

Values-Based Leaders and the Common Denominators of Benevolent Capitalists

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Many business leaders deemed “values-based” or “principled” have been influenced by family members, teachers, spiritual beliefs, political movements, tragedies, friends, and work colleagues. This exposure may have intentionally – or even unwittingly – predisposed such persons to exercise ethical decision-making in their business dealings. Others have embraced “epiphanal” moments with an all-encompassing passion, propelling them to act, risk, and lead...sometimes changing the course their businesses. This paper explores the following two queries. Do leaders who operate their businesses for purposes other than self-aggrandizement or pecuniary gain share common characteristics? Must doing “good” necessarily eschew generating profit and rather wholly embrace selflessness?

INTRODUCTION

When one thinks of *benevolent capitalism*, images of Benjamin Franklin, Andrew Carnegie, and David Rockefeller of yesteryear and more recently, of Bill Gates, William Randal Hurst III, and Warren Buffett, emerge. These men are undisputedly stalwarts of the business world, both yesterday and today; leaders who all emphasized the obligation of bettering society with one’s acquired wealth (Gates, 2008).

To many, the concept of *benevolent capitalism* appears to be a “teasing irony” (Hawkin, 1993). Therefore, prior to assessing any commonality of characteristics shared by benevolent capitalists, the question is begged: Is this designation even possible? By simple definition, “benevolence” is equated with the giving of one’s talents and/or resources for the good of society while “capitalism” is often equated with concern only for the financial bottom line. Traditional capitalism has been both hailed as the moral imperative to “make as much money for the shareholders as is possible” (Friedman, 1970); criticized by “Natural Capitalists” as a lineal sequence of extraction, production, distribution, and disposal, an ultimately unsustainable manner of conducting a business (Hawkins; Lovins, 1999); and by Marxist ideology as being inherently devoid of moral and social responsibility (Shaw, 2009). While the intent of this essay is not to fully compare and contrast economic theories and critiques, it is necessary to modestly explore the evolution of modern capitalism.

THE IMPACT OF ECONOMIC THEORISTS

Like “business ethics,” many have challenged the feasibility and even the mere existence of philanthropic capitalism while others have called for its implementation globally.

Karl Marx

Under pure Marxist theory, there is no benevolence in capitalism as there cannot be ethics in business. The main emphasis of capitalism is the maximization of profits to advance one's self-interest. The presence of greed, then, is the motivating, driving force. The pursuit of profit trumps any social or moral responsibilities (Marx, 1976). Several U.S. business leaders were so fearful of the spread of Marxist ideology that in the summer of 1951, Henry Luce, founder of *Time-Life*, and Robert Hutchins, former president of the University of Chicago, convened the first Aspen Institute's Executive Seminar. The primary purpose of the seminar was twofold: to intellectually arm the nation's business leaders in the struggle against the spread of communism and to identify the elements of the "good society" in order to stave off Marxist ideologies in resource control and distribution (O'Toole, 2008).

Adam Smith

According to Smith, benefitting the public good is made possible through self-regulation and the pursuit of best private interests. This guidance by the "Invisible Hand" – construed by some to refer to God – will lead the entrepreneur to pursue the most advantageous business endeavor, the outcome of which will produce financial success and invariably benefit the common good. Smith's theory endorsed free market or "laissez faire" economics (Shaw, 2009).

Milton Friedman

Friedman is best known for his theory that the sole purpose of the corporation is to maximize profits for its shareholders and that government regulations are unquestionably undesirable. Advancing the public good should not be the focus of the corporation; these matters can be undertaken by individuals on their own accord and/or with taxpayer dollars as the government directs (Shaw, 2009).

Robert Reich

Robert Reich, former Secretary of Labor under the Clinton Administration, recently stated in an interview with *The New York Times*, that while he did not believe in the redistribution of wealth for the sake of redistributing wealth, he attributed the widening inequality of income and wealth, heightened job insecurity, and corporate corruption to traditional, unregulated capitalism. In his book, *Supercapitalism*, Reich argues that as long as capitalism is in the service of the people, it will survive (Reich, 2007).

William H. Shaw

A contemporary economist, Shaw espouses that business managers must adopt a broader view of their social responsibilities. In addition to maximizing profits, businesses must acknowledge their moral obligations to society. In this manner, business ethics and corporate benevolence are critical to making a business successful and generating a profit (Shaw, 2009).

THE GREAT RECESSION OF 2007-2010

There is little doubt that in the wake of the current financial meltdown, business in a global economy is no longer "business as usual." Within a decade, the collapse of traditional capitalism has been triggered by:

- The bursting of the commercial lending and housing bubbles;
- The introduction of derivatives (or what Warren Buffet termed in his annual report to Berkshire Hathaway shareholders in 2002 to be "financial weapons of mass destruction")(Shaw, 2009);
- A growing trend of government deregulation which began in the Reagan-Clinton years with the SEC's relaxing of the "net capital rule" which expanded the issuance of mortgage-backed securities (Shaw, 2009);
- An increased debt burden, overleveraging, predatory lending, and individual and corporate overreaching (e.g., Madoff, Countrywide) (Ferrell, 2008).

