

THE JOURNAL OF  
**JVBL**  
VALUES BASED LEADERSHIP

Volume I | Issue 2 | Summer/Fall 2008

VALPARAISO UNIVERSITY

I N T H I S I S S U E :

- **The Making of a “Philanthropreneur”**  
Trevor Field and Mark Melman,  
PlayPumps International  
Johannesburg, South Africa
- **Dynamic Leadership: Toolbox  
for the Values-Based Entrepreneur**  
Chun Guo, Sinéad G. Ruane, Alexandra  
Galli-Debicella, Phuong Anh Nguyen  
Dr. Charles C. Manz,  
Isenberg School of Management,  
University of Massachusetts, Amherst
- **Capitalism Revisited: The Interplay  
of Motivation, Inspiration and Risk**  
Duncan Goose, CEO, Global Ethics Limited,  
Founder “One” Water Co.,  
London, UK
- **Workplace Bullying and Ethical Leadership**  
David C. Yamada, J.D.,  
Suffolk University Law School, Boston
- **Principles for Accountable Leadership –  
The AA1000 Series**  
Daniel Waistell, Standards and Related  
Services Manager, AccountAbility  
London, UK

# **JOURNAL OF VALUES-BASED LEADERSHIP\***

Summer/Fall 2008

Volume 1, Issue 2

Editor-in-Chief:

**Elizabeth Gingerich**

Assistant Professor, Business Law

Valparaiso University

College of Business Administration

(219) 464-5035

[elizabeth.gingerich@valpo.edu](mailto:elizabeth.gingerich@valpo.edu)

*\*The JVBL name and logo are proprietary trademarks. All rights reserved.*

## JVBL Mission Statement

The mission of the *JVBL* is to promote ethical and moral leadership and behavior by serving as a forum for ideas and the sharing of “best practices.” It will serve as a resource for business and institutional leaders, educators, and students concerned about values-based leadership. *JVBL* defines values-based leadership to include topics involving ethics in leadership, moral considerations in business decision-making, stewardship of our natural environment, and spirituality as a source of motivation. The Journal strives to publish articles that are intellectually rigorous yet of practical use to leaders and teachers. In this way, the *JVBL* shall serve as a high quality, international journal focused on converging the practical, theoretical and applicable ideas and experiences of scholars and practitioners. The *JVBL* will provide leaders with a tool of ongoing self-critique and development and teachers with a resource of pedagogical support in instructing values-based leadership to their students.

## Call For Papers

The *Journal of Values-Based Leadership (JVBL)* invites you to submit manuscripts for review and possible publication. The *JVBL* is dedicated to supporting people who seek to create more ethically and socially-responsive organizations through leadership and education. The Journal publishes articles that provide knowledge that is intellectually well-developed and useful in practice. The *JVBL* is a peer-reviewed journal available in both electronic and print fora. The readership includes business leaders, academics, and students interested in the study and analysis of critical issues affecting the practice of values-based leadership. *JVBL* is dedicated to publishing articles related to:

1. Leading with integrity, credibility and morality
2. Creating ethical, values-based organizations
3. Balancing the concerns of stakeholders, consumers, labor and management, and the environment
4. Teaching students how to understand their values and how values impact organizational performance.

In addition to articles that bridge theory and practice, the *JVBL* is interested in book reviews, case studies, personal experience, articles, and pedagogical papers. If you have a manuscript idea that addresses facets of principled or values-based leadership, but you are uncertain as to its propriety to the mission of the *JVBL*, please contact its editor.

While manuscript length is not a major consideration in electronic publication, we encourage contributions of less than 20 pages of double-spaced narrative. As the *JVBL* is in electronic format, we especially encourage the submission of manuscripts which utilize visual text. Manuscripts will be acknowledged immediately upon receipt. All efforts will be made to complete the review process within 4-6 weeks.

## Review Process

The *JVBL* seeks work that is clearly written and relevant to the Journal's central theme, yet imbued with analytical and intellectual excellence. In this respect, the editorial review board shall consist of both leading scholars and respected high-level business leaders.

All manuscripts undergo a two-stage review process:

- 1) The editor and/or his or her representative will conduct a cursory review to determine if the manuscript is appropriate for inclusion in the *JVBL* by examining the relevance of the topic and its appeal to the Journal's target readership. The editor may: a) reject the manuscript outright, b) request submission of a revised manuscript which will then be subject to a comprehensive in-house review, or c) forward the manuscript for review pursuant to the provisions of paragraph 2.
- 2) The editor will send the manuscript to three reviewers consisting of at least one scholar and one practitioner. The third reviewer shall be chosen at the editor's discretion, depending upon the nature of the manuscript. Once reviews are returned, the editor may: a) accept the manuscript without modification, b) accept the document with specific changes noted, c) offer the author(s) the opportunity to revise and resubmit the manuscript in response to the reviewers' and editors' comments and notations, or d) reject the manuscript. To be considered publishable, the manuscript must be accepted by at least one of each type of reviewer.

## Privacy Notice

The material contained in this Journal is protected by copyright and may be replicated only in a manner that is consistent with *JVBL*'s mission, goals, and activities. Commercial replication is strictly prohibited. Prohibited uses include but are not limited to the copying, renting, leasing, selling, distributing, transmitting or transfer of all or any portions of the material, or use for any other commercial and/or solicitation purposes of any type, or in connection with any action taken that violates the *JVBL*'s copyright. The material is not to be used for mass communications without express written consent, but may be downloaded for purposes of individual member use and communication. All other uses are prohibited without prior written authorization from the *JVBL*. For any information concerning the appropriate use of the material, please contact *JVBL* editor Elizabeth Gingerich at 1.219.464.5044.

## Postal Information

The Journal of Values-Based Leadership is published on-line biannually in Winter/Spring and Summer/Fall by the College of Business Administration, Valparaiso University, 1909 Chapel Drive, Valparaiso, Indiana 46383. To receive a bound hard copy of any issue, please remit the sum of \$20.00 per copy to the Valparaiso College of Business Administration – *JVBL*, and indicate which issue and the quantity of copies desired together with your current mailing address and telephone number. For additional information, please visit [www.valpo.edu/cba/jvbl](http://www.valpo.edu/cba/jvbl).

To report a change of address, contact Valparaiso University College of Business Administration, 1909 Chapel Drive, Valparaiso, Indiana 46383, 1.219.464.5035 or [jvbl@valpo.edu](mailto:jvbl@valpo.edu).

### Article Reprint Permission

No article may be republished in whole or in part without the written permission of the publisher. Send requests to reprint in writing to editor Elizabeth Gingerich at 1909 Chapel Drive, Room 207, Valparaiso, Indiana 46383, [jvbl@valpo.edu](mailto:jvbl@valpo.edu), 1.219.464.5044, fax: 1.219.464.5678.

Please remember that existing artwork or images that you may want to include in a new work may be protected under copyright law. The unauthorized incorporation of such material into your new work could be a violation of the rights of the copyright owner. Please be sure to obtain any permission required from the copyright owner.

### Disclaimer

Articles, reports, and surveys contained herein reflect the views of the individuals or entities that wrote or prepared them and, unless expressly so indicated in the text, do not necessarily represent the position of the Valparaiso University College of Business Administration.

## Letter from the Editor

Greetings and Happy Holidays!

As news of the existence of our Journal disseminates, initial feedback has been overwhelmingly encouraging and supportive from readers spanning political, business, and academic backgrounds and to other members of the interested public. So many of our global citizens recognize the urgency to infuse values — whether stemming from fiscal accountability, environmental stewardship and social responsibility concerns — into leadership roles and operating challenges. The query, once confined exclusively to the reasons *why* attention has been directed to the need for values-based leadership in today's world, is no longer the solitary focus; this Journal provides a vehicle of necessary expression which seeks to identify and explore potential remedial actions. Then again, as with any matter posing an ethical challenge, more questions are seemingly generated than replies provided.

