



# Conscious Business

*Spiritual values and American enterprise are beginning to merge in the new spiritual ethic business movement.*

**By D. Patrick Miller**

**I**t's a story almost as old as American business itself: An ambitious, creative entrepreneur invents a new product, patiently builds his company and "market share" over the years, and one day realizes that he's achieved the American dream. He has money, a fine house, a yacht, and kids in private school. In short, he has it made—but he can't figure out why he feels so miserable most of the time. Something is wrong; something intangible and yet seemingly invaluable is missing. To find it, the typical American tycoon has a romantic affair or buys a flashy sports car or sails around the world. Tom Chappell enrolled in divinity school instead.

The founder of Tom's of Maine, the well-known purveyor of natural health-care products, Chappell was ready to throw in the towel and sell off his business at age 43. As he relates in his book *The Soul of a Business*, "Work had become an unfulfilling exercise. I felt empty, disconnected from my company and myself. I called myself an entrepreneur, but I hadn't created a new product in five years. . . . I was still making my numbers, but I was beginning to think twice about the personal and professional meaning of work, money, possessions, power, and prestige."

Deciding that he could engage in a search for meaning without quitting his day job, Chappell began attending classes part-time at Harvard Divinity School while remaining CEO of Tom's of Maine. He found himself preoccupied with one question: "Could I stick to my respect for humanity and nature and still make a successful company even more successful?"

M. Kathryn Thompson

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The answer that Chappell came up with—and that revolutionized the way he ran his company—was an affirmation of spiritual values that are inspiring a whole new wave of American business. Chappell's conversion to a "socially responsible" vision of capitalism is emblematic of what's happening to a wide range of companies, from large and long-established corporations to small and adventurous startups.

By economic measurements the movement is still small. In a recent *Utne Reader* article, visionary entrepreneur Paul Hawken estimated that 2,000 "committed" companies are generating annual combined sales of \$2 billion, roughly one-hundredth of one percent of the \$20 trillion in sales generated by businesses worldwide.

But what the movement lacks in size, it seems to make up for in vociferous self-reflection, generating over the past two years an impressive cascade of newsletters, periodicals, and books with titles like *Corporate Renaissance*, *The Reflective Executive*, *Inner Excellence*, and *Seeds of Change*. All the authors and observers seem to agree that while socially responsible business should not be mistaken for a religious movement, its underlying principles are similar to those of spiritual "inner work." And it is undeniably the inner work of many businesspeople that has led them to a new way of thinking about and conducting business every day.

Another conclusion of those writing and talking about ethical business is that no matter how small the movement appears today, it is the embryo of the only sustainable future business has.

### A Forbes With Soul

Marjorie Kelly is one business observer who has seen the ethical business movement coming for a while. Eight years ago she worked for a publishing firm that asked her to scan the popular and business press to uncover trends that might spawn opportunities for profitable magazines. More than anything else, she noticed a feverish growth of interest in socially responsible business policies and practices. Everywhere Kelly looked, entrepreneurs, startups, even major corporations were looking beyond the traditional ethical issues of regulatory compliance and philanthropy to a new, broader vision of the positive contributions that businesses could make to society.

Thus was born *Business Ethics*, "the magazine of socially responsible business," based in Minneapolis and edited by Kelly. What began as a one-woman newsletter is now a bimonthly, 48-page slick magazine with regular departments like "Trend Watch," "Not Business

as Usual," and "What Would You Do?," in which a real-life ethical dilemma is presented for readers to contemplate. For the past five years the magazine has also granted Business Ethics Awards to what it considers the best consumer products companies; its 1993 winners were Aveda, Clorox, Esprit de Corps, Levi Strauss, Merck, and Tom's of Maine.

Kelly says that the growth of her magazine parallels the maturing of the ethical business movement itself. "We started off with the highest possible ideals and then came around to the fact that we've got to meet all the same requirements that any business has to meet: Make our payroll, pay our suppliers, and have some money left over when we're done. We have to do all that plus pay attention to our social mission. The piece we've added over the years is a piece of complexity, the realization that business is really hard and doesn't readily comply with your ideals."

