioritize the economic and spiritual bottom lines, and they vary in structure. The surveyed BAM firms are heterogeneous in regard to their physical characteristics – ranging from 1 to 75 employees, \$0-\$500,000 to \$2,000,000-\$5,000,000 in revenue, and one-third have board management structures while the rest do not. Tourism, education, and business services are the most common industries of the surveyed firms. Surveyed firms are also in the restaurant/hospitality, agriculture, and fitness industries.

The surveyed BAM firms may be heterogeneous in size and structure, but they are generally homogenous in purpose and bottom line prioritization. Figure 4 presents the average response of the surveyed firms on their motivation for establishing the company. Their primary motivation is to glorify God, while blessing the local community is also regarded with high importance, followed by converting locals to Christianity and then traditional business measures – making a profit and creating innovative products and/or services.

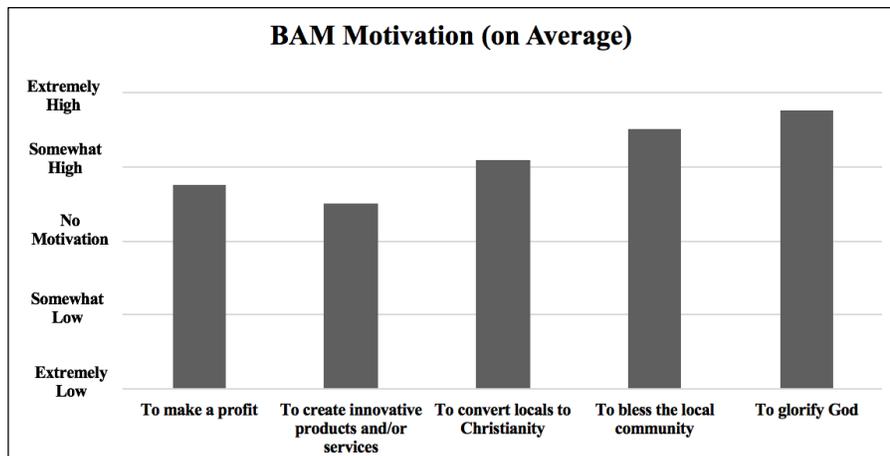


Figure 4 - BAM Motivation (on Average)

Figure 5 provides an indication of the bottom line prioritization for each of the surveyed respondents. Even though there is significant variance in the extent to which each firm prioritizes

between the spiritual and economic bottom lines, those two bottom lines are prioritized over the social and environmental bottom lines across the sample.

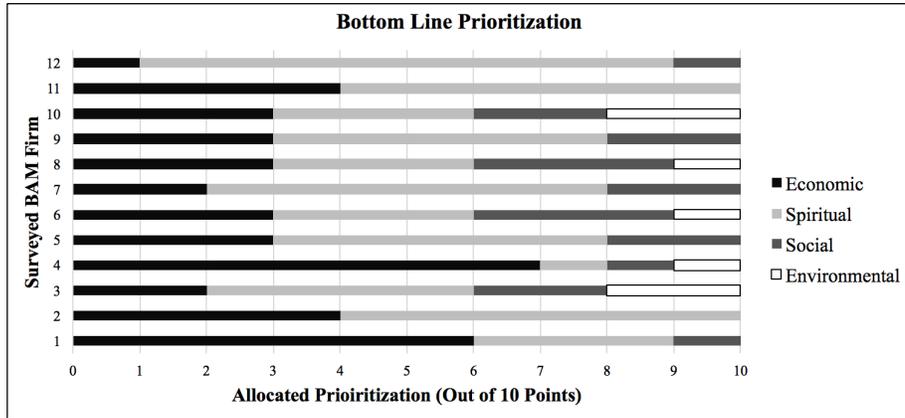


Figure 5 - Bottom Line Prioritization⁷

In summarizing the data, a final trend emerged that relates to the types of managers operating BAM firms. There appears to be two distinct groups of BAM managers (See Table 3). The first consists of those whose education and experiences relate primarily to the church work/missions space. The education and experiences of the second group of managers reside primarily in the business space. For the purposes of this study, the two groups will be utilized (among other factors) to determine whether any observed relationship between economic and spiritual sectors can be explained by underlying factors.

⁷ Each firm was asked to distribute 10 points to the 4 bottom lines in accordance with the manner in which their company prioritizes between the bottom lines.

	Group 1: Church Work/Missions	Group 2: Business/Related Field
Number of Firms in Sample	5	7
Average Level of Education Completed	Master's	Bachelor's – Master's
Educational Focus	Church Work/Missions	Business/Related Field
Average Church Work/Missions Experience	Some - Significant	Minimal - Some
Average Business Experience	No - Minimal	Some - Significant
Average Local Language Fluency	Advanced	Intermediate - Advanced
Licenses/Certifications	Majority are ordained	Range of professional/business certificates (physiotherapy, marketing, ecotourism, etc.)

Table 3 - Two Groups of BAM Managers

5.2 Spiritual Output and Economic Output Relationship

The principal data table of this study is included below (Table 4). The table measures spiritual output as the number of people converted to Christianity through the business and economic output as profit. While these measures are imperfect, their simplicity allow for a clearer understanding of the relationship between outputs of both sectors.

