

# **Positive Deviance on the Ethical Continuum: Green Mountain Coffee as a Case Study in Conscientious Capitalism**

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## **ABSTRACT**

Increasingly, stories are emerging about businesses that engage in ethical behaviors above and beyond mere compliance with regulations. These positive deviations along the ethical continuum provide an opportunity to explore how some companies' business philosophy leads them to pursue an array of outcomes beyond the bottom line. This paper presents a case study of Green Mountain Coffee Roasters, the leading ethical company in the United States as rated by *Forbes* magazine, exploring the company culture and operating philosophy from a perspective of conscientious capitalism. The three underlying assumptions of conscientious capitalism are: (1) interconnectedness between individuals, businesses, and global society; (2) wealth as a holistically understood state rather than solely a financial status; and (3) relevant time spanning multiple generations. Implications are offered for commerce, business practitioners, and educators.

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## INTRODUCTION

From the Securities Act of 1933 to the Sarbanes-Oxley Act of 2002, the government has created many rules and regulations in an effort to guide the ethical behavior of businesses, often as reactive measures to thwart repeat corporate scandals that have tainted the public trust in business (i.e., Enron, WorldCom, etc.). While there have arguably been positive consequences from such laws, regulated environments only create incentives for and explain compliance with a minimum standard of ethical behavior. Yet, many businesses today are actually striving to go beyond the regulated minimum—and even create new standards and principles for the corporate world. Take for example companies like Nokia, which audits their supply chain in order to raise labor and environmental practice compliance among companies with whom they do business,<sup>1</sup> or Interface Carpet, which has taken a leadership role in industrial ecology by making a commitment to be a fully sustainable company—with no negative impact on the environment by 2020 (Anderson 2007). While many companies may still be at or below compliance to minimum ethical standards, cases like these illustrate how others across the corporate landscape are moving toward positive deviance on the ethical continuum.

Exactly why and how companies choose to deviate from ethical norms in a positive manner remains a vast area for research. Pirsch et al. (2007) propose a range of tactical objectives companies follow from institutionalizing corporate social responsibility (CSR) policies for long-term beneficial results to initiating promotional CSR activities for shorter-term product sales and image recognition. Others such as Margolis and Walsh (2001) and Paine (2003) have suggested that there are financial incentives for CSR activities, showing that companies who “do good” are also doing well financially. We know that there are many factors influencing organizational ethics today. For example, customers, shareholders, consumers, and other stakeholders alike are expanding their expectations for how companies conduct their business (Clarkson 1995; Harris and Sutton 1995; Waddock and Smith 2000). But given the many pressures a company must contend with on a daily basis, a company that chooses to go above and beyond the minimum, required ethical standards distinguishes itself. Such distinction raises questions about how a company behaves—what makes some companies

become positive deviants along the ethical continuum? To begin answering this question, this paper explores leadership, decision making, and organizational culture at Green Mountain Coffee Roasters (GMCR), a company distinguished for consistently choosing to go beyond compliance with minimum ethical standards.

For two years in a row, GMCR has been ranked the number 1 “corporate citizen” in the United States for its innovative social and environmental practices (Schultz 2007). While GMCR has been among the top 10 companies on the list of best corporate citizens for over five years, this is the first time any company has received the top honor for two consecutive years (GreenBiz 2007). Using GMCR as a case study, I argue that we need to examine leaders’ and employees’ underlying assumptions about how businesses should interact with society and explore their business philosophy in order to understand what leads them to pursue an array of outcomes beyond the bottom line. Specifically, this paper applies an emergent paradigm I will refer to as “conscientious capitalism,” a practice of individual and organizational behaviors that shift corporate outcomes toward positive deviance in today’s business world,<sup>2</sup> to GMCR to show how their unique business philosophy impacts their business outcomes.