In our inaugural issue, Michael McCuddy, The Louis S. and Mary L. Morgal Chair of Christian Business Ethics at Valparaiso University's School of Business, provided a general paradigm of moral leadership, depicting three classifications of fundamental moral orientations. Leaders are described as "*self-less*" — possessing the characteristics of complete and utter sacrificial stewardship to the community; "*self-ish*" — or self-aggrandizing stewardship; and lastly, "*self-full*" — described as the most promising approach for creating sustainable business organizations and human communities. It is this type of business leader who embodies the concept of "values-based leadership," helping communities to survive and prosper over the long term while concomitantly attaining personal and professional fulfillment. This theme is perpetuated through the contributions of the authors in this issue.

Trevor Field, a self-proclaimed "philanthropreneur," fits squarely into the model of a self-full leader. Field, the founder of Playpumps International and the CEO of Roundabout Ltd. is driven by a determination to give back to his community which — by his definition — is the world, without completely sacrificing the comfort enjoyed by himself and his family. His philosophy of attaining personal business success while offering the global community a tangible, sustainable good, is presented via an interview conducted at his home in Johannesburg, South Africa in March, 2008.

Closely related to the story of the mission and operation of Playpumps International and Roundabout Ltd is an article — also based upon an interview — with Duncan Goose, director and founder of "One" Water as well as CEO of Global Ethics Ltd., both situate in London, UK. While Goose also gained his business acumen and well-respected reputation in the advertising industry, he took the initiative to single-handedly create a global, bottled water industry that has permeated both the European and Australian markets and is currently making its mark in Asia and North America. Goose's business successes, coupled with his keen awareness of the disparity of wealth and resources throughout the world, has prompted him to commit 100% of his company's net profits to Playpumps International, characterized by the company's trademark: "You Drink; They Drink."

Well-known business ethicists Charles Manz and several of his business doctoral students hailing from the University of Massachusetts at Amherst, have constructed four leadership

models for the business entrepreneur. Careful attention is given to the preservation of the business leader's original vision and workplace values for the newly-developed company.

David Yamada, Professor of Law and Director of the New Workplace Institute at Suffolk University Law School in Boston, Massachusetts, is a leading authority on workplace bullying. His contribution examines psychologically-abusive work environments and the toll exacted on both the worker and the employer when harassment remains unchecked and common considerations are forfeited.

Lastly, as businesses struggle to achieve greater sustainability and transparency in their operations and reporting activities, the need to have comprehensive, globally-applicable, reporting guidelines has become critical. AccountAbility, headquartered in London, provides this protocol by assisting businesses to help identify entities affected by a particular business's operations and to become more accountable to its growing spectrum of stakeholders.

— *Elizabeth Reiner Gingerich, J.D., Editor*

## CONTENTS

### Articles

#### **9 The Making of a “Philanthropreneur”**

**Trevor Field and Mark Melman, Playpumps International, Johannesburg, Africa**

“Be mindful of taking care of yourself without excesses.” In the case of Playpumps® International, an NGO based in Johannesburg, South Africa, coupling a not-for-profit with a for-profit company produced the needed incentive to bear truth to the idiom that one person, one simple idea can really change the world. Trevor Field and his partner, Mark Melman, former executives in the outdoor advertising industry, have done just that. With the invention of the PlayPump® water system, government agencies, NGOs and for-profit business have converged to address the disturbing reality that over one billion people lack access to clean water. According to Field, “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.”

#### **26 Dynamic Leadership: Toolbox for the Values-Based Entrepreneur**

**Chun Guo, Sinéad G. Ruane, Alexandra Galli-Debicella, Phuong Anh Nguyen  
Dr. Charles C. Manz,  
Isenberg School of Management, University of Massachusetts, Amherst**

Four entrepreneurship models are proposed which lend guidance in the development of a business, from birth to exit, each examining ways to maintain the business founder’s initial vision and to continue to infuse values and ethical decision-making at each stage of development.

#### **41 Capitalism Revisited: The Interplay of Motivation, Inspiration and Risk**

**Duncan Goose, CEO, Global Ethics Limited, Founder “One” Water Co.,  
London, UK**

Business leaders who have effectively communicated their values by undertaking substantial philanthropic endeavors made fiscally possible through their own business successes, labors and investments, appear to all share a common thread. Influential social, environmental, work and religious backgrounds are studied and “epiphanal” experiences explored.

#### **48 Workplace Bullying and Ethical Leadership**

**David C. Yamada, J.D.,  
Suffolk University Law School, Boston**

In order to increase business productivity, benefit packages and other financial incentives might not be adequate. Rather, the focus upon common respect for — and decent treatment of — all workers is discussed, with primary emphasis given to the

endemic workplace problem of worker harassment. Simple courtesies, genuine team and individual service acknowledgement, and the dismantling of a counterproductive, hierarchical worker system, often lead to increased productivity, congenial relationships, and a happier and healthier worker.

**61 Principles for Accountable Leadership – The AA1000 Series**

**Daniel Waistell**

**Standards and Related Services Manager, Accountability  
London, UK**

Author Daniel Waistell, Standards Manager of London-based AccountAbility, has provided the most recent benchmarks of identifying stakeholders for businesses to pursue greater sustainability in their respective operations. These standards are often coupled with world protocol reporting guidelines, including Global Reporting Initiative headquartered in Amsterdam (a United Nations-based program voluntarily used by the majority of Fortune 1000 companies as well as myriad small and medium enterprises). Waistell demonstrates the need for more transparency in business operations and reporting activities to achieve greater accountability for a wider array of non-traditional stakeholders.



*An idea, an invention, can possibly make a lot of money for you. But you can't take it with you. When I first looked at this water pump, I could never imagine that this would be something that could possibly change the world. I remember when I came up with this idea, everyone was laughing. They're not laughing now. Once you have changed the mindset, everything else falls in place. I know that I have made a difference when I can save just one child.*



*Motivation and commitment to change must come from the heart. Business without heart will not positively affect social change. To date we have installed over 1,000 PlayPump® systems, the majority located at or near primary schools situated in South Africa, Lesotho, Mozambique, Swaziland, and Zambia. These systems not only provide clean drinking water, they provide social messages, ongoing installation and maintenance training for approximately 10-15 people at each site, and new market opportunities at local community centers.*

## The Making of a “Philanthropreneur”

**TREVOR FIELD, DIRECTOR, ROUNABOUT OUTDOOR, FOUNDER, PLAYPUMP® WATER SYSTEM**

**MARK MELMAN, CO-DIRECTOR, ROUNABOUT OUTDOOR  
JOHANNESBURG, SOUTH AFRICA**

### Background

Trevor Field, a retired advertising executive, and his partner, Mark Melman, whose business background is also grounded in advertising, have formed a business alliance that has in turn forged partnerships with the Kaiser Foundation, 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. As a result of many trips to rural villages located in the Eastern Cape of South Africa, Field realized that the burden of collecting water fell mainly to the women and girls of each household – a time-consuming chore which took them away from their educational studies and advancement.

Field then partnered with an inventor and created the “PlayPump®” – basically a children’s merry-go-round that pumps clean, safe drinking water from an underground aquifer as the children spin. The PlayPump® water storage towers are ensconced by four paneled billboards, two used for commercial advertising space to generate revenue to help pay for the system’s maintenance and provide local jobs, with the remaining two panels dedicated to the communication of social messages, predominantly to promote HIV and AIDS awareness.

PlayPump® International is a 501(c) 3 organization in the U.S. with the partner organization *Roundabout Water Solutions* situate in South Africa. Its stated mission is to 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 2010 – bringing the benefits of clean water to approximately 10 million people – closely aligns with the stated objectives of the United Nations’ Millennium Development goals.

Most recently in August, 2008, the PlayPump® Water Pumping System was showcased at the 2008 Water Week Conference held in Stockholm, Sweden.

*The remaining portions of this article are based upon an interview with Trevor Field conducted by editor Elizabeth Gingerich in March, 2008, in Johannesburg,, South Africa.*

### Interview, March 15, 2008

**Q:** I had the privilege to visit and experience first-hand the power of the PlayPump®, as I was spun by at least 20 school children during recess in the community of Diepsloot (an informal settlement in the Gauteng province, just North of Johannesburg).