BAM Firm	Category	2017 Revenue	2017 Economic Output	Estimate of 2017 Spiritual Output	Total Spiritual Output
1	1	\$0 to \$500,000	- \$100,000 to \$0	0	0
2	1	\$0 to \$500,000	- \$100,000 to \$0	0	0
3	1	\$0 to \$500,000	- \$100,000 to \$0	0	0
8	1	\$0 to \$500,000	- \$100,000 to \$0	0	0
4	2	\$0 to \$500,000	\$0 to \$100,000	0	0
6	2	\$0 to \$500,000	\$0 to \$100,000	0	0
7	2	\$0 to \$500,000	\$0 to \$100,000	2	10
9	2	\$0 to \$500,000	\$0 to \$100,000	1	4
10	2	\$0 to \$500,000	\$0 to \$100,000	0	0
11	2	\$0 to \$500,000	\$0 to \$100,000	-	-
12 ⁸	3	\$1,000,000 to \$2,000,000	\$100,000 to \$200,000	30	300
5	3	\$2,000,000 to \$5,000,000	\$200,000 to \$500,000	0.6	10

Table 4 - Spiritual Output and Economic Output Data Table

The table is sorted by lowest to highest annual economic output. In comparing this with the annual spiritual output, a pattern emerges. It appears that the firms with the lowest economic profit also have experienced the fewest number of converts, and the firms with the highest economic profit are also the firms that have experienced the most converts. When grouping the

⁸ All revenue and profit data collected were for the calendar year 2017, except for BAM firm 12, which were for 2012. The author chose to still include the data point in the study because it offered critical insights. Revenue and profit data are displayed in ranges because not all businesses were willing to disclose precise figures. Any diminishing effects of the value of 2012 dollars to 2017 dollars for BAM firm 12, were considered too small to alter its displayed range.

data into three categories, the trend appears clearer. Category 1 – insignificant economic output and insignificant spiritual output. Category 2 – moderate economic output and insignificant to moderate spiritual output. Category 3 – significant economic output and moderate to significant spiritual output. In order to determine whether this direct relationship is coincidental or valid, underlying factors were investigated.

Eight underlying factors were explored: educational focus of manager, highest level of education completed by manager, professional experience of manager, language proficiency of manager, number of employees, industry, location in the MENA region, and number of years the firm has been in operation. For each factor, the data was analyzed across the three categories to assess whether the underlying trend contributed to the observed direct relationship between output sectors. The expected effects, the results, and the conclusions for each factor are included in Appendix D. Out of the eight factors, only two clear trends emerged. First, Category 3 firms employed the highest number of workers. Second, economic and spiritual output appears to increase with the number of years a BAM firm has been in operation – Category 1 firms had an average operating time between 2-3 years, Category 2 firms around 6 years, and Category 3 firms roughly 13.5 years.

Prior to investigating these two trends further, two potential sources of bias are addressed. The first is potential negative bias resulting from any hostility towards the Christian religion in the areas the BAM firms operate. All the surveyed firms responded unanimously that local government officials and community members know that there are foreign Christians operating the firm. Yet, the surveyed managers agreed, by and large, that operating a firm as foreigners in the MENA region offers an advantage rather than a disadvantage. One surveyed firm noted that locals typically trust foreign operated firms over local firms because they assume

the foreigners know more, suggesting that there is a positive foreigner effect. So even if there is some negative bias due to religious hostility, for the surveyed firms, this most likely would be offset by the positive foreigner effect.

The second potential source of bias would result from self-selection of survey respondents. Since minimal data exists on BAM firms in the public domain, the surveyed firms were not randomly sampled. This could lead to positive or negative bias depending on whether a certain type of BAM firm was more likely to respond. Self-selection bias will be discussed further in assessing the generalizability of the findings in Section 6.

5.3 Alternative Explanations

There are two identified underlying factors that require further investigation: the number of employees of the firm and the number of years the firm has been in operation (AE1 and AE2 hereafter). AE1 could affect both spiritual and economic output. For spiritual output, if more of the employees were Christian, this could increase the frequency of communication of the Christian message, increasing the spiritual output. For economic output, more employees would likely yield more production, increasing the economic output. AE2 could also affect both outputs. An increase in the number of years the BAM firm has been in operation would likely result in greater accumulation of knowledge and experience, increasing output in both sectors.

AE1 presents a question of causality: does having more employees generate higher output or do the firms with higher output merely require more employees? For the surveyed BAM firms, it appears that both directions of causality could exist. Take BAM firm 12 for instance. The firm serviced roughly 1200 language students a day. The firm employed close to 75 employees – 50 local and 25 foreign. One would assume, by the religiously inclined nature of the firm, that the majority of the foreign employees were Christian, while the majority of the local

employees would represent the local community and likely be non-Christian. Out of all the surveyed BAM firms, BAM firm 12 had the most foreign employees and it also had the most spiritual output. Additionally, it had significant economic output and the most local employees of any surveyed firm. Although the static measurement of the surveyed firms precludes a conclusive determination on the direction of causality, AE1 does not necessarily fully explain the higher-level direct relationship. Even if a firm has more employees, this alone does not guarantee an increase in output. If Christian employees worked in a business model where they rarely came into contact with the locals, this would likely yield minimal spiritual output. Moreover, if employees were not motivated and lacked the direction and skills to properly allocate their time and resources into the efficient production of goods and services, this would not lead to significant economic output. Therefore, there is a degree of intentionality required to yield economic and spiritual output, which cannot be solely explained by the sheer size of the workforce. While the number of employees may affect the economic and spiritual output of a BAM firm, the explanation is insufficient to refute potential simultaneous effects deriving from the channels identified in the BAM EIO model.