This worldwide financial crisis, dangerously close to repeating the Great Depression of the 1930s, has spawned heightened emphasis on working for the common good and has ushered in what some have termed *Benevolent Capitalism*, also referred to by Bill Gates as *Creative Capitalism*¹ or *Conscience-Based Capitalism* (Guth, 2008). There appears to be an evolving new mindset where shareholder and stakeholder alike are demanding greater social responsibility from corporate operations.²

CONTEMPORARY CAPITALISM: “DOING WELL BY DOING GOOD”

The etymology of the oft-used phrase, “doing well by doing good,” is attributed to Benjamin Franklin’s belief that success in business endeavors should be for the advancement of all mankind rather than just one’s self and that dedicating resources for the common good was something to be considered “divine” (Franklin and Isaacson, 2006). In the early 1700s, these words were put into action with Franklin’s subsidization of the construction of both the Philadelphia Hospital and the Pennsylvania Academy, the country’s first liberal arts college. Franklin believed that these undertakings would “advance civic public purposes and at the same time support the self-help efforts of individuals” (Franklin and Isaacson, 2006).

“Doing well by doing good” was adopted and modified more than a century later by American poet, Ralph Waldo Emerson, who stated: “Doing well is the result of doing good. That’s what capitalism is all about” (Emerson, 1848). Although conscientious capitalism was championed more than three centuries ago, it has never been so ubiquitously and passionately embraced by so many, especially in the wake of the recent financial collapse. The rise of benevolent capitalism is identified by new phrases, concepts, and practices which have permeated the global marketplace. Among those include:

- *Philanthropreneurs* – a term first developed by Trevor Field, CEO of Playpumps International (Gingerich, 2008);
- *Stakeholders* – those affected by a company’s services and/or products as opposed to merely its shareholders whose primary interest is pecuniary;
- *Ecopreneurs* – business leaders who aspire to develop profitable, sustainable businesses while attempting to better the world by improving the quality of life and environment (Dixon & Clifford, 2007; Linnanen, 2002);
- *Accountability, Transparency, and Sustainability* of business practices demanded by the public (Savitz, 2006) and by businesses of other businesses (e.g., Wal-Mart’s Sustainability Index questionnaire distributed to its suppliers in June, 2009 to measure their environmental and social impact³);
- *Triple Bottom Line (TBL) Reporting* – measuring business success by assessing fiscal accountability, environmental stewardship, and social responsibility (Dixon & Clifford, 2007; Henriques & Richardson; 2004);
- New legislation to regulate financial accountability (e.g., *Sarbanes-Oxley Act of 2002*,⁴ enacted in the wake of the Enron debacle) as well as new administrative regulations requiring environmental impact disclosures by all publically-traded corporations⁵;
- *Business Ethics*, now an integral part of most business schools programs (AACSB, 2004);
- *Corporate Social Responsibility (CSR)*, which refers to the deliberate inclusion of public interest concerns into corporate decision-making (Linnanen, L., 2002).
- Natural Capitalists, assigning value to human and natural capital (Hawkin & Lovins, 1999);
- *Biomimicry*, a concept coined by biologist Janine Benyus as business’s duty to become more environmentally friendly and safe to humans, animals, and the common biosphere by copying processes found in nature to incorporate into the manufacturing process and to expose that knowledge in the public domain (Benyus, 1997);
- *Values-Based Leadership*, a commonly used modifier to describe those in positions of authority to motivate and inspire others to follow a paradigm of socially-conscious behavior in the workplace (O’Toole, 2008; Manz & Simms, 2001); and

- Global metric reporting which gives businesses the opportunity to self-report according to triple-bottom line indicators (e.g., Global Reporting Initiative (GRI) G3 Guidelines).

This revamping of the corporate vocabulary invariably champions the public good and responsible decision-making; in essence, in the modern world, benevolent capitalists do exist.

NEW LEADERSHIP

Who are the individuals who can truly be characterized as benevolent capitalists? As editor of the *Journal of Values-Based Leadership*, I have met, interviewed, and/or studied many such individuals and was surprised to discover commonly-shared characteristics and belief systems.

In searching for common denominators, I have limited my analysis to two case studies – Bill, Melinda, William, Sr. and Mary Gates of *Microsoft* and the *Bill and Melinda Gates Foundation* (Seattle, WA) and Ben Cohen and Jerry Greenfield, founders of *Ben & Jerry's Homemade Holdings, Inc.* (Burlington, Vermont) – as well as interviews with Ray C. Anderson, Chairman and Founder of *Interface, Inc.* (Atlanta, GA); Duncan Goose, Founder and President of *One Water* and CEO of *Global Ethics Limited* (London, UK); and Trevor Field, President of *Playpumps International* (Johannesburg, South Africa). Of particular interest in these studies is the examination of each individual's motivational factors as quantified by the following traits:

- (1) Influential social, environmental, political, and religious factors – **Impact of Upbringing;**
- (2) Presence or absence of a discernible work ethic – **Impact of Vocation;** and
- (3) The effect of life-changing occurrences – **Impact of Transformative Events.**

CASE SUMMARIES

The Gates Family, Microsoft, and the Bill and Melinda Gates Foundation

Born into a wealthy and staunchly religious Congregationalist offshoot of the English Protestant Church, Bill Gates was one of 3 children of William Henry Gates II and Mary Maxwell Gates. The family dinner was an important practice of this tightly-knit family – a tradition which lingered into Bill's adult years and well as his parents' involvement in philanthropic endeavors (Guth, 2009). William served on the Board of Planned Parenthood and Mary was the first female King County United Way President as well as the former University of Washington Board of Regents member who fought hard to divest the latter organization's investments in South Africa to protest that government's system of Apartheid (Lohr and Strom, 2006).