Diepsloot where you went is still urban; Lesotho is more of a rural environment. They have 790 students in that school, mostly orphans. They will take anyone for a spin on these PlayPumps®. That’ll do your stomach well. They whiz you fast. And the boys will get on, and spin you the other way. But that’s what I like about the PlayPump®. It’s attractive to the children.

**Q:** I am curious as to what events stimulated you to do what you do – your upbringing, work and social experiences, environmental dynamics. Also, with respect to the installation of the PlayPump®, do you regularly employ experts or is all the work conducted by trained local laborers?

We use professional ground scientists or geologists to test the holes which are generally the starting point of installing a system. Regardless, you have to understand that local knowledge is very important in assisting to find where the best places are to dig. The locals are the best sources of knowing where the fracture lines exist and sometimes they have an

uncanny ability to use a divining rod to locate the best places to bore. So many times they show us where to dig, and sure enough it's 35 ft down — right on the money. It is these resources we rely upon, together with our professionals.

**Q:** When you single out a new area to install a PlayPump® Water Pumping System, are you and your team, as well as your particular objectives to be accomplished, accepted by the local villagers?

The people are incredibly warm. They have nothing. We work together with them. Keep in mind that according to the facts and statistics of the World Health Organization, 6,000 people die each day from contaminated water sources. In fact, I think it is 1 in every 3 people who is negatively impacted by water-borne diseases.

**Q:** Through Engineers-Without-Borders, we have drilled wells in sub-Sahara Africa, specifically in the desert region of Northwestern Kenya, but have relied upon windmills instead. You apparently have used the windmill concept and turned it on its side to achieve a greater rate and flow of water?

What is the wind like there?

**Q:** There used to be consistent 10-plus mile per hour winds, day and night, but with recently altered weather patterns, presumably due to global climate change, the winds have stopped for the first time in recorded history in that area and are completely dormant throughout the daytime. That is why our chapter is retrofitting the windmills with solar motors. Is this also why you decided to harness another source of renewable energy?

This is why, with the PlayPump®, we don't have to worry about the climate. We are simply harnessing the power of child's play. Another problem with the retro-fits would be as soon as the scrap dealers realize that there is silver in the solar panels, they will most likely invade the province, and steal the panels. This is a huge problem for us in Southern Africa right now. Where there's money involved, these problems will occur.



**Q:** The PlayPump® Water Pumping System seems to have generated substantial world attention. I toured your factory and have seen a working site in action, and am more amazed than ever. I noticed while walking through the factory, several oversized banners suspended from the ceiling, depicting children at play on the PlayPump®. This must provide an incentive to your factory workers that the project they are manufacturing is contributing to the betterment of the human situation?

Our passion comes from the children. There is no doubt, at least speaking for myself, that's what keeps me going — knowing that they have clean water to drink. The PlayPump® Water Pumping System is encouraging new construction of schools and hospitals as well. Everything around the systems is changing. In planning the PlayPump®, we had to discover where the water might be. The first strike was at 22 meters; the second at 36 meters. Each

one produces 18,000 gallons of water per hour. Loads of water. The PlayPumps® are not just used for the schools any more; they are used for growing crops.

**Q:** I understand that your business is comprised of two for-profit entities and one non-government organization?

Yes, the not-for-profit is PlayPumps International alongside Roundabout Outdoor.

**“All children have the right to clean water and the right to play!” — (Children's Charter of South Africa)**

**Q:** At this point, I would simply like to hear the story of Trevor Field. What were your formative influences?

I was born in Birmingham, UK. My father was in the fire brigade and to get promoted, you typically would have to wait for someone to pass away, like any state job. So with his job, we'd have to move from county to county. Like a gypsy. While I was born in Birmingham, I lived in Aylesbury and Bletchley and I ended up in London when I finally left my parent's home.

**Q:** How old were you when you left home?

Nineteen, I think.

**Q:** Did your mom work outside the house?

She has been a housewife her entire life. Her parents died when she was 14. She then had to look after the kids. She looked after her brothers and sisters and never got a proper education. She's not a doctor, but very worldly and wise.

**Q:** Do you have any brothers and sisters?

I have two brothers, both younger. I was the first child.

**Q:** How about any affect on you with respect to a religious upbringing. Did your parents advocate any religious instruction?

I'm not political, I'm not religious. I've got my own ideas about what religion should be. They were both Christians. We weren't really church goers, but we were just taught to do what is right. I'm spiritual, yes, 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. I was looking at Mars the other night. I gave myself a Christmas present of a high power telescope, which is my hobby.

**Q: Did you go to college?**

I went to college for a short time. After 2 years, then I joined Telkom. I went into telecommunications. It was a nice company to work for in those days. It was outdoors, you could start out installing telephone cables and end up becoming a telecommunications engineer. Then, at 24, two of my mates and I moved to South Africa. In those days, we continued to put up telephone cables in South Africa. We would erect transmission from the towers to the TV studios. I was 24, making good money.

**Q: What enticed you to make South Africa your new home?**

The weather — no question. I first went to Cape Town, which I consider to be God's own country. Unimaginable beauty. The best steaks, beers, beautiful girls, cold beer. What do you think a 24-year old single boy would want? I thought I was in paradise. We worked in Cape Town and went back to the UK just to visit. I was in and out all the time. When I got married I was 29 and now have been married for 28 years, but am currently separated. I have 2 daughters. My oldest is 24, born in 1984.

**Q: Did your wife work outside the house and was she an influential factor for what you do?**

Yes, she was a computer programmer. She's always been a very alternative person, especially in the spiritual arena. But she has been supportive of my work and my work has completely changed my life.

**Q: How did you go from advertising and telecommunications to what you do now?**

Eventually, with your telecommunications skills, you teach others and you find that you've just taught yourself out of a job. So then I didn't have a job anymore. I went back to selling. When I was younger, I 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.

**Q: Was this all commission based?**

Oh yes. It's provided the necessary incentive. The more you sell the better you fare. In fact, I remember going back to visit my folks. It was Christmas time and I had done so well with my job that my employer had given me a couple bottles of scotch and a turkey. I was on the train heading north, the weather was dreary, the conditions cramped and everyone on the train was so miserable, so I popped the tops off the scotch and passed it around. I remember doing this and everybody was then in a good mood.

**Q: When you traveled as a young man, how did you react to the abject poverty you may have witnessed?**

I didn't see a great deal. In those days you know, we were working in the more sophisticated parts of town. We were in television transmission. Working in the city at Holiday Inns, businesses like that. We didn't go out into the bush that much. So for those first few years, I did not see a great deal — that is, of poverty. What I did see, what really started to strike me occurred during a fishing trip I took to the East Coast, part of South Africa. I went to Transkei, which is also known as the "Wild Coast." You need a 4x4 just to get there. That's where I went on a fishing trip with 3 of my mates. We set out on a Friday. We took the usual supplies: 1 loaf of bread and 7,000 beers. We had everything we needed and off we went. 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.

**"In order to truly change the world, it has to come from within." – Mark Melman**

At this time in my life, I was married, so I was probably about 35 I guess. 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." Often when I'd go fishing, I'd see women and it was always women, never the guys, so grossly disproportionate to their gender, as if beasts of burden. That's one of my phrases: "beasts of burden." Nothing tells me why it's they who have to get the water but they do. So I got this notion in my head that there must be a better way to collect water. I'd seen young girls and older women who simply can't do it, and if you've ever tried to carry one of these jugs, most would be incapable of carrying the water. That's hard work. Again, I thought there must be a better way of doing this. Do you remember in the old days when cars were started by handle? You'd turn the handle and the car's engine would turn on? That's how you'd start the motor — why couldn't we invent something like that? Use the windmill to turn. But when the wind's not blowing, you can't turn it, and then you'll have problems, especially during the night.