AE2 offers a more appealing explanation. It seems as if outputs increase with time. There typically is a learning curve that a firm and its managers must overcome, so this is to be expected. However, AE2 could also be capturing a natural selection effect. It could be the case that the reason why the two observed firms in Category 3 are both experiencing significant economic output and moderate to significant spiritual output results from firms not yielding sufficient output being filtered out. Thus, the observed direct relationship between the two sectors could be explained by the fact that firms without sufficient outputs have not survived.

Alternatively, with the relative recent emergence of BAM firms in the MENA region, AE2 could also be capturing the effect of the movement's growth in the region. The BAM movement (officially established in 1999) traces its early roots to North America and Europe, the former Soviet Union republics, and Southeast Asia (Tunehag, 2018). The proliferation of BAM firms in the MENA region has occurred only recently (ibid.). It could be the case then that the Category 3 firms were the early pioneers in the region and the Category 1 and Category 2 firms were the followers.

Both natural selection and BAM growth in the MENA region could offer plausible interpretations to AE2 and contribute, at least partially, if not significantly, to the direct relationship observed between the spiritual and economic output sectors. Both interpretations though are subject to their own critiques. For example, the growth of the BAM movement in the MENA region may explain the difference in the number of firms distributed between categories, but it does not necessarily explain the expected outcomes of each category. Take firms 8 and 9. Both have been operating for 4 years but one is currently losing money and also has yielded no spiritual output, while the other is making money and has yielded spiritual output. Hence, the growth of BAM firms in the MENA region on its own offers an unsatisfactory explanation.

The natural selection interpretation may provide a partial explanation as to why there are fewer observed firms in Category 3, but it also suffers from its own inadequacies. A natural selection process is typically to be expected for any firm whether BAM or not. Due to competition and other forces, only the most efficient and productive firms survive over the long-term. The natural selection process then, seemingly offers a satisfactory explanation as to why firms without economic output no longer exist. However, if a firm had sufficient economic output to maintain operations but lacked spiritual output, it is not obvious why this type of firm

would fail to survive. If the entire purpose of starting the BAM firm was to glorify God and holistically transform the local community, one might expect a BAM firm to continue seeking to fulfill that purpose even if there was no evident spiritual output as measured by conversion. Perhaps such a firm would measure its spiritual success with different performance metrics – such as the number of people exposed to the Christian message, the change in workers attitudes and perspectives, etc. Alternatively, since most BAM managers in the MENA region are likely foreigners (every surveyed BAM manager was from a country other than where the business operates), perhaps, after many grueling years with no spiritual impact to show, a manager could become disheartened and leave.

It is not entirely certain whether the natural selection interpretation offers a better explanation for the direct relationship than the higher purpose and higher authority account. While causal inference cannot be definitively deduced, alternative explanations have failed to decisively rule out the higher purpose and higher authority explanation. Furthermore, even if the natural selection effect offers a more convincing explanation to the higher-level direct relationship, there could still exist interactive effects between the spiritual and economic sectors driven by the higher purpose and higher accountability channels. The remainder of this section investigates such effects.

5.4 BAM EIO Model Channels

There were four identified channels of the BAM EIO model through which spiritual input could affect economic output. For each of the four identified channels, evidence was collected both through survey questions and open-ended responses in the initial survey and through follow-up questions to one firm for each of the three categories. Table 5 presents the collated evidence for each of the four channels.

	Survey Evidence	Follow-up Evidence
Motivation of Labor	<p><u>Question 47</u>: Majority of BAM managers believe that their employees receive better benefits than other local businesses</p> <p><u>Question 48</u>: Majority of BAM managers believe that their employees are receiving valuable technical skills that are not taught in other local businesses</p>	<p><u>BAM Firm 2</u>: "Spiritual objectives often correlate with a strong company culture, which can lead to healthy efficiency and productivity"</p>
Allocation of Labor	<p><u>BAM Firm 8</u>: "(Faith) affects the number of hours we are willing to work"</p>	<p><u>BAM Firm 12</u>: "Discipleship takes energy and time, so we do minimum amount of work needed for credibility as rule"</p>
Ethical Business Dealings	<p><u>Question 41</u>: Unanimous agreement that principles of the Bible are at the core of the way the company operates</p> <p><u>BAM Firm 2</u>: "We gain sales because of our reputation for honesty. We don't lie, cheat, steal, etc."</p>	<p><u>BAM Firm 3</u>: "Our business provides us real identification through high values and professionalism."</p>
Local Compliance	<p><u>BAM Firm 6</u>: "It informs what laws we keep (even when the status quo ignores them)"</p>	<p><u>BAM Firm 2</u>: "If I wasn't ethical, I wouldn't pay taxes like most other companies. I wouldn't pay benefits and employee insurance."</p>

Table 5 - BAM EIO Model Collated Evidence

Table 5 indicates that all four channels are evident to a certain extent within the sample, albeit all channels are not necessarily equally at work within each surveyed firm. Hence, when testing for the channels directly in the survey, the results were mixed. For example, in testing for channel 2, respondents were asked whether their business was held back because some of the foreign employees invest too much time into non-business activities. Three BAM managers agreed, five disagreed, and four were undecided. Consequently, the findings in Table 5 fail to adequately answer whether pursuing spiritual objectives reduces or improves the economic output of a firm. To answer this, the author conducts a final analysis comparing the two Category 3 firms.