I begin with an overview of “conscientious capitalism,” a worldview comprised of three guiding ontological assumptions that were consistently found across interviews with nearly 40 executives in various organizations when asked about their role in creating business practices that are not only profitable but also benefit wider society (Neville 2004). As I will show below, conscientious capitalism rests on the guiding assumptions of: (1) interconnectedness, (2) holistic wealth, and (3) multiple generations of time. After exploring each assumption in more detail, I then apply the framework of conscientious capitalism to GMCR. Using primary and secondary data collected from GMCR, I will show how their employees—from the coffee roasters and customer service phone operators to the chief executive—behave according to this triad of fundamental, guiding assumptions about what it means to do “good” business. These assumptions subsequently inform how GMCR employees conduct their business on a daily basis, resulting in a pattern of decision making that has continuously put the company in the realm of positive deviance on the ethical continuum of current business practices.

I conclude with a discussion of implications of conscientious capitalism for both business and society. Possibilities for future theorizing and research are outlined, as it is my hope that continued exploration of the unique factors that underlie these businesses' ethical intentions will help deepen our conceptualization of the purpose of business and even the theory of the firm.

### **CONSCIENTIOUS CAPITALISM: A PERSPECTIVE FOR THINKING ABOUT ETHICAL BUSINESS BEHAVIOR**

The conscientious capitalism perspective emerged from a study conducted with 38 executives (including one executive from GMCR) interviewed about their role in creating business practices that create mutual benefit for both the company and wider society (Neville 2004). Using grounded theory as the analytical approach to analyze the data (Glaser and Strauss 1971; Strauss and Corbin 1998), the researcher found common themes in the executives' narratives. From this analysis, three common perspectives within these executives' worldviews about the role of business in society emerged, including interconnectedness, holistic wealth and multiple generations of time (see Figure 1).

Taking each perspective in turn, I will briefly explain the findings, link to relevant literature and discuss the practical implications before applying them to the case of GMCR.

#### ***The Principle of Interconnectedness***

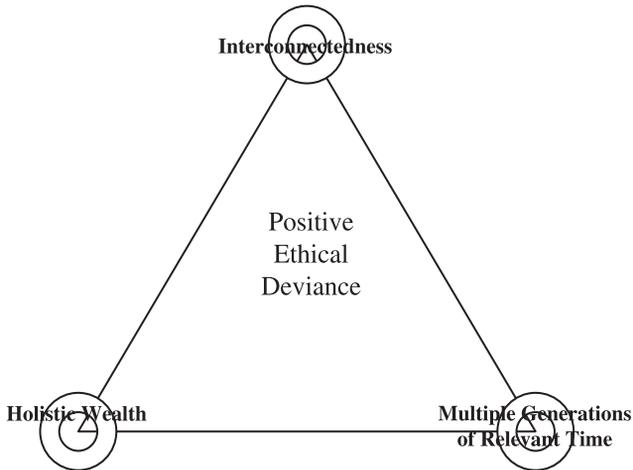
The first principle underlying conscientious capitalism is the idea of *interconnectedness*. This is the belief that systems are highly interconnected and therefore individuals and systems are highly interdependent. Within this point of view, an individual becomes interested in their impact on other people inside and outside of a particular company, impact on the natural environment, and impact on some collective social conscience (Neville 2004).

Interconnectedness is a particularly important dimension of this new emergent paradigm, but not a new idea among organizational theorists. While the predominant underlying assumption in mainstream U.S. business may be that individuals are autonomous beings, fully capable of existing independently (Jun 2005), other

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**FIGURE 1** Three principles shaping positively deviant corporate behavior.

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theorists and philosophical orientations have countered this assumption. For example, systems theorists, such as Mitroff and Linstone (1993) describe the interdependencies between individuals, organizations, society, and the natural world as interconnected or “nonseparability” (p. 95). Wheatley (1992) popularized links between new science or complexity theory and organizational systems by applying the science idea that all physical objects and energy fields are mutually referential and influencing to understand dynamic movement among individuals and organizational systems.

The more relational idea of interconnected systems fundamentally challenges the autonomy assumption held predominantly in the western world (Daniels 2005). For example, macroeconomics describes unintended influences as “externalities.” Instead of treating “unintended influences” as being peripheral, by acknowledging all influences, intended and unintended, positive and negative, then individuals can begin to make choices that increase their likelihood of having a positive effect on others. This is the essence of the guiding principle’s word “interconnected.” Applying this idea to businesses, Fuller and Tian (2006) demonstrated a strategic

continuum companies follow conceptualizing responsibility as self-focused to responsibility for others. Furthermore, they established relationships between networked conceptions of social capital (responsibility for others) and ethical behavior. Such findings empirically support the power of interconnected corporate behaviors.