Then something of a coincidence happened. My father-in-law — a farmer — came to visit me and my wife in Johannesburg. There was an agricultural show in Pretoria. I drove him out to the show. There were cattle and huge sheep there, and as we walked around to a particular exhibition we met a man named Ronnie Stuiver. He had a model that looked like a roundabout. As you turned it, water ran out a tube into a bucket, and I thought to myself, "That's fantastic!"

**Q:** How much time had passed since you had seen these women before you attended the agricultural show?

Probably years. By that time I taught myself out of another job, so I went back to what I was doing in sales. I got a lucky break and joined a publishing company. Instead of selling hi-fis, washing machines and air dryers, I started selling ad space for magazines which is the hardest thing to sell, but the most rewarding. It's harder to sell than insurance — insurance is tangible; you can go and trade it. I used to sell dreams, hopes, and goals for the future. I was a National Sales Manager in that respect. So with all the advertising space I needed to sell, I would go to you, and put your product in Omni Magazine, which was one of the magazines I was working on. Then other products would surface. So we would meet and I would take that new account and put that on an advertising board which shields the water tanks filled by the PlayPump®. Placing advertising on a PlayPump® was easy. So after examining Ronnie's invention, I asked him what the disadvantages were. He replied that I could not re-create the system cheaply enough to compete with his system.



**Q:** Had he patented it yet?

Yes, he patented that. But he couldn't make it cheap enough; it was too expensive. He couldn't make it cheap enough to compete with a hand pump. It was cheaper than a windmill, but much more expensive than a hand pump. Ronnie's invention was flat, like a plate with two arms on it, and it was designed for kids. I used to call it the ankle cutter because it was just that far enough off the ground, just enough to get your feet stuck under. I could see that this would not be a great thing. Of course in the bush, you have so much dust that drops into the grease and without modification; this invention simply would not work.

Ronnie invented the mechanism, copying the basic concept from another system, but had a different design. He had used a swatch plate which moves in a circular motion, one way. I was then able to secure the marketing rights for this modified system at the same time I was working for the magazine.

The original invention was designed to pump water to fill one bucket at a time. My idea was to re-design the system to enable it to pump water into a storage tank, and then to sell advertising space on panels surrounding those tanks. Women are the ones who collect the water and make the purchasing and buying decisions for the family. So females between the ages of 25 to 40 constituted the target market.

**Q:** How do these women have any spending power, especially in light of the extreme poverty in which they live?

They buy tea, sugar, bread — staple products. They aren't going to buy a BMW but they have to buy bread. This was the time that Nelson Mandela had been released from Robin Island. The ANC (African National Congress) was legalized; it was just the right timing. The advertising agencies — which up to that point had ignored the black masses — suddenly recognized this new market as fashionable and potentially lucrative. And I had a method to do it. I would approach my friends in the advertising business, target women and provide fresh drinking water to communities to prevent sickness. Plus women who have a harsh time of life, who could not attend school. And therefore, for kids, we developed the PlayPump®. They had no concept of what a merry-go-round was. When they first sat on it, they expected it to do something on its own power. They didn't realize that they had to move it.

**Q: Who were your first advertisers?**

Colgate was one of the first.

**Q: Did that then generate enough income to build a complete system?**

No, I paid for it myself. I got to a stage where I believed in it so much that I decided to finance the system. I couldn't give up my day job while I was building the first two. My wife monitored the first two sites for me; she was in a place called Masinga which is really very remote. Women walked around topless and with spears, sort of a National Geographic type of scene. It was 23 kilometers to get to the site and the directions were somewhat obscure: "Turn right at the big white rock"... "Get to the tree with the yellow leaves on it, turn left there"... "Go across the river, keep on going, it's on the right." After the first two were self-financed, the advertising revenue kicked in.

**Q: Was the government helping out at this point?**

This was something they were interested in. So after we installed the first two PlayPump® systems, we waited to see if any part would be stolen or would break down. The people loved it; when we returned it was really successful. We installed advertising panels on the storage tank for bread — Blue Ribbon was the brand used there — so I then solicited advertising from an outfit called SASCO. SASCO is a different brand of bread that had not previously been offered for sale in this region. We persuaded them to stock their brand there.

**Q: Was this advertising meant to open up the market for increased competition?**

It was research I had to do. I got them to advertise on the tanks before I got them to supply the bread to four stores. Then I went back a little later to check on the aisles with the bread; 78% of the bread stocked had already been sold. We are pummeled with advertising request overloads in the city. But when just one sign says "Sasco" bread and these women are walking towards it and staring at it, an impression is made. The women have a psychosomatic link between what they've seen on the billboard and what they've seen in the

marketplace or they like the PlayPump® and associate the bread with improving their lives so they patronize the company producing the product which is being advertised.

**Q:** Did you engage in a dialogue with them to determine their interests and the effects of the ads?

No I didn't. I just looked at what was happening; it didn't matter how it happened or why. But the fact of the matter is that it was happening. And that's when I went to the World Bank and also when another light bulb turned on. This was in 1999. I've always had this belief that if I could change the minds of people — even with such matters as rudimentary as bread — we could implement some changes to improve lifestyles and health habits.

So I went to the World Bank and said “if we could change people's minds about the purchase of bread — knowing that rural young women and young girls have the highest risk of infection of AIDS for lots of reasons — we can take this target market and make it a moral target market to combat HIV by supplying messages to these purchasers. The World Bank was sponsoring a development marketplace competition and I entered the competition with “The Roundabout Outdoor Initiative,” emphasizing not only the generating of clean water, but spreading messages to women who have kids and young girls and boys to try to keep them HIV negative...try to keep everyone HIV negative. I realized that I couldn't dictate that a person must be faithful to one partner and wear condoms. Advertising social messages was the place to start. Rural kids were becoming sexually active at a younger age. When it gets dark and there is nothing else to do, this happens. So, these messages are just not targeted to adults, children have to be included. Trying to educate the children was one of my objectives. We entered the World Bank competition in January 2000 in Washington D.C. along with 3,000 other people from all over the world. It was the first time that I had entered the competition and we won.

**Q:** Was this competition part of the World Bank's clear water initiative program?

I wasn't aware of that. We won the competition in February 2000 and were awarded \$165,000. With that money, we were able to construct and install 30 additional PlayPumps®.

**Q:** Did you encounter any trouble enticing more advertisers to jump onto the bandwagon?

No. I had actually done what I set out to do and that was to address the AIDS awareness program even though before I went, I really knew very little about it. In fact, I visited the Department of Health here in Johannesburg to meet the Director General and the Secretary of Health as the official governmental agencies established to confront this issue. There was already an awareness campaign actively promoted by the government. So I met with the advertising manager and as a salesman needing additional monies, I simply walked in and said, “Hello, all I want you to do is print me the ads, you pay for the print and I'll let you have the advertising space for free.” We were able to acquire 40 pumps and all of the latest HIV/AIDS awareness messages which were displayed on the panels surrounding the water tanks on the top part of the tower. There are four panels on each tower: two sides are dedicated for social messages on HIV awareness and two for profit. And on the other side

we have Telkom messages dealing with Telkom, they bought them all. So Telkom was paying us. So we succeeded. We got the models and 40 pumps in the ground, all working, and we have HIV/AIDS articles opposite the commercial advertisements. We really did like that because rural people approach these signs at 360 degree angles. So if a villager were to approach from the north or south, HIV messages would be seen and from east and west, Telkom advertising is prominent. Really, no matter which angle you approach, you see both. If you put Kellogg's on one side and Anglo-American on the other side, it would be confusing. So, that's the way we've done it: north and south, east and west are always the same.

This project turned yet another direction after we won the competition. I was driving home one night, my cell phone goes off and guy on the other end says, "Hi Trevor, this is Dr. Michael Sinclair from the Kaiser Family Foundation in D.C. We've seen what you've done with the PlayPump® and like it a lot. We want to give you \$5 million at your discretion.... No, I'm serious. We sponsor the health systems trust.

**Q: And your reaction?**

We won the World Bank competition with our developing marketplace and clean water initiative and they knew we were behind the project. It's my opinion that if you want something done, use the private sector. You are on the line to pay the salaries and meet expenses. If you want to get things done you go with a for-profit organization because that way you have the incentive.