5.5 Category 3 Firm Comparison

BAM firm 5 and BAM firm 12 appear to indicate a competing relationship between economic and spiritual output sectors within a firm. BAM firm 5 produced \$350,000 in

economic output while BAM firm 12 produced \$200,000. BAM firm 12 produced close to 30 in annual spiritual output while BAM firm 5 produced closer to 1. A thorough evaluation of each firm offers an even more striking depiction. BAM firm 5 reported pure profits as all of their employees and managers received salaries directly from the business. BAM firm 12 reported accounting profits as their level of profit was not adjusted for the implicit costs of their 25 foreign employees (who were primarily funded by donor support instead of directly by the business). If the level of profit was adjusted, BAM firm 12 would likely yield minimal pure economic profits if any.⁹

Taking into consideration each firm's prioritization of the bottom lines, their outcomes are not entirely surprising. Out of 10 possible allocation points for the four bottom lines, BAM firm 12 allocated 1 point for economic output and 8 for spiritual, hence significant spiritual output with insignificant pure economic output. BAM firm 5 allocated 3 for economic and 5 for spiritual, and produced significant economic output with moderate spiritual output. It appears that over the long-term, the distribution of outputs corresponds with the firm's prioritization between bottom lines.

⁹ Only 2 of the 12 surveyed BAM managers were fully dependent for their salaries on the business. Some received partial income from the business and partial donor support from churches and individuals. The more common trend was that most of the BAM managers in the MENA region relied entirely on donor support. In this study, profit was measured as revenue minus cost without adjusting for implicit salary costs of managers or foreign employees not incurred within the business.

An analysis of the qualitative evidence from both firms led to the following three findings: pursuing spiritual objectives reduces the short-term economic output of a firm, spiritual output is dependent on economic output, and pursuing spiritual objectives provides the purpose and accountability to maintain pursuit of the higher-level objectives throughout the long-term.

Finding 1: Pursuing spiritual objectives reduces short-term economic output

Both BAM firm 12 and 5 agreed that their firms would have more economic output, at any moment in time, if they were not pursuing spiritual objectives. BAM firm 12 reasoned that since spiritual output is prioritized over economic output, time is allocated accordingly, which hurts the profit bottom line (BAM EIO Model 'Allocation of L' Channel). BAM firm 5 rationalized that since their ultimate goal is to contribute to societal transformation, at times, the company sacrifices profits in order to hire more foreign employees in efforts to communicate the Christian message (AE1).

Finding 2: Spiritual output is dependent on economic output

According to BAM firm 12, while the company could have spiritual output in the short-term without running an effective business, the consequences of ineffectiveness would have detrimental effects on long-term spiritual output. BAM firm 5 furthered that economic profitability leads to a better identity and more respect and openness from the local community. Without this, spiritual output cannot be achieved.

Finding 3: Purpose and accountability to pursue higher-level objectives over the long-term

BAM firm 5 asserted that if they ever experienced mission drift from their purpose – to glorify God and holistically transform their local community – they might as well shut down the business. Further, in viewing God as the 'owner' of their business, they seek to operate the business in a manner that reflects their ultimate accountability to God. BAM firm 12 reasoned

that the business is only the means to the ultimate end. Therefore, the higher-level objective should be pursued above all else.

Pursuing spiritual objectives reduces economic output because higher-level objectives are prioritized over short-term profit maximization. However, it provides the purpose and accountability to maintain focus on higher-level objectives over the long-term. Evidently, even though spiritual objectives reduce the economic output of a firm, pursuing spiritual objectives provides the mandate to continually press towards higher-level objectives.

Section 6. Discussion and Conclusion

This study set out to understand the relationship between economic and spiritual bottom lines in religiously devoted firms. Both theoretically and empirically, an interdependent relationship between spiritual output and economic output was observed. The nature of this relationship was characterized as direct. While this is at least in part explained by the workforce size and the natural selection and growth of the BAM movement effects over time, the explored alternative explanations failed to rule out the potential simultaneous effects of the purpose and accountability channels derived from the BAM EIO model. With some evidence for each of the four channels, BAM firms 5 and 12 were compared and contrasted. This analysis produced a final result that while pursuing spiritual objectives in a firm reduces short-term economic output, it provides the purpose and accountability to pursue higher-level objectives. Drawing from this conclusion, the following would presumably be expected. Any static measure of BAM firms would result in less economic output than comparable traditional firms and most socially responsible businesses. However, religiously devoted firms would likely possess the purpose and accountability to maintain pursuit of higher-level objectives, which could lead to further longevity and prosperity over time.

The primary limitations of the study were the self-selection of surveyed firms and the limited sample size. Both cast doubts on whether the observed direct relationship between spiritual and economic output sectors is an accurate representation of the true relationship between the bottom lines. This study sought to overcome these limitations by characterizing the relationship between output sectors both through the economic and spiritual output data and through an extensive analysis of underlying trends. Furthermore, the analysis conducted between BAM firms 5 and 12 sought to understand the nuances of the relationship, revealing that while the relationship between economic and spiritual output sectors may be direct over time, in the short-term they appear to compete with one another.