### ***The Principle of Holistic Wealth***

Next, Neville's (2004) emerging framework suggests the idea of "holistic wealth." This is the notion that wealth incorporates all that brings value including, but not limited to or defined by, money or short-term financial success. Linguistically, "wealth" means that which brings value (Webster's 1996, p. 1616). Capitalistic markets function on the assumption that money is a currency through which all other forms of value can be assessed. Wealth therefore commonly becomes conceptualized as a company or person's financial accumulation. However, other more holistic conceptions of wealth also exist, where wealth also includes well-being from the individual through to a global social level of aggregation, e.g., small group, organization, industry, multiple nations, global society (Nelson 1996).

Holistic wealth suggests complex dimensions beyond economics including spiritual, sociological, civil, and environmental. Neville (2004) explains holistic wealth as what people value including meaning in life, interpersonal relationships, feelings of belonging within organizations and community, ecological sustainability, and even social justice.

Interconnectedness, detailed above, further shapes the construction of holistic wealth. First, one's sphere of influence includes self, community, and global society when recognizing the principle of interconnectedness. Therefore, assessments of wealth holistically balance individual, community, and global well-being. What occurs on a local level holds global implication. No one level of aggregation necessarily trumps the worth of a different level of aggregation.

To be a useful measure, holistic wealth must also rely on different ways of assessing wealth. Fortunately, there are new assessment standards emerging that begin to capture the notion of wealth beyond simple capital accumulation and profit. Today, for example,

some corporations attend to a triple bottom line (Elkington 1998) that includes a company's net financial accomplishments, the company's environmental impact (not just by valuing raw materials and waste, but by assessing a company's entire ecological footprint), and an indication of wellness created in and for people (not just employees, but also stakeholders). Increasingly, new accounting and social auditing techniques are being applied to corporations' assessment of wealth alongside traditional measures (Henriques and Richardson 2004).

It is important to note, however, that although the idea of triple bottom line conceptually speaks to the holistic wealth guiding principle's intention, when triple bottom line is discussed or applied solely from the perspective of financial gain, many other types of "wealth" are disregarded (i.e., quality of life for individuals, shifting access to natural resources, financial commitment to long-term community development). Debate flares about the degree to which triple bottom line practically accounts for business impact (MacDonald and Norman 2007; Norman and MacDonald 2004; Pava 2007). However, when the business paradigm does shift to include not only economic wealth, but also other conceptualizations of that which brings value, then seeking a triple bottom line metaphorically reaches what the guiding principle of holistic wealth suggests.

The Business Ethics Corporate Citizenship assessment used to rank the United States' top ethical companies is one example of a process already in place that uses more holistic constructions of success beyond financial. The methodology quantifies how companies serve seven different stakeholder groups including the environment and non-U.S. stakeholders and was used to name GMCR, which is detailed further below, as the most ethical company in the United States for the past two years (Graves et al. 2007).

### ***The Principle of Multiple Generations of Time***

Finally, conscientious capitalism also incorporates the idea of "multiple generations of time." Neville's (2004) work suggests many positive deviant ethical leaders recognize relevant time as that which extends from past generations, as well as into the world that future generations will inherit. This perspective shapes how an executive perceives relevance of history and delayed impact of

externalities. From the modern Western individualistic orientation, time relates to the individual's needs and wants, particularly in the immediate and foreseeable future. Individuals are perceived as separate from unknown others. However, within relational cultures, relevant time transcends life spans (Daniels 2005). Similar to the interconnectedness perspective above, this principle suggests that the activities of today have been influenced by the ancestors of yesterday, while at the same time today's actions are also simultaneously influencing people in generations to come. This is not a new concept, as Native American tradition, for example, has long honored the importance of considering implications that any action taken will affect the people and environment at least seven generations into the future. The implication of applying this principle to today's modern business world is that rather than focusing on short-term gains, decisions would seek to apply not only the wisdom from previous generations, but also recognize that the impact of current actions will shape (either expanding or limiting) the possibilities for future generations. Therefore, an individual within a company begins to perceive himself as a steward of monetary, cultural, and environmental resources for current and future generations.