**Q: You had the incentive.**

Sinclair, says to me, "But Trevor, you know you have to understand this, your mother probably likes you a lot, but I don't know you from a bar of soap and I'm in D.C. and you're in Africa, so go and make a partnership with someone I do know and can understand." So I went and consulted with a man named Ronnie Kasrils and at that time, he was the Minister of Water Affairs. He was also in the military wing of the ANC. They called him "the General." He's a great guy. I explained our situation to him and he said, "I love it. We'll do it."

**Q: Is this the same branch of the government that's undertaking the "working for water" project?**

Yes, but Ronnie's no longer the minister anymore. Now with this additional funding and the governmental approval, we installed over 100 PlayPump® systems. So the initial venture of my wife and me produced 2 systems, then we increased the number to 40, and now, with these events, 100.

**Q: Was this one government connection sufficient to appease the Kaiser Foundation?**

Yes, by then we had a public/private partnership with the Department of Water and Forestry. It was their competence to bring water to the rural areas; it has changed since then. It is now a provincial competence which has made it much more open to public input.

**Q:** And you didn't apply for a grant from Kaiser, did you?

No, it just happened.

**Q:** So, the only thing you applied for was your entry in the World Bank competition?

Yeah, then when we were trying to install additional pumps, we sold commercial advertising space. In this way, we'd have enough money to repay the capital cost of the equipment. We



would secure a 3-year contract for advertising and we'd match this with a 3-year repay on the capital costs, the difference between the advertising and what we'd have to pay for that property. But then we arrived at the stage where people were donating money to install the pumps — people from all over the world would just make a donation and they'd send it to Roundabout. Then it got me thinking, you know, so I spoke to Ronnie Kasrils, Minister of Water Affairs, and I said to him, "Ronnie, I've got a question for you. When we put a pump in the ground, we don't own it, and if we got an American to pay for it,

they don't own it. The people who own it are the people living where it is. It's theirs. So, what's the incentive to give — could you give a tax break or something?" Then he called me back and he said that he had spoken to Trevor Manuel, the Minister of Finance, and that Mr. Manuel had indicated that the law was about to change in November to allow companies like ours to be able to apply for PBO status.

**Q:** What's "PBO" status?

Public Benefit Organization. It would allow a tax break similar to America's 501(c)(3) not-for-profits. So he said, "Just write a letter to me and I'll forward it to the finance minister."

**Q:** So, did you change the status of the organization from for-profit to not-for-profit?

Not yet. I just wrote the letter. Then I got the phone call from SARS which is like your IRS. They said, "We want you to come see us in Pretoria." I just about had a heart attack. I thought my tax was in question. So I went there and there were four Advocates in suits and there was a letter on the table and it was from Trevor Manuel to Ronny Kasrils referring to me. And they said the Minister has asked them to look into my question and asked me, "So what do you want us to do?"

**Q:** They were there seemingly at your discretion?

I explained to them that I wanted to change the law so that when people or organizations give us money, we can declare a 100% tax break for them. And they looked at me like I was

an idiot, and said to me, “Mr. Field, we’re not going to change the law for you, but what we’ll do is to tell you how to change your structure to get that benefit. What you do is keep Roundabout Outdoor as a for-profit entity since it already has *locus standi* and then open Roundabout Outdoor II or something else and we’ll make that second entity the PBO. We’ll give you PBO standing so you can give people a tax break and that company would then be regarded as an NGO, a section 21 not-for-profit.

**Q: So you have your version of the IRS giving you legal and organizational advice?**

Well, I said to him, “So how long does it take to get PBO status?” And he said, “Oh about two years or so.” I said, “How do I jump in the queue?” The minister wants this to happen so we’ll see what we can do. We got it in 2 weeks. Now all the money comes in through the PBO. Fast forwarding to PlayPumps International — that’s the NGO. Since then, we have been working quite nicely. Mark and I raised about \$14 million between the two of us from big organizations.

**Q: How did you find Mark Melman and what direction did Roundabout take after winning the World Bank competition?**

He found us. Mark used to work for a company called GMR, another advertising organization. We both shared a common friend at that time. He liked what we were doing so he bought 10% of our company. He put his money where his mouth was and joined us.

Being a previous winner, I was invited back to be a judge at the World Bank Competition and did this for a couple of years along with a lot of public speaking. Then the Case Foundation found us in D.C. — that’s Steven Case, the founder of America Online, AOL, and instrumental in the Warner Brothers merger. He and his wife started the Case Foundation. So, I got a call from one of his people that he and his wife wanted to see the PlayPump® and they made the big mistake of letting me get into their car with them to go to the site — a big error. In the car were the driver, Steve Case, Jean Case, and I for an hour and a half. I do not have a problem with talking for that amount of time. We drove out to a site and I took them to a rural community where kids are literally burned to pieces, little girls have been prostituting themselves to try to get a loaf of bread, crippled kids are prevalent. It’s a pretty rough place. Jean just sort of freaked and they got on a plane and went back home. I really didn’t think that I had done that well when they were here. Then I received a phone call from the foundation’s Senior VP saying, “Jean just loved the PlayPump®, loved the company, loved you, just loved it all and just wants to make a difference. So we would like to donate, if you would present this formally.”

**Q: What year was this?**

This was in 2004. So we worked for about 2 weeks putting a presentation together to specifically include target countries. We included all the east coast of Africa which consists of 10 countries, trying for 4000 pumps, at a cost of \$60 million. We then flew to the States and showed the presentation to Jean and her advisors and they all loved it. We said it would cost \$100 million to do all the drilling, but final costs were then reduced to \$60 million. We generated a lot of publicity from the Cases.

**Q:** I've noticed that you have been on a speaking tour, including several college campuses. You recently spoken at the University of Michigan's business school in Ann Arbor?

Yes, I was in Michigan and instead of beginning with a long lecture which would put them all to sleep, I simply asked for questions. There were 5000 people there and nobody left.

We've generated quite a lot of donations from other organizations in the States through our contacts at PlayPumps International — that's when we transformed Roundabout II into PlayPumps International. Now we have a D.C.-based PlayPumps so the Americans are able to receive their tax breaks. We had a big announcement just last year — First Lady Laura Bush announced that the Bill Clinton Global Initiative would supplement the Case commitment by pledging \$16.4 million to the initiative.



Out of nowhere, the First Lady of the United States announces that she's going to give this amount and soon thereafter, pop singers Jay-Z and Beyoncé contacted us with a commitment to dedicate concert revenues to this project. During this time, I was also able to meet Bill Clinton and Prince Harry. It has just gone berserk!

**Q:** So now you have 900 systems in South Africa?

No, more than 1000.

**Q:** And, from what I understand, also a couple hundred in Mozambique and now you're looking northward and have been contacted by India? This initiative has possibly grown into...

We want to make the world wet.

**Q:** But in coming to my next point, population is directly related to pollution. If the PlayPump® allows women more time to become educated, women perhaps will no longer function as beasts of burden nor be regarded as second class citizens and will then have more say in family planning decisions. Of course, this transformation might take a few more generations for that to happen around here.

Women are the target and remember that she is the educator and disseminator of information. So, if you put the information on the PlayPump® advertising panels that tell her how to look after where she lives without throwing batteries onto the ground when they are flat. If you educate the woman, she'll educate her kids and it will get better.

**Q:** So In terms of that educational process, maybe she'll choose not to have those 5 or 6 children; perhaps she will opt for the use of contraceptives.

And maybe her husband will not beat her up if she tells him to wear a condom.

**Q:** So with a PlayPump®, you're basically empowering women who could then act as catalysts for change?

Absolutely, she is the medium, there is no other medium, and the PlayPump® is the only self-sustainable mechanical water extraction device on this earth.