Given these constraints and the regional choice, the author cautions from a sweeping application of the findings to religiously devoted firms across contexts. However, these findings likely pertain to a wider set of firms than just those sampled. The most obvious candidate would be religiously devoted firms of different religious traditions. Even beyond religious firms, the lessons from this study may prove useful for the broader business community. Without a higher-level purpose, business is strictly a profit-maximizing entity. Even though previous studies have found that purposes beyond profit drive long-term economic results, accountability ensures the ongoing commitment to those purposes.¹⁰ In order for businesses to maintain relevancy amidst growing pressures to fulfill broader societal mandates, perhaps firms should devote their focus not only on their accountability to profit but also on their accountability to pursuing higher-level objectives.

Any thorough examination of the implications of this study must address the conversionary nature of the observed firms. The inherent assumption – that witnessing to the

¹⁰ See page 11 for reference to previous studies.

Christian message will lead to the holistic transformation of individuals and societies – appears farfetched. Moreover, even if there is evidence that conversionary Christians have positively contributed to global phenomena including capitalism and democracy, one cannot ignore the historical evidence of malpractice and abuse ranging from the Christian Crusades to the role of the church in colonialism to modern abuses in the Vatican (Weber, 1930; Woodberry, 2012). While this debate is much larger than the scope of this study, the most pertinent issue relates to embedding a religious mission within the context of a firm. Leaving the ethical discussion for philosophers, there are two critical implications: the potential downgrading of economic output and the risk of warranting a form of ‘Prosperity Gospel’. If Christians are to work at everything to the glory of God, pursuing multiple objectives within a firm – both spiritual and economic – risks prioritizing spiritual output over economic output. Additionally, utilizing business as a vehicle for transformation risks communicating a message of hope to locals that is predicated on material success. This study has not found that multiple objectives can be maximized simultaneously, but it has presented an indication for the importance of balancing between the two types of outputs to ensure long-term sustainability. Therefore, after briefly outlining a future research agenda, the author offers a final perspective on the proper balance between the economic and spiritual bottom lines.

A future research agenda might consider the following. An investigation into whether the findings of this paper hold across religiously devoted SMEs in different contexts and firms of increasing size and complexity, particularly as an SME becomes a corporation for instance. The direct and indirect spillover effects – whether positive or negative – of the education, experiences, and worldviews of foreign BAM managers and workers on local employees and communities. Perhaps the most critical gap is a study of BAM firms over time to not only

evaluate the relationship between spiritual and economic outputs but also to compare societal outcomes to a comparable set of traditional firms and socially responsible businesses.

Underlying this entire research is a fundamental debate on the prioritization between the two sectors of output for a BAM firm. The interdependency between the two sectors suggests a balanced and integrated approach. The largest roadblock to such an approach is the current divide within the BAM space between the two prevalent schools of thought, previously identified as Group 1 and Group 2 in Section 5 of this study. The debate pertains to the ultimate role the business entity should play in contributing towards the higher-level objective – to glorify God and to holistically transform communities. Group 1 views business solely as one means to reach their objective, and therefore, simultaneously devotes time to work outside the business. Group 2 considers business as the essential means through which their higher-level objective will be achieved, and therefore, devotes the lion’s share of their energy and effort into work exclusively inside the business.

In order to arrive at a balanced perspective between spiritual and economic outputs, a BAM firm might consider the role of a conduit. Take an electrical conduit for instance.¹¹ Its purpose is to protect and provide a path from A to B for the wires it contains. Although the wires could carry an electric current without the conduit, there is the inherent risk of a shorted wire. Moreover, when running wires through obstructed paths, the wires would not be able to reach their intended destination without the structure and direction provided by the conduit.

A BAM business is both necessary and insufficient in order for the current to travel from point A to B. BAM firms seeking to achieve their higher-level objectives ought to protect the

¹¹ The author’s uncle, an electrician, provided a description of an electrical conduit.

current by ensuring their business' success, but simultaneously, they must not lose sight that the business entity is only a means to delivering the current to its final destination.

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Appendices

Appendix A – Interview Consent Form

Business as Mission: The MENA Region

Department of International Development – Development Management MSc, LSE

Information for participants

Thank you for considering participating in this study which will take place from [1/1/2018-20/8/2018].

This information sheet outlines the purpose of the study and provides a description of your involvement and rights as a participant, if you agree to take part.

1. What is the research about?

The aim of this project is to evaluate how pursuing spiritual impact within a firm affects the firms' business performance. The research will primarily be in case study format with businesses in the MENA region. Additionally, the research will consist of key informant interviews.

2. Do I have to take part?

It is up to you to decide whether or not to take part. You do not have to take part if you do not want to. If you do decide to take part we will ask you to sign a consent form which you can sign and return at the meeting.

3. What will my involvement be?

A semi-structured interview of 30minutes-1 hour in length depending on the interview.

4. How do I withdraw from the study?

You can withdraw at any point of the study, without having to give a reason. If any questions during the interview make you feel uncomfortable, you do not have to answer them and you can withdraw from the interview at any time for any reason. Withdrawing from the study will have no effect on you. If you withdraw from the study we will not retain the information you have given thus far, unless you are happy for us to do so.

5. What will my information be used for?

The information will be used as part of the researcher's submission of his master's level dissertation.

6. Will my taking part and my data be kept confidential? Will it be anonymised?

The records from this study will be kept as confidential as possible. Only the researcher and his supervisor will have access to the files and any audio tapes. Your data will be stored securely. A participant's name will only be used if given permission.

7. What if I have a question or complaint?

If you have any questions regarding this study please contact the researcher.

If you have any concerns or complaints regarding the conduct of this research, please contact the LSE Research Governance Manager via research.ethics@lse.ac.uk.