As an example of the difficulties faced by the movement, Kelly cites a recent *Business Ethics* investigation of the popular business trend known as total quality management, or TQM. In the simplest terms, TQM means democratizing the workplace so that employees at every level are responsible for self-management and have a stake in maintaining the quality of a company's goods or services—rather than being entirely controlled, rewarded, and punished by old-style bosses.

"It sounds great to flatten the corporate hierarchy and empower workers, having management give up some of their power," observes Kelly. "But in the real world of business, managers have spent a whole lifetime getting their power—and now you're asking them to just set it aside without a peep. And you're asking workers to pick up this power, when they don't know exactly what it is and what they're supposed to do with it. This is very, very hard in practice and doesn't work out as smoothly as we would like to think."

Still, Kelly believes that the ethical business trend is leading all of business on an inevitable path of maturation toward increasing workplace democracy. As she wrote in a recent essay, "the central moral task of Western civilization, for two centuries, has been the broadening of rights and human dignity beyond a small, aristocratic elite, to a larger and larger base of humanity. The changes in business today can best be understood within this story."

### What Are the Ethical Issues?

Although workplace democratization is a central issue of the ethical business movement, it is by no means the only one. In the January 1992 issue of *Business Ethics*, managing editor Craig Cox identified the following "10 trends toward social responsibility for the nineties."

**1. The pursuit of happiness.** It's increasingly recognized that high salaries and good benefits packages are no longer the primary reward sought by many American workers whose concept of the "quality of life" is rapidly changing. "Money is still important," writes Cox, "but time (especially for family life) and freedom are dominating this new lifestyle. Fully 25 million Americans now work at home part-time or full-time. . . . To avoid losing this valuable talent, companies are offer-

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ing more flexible schedules, telecommuting opportunities, and other ways for employees to recharge their batteries when energy reserves run low" —including sabbaticals and spiritual retreats. At Convergent Technologies, reports Cox, employees with five years in the company can opt for 13 fully paid weeks of "personal growth leave."

**2. The greening of the corporation.** Every company loves nature these days, and there's more than a little skepticism among veteran activists about the depth of commitment to ecological causes among the corporate johnny-come-latelys. Still, says Cox, "there are reasons to applaud. The Responsible Care Initiative launched by the Chemical Manufacturers' Association—an environmental program endorsed by all 185 members—shows great promise, as does the famous Monsanto Pledge to cut toxic air emissions by 90 percent." Cox also notes that major corporations like Exxon, Union Carbide, and Walt Disney have created new "vice president of the environment" positions to keep corporate attention focused on ecological issues.

**3. The value of volunteerism.** Recognizing that their corporate health ultimately depends on the health of the community around them, some companies are encouraging their employees to help out in the neighborhood—on company time, and with pay. Examples include Ben & Jerry's, The Body Shop, and Tom's of

Maine. Even busy executives are getting in on the act, reports Cox. "After industrialist Eugene Lang 'adopted' an entire sixth-grade class in Harlem—promising to pay college tuition for those who stayed in school—dozens of executives followed suit, stepping forward to personally mentor classes of underprivileged youth. Lang's I Have A Dream Foundation today has more than 140 projects nationwide."

**4. Swords into plowshares.** Conversion of the defense industry to sustainable peacetime pursuits is inevitable and proceeding, but it's a tough transformation both for companies and for regional economies (like California's) that have long been dependent on war-related business. "Wall Street is increasingly finding defense stocks out of favor," reports Cox. *Business Ethics* recently reported on the struggle of Frisby Airborne Hydraulics, regarded as a "model for companies seeking to wean themselves from the defense industry." Since the late 1980s, Frisby has reduced its proportion of military customers from 90 percent to 25 percent, but not without difficulty. One of the primary hardships has been that cash-rich, government-subsidized military customers tended to pay sooner and with greater largesse than Frisby's private customers, such as cash-strapped commercial airlines. To increase the availability of financing, Frisby and a number of other defense-related companies have founded the Aerospace and Defense Diversification Alliance in Peacetime Transition (ADDAPT).