While culturally these ideas may be common, business has not traditionally been governed by this thinking. The idea of multiple generations of time, however, is beginning to appear in organizational decision-making strategy. Collins and Porras (2002) popularized corporate strategic "future thinking" in *Built to Last* as they documented the enduring success of visionary companies who did look to the far future when making their business plans. Prahalad (2005) built on the notion of forward thinking in order to highlight the competitive advantage of innovating for the expanding market he calls "the bottom of the pyramid," yet the approach stays within the traditional consumption paradigm by seeking to make and distribute products for an underserved tier of buyers.

The unique proposition of conscientious capitalism is that the assumption of multiple generations of time coexists with the holistic wealth and interconnected assumptions. Therefore, executives within this paradigm are actually choosing future thinking or expanding markets at the pyramid's bottom for reasons beyond the financial benefits of planning and innovating. Such thinking holds a perception of responsibility for protecting and enhancing others' futures. Therefore, General Electric's (GE) Ecoimagineering initiative

(greenhouse gas emission reduction project), for example, would be considered potentially valuable for future generations, but the company's production of nonrecyclable durable goods would inherently violate the principle environmentally. Manufacturers whose competitive advantage comes from relying on significant wage disparity between countries would inherently violate the principle culturally if systematically moving factories from one low-wage country to another when the wage rate in the first country escalates to an unprofitable level.

When they occur simultaneously, the three principles of interconnectedness, holistic wealth, and multiple generations of time become a powerful framework that shapes how a positive deviant ethical business practitioner conceptualizes what "right" means when considering options and when making decisions. As I will illustrate below with the GMCR case study, when the majority of employees within a company adhere to these beliefs, the entire company is impacted. As such, the corporation's culture and actions become guided by these principles too. I now turn to this specific example in order to further illustrate conscientious capitalism.

## **GREEN MOUNTAIN COFFEE ROASTERS: A CASE STUDY IN POSITIVE DEVIANCE**

### ***Methodology***

Case study data for this paper comes from both primary and secondary data gathered by the author. Primary data comes from time the author spent as participant-observer in two corporate summit meetings in 2004 and 2005. These summit meetings followed an organizational development model known as the Appreciative Inquiry (AI) 4-D model (Whitney and Cooperrider 2000). In this process, representatives from a company's whole system (including multiple stakeholders within and outside the company) convene and explore shared dreams for the future, learn from a company's and an industry's history, design a collective and aspirational future, and begin formulating strategies for leveraging the company's "positive core," their skills, abilities, wisdom, creativity that employees exhibit when they are at their best (see Cooperrider 2001).

Because representatives from many parts of a company's system come together, often for the first time, employees, suppliers, customers, consumers, and industry analysts are exploring together that which they hold dear. Thus, such summits make possible observation of individuals' attitudes, beliefs, and values, as well as data gathering about a system's operating assumptions. It is the confluence of underlying assumptions that this author and researcher sought to understand. Leveraging my participant-observer status in the system during periods where people from the system itself are exploring their own operating assumptions created a reliable opportunity to inquire into the corporate culture, employees' beliefs, and executive decision-making rationale.

Secondary data come from internal documents, corporate case stories, and various popular press stories. The case materials have been reviewed by GMCR representatives for accuracy. As a caveat, however, it is important to note that even though data accuracy can be validated by the company representatives, interpretations of—and the meaning made from—patterns of actions remain the author's. Thus, although the initial theorizing and subsequent case study data collection conform to standard and accepted Grounded Theory practices (see Suddaby 2006), as with any qualitative analysis and theoretical application, the potential for researcher-subjectivity exists.