To request a copy of the data held about you please contact: glpd.info.rights@lse.ac.uk

If you are happy to take part in this study, please sign the consent sheet attached.

CONSENT FORM

Business as Mission: The MENA Region

PARTICIPATION IN THIS RESEARCH STUDY IS VOLUNTARY.

I agree to taking part in the study	YES / NO
I agree to allow my name to be used in the project report.	YES/ NO
I understand that I am free to decline to participate in this research study, or I may withdraw my participation at any point without penalty. My decision whether or not to participate in this research study will have no negative impacts on me either personally or professionally.	YES / NO
I confirm that I have read and understood the information sheet provided for the above study. I have had the opportunity to consider the information and ask any questions I have.	YES / NO
I understand that my data will be kept secure and archived at the end of the study.	YES / NO
I agree to the interview being audio recorded.	YES / NO

Participant name:

Signature: _____

Date: _____

Interviewer name:

Signature: _____

Date: _____

For information please contact researcher:

Appendix B – Survey Instrument

BAM/B4T MENA Region CEO Survey

Survey Introduction

Thank you for participating in this survey. The survey takes between 15-20 minutes to complete. If you have any questions in completing the survey, please feel free to contact the researcher.

Purpose of Research

This research seeks to explore the impact of BAM/B4T in the MENA region. The goal is that valuable insights will be learned for BAM/B4Ters on the ground, as well as academics and aspiring BAM/B4Ters. This research is in support of the researcher's dissertation for the MSc in Development Management at the London School of Economics.

Statement of Consent: In accordance with the London School of Economics Code of Research Conduct, this study seeks to uphold the highest academic integrity standards. By participating in this study, I acknowledge that all of my responses will remain confidential and the data I provide will be for the sole purposes of this research. I recognize that my participation in the survey is voluntary and I am free to decline to answer any particular question. I understand that my data will be kept secure and archived at the end of the research.

*****I agree to the above statement of consent? (Y/N)**

Part 1: General Information of Respondent

Position in company:

Nationality:

Highest level of education completed:

- High School diploma
- Associate's degree
- Bachelor's degree
- Master's degree
- Doctorate degree

If applicable, please select area of concentration for your Bachelor's degree:

- Business or related field (economics, finance, accounting, etc.)
- Church work/missions or related field (theology, biblical studies, etc.)
- Sciences or related field (chemistry, biology, etc.)
- Social sciences or related field (history, political science, law, etc.)
- Humanities or related field (art, music, etc.)
- Other: _____

If applicable, please select area of concentration for your Master's degree:

- Business or related field (economics, finance, accounting, etc.)
- Church work/missions or related field (theology, biblical studies, etc.)
- Sciences or related field (chemistry, biology, etc.)
- Social sciences or related field (history, political science, law, etc.)
- Humanities or related field (art, music, etc.)
- Other: _____

If applicable, please select area of concentration for your Doctorate degree:

- Business or related field (economics, finance, accounting, etc.)
- Church work/missions or related field (theology, biblical studies, etc.)
- Sciences or related field (chemistry, biology, etc.)
- Social sciences or related field (history, political science, law, etc.)
- Humanities or related field (art, music, etc.)
- Other: _____

Please list any professional licenses, business certifications, ministerial credentials, etc. you hold:

Full-time business experience prior to starting BAM/B4T company:

- None
- 1-2 years
- 2-5 years
- 5-10 years
- 10+ years

Full-time church work/missions experience prior to starting BAM/B4T company:

- None
- 1-2 years
- 2-5 years
- 5-10 years
- 10+ years

Is Arabic the majority local language where you operate your BAM/B4T company:

- Y
- N

If N, please specify language: _____

Specify your level of proficiency in Arabic or local language:

- Beginner
- Intermediate
- Advanced
- Business Proficient

Please indicate your motivation for starting the BAM/B4T company for the following.

- To make a profit: (Extremely high motivation, somewhat high motivation, no motivation, somewhat low motivation, extremely low motivation)
- To create innovative products and/or services: (Extremely high motivation, somewhat high motivation, no motivation, somewhat low motivation, extremely low motivation)
- To convert locals to Christianity: (Extremely high motivation, somewhat high motivation, no motivation, somewhat low motivation, extremely low motivation)
- To bless the local community: (Extremely high motivation, somewhat high motivation, no motivation, somewhat low motivation, extremely low motivation)
- To glorify God: (Extremely high motivation, somewhat high motivation, no motivation, somewhat low motivation, extremely low motivation)

Do you receive a regular salary from the BAM/B4T business? (Y/N)

Do you and/or your family receive any donor support? (Y/N)

Please list any Christian networks/missions organizations you are part of (i.e. OPEN network, OM, LD, YWAM, etc.): _____

Part 2: General Information of Business

Years BAM/B4T business has been in operation: _____

Business Industry: _____

Mission/Vision of business: _____

Location of business (*this will not be included in the write-up of the study - it is intended solely for understanding local business context such as poverty rates, average wage, household income, education levels, etc.*): _____

Is there a board? (Y/N)

Annual revenue for 2017 calendar year (US\$ or specify currency): _____

Alternatively please specify range of revenue for 2017 calendar year (US\$)

- \$0 to \$500,000
- \$500,000 to \$1,000,000
- \$1,000,000 to \$2,000,000
- \$2,000,000 to \$5,000,000
- \$5,000,000 to \$10,000,000
- \$10,000,000 or more