Bill's pursuit of technology and communications emerged in his early teenage years. Although he was accepted into Harvard University, his tenure was short-lived. But while a student at Harvard University, Gates and fellow student Steve Ballmer created a version of "BASIC," a type of programming language, for the first microcomputer (Theodhosi, 2000). Recognizing the future demand for computer software for personal computers (PCs), Gates started Microsoft with long time friend, Paul Allen, fulfilling his commitment to pursue his vocation fully at a young age and successfully transitioning from the prototypical "software firm in a garage" to the world's second most lucrative company. During the nascent phase of his business, Gates infused his personal vision of individual initiative and collaborative work among his team of software engineers. Even as his business flourished, Gates formed a team of close co-workers and employees who collectively shared his vision and values (Goett, 1999; Theodhosi, 2000).

By the mid-1990s, Microsoft been transformed from a small software shop to a multi-billion dollar corporation. Gates's strategy to dominate the PC software industry became all-consuming and arguably unethical at times (Baker, 1998). Gates certainly was not exempt from engaging in questionable business practices in his attempt to eliminate the competition (e.g., fighting the production and dissemination of WordPerfect software, a Lotus product) (Brandel, 1999; Goett, 1999), which ultimately resulting in charges of antitrust violations levied by the United States Department of Justice (Klein, 2001).

But then, something changed. What would lead the wealthiest man in America to eventually divest himself of the bulk of his wealth to fully engage in eleemosynary pursuits aimed at producing goods and services designed to help the poor? Melinda French, (n/k/a Melinda Gates), raised a Roman Catholic, and a former employee of Microsoft, met her employer's co-founder and future husband in 1993. In that year, she traveled to South Africa on safari and was struck by the fact that the local women were barefoot, dangerously thin, and desperate to barter vegetables to obtain other necessary goods (Lohr and Strom, 2006).

The couple married in 1994. On the eve of Melinda's bridal shower, Mary Gates handed her a note which read: "To those who are given much, much is expected," a verse taken from Luke 12:48. This was a self-proclaimed epiphinal experience for the young couple (Lohr and Strom, 2006). In the same year of their marriage, Mary Gates died. Approximately six months after her death, William Gates broached the couple regarding the establishment of a charitable foundation and a week later, Bill set aside \$100 million to form the Bill and Melinda Gates Foundation, initially run by William Gates, with its primary purposes targeted towards vaccines and education in developing countries (Guth, 2009).

Although Gates did not officially relinquish his daily management decisions until 2008, by 2000 he was allocating more of his time and resources to pursue the goals of the Gates Foundation, which had expanded by the time of his retirement to include ending sex trafficking, championing HIV awareness, developing a vaccine to end the scourge of malaria, and supporting clean drinking water projects. The Foundation now boasts an endowment of 38.7 billion (Guth, 2009).

With respect to a formal declaration of a religious adherence, Bill believes in a more scientific order. However, in an interview conducted by David Frost on PBS in November 1995, Gates answered the interviewer's question regarding the existence of a god, "I don't know if there is a god or not, but I think that religious principles are quite valid" (Frost, 1995).

The formation of the Bill and Melinda Gates Foundation is the leading example of shifting acquired wealth generated from the exercise of superior business acumen and distributed in large increments towards the end of the business man or woman's lifetime. Ostensibly, the familial, religious, environmental, educational and/or social underpinnings of Bill Gates shaped his philanthropic direction.

Ben Cohen and Jerry Greenfield and Ben & Jerry's Ice Cream

Ben Cohen and Jerry Greenfield have their roots in the New York City area and each was raised in the Jewish faith by parents who valued education and emphasized social awareness. Born four days apart in Brooklyn, Ben and Jerry lived in middle-class neighborhoods with stay-at-home-mothers and work-driven fathers (Jerry's was a stockbroker and Ben's was the Vice President of a direct mailing marketing company). Both had siblings with whom they shared close relationships. Their respective families valued hard work, religious instruction (both attended Shabbat and Sunday School and were bar-mitzvahed), a sense of humor, education, social awareness and activism (the two were frequently taken to Harlem for the primary purpose to witness the social and economic injustices of living in one borough as opposed to another) and a love of food, particularly ice cream. Ben and Jerry became best friends in high school and were top students, yet ridiculed as overweight misfits and pranksters (A&E Television Networks, 2005).

Jerry attended Oberlin College in Ohio and studied pre-med courses, but upon graduation failed to be accepted into any medical schools. Interestingly, his sense of humor led him to also enroll in a non-traditional carnival course. Ben enrolled in Colgate University in New York, dropped out after a year and a half, and continued his education at Skidmore University in New York where he studied pottery and jewelry-making. Although neither partner had any business background, the pair decided to share the costs of a \$5.00 correspondence course in making ice cream offered by Pennsylvania State University and additionally supplemented their business skills by purchasing \$2.00 worth of pamphlets from the Small Business Administration (A&E Television Networks, 2005).

Commencing post-secondary studies in the Fall of 1969 occurred at the height of the Vietnam War and was a troubling time for both. After the Kent State University killings – only miles away from Oberlin – Ben and Jerry decided that whatever they chose to be their vocation would be socially and morally responsible (A&E Television Networks, 2005).