### ***Success Started with a Sip . . .***

Green Mountain Coffee Roasters (GMCR) grew from its entrepreneurial founder, Bob Stiller, enjoying an extraordinary cup of coffee 25 years ago, to a company with nearly \$180 million sales revenue and over 7,000 wholesale customers by 2006. At the end of their 25th year, the company signed a contract with McDonald's to provide specialty coffee in 650 restaurants, marking their evolution toward mass-market reach and appeal (Marcial 2005). Figure 2 illustrates GMCR's impressive 10-year financial growth trajectory. In spring 2007, following three years of rapid corporate growth, the founder recruited a new CEO while retaining his own role as chairman of the board.

The founder's story sets the scene for the organization's culture. Sipping coffee in a restaurant near his skiing condo in Sugar Bush, Vermont, Stiller decided it tasted great. Asking around, he found it was made by Green Mountain, a mildly profitable retail store

**FIGURE 2** GMCR net profit 1996–2006.

Source: MSN.com Money.

in Waitesfield, Vermont, that sold 20 specialty coffees to the public and to a couple of local restaurants. Furthermore, the couple who owned it wanted to move to Florida to start a separate coffee retail business. Using \$100,000 of his profits from a previous venture, he bought them out and became CEO in 1981 (Grover 1991, p. 326).

Stiller's ultimate coffee experience has become a foundational narrative that keeps the consumer and the entire supply chain focal for employees. Bob founded the company so other consumers could share an ultimate coffee experience. The narrative is cited by employees justifying why knowledgeable and dedicated farmers and distributors are just as important to GMCR as employees within the corporate headquarters. Within 12 years, the company had gone public and by 2001, *Forbes* Magazine recognized Bob Stiller as entrepreneur of the year (Kroll 2001).

Today, the company's guiding statement has become "Green Mountain Coffee Roasters is a values-driven company that views profit as a means to achieve a higher purpose. The more profitable we are, the more good we can do in the world" (Green Mountain Coffee Roasters' 2004 Summit Preamble, internal document). From its very beginning, the company articulated five core beliefs: a passion for coffee, financial performance, a destination workplace, ethics, and commitment to social responsibility. These continue to guide the company's decisions today.

The strong regional and emergent national company has innovative perspectives and yet still uses aggressive, traditional business thinking. For example, at the 2005 summit, careful market assessment data and analysis were presented. Customers' perceptions of key business issues and essential GMCR service attributes had been analyzed and mapped to the perception of essential customer need. Industry growth patterns were presented with corresponding channel measures for quality, convenience, and trends. From an operations perspective, customer-related solutions management (CRSM) articles were distributed and discussed. A technologically state-of-the-art distribution center was completed in 2004, part of the strategic growth process that allowed the company to "increase its roasting capacity from 17 million to 50 million pounds annually" (Angney 2004, p. 5). All such indications show that GMCR continues to grow and prosper financially, but not at the expense of ethical behavior.

### ***Interconnected Systems at GMCR***

Two examples discussed above illustrate how the assumption of interconnectedness is enacted at GMCR. First, the company's use of an AI methodology for strategic planning and organizational change exemplifies senior executives' willingness to embrace whole-system thinking. In addition to including employees from many areas and levels of hierarchy, GMCR executives also included customers, suppliers, and consumers. They even embraced the notion of participant-observer research that might amplify their business paradigm to other business researchers, students, and practitioners through articles like this one.

Different from many companies, training and development at GMCR mirrors the whole-system perspective of AI summits, and illustrates the highly interconnected assumption within the company's culture. For example, people from all parts of the company come to the training center, Java-U, including some suppliers and customers. Roasters, packers, and call center operators alike learn to interpret financial statements and marketing data. Armed with awareness, they grasp the cost of quality. A driver might apply what he learns from marketing analyses to extend customer commitment. One such story I heard was of a driver who helped the customer reshelve a store room in order to make sufficient room to

unload the coffee delivery. Retelling the narrative reminds employees that the customer's ability to succeed directly impacts GMCR's ability to succeed.

Second, maintaining the oral legend of the founder-entrepreneur savoring the perfect cup of coffee and seeking to replicate that experience for consumers demonstrates a cultural commitment to "the other." This deep regard for consumer experience downstream also expands to the environment upstream in the supply chain. Employee attention goes both to considering organic farming methods upstream and to potential reclamation functions for post-brewed coffee beans downstream in the product's entire value chain. While the company's financial profit boundary is the roasting process, employee awareness and attention extend across a broader system of interconnected activities.