Several friends of mine back in England, all businessmen and lawyers, went to the Grand National and one of them says, "Do you know that there are over 1 billion people in this world who don't have access to water?" In response to this disturbing statistic, they came up with this idea to start their own bottled water company and call it "ONE" water. They sell the water in the U.K. and give all the profits, not just 5%, all the profits to us. They're launching in Australia, Singapore, Malaysia, Hong Kong, and the States as we speak, Duncan Goose is the founder of this company. I was with him in D.C. last Wednesday The Cases were there, as well as 200 other people including 10 ambassadors, the head of Bristol-Meyer-Squid and the CEO of Coca-Cola — all of them are behind this. I spoke to these people and announced what I'm going to do. Duncan introduces himself and states that his company would pledge its net profits of \$4 million and if every water company on this planet would do what he does, then with respect to the 1.1 billion people who don't have access to water, we'd solve that problem in 23 weeks. Now that's power. The big organizations that are purely profit-driven can't compete with Duncan because he donates all his profits. Instead, they have shareholders that they must answer to. Through his advertising efforts, Manchester University, having one of the biggest faculty in England and over 35,000 students on campus, has decided to stock only "ONE" water.

**Q:** With so many people who are not Trevor Field and who look at the world in its current condition and recognize the futility of so many temporary band-aid solutions, with your program and what you know you are able to accomplish, when you lie down at night, does your mind keep going?

Yes, I switch it off at about 2 o'clock in the morning and I'm thinking about other ways to harness this power, such as the production of electricity. Thinking about the electricity I really have a bug up my sleeve. You can't harness this energy without batteries. Do you remember when you bought your first cell phone? It came with a battery about the size of a radio and after charging it, you would get about 20 minutes of air time if you were lucky. Now the battery is like an after-dinner mint and lasts for 2 weeks, and that's just the development of technology. Soon we'll have batteries that will power whole institutions, even the size of this hotel. Not necessarily solar energy, but battery technology energy is on the forefront. You have to use the technology to store energy. That is stuff for the future; we are nowhere near that now. I'm into basic water. I'm not into people bathing, washing clothes, and washing the car. I'm into people drinking water and staying alive, that's it. Whether water is 25 meters or 200 meters away. All I want is for little girls to be able to go to school and get an education so they don't have to spend all day collecting water before they go to

school. Little girls who are entering puberty not to stay at home because they're embarrassed because they can't wash their hands. If you want to increase a girl's education, you put water in the school — that's an absolute no-brainer. Why does a girl have to suffer because of her gender? I don't care if we upset many people with my ideas and advertising. If I can only save 1 life, one, I'll be done. Do you know what the best thing about the PlayPump® is? Boys love to play on the pump. Boys don't collect water. But that's exactly what they're doing with their playing and the girls say, "Go ahead and spin" and that's how water is collected. And the girls are sitting there saying, "Go ahead, carry on, you're pumping the water for us" but they don't know. So what we're doing is we're beginning to switch the gender responsibility with respect to water collection.

**Q: How do you feel about yourself and your role in the world?**

I wish I had this brain in this body when it was 17.

**Q: So do you think a number of years have been wasted?**

Yes. I'm 56 now, 57 soon. My time on the planet is the problem. My big buzzword is "limited time on the planet." There's so much to do; I can't do it all. I can only talk about it. But I can franchise this idea.

**Q: Some might say that that sounds too capitalistic for the world.**

You're looking at capitalism. You know why I do this; I'm a "philanthropreneur." I do good, I make good.

**Q: One of my colleagues, an ethicist, has categorized 3 types of values-based leaders: those who are selfish (self-serving leadership), self-less (servant leadership), and self-full (values-based leadership). You seem to be the latter, much like Bill Gates. You are doing good in the world, yet you are earning a dollar for yourself.**

Yes, it's not like I am walking down the street giving away suitcases full of money.

**Q: But unlike Bill Gates, you seem to be more grass-roots oriented.**

Yeah, myself and Duncan. Duncan mortgaged his house twice and I did the same on mine. I don't think about money. You can't take it with you. You can only drive one car, live in one house, eat one meal. You can have multiples of these, but you can only use one 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, just like Duncan has one focus. We 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.

**Q:** And you never question yourself? That's basically how you've done everything?

It's like smoking, I used to smoke 60 times a day — that was me. I smoked like a chimney. And one day I just decided to stop. I'm a cut and dry, simple person. When I commit to do something, I go and do it. I own no Blackberry; I hate laptops. I just like to keep a personal life of my own.

---

## Biographies

**Trevor Field:** Mr. Trevor Field, born in Birmingham, U.K., is a British businessman with extensive experience in the outdoor advertising industry. He has also worked extensively in the printing and publishing industries, both in South Africa and in the U.K. From 1971 to 1974, he joined British Telkom and trained as Senior Technician in transmission. In 1975, Mr. Field immigrated to South Africa, where he worked for the next five years installing transmission cables to allow TV programs to be viewed in South Africa. He subsequently joined First General Media in 1980 and was National Sales Manager for its group magazine both in South Africa and in the United States. In 1995, Mr. Field decided to focus full-time on manufacturing and installing Roundabout PlayPump® systems. He installed the first 2 PlayPumps® in Kwazulu Natal. He joined forces with Mr. Paul Ristic in 1996 and Roundabout Outdoor was formally established in 1997. He is currently working to increase the functionality of the PlayPump® model. To date, over 1,200 PlayPumps® have been installed by PlayPumps International, predominantly in South Africa and Mozambique, with plans to expand both their presence and usage currently in progress.

**Mark Melman:** Mr. Mark Melman, born in South Africa, is a businessman with extensive experience in the outdoor advertising industry. Prior to joining Roundabout Outdoor (Pty) Ltd, Mark was a founding member of GMR Transit Media which specializes in commuter advertising.



*Taking a values-based perspective, we examine dynamic leadership approaches in the context of the entrepreneurial process. We introduce the Entrepreneurial Dynamic Leadership Process (EDLP) model to describe the practice of shifting between four leadership approaches: Charismatic, Self-Leadership, Transformational, and Empowerment — contingent on the stages of the entrepreneurial process. Using a toolbox metaphor, we propose that the EDLP model provides entrepreneurs with a “toolbox,” containing a collection of “tools:” leadership approaches to draw upon in different venture growth stages. To better illustrate the EDLP model, we present two case studies, demonstrating two possible applications. Finally, we suggest that process-based dynamic leadership approaches can contribute to a better understanding of the entrepreneurial process and that the EDLP model offers an invaluable “toolbox” for present and future entrepreneurs alike.*

## **DYNAMIC LEADERSHIP:** *TOOLBOX FOR THE VALUES-BASED ENTREPRENEUR*

---

CHUN GUO, SINÉAD G. RUANE, ALEXANDRA GALLI-DEBICELLA, PHUONG ANH NGUYEN  
DR. CHARLES C. MANZ, ISENBERG SCHOOL OF MANAGEMENT, UNIVERSITY OF  
MASSACHUSETTS, AMHERST

### **Introduction**

The talented entrepreneur assumes a diverse array of roles: *innovator*, *fundraiser*, *negotiator* and *marketer*. One of the most demanding, yet rewarding, is the role of *leader*, who inspires and mobilizes followers via the vision and values of the business. A strong business vision is vital to the growth and success of the new venture (Baum, Locke, & Kirkpatrick, 1998). Communicating an inspiring vision, however, can be a thorny endeavor for the entrepreneur who is consumed with the endless functional demands and growing

pains of a new venture. So how, exactly, does the accomplished entrepreneur successfully lead, motivate and secure the commitment of others, while relying on the clear business vision and values throughout the growth process? It is precisely this mystery that we will attempt to uncover.

In this paper, we introduce the *Entrepreneurial Dynamic Leadership Process* (EDLP) model. We propose that this multistage model be used to understand the interplay of the entrepreneur's vision, values and leadership approaches. More importantly, it illustrates how the successful entrepreneur seamlessly shifts between four leadership types, each dependent upon the stage of the entrepreneurial process. To help establish the foundation for the EDLP model, we will first clarify the importance of the entrepreneur's values and vision for the new venture and then briefly discuss the four different leadership approaches.