On May 5, 1978, the pair invested \$12,000 to renovate a dilapidated gas station in downtown Burlington Vermont which served as their first “parlor,” adopting the formal business name of Ben & Jerry’s Homemade, Inc. The business grew so rapidly that in order to acquire new capital to support further expansion, the pair decided to launch several statewide stock offerings without turning to the venture capitalists in order to preserve the values of the business. The company’s three-pronged mission statement concerns the commitment (1) to produce quality products using local, natural ingredients and advertise “business mannerisms that respect the earth;” (2) to promote a sustainable financial basis of profitable growth, increasing value for the company’s stakeholders while expanding career development and opportunities for its employees; and (3) to promote social responsibility and values-based leadership by giving back to the community. In furtherance of the last objective, Ben and Jerry dedicated 7.5% of the company’s annual pre-tax profits to fund various social and environmental programs (e.g., the Children’s Defense Fund, Worldwide Life Fund; climate change policies focusing on environmental research in the Arctic, and local community-oriented projects). Their innovative financial and social awareness planning strategies included incorporating Brazilian nuts in a flavor named “Rainforest Crunch,” the profits of which were dedicated to save the rainforest of Brazil and to draw attention to that particular environmental crisis; ordering brownies from a supplier who hired the homeless and former drug addicts; and dedicating parlors to certain NGOs including Goodwill Industries for the purpose of developing managerial skills for the unemployed (Taylor, 1997).

Ben and Jerry believed in making the workplace a fun environment and employed their unique wit in creating contests and sponsoring individual employee social causes. With respect to payroll matters, employee salary ratios were tapped at seven times the entry-level position (Rhymer, 1998). In light of their success, Ben and Jerry were named by President Ronald Reagan as U.S. Small Business Persons of the year in 1988. In 2000, Ben and Jerry sold their business to the Unilever Corporation with the unprecedented condition that the social tithing remain in place (Taylor, 1997).

Ray C. Anderson and Interface, Inc.

When queried in a November 22, 2008 interview about childhood influences, Ray remembers classmates saying to him that “Ray, you knew life was serious long before the rest of us did.” He attributes that statement to being born into a family without financial means. Everything was used to its fullest capacity. The Depression mentality had unintentionally generated the first environmentalists while restricting opportunities for meaningful employment. Rays’ father was very fortunate and had a job in the post office subsequent to the Depression. While Ray doesn’t recount being poor, he states, without equivocation, that while his family was not indigent, they did have to stretch each dollar. Regardless of their financial status, the Anderson family was devoutly Methodist and believed it their moral obligation to help those in need even with their own meager means. Ray recounts that his mother – a former teacher – made sure he paid attention to his books and studies: “I guess she practiced her profession on her children.” From his own childhood to having his own children and grandchildren, Anderson acquired a growing sense of responsibility for future generations.

Anderson was raised in a geographical region where the production of carpet was the predominant industry. With his mother as a driving force, he attended the Georgia Institute of Technology where he graduated with a degree in industrial engineering. Upon graduation, he working in various positions for Deering-Millken and Callaway Mills, learned the trade, and by 1973, became a competitor in the field by establishing Interface, Inc. Interface manufactures commercial modular carpeting, a petro-chemical product, primarily for use in institutions such as universities, hospitals, airports, hotels, libraries, government centers, nursing homes, and commercial office buildings. Within the following two decades, Interface would become the world’s largest manufacturer of floor coverings and a multi-billion-dollar company, but not without substantial costs to the environment.

In 1994, Mr. Anderson was asked to give a motivational speech regarding his environment vision. Desperate for inspiration, Anderson read the book, *The Ecology of Commerce*, by Paul Hawkins. As he described: “Upon reading the chapter ‘The Death of Birth,’ the book became a spear in my side and the further I read, the spear went deeper” (Interview, October 23, 2009). Hawkin’s book constituted his life-

changing experience and precipitated the formation of a company committee assigned the task to discover how much material was being extracted from the earth to generate one dollar of profit for the company. After Mr. Anderson discovered the staggering statistics of his company's resource usage, he proclaimed that he was a "thief and plunderer of the earth." Several years later, he wrote the book, *Mid-Course Correction* which addresses his commitment to transforming Interface into a sustainable enterprise. While the company had generated hundreds of jobs, was fiscally sound, and produced useful products, the disastrous environmental consequences of these successes became a threat which could no longer be ignored. Anderson discovered a particularly troublesome yet irrefutable fact about the business he had begun in 1973: 800 million pounds of non-renewable material extracted from the earth was required to generate 802 million dollars worth of products.

While other business leaders might not be concerned with the negative ramifications imposed upon the planet's bio-systems, Ray Anderson jettisoned the notion of spending his remaining days on earth, living in a sheltered zone of comfort and accomplishment. Instead he experienced an inner conflict of guilt and remorse through re-examining the nature of his business and his leadership role in that business. He literally affected the beginnings on a mid-course correction, moving from earth plunderer to its advocate and protector, guarding what he has termed to be "God's currency." Instead of emphasizing Interface's successes in providing valuable goods to the public and employment opportunities to over 7,000 people (now over 11,000) and their dependents at that time, Anderson acknowledged that "business as usual" had to change and the industry re-tooled.

With this epiphany, Anderson did not eschew a profit motive in his business operations; he simply could not continue to plunder the earth, leaving behind a legacy of environmental destruction for future generations. Instead, to determine whether there was a place for his product on the earth which did not threaten its very existence, he became determined to rebuild a profitable business premised upon environmental respect and stewardship. In this manner, Anderson made a commitment to steer his company towards a zero emission manufacturing and processing endeavor to eliminate the negative impact upon the environment by year 2020, primarily through the use of new sources of energy and materials. Anything short of this goal would continue a process of unregulated thievery allowing people to take what was not theirs without regard of the consequences. This quest helped earn him the title, "the greenest chief executive in America."