Furthermore, as the CEO, Stiller demonstrated his commitment to interconnected thinking by taking employees from different functional and hierarchical parts of the company to coffee farms, or to the company's "origin," annually. By making the trip, a roaster explained to me that he cultivated deep regard for the working conditions, environmental conditions, and time required to bring him raw materials for his own job. Now, he says his concern for optimal roasting has increased and his tolerance for accidental over-roasting, and subsequent waste, has gone down. By 2003, 20 percent of the company's employees had taken a trip to origin (Zhexembayeva 2003).

### ***Holistic Wealth at GMCR***

GMCR's Vice President and Chief Information Officer, Jim Prevo, best explained the company's philosophy of wealth this way:

. . . the bottom line is a very basic business principle; and that is that investing in the social aspects of business yields a return on investment, like any other intelligent investment. . . . It's good business! . . . By investing in our suppliers, we get a stable source of product, we get a higher quality of product, because we can collaborate with our suppliers, tell them what we can sell for value to our customers, and what they need to do to put that value into their product, before they sell it to us . . . So, even though it all sounds . . . like it's just benevolent on our part, it's also very smart business. These are not

conflicting priorities, these are totally congruent priorities, that you can gain value by giving value to others. (Zhexembayeva 2003, p. 3)

A 2004 summit document proclaimed, “GMCR’s business philosophy is that doing the right thing for our customers, their communities, and the natural world is good for business” (GMCR, internal document). Valuing the existence of these multiple relationships means that decision makers will consider how a company decision benefits these various stakeholders rather than simply how a decision will benefit the company directly. The indirect benefits matter from interconnected and holistic wealth perspectives. For example, GMCR finance executives pioneered a flexible cash flow model with farmers. “The flow model provides interest-free financial resources to the coffee growers in advance of the harvest. Such a ‘safety cushion’ assures secure and continuous payments for the suppliers, steady income for the farmer family, and smooth coffee supply flow for the GMCR” (Zhexembayeva 2003, p. 2). The relationship mentality shapes decisions, priorities, and the organization’s culture, even regarding financial interactions.

The company also purchases beans through Fair Trade initiatives and family farming contracts, direct buying agreements with farmer cooperatives and family farms such that farmers can receive fair prices for their crops. As Kathy Brooks, vice president for organizational development and human resources puts it, the companies relationships with farmers at the countries of origins are built on the principles of integrity and high respect . . .” e.g., commitment to fair trade coffee; organic coffee; education for farming communities; grants . . . “these programs allocate small amount of resources for improvement of equipment and facilities to the farming communities. CIO Prevo, adds, ‘if there is one thing that we have found at Green Mountain Coffee Roasters, it is that very, very small investments at the supplier side of our business have huge benefits for them and for us” (Zhexembayeva 2003, p. 2). GMCR’s revenue increases (Figure 2) illustrate that financial productivity is occurring in concert with holistic thinking.

A more traditional program also exists for corporate giving, reflecting their commitment to more traditional philanthropy. GMCR actively fosters one particular program with money, time, and training to assist the children of the coffee farming families and

communities. Coffee Kids extends the work of Heifer International, Fair Trade, and local community development through collaborations. GMCR supports the initiative financially because the beneficiaries are linked to GMCR suppliers who are most directly linked to the roasters' existence. Alternatively, a roaster could choose to abstain from sharing responsibility for the welfare of people and land from which beans grow; if the business is roasting, then someone else's business is growing and harvesting beans. From the autonomous perspective, supporting Coffee Kids only makes sense for promotional reasons, or from an interconnected perspective it makes sense as part of an institutional decision to demonstrate responsibility to consumers.

As another example of how GMCR works to balance well-being and wealth, take the story of a relatively new employee's husband diagnosed with cancer, and a human resource decision that needed to be made regarding financial support of the employee. A corporate executive extended the employee a \$3,000 interest-free loan from the company for the employee's immediate personal expenses (GMCR, personal interview). The loan could be perceived as risky or irresponsible under one paradigm, but is interpreted as compassionate from a conscience capitalism paradigm.