Annual profit for 2017 calendar year (US\$ or specify currency): _____

Alternatively please specify range of profit for 2017 calendar year (US\$)

- - \$200,000 or more
- - \$200,000 to - \$100,000
- - \$100,000 to \$0
- \$0 to \$100,000
- \$100,000 to \$200,000
- \$200,000 to \$500,000
- \$500,000 to \$1,000,000
- \$1,000,000 or more

Total amount of taxes paid for 2017 calendar year (US\$ or specify currency): _____

Total Employees for 2017 calendar year: _____

Local Employees for 2017 calendar year: _____

Average wage of local employees in 2017 (US\$ or specify currency): _____

Total amount of investment into business since founding (US\$ or specify currency): _____

Breakdown of total investment (US\$ or specify currency):

- Personal: _____
- Friends/Family: _____
- Charitable donations: _____
- Commercial investments: _____
- Other: _____

Part 3: Evaluation of Business' Impact

Please indicate how your business prioritizes the 4 bottom lines. **Distribute 10 points** across the 4 bottom lines in the way you believe best describes the priorities of your business (e.g. if all focus is on 1 bottom line - allocate 10 points, if each bottom line is equally weighted - allocate 2.5 for each, etc.):

- Economic: _____
- Spiritual: _____
- Social: _____
- Environmental: _____

Economic Impact

Estimate of total # jobs created for local employees by business in last 5 years:

Estimate of total revenue created through business in last 5 years (US\$ or specify currency):

Estimate of total local business taxes paid in last 5 years (US\$ or specify currency):

Spiritual Impact

Estimate of # people exposed to Gospel through business in last 5 years:

Estimate of # people that became Christians through business in last 5 years:

Social Impact

Does your business measure for social impact? (Y/N)

Briefly describe local social impact of business over last 5 years:

Environmental

Does your business measure for carbon emissions? (Y/N)

Briefly describe local environmental impact both negative and positive of business over last 5 years:

Open Ended

Anything else you would like to add on the economic, spiritual, social, or environmental impact of the business?

Part 4: Faith and Business

In this section, please indicate whether you strongly agree, agree, neither agree nor disagree, disagree, or strongly agree with the following statements.

Principles of the Bible are at the core of the way we do business.

- Strongly Agree, Agree, Neither Agree nor Disagree, Disagree, Strongly Disagree
Our business structure is significantly different than it would be if we were not Christians operating the business.

- Strongly Agree, Agree, Neither Agree nor Disagree, Disagree, Strongly Disagree
Local government officials and community members know that we are Christians operating the business.

- Strongly Agree, Agree, Neither Agree nor Disagree, Disagree, Strongly Disagree
In making hiring decisions, we always hire the best local person for the job, regardless of faith.
- Strongly Agree, Agree, Neither Agree nor Disagree, Disagree, Strongly Disagree
In the past, we have dragged out letting go of a local employee in the hopes that he/she would be more receptive to the Christian faith.
- Strongly Agree, Agree, Neither Agree nor Disagree, Disagree, Strongly Disagree
We intentionally hire members of the community other local businesses typically would not.
- Strongly Agree, Agree, Neither Agree nor Disagree, Disagree, Strongly Disagree
Our business is held back because some of our foreign employees (whether salaried or non-salaried) invest too much time into non-business activities.
- Strongly Agree, Agree, Neither Agree nor Disagree, Disagree, Strongly Disagree
We offer local employees better benefits than other local businesses.
- Strongly Agree, Agree, Neither Agree nor Disagree, Disagree, Strongly Disagree
Our local employees gain valuable technical skills that they would not be able to acquire if working for other local businesses.
- Strongly Agree, Agree, Neither Agree nor Disagree, Disagree, Strongly Disagree
Our business would have more profits if we were not prioritizing spiritual impact.
- Strongly Agree, Agree, Neither Agree nor Disagree, Disagree, Strongly Disagree

Open-Ended

How does faith affect the way the company does business?

How does faith affect the performance of the company?

Part 5: Business Advantages/Disadvantages in the MENA Region

In this section, please indicate whether the following are strong advantages, advantages, neither advantages nor disadvantages, disadvantages or strong disadvantages for your business.

Operating the business as foreigners in the MENA region.

- strong advantage, advantage, neither advantage nor disadvantage, disadvantage, strong disadvantage

The education other foreign employees and I had in our home country and other countries before starting the business in the MENA region.

- strong advantage, advantage, neither advantage nor disadvantage, disadvantage, strong disadvantage

Operating the business as Christians in the MENA region.

- strong advantage, advantage, neither advantage nor disadvantage, disadvantage, strong disadvantage

The experience other foreign employees and I had in our home country and other countries before starting the business in the MENA region.

- strong advantage, advantage, neither advantage nor disadvantage, disadvantage, strong disadvantage

The Christian organization(s) and/or network(s) we are part of in the MENA region.

- strong advantage, advantage, neither advantage nor disadvantage, disadvantage, strong disadvantage

Are there any other advantages or disadvantages you would like to discuss or would you like to elaborate on any of your answer(s) above?

Part 6: Future Follow-up

As part of this research project, the researcher hopes to include more in-depth case studies of 4-5 businesses.

Would you be willing to discuss your business in further detail with the researcher? (Y/N)

If yes, please provide your contact details:

Name:

Email Address:

If applicable, website URL of business (*to be used for further research on the business*):

Is there anything else you would like to mention in this survey?