**5. Marketing the good cause.** "Small, alternative-minded companies first started crowing about their political correctness in the '60s," observes Cox, "but only now has cause-related marketing reached the mainstream." Examples include the almost universal proliferation of recycled packaging, from plastic trash bags to brown-paper sacks at Burger King. Avis, a major player in the car-rental market, uses the fact that it is worker-owned as a selling point. Cox cites the British-owned cosmetics company The Body Shop as one of the most sincere of cause-related marketers, whose tremendous success in the marketplace (\$378 million in 1990 sales) has convinced at least one of its competitors that social responsibility is the wave of the future. Hence Estée Lauder's Origins Natural Resources cosmetics line apes Body Shop policies with minimal packaging, natural ingredients, and profit-sharing with charitable causes.

**6. Family-friendly policies.** They may have been slow to get the point, says Cox, but American corporations have begun to realize that "the old nuclear family is about as common these days as a five-cent cigar." The response has been a plethora of new policies that serve the changing American family, from flextime and on-

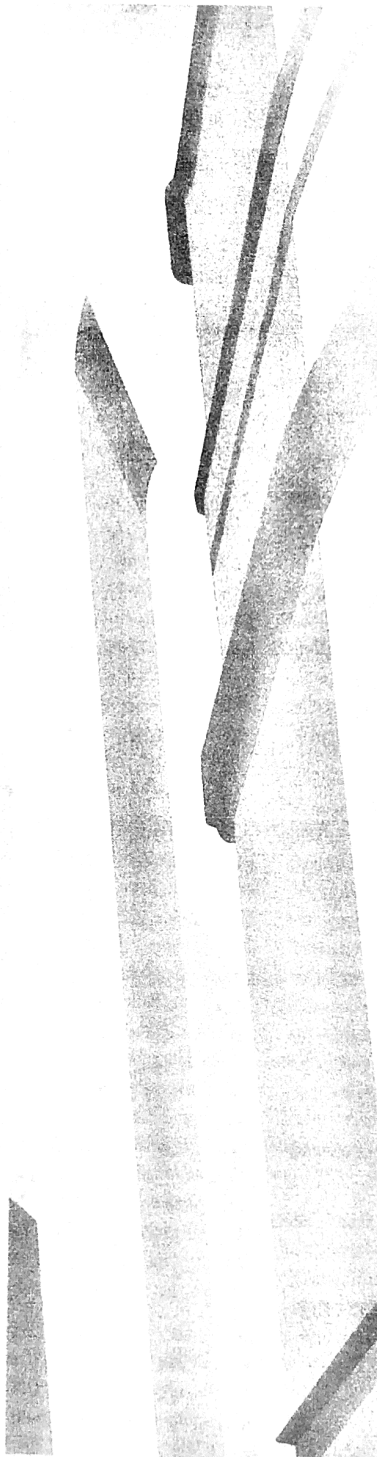
# Seeds of Change

Seeds of Change, a unique grower and marketer of heirloom vegetable, herb, and flower seeds, is an example of a recent startup company that not only pursues a social mission—their mission is the business.

"In my opinion, the only way we're going to have a serious impact on restoring the environment is to make it into an industry," says SOC founder Kenny Ausubel, a self-described "sixties anticapitalist" who finds it ironic that he's become a nineties entrepreneur. The sector of environmental industry that SOC promotes is the preservation of biodiversity, identified by Vice President Al Gore in his book *Earth in the Balance* as the single most important environmental issue. By cultivating and selling rare, organic, open-pollinated seeds, SOC hopes to reverse the decline in plant and vegetable varieties available to farmers and backyard gardeners. Ausubel notes that 97 percent of the plant foods available to his grandparents' generation no longer exist today.

"It's foolish to destroy biodiversity just from an economic point of view," remarks Ausubel. "But most of us in the company believe there's a set of spiritual values that give our work a more profound underpinning. Many of the environmental problems we face worldwide are emblematic of spiritual impoverishment. That's why we place the highest value on the gift of life, which seeds represent. They are the lineage, the regenerative life forms."

SOC President Nina Simons, for many years a student in the Arica School, notes that SOC's internal operations are based on a principle of interrelationship rather than hierarchy. "One of our biologists has taught us that the so-called plant and animal kingdom is really a kingdom, a network of interdependent relationships. We try to run our



company by that paradigm, approaching challenges and problems from the viewpoint that our egos need to be as uninvolved as possible, so that our decision-making is ultimately guided by a sense of service to our real bosses—the seeds."