### ***Multiple Generations of Time at GMCR***

The coffee industry has more obvious ways to care about future generations than most. Not only have agra-business innovations contributed to over-farming certain land, but agra-technology and multinational initiatives have also expanded production in countries not traditionally producing coffee, such as Vietnam (De Blasio 2007). Thus long-term environmental implications of coffee farming are being impacted by other, more global, economic development patterns.

Although it is not the cheapest and easiest route in today's market, GMCR has committed itself to organic food processes, illustrating their commitment to multiple generations of time. A coffee tree must be kept growing, producing, and disease or bug free for 10 years in order to yield a financially profitable crop (Kenworthy and Schaeffer 2000). For small-farm landholders, this is an intensive undertaking. Approximately 30 fully yielding trees are required to provide for the average North American coffee drinker, someone

who consumes three cups per day (Kenworthy and Schaeffer 2000, p. 46). Family farmers treasure the value of passing the farm on to future generations and in partnership with GMCR, many farmers are able to do just that while also making a decent living wage. Additionally, by keeping their process organic, the negative impact of pesticides and slash and burn farming techniques are eliminated from the equation so that future generations also have a viable farm to support themselves.

Unfortunately, price competition within the coffee industry distorts experiences of time by juxtaposing high financial cost of organic farming (sustainable for the long term) against more short-term financially lucrative mass agribusiness production (on land that is cleared of natural shading and soil elements). In the short term, agribusiness production supplies more beans for less money, but such businesses have consumed the globe's natural resources far more quickly than the earth can replenish them. For example, Starbucks is among many popular coffee companies advertising organic and fair trade coffees. However, unlike GMCR, only a small fraction of their coffee is organic and/or fairly traded. The distinction between the corporate philosophies of the two companies determines what percentage of coffee beans are organic or fair trade, as well as what types of corporate engagement in the lives and businesses of farmers a company chooses to use. From a traditional business paradigm, choosing organic is a strategic, consumer marketing choice. However, from a holistic wealth framework, such a decision may emerge from consideration of how GMCR chooses to engage in the interconnected system of farmers, land, and time now as well as time not yet seen.

Environmental considerations also show up in the organization's culture beyond marketing. At an intrapersonal level, a packer demonstrated his own care. He was showing me the new single-serve coffee packet. One advantage to the innovation he noted was the reduced bean waste that would result from brewing a single cup instead of a full pot at a small company where time between cups can make the last cups of a full pot taste bitter. As I applauded the innovation, he sighed and said, "Well, I'll really be impressed when this plastic cup [the coffee pod] becomes biodegradable" (GMCR, internal interview). He was measuring his own personal success at a systemic level of environmental well-being, a measure not likely to be reached for years and not likely to be felt for three generations.

The multiple generations of time principle factors into both organizational culture and economic systems from a conscientious capitalism perspective. From a conscientious capitalism view, though, time becomes part of the fabric of an organization's existence so that executives might mindfully regard ancient wisdom and generational implications, even without financial utility for doing so. Considering generations of time occurs here simply because the concept intrinsically aligns with individuals' and collective's ways of being in the world.

### ***Summary of Conscience Capitalism at GMCR***

For 25 years, GMCR has conducted business according to what I refer to as a conscientious capitalism paradigm. Illustrative behaviors include: collaborating with their suppliers and farmers in order to continuously innovate in everyone's interest (interconnectedness), taking their employees to "origin" to enhance regard for the natural environment and raw materials (holistic wealth), and committing to family farmers for long periods of time to ensure environmentally and socially sustainable farming practices (multiple generations of time). At the other end of the supply chain, this company collaborates with distributors (interconnectedness), has customers advocating on their behalf (interconnectedness and holistic wealth), and actively works toward environmental sustainability (multiple generations of time). These behaviors do not come at the expense of financial integrity; the company continues to return solid financial value to shareholders. Adding up all the pieces, we see that through these various actions, GMCR demonstrates positively deviant behavior on a business ethics continuum. Interestingly, an outcome of their behavior is that the company exceeds regulatory requirements, but regulatory compliance does not even appear in the focal objectives of corporate action. It is a natural outcome of business according to this emergent framework.