With company technicians, engineers, scientists, and the totality of the Interface workforce all equally imbued with similar purpose, the goals of mandatory remedial measures would be accomplished. Thus, with such an unshakeable conviction, the company embarked upon a course of sustainability while remarkably generating profit, preserving company jobs, and actually improving the quality of its products.

Equipped with a life characterized by renewed hope and purpose, Anderson had no intention of quarantining his new outlook. He has freely shared his newfound knowledge with other beleaguered companies. The workers at Interface also share in this commitment to zero mission by knowing that their work is no longer simply defined as a five day a week, 9 to 5 job. Instead, garnering a paycheck now incorporates a sense of mission — one of working to save the world while paying the bills. With the Interface model, engaging the mind, stimulating creativity, and sharing ideas have successfully produced a greatly motivated workforce. This infusion of ethics into the workplace has not only resulted in financial rewards for the entire workforce of Interface (e.g., with each new idea generated by an employee which makes carpet manufacturing "greener," the entire workforce is given a bonus) but has strengthened the allegiance of the company's customers, suppliers, and vendors.

Interface has coined an acronym for this combined effort and common vision: Quality Utilizing Employees and Teamwork (QUEST). The presence of dedicated workforce members motivated by a sense of newfound worth has been the key ingredient in the company's achievement of the first of its many restorative goals; within the first 3½ years of the company's redirection, it was able to reduce its total waste by 40%, generating a savings of \$67 million. With a research and development team comprised of individuals trained in everything from auto mechanics to nanobiology, the return rate generated by the company over the last seven years has been 3:1.

Interface had once thrived on the use of petrochemical, manmade materials. By the mid-1990s, the company embraced a firm commitment to recycle, reuse, and recapture waste materials not only generated by Interface, but by its competitors as well. In this manner, Interface could continue its business operations in good conscience without ever extracting another drop of oil from the earth. Anderson's vision, and the reality of an ever-evolving multinational corporation, continues to bear fruit as Interface is currently saving in excess of \$80 million annually through material recapture and reuse. At the time of the release of *Mid-Course Correction*, Interface had successfully reduced greenhouse gas emissions by 60% in absolute tonnage and many of its operations are now being powered through solar, wind, and methane gas recapture — all renewable sources of energy.

Interface continues to pursue a "Mission Zero" quest for complete sustainability in its business operations. Interface has successfully reduced the amount of waste material formerly routed to landfills by 103 million pounds through its program, "ReEntry." The consumption of water — deemed the world's new "oil" — used in Interface's modular carpet operations has been reduced by 80%. Energy consumption in the company's business operations has decreased by 45% while increasing renewable energy worldwide by 16%. The company is successfully moving to its ultimate goal of achieving "closed-loop recycling" as demonstrated by the implementation of its sustainable programs of recycling plastics and discarded carpet in the manufacture of new floor coverings. By utilizing closed-loop practices, no waste products or toxic pollutants will be released into the earth's atmosphere, waterways, or landfills.

According to Anderson, true leadership must redefine wealth, prosperity and economic growth. Pursuit of these goals without due deference of the earth's resources signals inevitable ecological suicide. These warnings do not stem from alarmists or eco-conspiracies; the need to create a new mindset is simply a matter of respect, good purpose, and simple common sense. Effective leadership must also effectively engage the workforce. Instead of perpetuating the inimical tension between labor and management, all employees must be viewed and treated as potential contributors to sustainability solutions. True leaders must not shy away from challenges and seemingly unnavigable obstacles, but must rather seize new opportunities for change.

While "doing good" focuses upon the responsible production of a useful product without further usurping Earth's resources, Interface's "doing good" has resulted in the company "doing well" fiscally. Generating a profit will not come from mere "green washing," but emanates from genuinely gaining the public's confidence that the manufacturer is truly producing a sustainable product. Resource-efficient companies are attracting not only favorable public opinion and investment opportunities, but are also wooing suppliers and vendors. Investors have moved to the adoption of a triple bottom line measure of business success, employing financial, ecological, and socially responsible delimiters. Ostensibly, it would be foolish to surmise that the individual investor is no longer interested in making a quick profit. However, with the revelation of our dying world, more and more investors are demanding socially responsible investments and redefining the products that are necessary for comfortable living. Frivolous products and throwaways must give way to items that assist our health and do not deplete the earth's resources or thwart resource efficiency. Any other mindset threatens the existence of humankind. As Anderson firmly believes, there is no alternative but to forge a new way of defining consumption and discarding the once entrenched principle of the unlimited natural resources and technological panaceas.