In addition to growing and marketing over 500 varieties of seeds, SOC sponsors a yearly "Bioneers" conference on "practical solutions for restoring the environment," and recently published a book with Harper San Francisco entitled *Seeds of Change: The Living Treasure*. Like Tom's of Maine, SOC places a high value on consumer education, publishing a seed catalog with a hefty proportion of editorial matter, including poetry.

"Someone from a large seed company told us we couldn't afford to devote all that space to editorial," recalls Ausubel. "He said we would have to generate at least \$40,000 per square inch of print, like they did. But we think that once people understand all the issues of biodiversity, they'll be more interested in our product." In 1992, the SOC catalog was chosen by *Metropolitan Home* magazine as one of the top five mail-order catalogs in the nation.

"We're building a company by promoting an environmental issue," says Simons. "Our sense of spiritual purpose is deeply aligned with our sense of politics. It's a very important time for those of us with strong values to really walk them, and to commit our daily energies toward that work."

—D. Patrick Miller

The Seeds of Change catalog is available free of charge from SOC, 621 Old Santa Fe Trail #10, Santa Fe, NM 87501.

site child care centers to parental leave and elder-care provisions. In Charlotte, North Carolina, a joint venture by IBM, American Express, Allstate, and two smaller companies resulted in a \$2 million childcare facility for use by 194 kids of company parents as well as the general public. In the summer of 1991, both Kodak and Bausch & Lomb ran a daycamp for their employees' children.

**7. Getting ahead of ethical regulation.** For years American business has squawked about the heinous costs of adhering to ethical guidelines laid down by government. The recent controversy over violence in television is a classic illustration, with the entertainment industry resisting public concern and threats of congressional intervention every step of the way. But in at least a few cases, reports Cox, industries are trying to self-regulate and preclude expensive government intervention by creating their own codes of ethical conduct. Examples include the aforementioned Responsible Care Initiative undertaken by members of the chemical industry, and the ecological Valdez Principles endorsed by such companies as Aveda, Domino's Pizza, and Stonyfield Yogurt. Even the Business Executives for National Security—an influential group of the nation's chief weapons exporters—have adopted their own code of ethics (although it doesn't go so far as to envision putting themselves out of business).

**8. The cooperative workplace.** TQM and "participatory management" are two of the main buzzwords in the trend toward workplace democratization; another is "diversity." Companies are learning to employ a workforce that is increasingly multicultural and composed of larger numbers of women and a more visible gay and lesbian population. In response, reports Cox, innovative companies are serving the changing workforce population with new specific policies. An example is the software producer Lotus, which has extended spousal benefits to partners of gay and lesbian employees.

**9. Consumer information and trust.** Tom's of Maine broke all the marketing rules when it devoted three of its four toothpaste packaging panels to informing its consumers, and only one panel to product identification. (The industry standard is just the reverse.) Tom Chappell's strong belief in the importance of genuine communication with consumers—his company never uses form letters to answer customer inquiries—echoes trendwatcher Faith Popcorn's prediction that we are entering the age of the "vigilante consumer." This is an

era, according to Craig Cox, "in which doing business will have more to do with building relationships than with marketing products." A current example can be seen in the financial services industries, where banks have largely ceased advertising their size, reach, and assets and have begun to see the wisdom of positioning themselves as friendly, responsive corporate members of the local community.

**10. Humanizing the machine.** Modems, fax machines, and computer bulletin boards are technological accessories to the increasing independence of employees worldwide, enabling them to work at home and on less rigid schedules than the old nine-to-five standard. Cox points out that some companies are using in-house computer bulletin boards to allow employees to send anonymous suggestions and criticism to the CEO. The computer revolution is still displacing workers as it revolutionizes entire industries; typography is an example of a field once dominated by expensive, trained specialists but now largely accessible to almost anyone with a personal computer.