### **IMPLICATIONS FOR FUTURE RESEARCH**

GMCR's corporate culture, leadership behaviors, and decisions illustrate one way in which companies can exceed regulatory requirements, meet multiple stakeholders' expectations, and compete

successfully in a traditional capitalistic economy. The implication for the traditional western capitalistic society is that “good” business and financial return need not be mutually exclusive. When held simultaneously, these three ontological assumptions (interconnectedness, holistic wealth, and multiple generations of time) generate business behaviors that shift the dominant market paradigm from short-term, profit-centric capitalism toward a model of conscientious capitalism. The GMCR case study suggests that practicing conscientious capitalism may appear as being positive deviant ethical behavior from a purely profit-centric capitalistic perspective; however, from a conscientious perspective, the same behavior appears normal, even necessary. Rather than doing “good” to exceed requirements, conscientious capitalists practice “good” behaviors because they are functioning according to a different set of underlying assumptions than modern western capitalism.

There is much more to be learned within this emerging framework. Several variables could be rich fodder for future research; for example: how does the role of geographic culture impact an organization like GMCR’s culture? The company was founded in a small town in Vermont, a historically progressive state in the United States. Presumably therefore, finding and hiring employees who share the company’s culture will be easier than if the company were located in a historically conservative state. And because organizations are nested in larger social systems, employees presumably find their values endorsed and supported beyond work in their personal lives.

Second, the company’s current growth stage presents possible challenges. The entrepreneurial start-up company has now grown to a mid-sized corporation and an emergent national force. If the company expands production facilities beyond Vermont, both geographic culture and size could begin to challenge the family-like atmosphere employees now foster. Already, the company is on the verge of transitioning to new leadership with the recent shift of its founder out of daily operations. The question that looms is: will the company’s culture shift with the introduction of a new CEO?

Finally, the company may soon become an acquisition target. Its rapid growth and market expansion combined with social consciousness resemble Ben and Jerry’s Ice Cream located near GMCR. Ben and Jerry’s and The Body Shop are two examples of entrepreneurial companies built on alternative principles, then

acquired by large multinational corporations (Unilever and L’Oreal respectively), and subsequently becoming small units within more traditionally organized and governed corporations. The degree to which innovative cultures and practices can exist once a small company has been acquired remains unknown. Certainly, this author’s informal conversations with employees at Ben and Jerry’s corporate headquarters, post-Unilever buy-out suggest that the Ben and Jerry’s entrepreneurial culture has indeed dissipated.

Finally, the case holds potential implications for the role of social entrepreneurship through positively deviant business behavior. Simply put, GMCR creates an opportunity to study how “good” behavior begets more “good” behavior, in individuals (within and beyond the company’s payroll), and organizations (within the supply chain and across other industries) and communities (including farming communities, the towns in Vermont where GMCR plants currently exist, and communities where product and financial donations appear). While organizational development methods, such as appreciative inquiry, are built on the philosophy that complaints generate more complaints and positive actions cultivate more positive actions, little empirical research exists on influence relationships among organizations and social systems.

This case study illustrates a set of underlying assumptions from which this positive deviant ethical company behaves. Though employees do not choose their actions intentionally to align with “conscientious capitalism,” and though some employees actually suggested to me that they are not doing something to be ethical but only because they believe it is “good” business, the GMCR corporate culture does in fact simultaneously embody the three assumptions, interconnectedness, holistic wealth, and multiple generations of time, while also illustrating that they are a highly viable corporate model.

## NOTES

1. Blamès 2005.
2. Microsoft chairman Bill Gates publicly advocated “creative capitalism,” using businesses to accomplish other social needs. Simultaneously, “conscious capitalism” was being coined by Aburdene (2007) and used publicly by Whole Foods CEO John Mackey to describe a form of corporate

behavior that includes awareness of actions and impact on other stakeholders. I advocate going even further and have chosen the term “conscientious capitalism” to imply the psychology meaning of careful attention to act according to one's conscience. In this way, the term calls for corporate behavior to include a form of emotional intelligence and self-regulatory nature we expect of refusal to participate in that which leads to ill.

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