Trevor Field and Playpumps International

Trevor Field, a retired marketing executive, and his partner, Mark Melman, whose business background is also grounded in advertising, formed a business alliance that has in turn forged partnerships with the Kaiser Foundation, Prince Harry, Jayzee and Beyoncé, Steven (founder, AOL) and Jean Case of the Case Foundation, the World Bank, the United Nations, and the Clinton World Initiative, to combat the global crisis of lack of access to clean water experienced by over 1 billion people. *PlayPumps International* is a not-for-profit organization situated in Johannesburg, South Africa together with its sister organization, *Roundabout Water Solutions*. Its stated mission is help improve the lives of children and their families by providing easy access to clean drinking water, enhancing public health and offering play equipment to millions across Africa. Their goal to install 4,000 PlayPump® Water Pumping Systems in

10 countries in sub-Saharan Africa by the end of 2010 – bringing the benefits of clean water to approximately 10 million people – closely aligning with the stated objectives of the United Nations' Millennium Development goals (Field Interview, 2008). How did one man assume the helm of combating such significant world problems without fanfare or exposure? Similar to the other values-based leaders examined in this essay, Field's family roots, sense of work ethic, and response to his own epithanal experience had much to do with this phenomenon.

Trevor Field was born in Birmingham, UK, the oldest of three boys. His father was in the fire brigade, a state job. As with most state jobs, the Field family often moved from town to town, eventually settling in London. His mother was a housewife whom Trevor describes as "worldly and wise." Since both of her parents died when she was only 14, she virtually raised her younger siblings, forfeiting any chance proper for a proper education for herself but determined to ensure that her own children would not suffer the same fate.

Trevor was raised in a Christian home: "We really weren't church-goers, but we were just taught to do what is right. I would consider myself to be a spiritual person. When I've had a really good day, I go outside and look up at the stars. And I realize how far away they are, and it puts everything into perspective."

Even as a young boy, Trevor had a penchant for marketing and sales. While still at home, he worked in a hi-fi store, selling appliances: "I could sell anything. I don't know why, but I did so even when I was a kid. I remember when I was a kid, I used to make plasticene models of trucks and sell them to the man who came to collect rent. And my mother was always embarrassed. I remember doing that quite clearly. In the maternity ward, my mother just simply gave birth to a salesman. That's a fact. You have to have a certain gregarious attitude. It always helps, but it has to be who you are. You can't actually learn this, even with all the sales courses."

Although Trevor attended college, he dropped out after 2 years to begin working for the telecommunications giant, Telecom. When Trevor turned 24, he moved to South Africa, continuing to work in telecommunications. He was making good money and never thought about returning home to finish his degree. In his own words, he had it made: "I thought I was in paradise. The best steaks, beautiful girls, cold beer. What do you think a 24-year old single boy would want?"

Five years later while on a fishing trip on the Eastern coast of South Africa, his life changed forever. As he describes:

"We set out on a Friday. As we were driving, we passed through a place called the Lusikisiki which was pretty remarkable. We were driving down a road which was pretty remote to the side was a windmill with a concrete reservoir. The bottom, which stores poured water, was made out of breeze blocks which are like bricks, but are not very stable. They were cracked so there was no water in them. At this particular site, there were at least a half dozen women just standing around the site. As we drove past, I just looked at them. I had seen poverty before, but there was something different about this first time I saw these ladies just standing there as we were going fishing during this boys' weekend out. We fished the high tides. The high tides come at unpredictable times. You get up and go fishing for three hours very early in the morning, you go to sleep and wake up, and start all over. When we were driving back past that place, those women were still standing there. I said to myself, "You've got to be kidding!" Have they been there the whole time? Or did they go home and come back?" They were still waiting for water to come. And I'm thinking to myself "No way! This is not right."

Trevor had often seen women – never men – toting water in containers grossly disproportionate to their size, as if they were beasts of burden. It was shortly after this encounter that Trevor attended an agricultural show in Pretoria. He stumbled upon a particular exhibit which featured a turning wheel, and as it was turned, water ran out a tube into a bucket. Trevor was sold. At the time of this show, Trevor was selling ad space for magazines. He believed that he could combine his passion for advertising and sales to ameliorate a problem which had captured his attention. Trevor secured the rights to the crude wheel, modifying the design so that it would pump water up into a storage tank. The storage tank would be

elevated and surrounded by four advertising panels. Trevor could sell advertising space on those panels. In the manner, the *PlayPump* – a water system which harnesses the power of child’s play – was born.

Trevor began to advertise tea, sugar, bread – staple products – targeting young women who generally made the household decisions. This was occurring at the same time Nelson Mandela had been released from Robin Island. The ANC (African National Congress) had been legalized. The advertising agencies – which up to that point had ignored the black masses – suddenly recognized this new market as fashionable and potentially lucrative. Trevor and his wife mortgaged their house to fund the construction of the first two systems which were “planted” outside of schools. Twenty minutes of spinning before class followed by a like amount of time after the school day produced enough clean water for 2,000 residents for the day. Trevor quickly found himself pummeled with advertising request overloads as the data demonstrated that the brands advertised were the brands being sold more quickly than their competitors at the local market.

Trevor entered his *Playpump* in the World Bank competition held in January 2000 in Washington D.C. along with 3,000 other people from all over the world. He won. Trevor and his partner received \$165,000 and with that money, they were able to construct and install 30 additional *PlayPumps*. HIV/AIDS articles are now posted opposite the commercial advertisements. The South African government joined the operation with tax incentives, and soon Trevor was able to create a not-for-profit company, *Playpumps International*, while keeping the for-profit business *Roundabout Outdoor* as the for-profit, parent entity. In the factory where the roundabouts are produced, several oversized banners are suspended from the ceiling, all of which depict children at play on the *PlayPump*. The workers acknowledge that what they do provides clean water for individuals to drink, supports the construction of new schools and hospitals, and allows for young girls to complete their education