On the whole, the computer terminal potentially places more power in the hands of entrepreneurs, self-employed independent contractors, stay-at-home employees, and even desk-bound careerists, leaving proportionately less power in the grip of corporate executives. Craig Cox hopefully notes that "the most innovative companies are riding the crest of this wave of technological advances, keeping an eye toward humanizing the workplace—and the marketplace."

### **What Are the Spiritual Connections?**

Although the ethical business movement is not entirely the product of the West's recent turn toward a personal, eclectic spirituality, the presence of that spirituality is clear and undeniable. Like Tom Chappell, many people who have arrived at a more spiritual work ethic have done so not because they couldn't succeed at conventional business—but because their very success at "business as usual" proved so unsatisfying and led them into more contemplative explorations.

Carol Orsborn, cofounder of the Orsborn Public Relations Group of Nashville (formerly of San Francisco), began her journey toward a more spiritual business life with the realization that she worked too hard. After the publication of her book *Enough Is Enough: Simple Solutions for Complex People* and her founding of Over-achievers Anonymous, Orsborn gained national prominence as the "queen of downward mobility" who urged corporate fast-trackers to slow down, quit the search for enormous profits and unlimited power, and enjoy life a little more. True to her principles, she and her

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husband, Dan, traded their large house for a more modest one and cut both the size of their businesses and their work hours in half—only to see her company's profits soar.

This paradoxical success induced a spiritual crisis for Orsborn that helped her see a deeper issue behind her initial crusade against overwork. "After my first book came out and I realized that appearing on the 'Today' show wasn't going to make me happy," Orsborn says, "I got real mad at the universe while sitting one day in the park. I came unglued inside, crying to myself: 'I've tried everything: upward mobility, downward mobility, speaking my heart. . . I've been so good, I've even given everything up. But where are the goodies? Where is IT?'"

That moment, recalls Orsborn, marked the birth of her second book, *Inner Excellence: Spiritual Principles of Life-Driven Business*, which she says is about "surrendering control"—an idea that is sheer anathema to the traditional business mindset. Yet Orsborn confidently predicts in the book that "the competitive edge in the coming decades will be held by those individuals and companies who can tap into new, life-driven sources of inspiration, creativity, and vitality."

Citing the *I Ching* as her foremost spiritual guide, Orsborn lists in *Inner Excellence* the seven principles of what she calls "life-driven business":

1. Change your beliefs about the nature of business and of life, and you will change how you manage your career.
2. In order to become fully successful, you must first be fully alive.
3. When you empty yourself of the illusions of who and what you think you are, there is less to lose than you had feared.
4. You have the choice between being the victim of circumstances or being empowered through them.
5. When you are driven by life, the odds will be with you.
6. Your ordinary self is enough.
7. To achieve greatness, you must be willing to surrender ambition.

None of these principles is likely to be taught soon at the Harvard Business School, but the last one especially goes against the grain of the capitalist ethic. What does Orsborn recommend as a replacement for the drive of personal ambition?

"Attention to process," she says. "Making sure that what you do each and every day has integrity and is

as consistent as possible with your overall goals in life." This is a clear echo of meditative disciplines, but Orsborn points out that business requires the development of a social ethos as well.

"The real experience of your business life takes place when you walk into the office in the morning," Ors-

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***In business as in any other part of life, the challenge is to hear the sure, quiet voice of spirit and keep it foremost in our attention.***

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born explains. "When you see the secretary at the front desk, does your stomach clench or do you exchange warm greetings? Is the experience in your office a positive one that you look forward to? If so, your chances for long-term success and happiness are high. But if you walk into work always fearful, feeling that you will only succeed despite the people you must work with, then you're pushing yourself toward burnout.

"I'm afraid this is the typical situation in business," adds Orsborn. "There are a lot of dispirited people in the American workplace."

### Money, Meaning, and Moksha

Many in the ethical business movement would suggest that the spirit of American business is flagging because business is not serving people's spiritual needs. However haltingly, Western culture is shifting from the search for money and material comfort to the search for personal and collective meaning—and business must learn to collaborate in that new search if it is to thrive. This means redefining some of the most cherished values of the Western way of life—like freedom, for instance.