Please indicate if you would like to receive results from the research project: (Y/N)

If yes and you haven't already provided your contact details, please provide the following:

Name:

Email Address:

You have now reached the end of the survey. Thank you for taking the time to complete the survey. Wishing you continued success in your business. I'm grateful for your response and look forward to learning from you as I read it.

Appendix C – List of MENA Region Countries

Algeria
Bahrain
Chad
Djibouti
Egypt
Iran
Iraq
Israel
Jordan
Kuwait
Lebanon
Libya
Mali
Mauritania
Morocco
Niger
Oman
Qatar
Saudi Arabia
Sudan
Syria
Tunisia
UAE
West Bank and Gaza
Yemen

Appendix D – Underlying Factors Analysis Table

	Expected Effect on Relationship Between Output Sectors	Category 1	Category 2	Category 3	Conclusion
1. Educational Focus of Manager	Group 1 - more spiritual output Group 2 - more economic output	2x Group 1, 2x Group 2	2x Group 1, 4x Group 2	1x Group 1, 1x Group 2	Group 1 and Group 2 are scattered throughout Categories 1,2,3 so cannot conclude that education type is an underlying explanatory factor.
2. Highest Level of Education Completed by Manager	The higher the level of education of the manager, the higher the expected levels of output of the firm (whether spiritual or economic).	1x Bachelor's, 3x Master's	4x Bachelor's, 2x Master's	1x Master's, 1x Doctorate	Although both Category 3 BAM firm managers are amongst those with the highest level of education in the sample, Master's and Bachelor's degrees are spread throughout Categories 1 and 2, implying that highest level of education does not explain the upper-level relationship.
3. Professional Experience of Manager	The higher the business experience (B) of the manager, the higher the expected economic output of the firm. The higher the Church work/missions (CW) experience of the manager, the higher the expected spiritual output of the firm.	2x No B, Some CW 1x No B, Significant CW 1x Some B, Minimal CW	1x No B, Minimal CW 1x Minimal B, Some CW 1x Some B, Significant CW 1x Significant B, No CW 2x Significant B, Some CW	1x No B, Some CW 1x No B, Minimal CW	There is no clear relationship in regard to the experience of the manager. While most category 1 firms have no business experience and category 2 firms, although varied, have at least some business experience, both Category 3 firms had no previous business experience. In regard to CW experience, it is fairly varied throughout the 3 Categories. In the current sample, experience does not appear to explain the output of the firm. However, the business experience trend between categories 1 and 2 should be explored further in a larger study to assess whether this holds across categories given more data.
4. Language Proficiency of Manager	The higher the language proficiency of the manager, the higher the expected levels of output of the firm (whether spiritual or economic).	2x Intermediate 1x Advanced 1x Business Proficient	2x Beginner 2x Advanced 2x Business Proficient	1x Intermediate 1x Advanced	No apparent clustering of higher language proficiency towards Category 3.
5. Number of Employees	More employees could lead to more individuals communicating the Christian message, increasing the spiritual output. More employees also might be expected to increase economic output.	1, 35, 7, 11	1, 1, 11, 6, 16	12 (and 25 direct subcontractors), 75	Category 3 clearly has more employees - larger firms are generating most economic and spiritual profit.
6. Industry Trends	There may be a particular industry that experienced a significant growth or decline during the measured year that is being captured in the survey and altering economic and potentially spiritual output.	1x Education, 1x Consulting Services, 1x Agriculture	1x Consulting Services, 1x Education, 2x Tourism, 2x Hospitality/Restaurant	1x Education, 1x Tourism	Education in both Category 1 and Category 3, Tourism in Category 2 and Category 3 - higher-level relationship cannot be explained by industry trends.
7. Location in MENA Region	The Middle East has higher start-up costs for businesses than North Africa. This could lead to more economic output for an SME operating in North Africa as opposed to the Middle East. In regard to spiritual output, one might expect that those with relatively more wealth (Middle East) to be less receptive to the Christian message than those who are poorer (North Africa).	3x North Africa 1x Middle East	3x North Africa 2x Middle East	2x North Africa	North Africa and the Middle East are spread throughout (although both of the Category 3 firms are in North Africa, the author discounts this as coincidental due to limited data).
8. Number of Years in Operation	The longer a BAM firm is in operation, the more likely the firm is to generate higher output (whether economic or spiritual).	1, 3.5, 2.5, 4	3, 1.5, 5, 4, 10, 13	17, 10	Like # employees, the BAM firms in operation for the longest amount of time are generating the highest spiritual and economic outputs. This is to be expected though as companies that are not generating economic and spiritual profit for an extended period of time would most likely be forced to shut down.

Key:

 Highlighted rows are those with clear trends: number of employees and number of years firm has been in operation.

Appendix E – Follow-up Questions for Three of Surveyed Firms

1. Can I use the information you provide for my thesis (Your name or business name will not be mentioned in the paper)? Y/N
2. Describe your perspective on profit for your company.
3. Could your business have spiritual output without running an effective business? Why or why not?
4. Would your business have a different amount of economic profit than the current level if you were not pursuing spiritual objectives? Why or why not?
5. Why is your firm at its current level of economic output? – Defined as financial return
6. Why is your firm at its current level of spiritual output? – Defined as # people converted
7. Is it better for BAM workers to view economic output and spiritual output as 2 separate objectives or to work at them from an integrated perspective? Why?