Trevor, while a firm believer in capitalism, refers to himself as a “philanthrepreneur.” About this unique role, Field states:

“It’s not like I am walking down the street giving away suitcases full of money. I don’t think about money. You can’t take it with you. You can only drive 1 car, live in 1 house, eat 1 meal. You can have multiples of these, but you can only use 1 at a time. Basically that’s the way I see it. You can have all of this; you can have 500,000 pairs of shoes, but you can only wear 1 at a time. So what’s the point? It’s all very nice to have it, but it’s all very pointless to me. I just have one focus. I want to put this pump out to as many people as possible. We want to improve it. We want it to generate electricity; we want it to microwave a chicken if we can. We want it to do whatever we are able to make it do, and we don’t want to keep it to ourselves, we want to give it to the world. For myself and my family, we can still be comfortable as human beings. It really makes a difference to so many people and hopefully we’ve done a lot. It’s worth it, very satisfying, and amazingly exponential in the amount of people served. I remember when I first looked at this water pump; I could never imagine that this is something that could possibly change the world. I remember when I came up with this idea and everyone was laughing. They’re not laughing now.

Duncan Goose and One Water

The story of Duncan Goose provides yet another example of the interplay of business success, world awareness, and commitment to philanthropy. The following exposition is based upon an interview conducted with Mr. Goose from his home in London, UK, on October 10, 2008.

Duncan Goose was born in Edinburgh, Scotland, in a well-to-do family consisting of his parents and two younger sisters. His father was a medical surgeon and his mother a housewife. During Duncan’s adolescence, his father was offered a lucrative position to practice medicine in Buffalo, New York. He rejected this offer with the full knowledge that he most likely would have become a millionaire in no time. However, with universal health care firmly established throughout the United Kingdom, his father believed it much more important to serve the public interest than to accumulate individual wealth.

Even more impressionable on Duncan during his early years was his relationship with his paternal grandfather, a farmer by trade. His grandmother had died at an early age and so his grandfather was left to raise their four children on his own while maintaining farming operations. He later sold his farm while he was still in his 50s, but did not retire. He went on into public service and subsequently became mayor of a small town in northern England. But most importantly, Duncan's grandfather continued to champion the needs of the underdog. More specifically, the "underdog" in his immediate world consisted of the inhabitants of the rural, agrarian communities. He fought to ensure that these small towns were provided equal access to housing, medicinal, and educational services as were prevalent in major urban centers. Duncan further describes him as demonstrating "an amazing work ethic, even at the age of 83. He always had a sense of fairness about him." Duncan believes that this sense of fairness was shaped by how he had witnessed the treatment of German POWs during World War II. "Everyone knew they were conscripted and really didn't know what was going on. They were treated as members of our family."

Duncan's maternal grandmother also greatly impacted his life. She was an ambassador for Unilever (the multi-national corporation which eventually purchased Ben & Jerry's) and served as a volunteer for "Meals on Wheels," often assisting people much younger than she. She also stressed respect for and generosity toward others, and, as Duncan further describes, living the biblical phrase: "Do unto others as you would have them do unto you."

Duncan was born into a family who largely ascribed to the Church of England. At the age of ten, he was sent to a boarding school one hundred miles away from his home. While he states that he hated the first six months of being there – primarily due to the highly structured day and his own home sickness – "you could not have pulled me out from that school after that point." The boarding school was run by religious representatives of the Church of England. The tenets of the Church of England were thoroughly infused into the school's prescribed academic instruction.

When Duncan was 17, he entered college. He attempted to secure a business internship in London during his first summer break. He was initially rejected. But after repeated attempts, he secured a position with an advertising firm and decided not to return back to school to finish his business degree. The people he worked with were like a family to him and provided him with all the incentive he needed to remain there. "And of course, being a young lad in London, with a good paying job, I must admit I did my share of partying."

With respect to religious influences that may have shaped his character, Duncan describes his father as a man of faith who still attends Church of England services, but only on certain days like Armistice Day in November, and then on Christmas and Easter. His paternal grandfather, who was an instrumental figure in Duncan's upbringing, became a more regular churchgoer after his wife died. Duncan's boarding school education was rooted in Church of England teachings, where religious instruction was taught six days a week and the principle of respect for all people was inculcated by example. At this school, Duncan recalls a diversity in the student population, children from all socioeconomic walks of life as well as international students, several of whom he specifically recalls as emanating from Nigeria, Korea and China.

In describing himself, Duncan states: "I would not refer to myself as being a religious man. I cannot definitively state if any religious tenets that I was formally taught or to which I was exposed — either at home or at school — had a bearing on whom I am today. I simply don't know for sure. When I am asked what I believe in, my response is 'I don't disbelieve in anything.'"

While Duncan was working for the advertising firm in London, he developed a very strong work ethic that he states still defines him today. "I tend to rise and respond well to immediate challenges and almost impossible deadlines. For example, not too long ago, a proposed business transaction first appeared to me to be hopeless to secure for our company; I spent three days not eating or sleeping and made it happen. Perhaps it was then that my upbringing coupled with my work ethic propelled me to respond differently to a series of epiphinal moments experienced later in life with such great passion."