"It's unfortunately the norm in business to want the freedom to pursue self-interest," remarks Tom Chappell. "But that narrow kind of freedom confuses most of us after a while, especially after we've acquired what we set out to acquire. Then we find that we have little sense of human or spiritual connection, and we're left longing."

The solution, says Chappell, lies in the redefinition of freedom as "the freedom to serve." But when it's hard enough to make a business profitable—and profit is essential even to the most spiritually motivated busi-

nesses—why should a businessperson take on the added challenge of altruistic service?

“There are two reasons to incorporate serving human values into one’s business life,” says Chappell. “One is that consumers are increasingly looking for companies that offer more than product and performance. They’re looking for companies with whom they can share the same values, like caring for the environment and community.

“The second reason is that it really adds fulfillment to your life. At the end of a day, you can feel the difference between simply having made a big sale and having done something especially good for someone else—someone who works for you or someone in your community. Real freedom in business means being able to pursue a life of both performance and service.”

Ultimately, adds Chappell, the businessperson pursuing that kind of freedom may even achieve the Hindu ideal of *moksha*, which Chappell calls “a true emancipation, an age or aspect of life when you are capable of enjoying the complete freedom of an open, quiet, meditative life because you have thoroughly served your duty.”

### **The Challenge to Consumerism**

The fabled success of such firms as Tom’s of Maine, The Body Shop, and Ben & Jerry’s prove that it is possible to both “do good” and do well in the marketplace. But a deeper theme of the ethical business movement—one that arises from concern for the long-term viability of our natural environment—seems to strike at the very heart of the capitalist ethos: consumerism. If we are to reverse the decline of ecological systems upon which our species and all others are dependent for life, say many observers, we will have to reverse the idea that human beings must consume more and more to maintain “the good life.” In a society where billions of dollars are spent on advertising to create novel and even false needs among consumers, such a shift in consciousness will be profound indeed.

“I don’t see how a deeply spiritual person in business can avoid being a revolutionary in the end,” says Willis Harman, president of the Institute of Noetic Sciences and a founding member of the World Business Academy. “The conventional corporate attitude toward the environment is still largely in a patchup mode, that is, recognizing there are some problems that need to be fixed. But there’s little indication in big business of fundamentally rethinking the system.” Harman reports that even at retreats of the Academy, where 40 to 50 business executives gather to discuss global business challenges, “it’s hard to keep a dialogue going about the long-term viability of our society. If we get onto the

subject, it’s not very long before somebody gets uncomfortable and we have to move to more comfortable topics.”

Some activists have begun discussing the revolutionary consequences of ethical, environmentally sustainable business in specific terms. In a recent *Business Ethics* interview, Paul Hawken suggests that raising the price of a gallon of gas to \$4.50—to reflect the total ecological costs of oil production and consumption—would not only reduce the amount of gas Americans consume, but dramatically alter their patterns of working, shopping, and relating. “It would be too expensive to go racing around pell-mell in a car all day long trying to acquire everything we need to destroy the planet,” says Hawken.

By contrast, Tom Chappell feels that we need to focus less on reducing consumerism than on increasing the quality of human relationship. “If we are in the practice of making money, we’re involving that part of ourselves that has to do with relating to things as objects. Martin Buber calls it the ‘I-It’ relationship, and business uses that attitude very well. The balancing attitude that we need in business is what Buber calls the ‘I-Thou’

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***“Real freedom in business means being able to pursue a life of both performance and service,” says the founder of Tom’s of Maine, Tom Chappell.***

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relationship, that of friendship, love, respect, affirmation.” Chappell feels that the growth of the I-Thou ethos, which necessarily includes a more respectful relationship to the environment, will eventually alter patterns of consumption in a more constructive way than a direct attack upon current attitudes.

How might the I-Thou attitude translate into specific business strategies? Patagonia, the popular manufacturer and retailer of outdoor clothing and equipment, may be providing an example. In its 1992 fall catalog, Patagonia notified its customers that the company was deliberately slowing its growth in the United States, with the eventual goal of halting its growth altogether. Instead of offering five kinds of ski pants as it had the year before, the catalog only offered only two. “This is, of course, un-American,” Patagonia apologized, “but two styles of ski pants are all anyone needs.”

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