## Vision and Values

Vision is regarded as "...the means by which the leader's goals are communicated in an inspirational fashion to followers, and the leader takes various actions intended to implement the vision" (Cogliser & Bringham, 2004: 778). In an entrepreneurial context, the business vision plays an essential role in potentially realizing the venture's prospects (Baum et al., 1998). Therefore, creating and communicating a strong mental image of the future is an inherent part of the entrepreneur's ability to lead. This is underscored by the fact that those who join the entrepreneurial venture usually become committed to the vision – and not necessarily to the entrepreneur (Bird, 1989; Gupta, MacMillan & Surie, 2004).

A value can be defined as "...an enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence" (Rokeach, 1973: 5). For individuals, values serve as guides for selecting goals and behaviors (Schwartz & Bilsky, 1987). For organizations, values can reveal the organization's culture and identity (Albert & Whetten, 1985; Schein, 1985) and serve as a central part of the organization's definition (Williams, 2002). Clear values within an organization tend to be widely shared and prescribe which behaviors are expected within the firm. Since the entrepreneur is typically responsible for visualizing what the business will look like, this image is highly influenced by his or her personal values. Furthermore, for individuals who become involved in the entrepreneurial experience over time, the business vision articulates the substance of the goals. The values, upon which the vision is founded, represent the guiding principles for how to achieve those goals.

## Four Leadership Approaches

Using the entrepreneur's vision and values exhibited during the entrepreneurial process as criteria, we have identified four leadership perspectives we believe are especially critical: *Charismatic* (or *Visionary*), *Transformational*, *Self-Leadership* and *Empowerment*.

A "*charismatic*" leader is characterized as confident and powerful with a strong conviction in beliefs and values. To influence followers, a *charismatic* leader uses a variety of techniques, including: communicating an attractive vision with enthusiasm; using personal behavior as a role model; setting high expectations and showing confidence in followers; and building identification with the organization (Yukl, 2006). This leadership style is also known as "*visionary*," as it emphasizes the leader's role in creating the business vision while also building solidarity and encouraging reciprocal commitment from the followers.

"*Transformational*" leadership concerns an approach to leading in which a relationship of mutual trust, loyalty, and respect exists between the leader and followers (Bass, 1985, 1990; Burns, 1978). The leader stimulates and transforms followers by communicating the importance of task outcomes by persuading them to transcend their own interests for the

greater good and by activating their higher order needs, such as social inclusion and self-actualization (Yukl, 2006). In *Transformational* leadership, the aligning of values within the organization is essential. So while the *Transformational* leaders' and the followers' initial intentions might be related yet concomitantly distinct, it is through such a working relationship that their purposes can become fused, resulting in greater leader-follower congruence in values (Krishnan, 2004).

*"Self-Leadership"* implies a process of self-influence, self-direction and self-motivation, used to actively shape cognitive and behavioral strategies in order to positively influence personal effectiveness (Manz, 1986; Manz & Neck, 2004). Specific to the entrepreneurial context, a number of personal characteristics frequently identified in entrepreneurs are consistent with those associated with *self-leadership*. For instance, the desire for responsibility – an internal locus of control (Timmons, 2001) – and the need for achievement (Hornaday & Aboud, 1971; McClelland, 1961) which aptly describe the entrepreneur, are also viewed as qualities often exhibited by those who practice *self-leadership*.

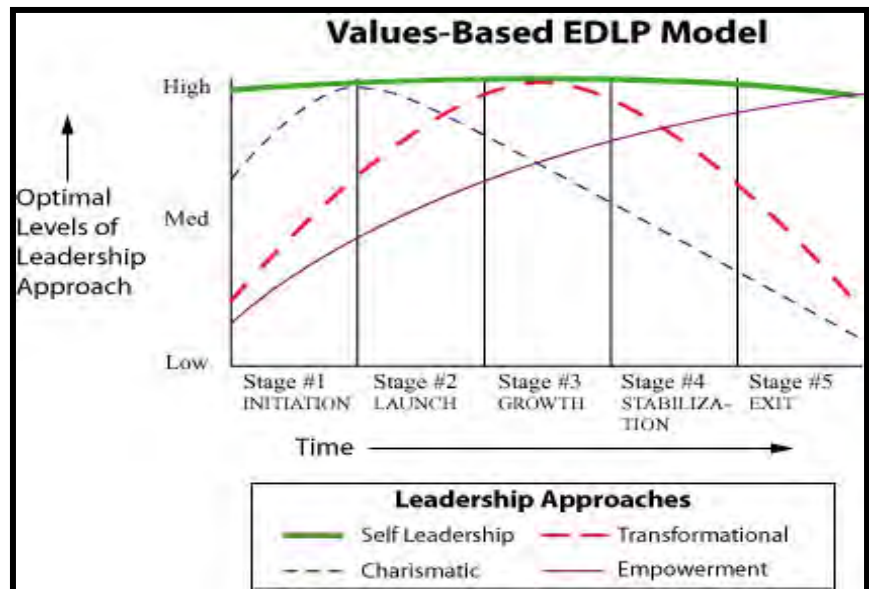
*"Empowerment"* – the last of the four leadership approaches – involves not only the provision of power and responsibility to followers, but also the facilitation of the psychological elements of increased self-efficacy and motivation. In this manner, those who are "empowered" truly perceive it as such (Yukl, 2006). *Empowerment* is also intended to impart self-leadership skills to followers (Manz & Sims, 1987, 2001). This means that the leader must at times take a step back from the action in order to give followers the freedom to make their own mistakes and to learn from them. An empowerment approach can significantly enhance the meaning and impact of one's work, as well as the self-efficacy and self-determination of empowered individuals (Spreitzer, 1995).

Referring back to our concern with the entrepreneur's vision and values, both *charismatic* and *transformational* leadership approaches are needed to create a vision and to inspire followers to support that vision (Bass, 1985). Further, in order to create an environment where members can understand, support and internalize the organization's culture and values, employees must be guided by an *Empowerment* strategy (Appelbaum, Hebert, & Leroux, 1999). Finally, *Self-Leadership* plays an integral role in entrepreneurial self-development (Neck, Neck, Manz & Godwin, 1999) and such an approach has been used by many prosperous entrepreneurs (Neck, Neck & Manz, 1997).

### **The Entrepreneurial Dynamic Leadership Process Model**

We employ the label *"Entrepreneurial Dynamic Leadership Process"* (EDLP) to describe the practice of shifting between the four leadership approaches, depending upon the current stage of the entrepreneurial process. One way to think about EDLP is to consider the toolbox metaphor. Every successful entrepreneur needs to have a "toolbox" containing a collection of "tools." Using this analogy, these tools represent the leadership approaches upon which the entrepreneur draws. Since different tools are typically used to accomplish different tasks, the entrepreneur must choose which tools are most appropriate, depending on the venture's current stage of growth and the immediate goals to be achieved. Thus, the entrepreneur's capacity to select suitably and apply these tools effectively is an important facet of the EDLP model.

Figure 1: Values-Based Entrepreneurial Dynamic Leadership Process Model



As indicated in Figure 1, beginning in the first stage and continuing throughout the entire entrepreneurial process, a strong emphasis on Self-Leadership is fundamental to the EDLP model. Referring once again to the “toolbox” metaphor, if the various leadership approaches represent the “tools” used by the entrepreneur, then, in a sense, Self-Leadership represents a foundational part of the “toolbox” itself. Without a toolbox, there can be no tools with which to work. In other words, Self-Leadership not only enables entrepreneurs to acquire the self-direction to be able to – largely on their own initiative – develop the vision for the business at its inception, but also accounts for the necessary discipline, self-management, perseverance and organizational skills to fulfill goals every step of the way (Manz, 1986; Manz & Neck, 2004). It is for these reasons that a Self-Leadership approach is present throughout the entire entrepreneurial process.