From 1998-2000, Duncan took a temporary leave of absence from his place of employment with no concrete plans of what would happen to him upon his return: "I bought a motorbike and fulfilled my life's dream of riding around the world. When I traveled across Honduras, Hurricane Mitch hit this Central

American nation with immense force and devastation, leading to the deaths of 30,000 people and property losses approximating \$4 billion. I helped with the cleanup efforts to the best of my ability but it became very obvious that most of the damage was irreversible. After I returned to London and resumed my job responsibilities, I was sitting in a pub downtown with several friends. One patron mentioned a statistic which I regard as another epiphinal moment in my life. He asked us if we were aware that 1 billion people in this world had no access to clean water. That was it for me. I risked everything by leaving my job, and liquidating all of my assets to invest in a new business enterprise: the production, manufacture, and distribution of 'One Water.'"

Duncan further explains that competition between other bottled water companies was challenging, but with his business background and work ethic and with a strong support system, the company was able to successfully permeate the markets in the UK, in Europe, in Malaysia, in Australia, and is now emerging as a competitive product in US markets. "I decided that after the payment of expenses and the cost of doing business that I would donate 100% of the net sales of this product to an NGO which offered the world a clean water initiative and was sustainable. This is when I discovered Playpumps International. Therefore, all of the net profits of 'One Water' go to Playpumps. I use the motto: 'You drink; they drink.'"

Respecting the interaction between business undertakings and philanthropic endeavors, Duncan believes that: "I am a capitalist in that I have developed an industry, fought competition, developed emerging markets, and marketed this particular product for worldwide distribution. But the profits are earmarked for social change. I am not like the Bill Gateses and Warren Buffets of this world who give away masses of money towards the end of their lives; I don't work in this dramatic fashion, rather I believe that as money is being made; it should be given away simultaneously. I have spoken at conventions like Path North, which is an association of very wealthy business men and women, primarily from Canada and the United States. My philosophy of giving away money is not necessarily shared by them although they have made late transitions in their lifestyles again after epiphinal moments, the majority being near-death experiences."

In describing how to function as a benevolent capitalist, Duncan explains: "When I say I am affecting social change and doing what is 'right' I can never be sure what is right as 'right' is a relative term. I believe that once an opportunity is presented, many questions should be asked and researched before any action is taken to prevent adverse consequences or an unanticipated backlash. This is my greatest fear. But it doesn't cause me to refrain from taking action with the possibility that the consequences of my 'doing good' might actually result in unforeseen harm to the recipients of my benevolence. No one knows for sure. All I can say is that I give it my best shot and hope for the best. If I can help just one child, I know I've done a good thing."

Duncan's way of living and doing business "does not mean that each person should take uncalculated risks. That type of risk-taking can lead to permanent harm to all participants involved. The risk I am speaking of is one of well-reasoned calculations, but definitely going outside of your comfort zone. Carry a card in your pocket that reads 'if you want it, go for it.' Try everything once. Take a chance. I've done amazing things and am lucky to be alive. Although I have sustained injuries, I have never been discouraged. Always be prepared to make the jump. If you have that foothold already, you should have no regrets."

Motivation, risk, a strong sense of work ethic, and a predisposition to benevolence. These characteristics of an individual — especially one exposed to a life-changing experience — produce our most formidable, principled business leaders of today. He describes his life as "a series of awakenings — you live your life when you live it backwards. This, in turn, has changed the way he views life and conducts his business. As global challenges and business strategies materialize, the need for more accountable, values-based leadership will become more pressing. Emulating those who have demonstrated leadership is warranted. As Duncan believes, "To make profit is the remit of the businessman, to give back is the remit of the philanthropist, but the two need not be mutually exclusive."

CONCLUSION

In the wake of moving from appeasing the economic interests of the company shareholder to the more comprehensive examination of a company's impact on its stakeholders, the trend of business as usual in capitalistic societies has assumed a new principled dimension in the twenty-first century. History has produced an evolving type of capitalism; one which has been embraced by many who not only want to do well for themselves and for their shareholders in the traditional fiscal sense, but concomitantly be good environmental stewards and advocates of social responsibility. Those individuals highlighted in this study have managed to achieve this difficult balance and ostensibly, certain factors in their lives have predisposed them to leadership in a creative capitalistic global marketplace.

An examination of these individuals reveals common traits of the conscientious business leaders they have become: they were all raised in closely-knit families led by hard-working parents who were committed to the educational advancement and the fostering of social awareness of their children. These traits predisposed them to change the direction of their lives and businesses as a result of epiphanal or life-changing experiences, producing, ultimately, the benevolent capitalist.

ENDNOTES

1. In his 2008 speech to the World Economic Forum in Davos, Switzerland, Gates called for businesses to focus on building products and services for the poor. "Such a system would have a twin mission: making profits and also improving lives for those who don't fully benefit from market forces." (Guth, 2008).
2. In a recent poll taken among young Americans (under age 30), 88% believe that companies have a responsibility to support social causes while 86% say that they switch brands based on social issues. Almost three-quarters of all job seekers prefer to work for socially responsible companies (Ferrell et al, 2008, 102–103).
3. In addition to tracing the environmental make-up of the products produced by the retail giant's more than 100,000 suppliers, one of the key sustainability questions asked is: "Do you invest in community development activities in the markets you source from and/or operate within?" The answers will be measured on an annual basis and will ultimately lead to both a labeling and/or discontinuation of non-sustainable products (<http://walmartstores.com/Sustainability/9292.aspx>, 2009)
4. Also referred to as *The Public Company Accounting Reform and Corporate Responsibility Act*, enacted January 5, 2009, 15 U.S.C. Chapter 98.
5. Modified by the Securities and Exchange Commission on January 27, 2010.

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