The EDLP model mainly focuses on four stages normally associated with the entrepreneurial process: *Initiation*, *Launch*, *Growth* and *Stabilization*. We have included a fifth stage: *Exit*. It is imperative that the entrepreneur acknowledge the importance of recognizing, planning and executing an exit strategy, if necessary. Each of these entrepreneurial process stages and their leadership implications are described as follows:

### Stage One: Initiation

All entrepreneurial ventures begin with the decision to pursue a particular objective or opportunity (Bhave, 1994). After extensive research, the selected business purpose is then transformed into the business concept. During this initial stage, structure and formality are largely nonexistent (Kazanjan, 1988). Entrepreneurs, generally working closely with their friends and family members, engage in all kinds of operational as well as managerial activities. Communications between entrepreneurs and their close contacts are frequent and informal. A major functional challenge at this stage is the contracting of a product prototype (Kazanjan, 1988; Block & MacMillan, 1985) and the subsequent selling of the business concept to, quite possibly, venture capitalists.

In addition to the presence of *self-leadership* which remains strong throughout the process, *charismatic* leadership is of paramount importance in the early development stages of the venture. The entrepreneur must be able to articulate the vision of the business with passion

and confidence in order to persuade others to offer their support for the budding venture. As the business begins to grow, the entrepreneur needs to cultivate connections beyond friends and family to include external parties, such as banks, investors, suppliers and other interested parties. Although the entrepreneur is not directly “leading” them in the same sense as he or she would lead the “follower” employees, *charismatic* leadership skills are especially important for creating a positive first impression and for building a strong business network.

### **Stage Two: Launch/Commercialization**

In order to further develop the business concept into a marketable product or service, the entrepreneur requires additional physical, capital, and human resources beyond those attainable by private means (Bhave, 1994). A formal organization must be created to acquire these external resources. This stage entails surpassing internal planning – integral to stage one – to achieve more concrete endeavors, including the creation of organizational structure, formal networking and developed communication channels (Herron & Sapienza, 1992). Typical key challenges in this stage include the introduction of a formal organizational structure, the recruitment of employees to staff functional departments (e.g., sales and accounting) and the development of incentives, budgets and reward systems (Bhave, 1994). An important part of this stage is the entrepreneur’s marshaling of personal knowledge and skills to facilitate integration and coordination of all functional parts.

With the recruitment of staff, the entrepreneur must be able to communicate the business vision effectively. *Charismatic* leadership can thus be imperative to the extent that some employees will be joining the organization largely as a leap of faith. Without a business history, it is difficult for applicants to research the background of the young venture, and it therefore becomes necessary that the entrepreneur – in relaying the business vision – inspires confidence and excitement in those taken on board (Bryant, 2004). Since it may take time before rewards can be reaped, it is important that the employees feel committed to the organization, enthusiastic about their roles and trust the entrepreneur’s ability to transform the business concept into a commercial reality. Increasing reliance on *transformational* leadership also occurs during this stage. While a *charismatic* approach may be appropriate in communicating the business vision to new recruits and external members (e.g., investors), *transformational* leadership is more suitable for building organizational commitment among the longer-tenured internal members.

### **Stage Three: Growth**

In the “*Growth*” stage, the entrepreneur is confronted with the venture’s transition from an early start-up organization to a rapid growth company (Kanzanjian, 1988). Increased production requires new technology and management efficiency. In order to effectively manage an increasing number of employees, communication channels must become more formalized. Additionally, a hierarchy of titles and positions will typically emerge and the boundary between functional departments will become more clearly defined (Bhave, 1994).

The entrepreneur’s primary leadership tasks at this point are to share the business vision and business values with the employees, to communicate expectations and to build consensus on how to achieve the objectives – all of which are characterized by *transformational* leadership. For this approach to be effective, it is crucial that employees actually commit to and adopt the organizational objectives – or in the present case, the entrepreneur’s goals – as their own. Ostensibly, the employees must make a personal investment which entails psychologically “buying into” the future of the business. While the use of *charismatic* leadership methods rapidly declines at this point in the entrepreneurial

process, *empowerment*, by contrast, receives growing attention. This approach proves particularly instrumental in spreading the business vision and values throughout the budding venture. The entrepreneur can now begin to enlist members with seniority to help educate new recruits about the business's organizational goals, principles, and practices.

#### **Stage Four: Stabilization**

The complete transformation of each business function in the entrepreneurial firm from informal and unspecialized to structured, specialized and formalized marks the beginning of stage four: "*stabilization*." This stage of the entrepreneurial process is characterized by the crisis of autonomy (Greiner, 1972), which emerges as employees feel increasingly restricted by the formal organizational structure and its hierarchical boundaries. A more delegation-oriented and *empowering* leadership approach should be adopted by the entrepreneur to encourage self-initiative and commitment on the part of the employees.

After reaching a peak in stage three, the application of transformational leadership begins to decline and is superseded by the predominance of an empowerment approach. Empowerment is now required due to the increased tasks and responsibilities associated with business growth, which leave the entrepreneur unable to maintain the same degree of control over operations that was enjoyed initially. In order to succeed at this stage, employees at different levels of the organization need to develop and use their own knowledge, skills and judgments on how to effectively deal with daily operations. Hence, this objective requires the entrepreneur to trust them with increased power, autonomy, and decision-making responsibilities. Additionally, an empowerment approach to leadership can promote the development of the collective vision and shared values. Unlike the earlier stages of the entrepreneurial process, employees are now actively encouraged to help shape the future of the business. Building the collective vision and shared values entails the continuous input of knowledge and ideas from, as well as the exchange of experience between, members at all levels of the organization.

#### **Stage Five: Exit**

During this final stage, the venture's growth rate starts to slow down and the organization gradually evolves from an organic entrepreneurial start-up to a relatively more stable, functional, operating company characterized by increasingly formalized management principles (Bhave, 1994). At this point, the entrepreneur may come to feel burdened by the overwhelming daily operation decisions. It is not uncommon for the entrepreneur to discover that he or she is no longer able to parent the growing child, and consequently chooses to step down. Although it is still possible for the entrepreneur to retain a position on the Board of Directors, an experienced executive or a managerial team must be swiftly introduced to maintain the business's growth momentum, market position and operational values. This split between the ownership and management thus marks the final stage of the entrepreneurial process – the exit of the entrepreneur.

Figure 2: Leadership Levels in the EDLP Model

Entrepreneurial Stage	Evolution of the Vision over Time	Level of Leadership Approach			
		Self-Leadership	Charismatic	Transformational	Empowerment
<b>INITIATION</b>	Creating the Entrepreneurial Vision	<i>High</i>	<i>High</i>	<i>Low</i>	<i>Low</i>
<i>LAUNCH</i>	Communicating the Business Vision	<i>High</i>	<i>High</i>	<i>Medium</i>	<i>Low</i>
<i>GROWTH</i>	Enlisting Members to Spread the Vision	<i>High</i>	<i>Medium</i>	<i>High</i>	<i>Medium</i>
<i>STABILIZATION</i>	Developing the Collective Vision	<i>High</i>	<i>Low</i>	<i>Medium</i>	<i>High</i>
<i>EXIT</i>	Establishing the Company Vision	<i>High</i>	<i>Low</i>	<i>Low</i>	<i>High</i>

The entrepreneur's departure from the business means the discontinuation of his or her direct input into the collective vision. This is likely the most difficult step of the process for the entrepreneur since so much of the founder's creativity, personality, values and beliefs are embedded within the successful venture. In this respect, even though the entrepreneur might be handing over the reigns, the founding dreams are still very much alive in the company's culture. At this stage, new leaders and employees need to be *empowered* to perpetuate the incorporation of the entrepreneur's vision and values into the organizational culture. It is only by achieving this objective that the company's founding vision and values will survive the ongoing arrival of new members and the departure of former ones in the days to come.

Figure 2 provides a summary of the changes in the business vision and the respective prominence of leadership approaches for each stage of the entrepreneurial process. The prominence of each leadership type is designated as low, medium or high. It is important to note that the scaling system is solely based on a comparison of emphasis of one leadership type relative to the other types in the particular stage of the entrepreneurial process.

### Empirical Illustrations of the EDLP Model

The EDLP model's matching of leadership approaches with phases of the entrepreneurial growth cycle tends to hold true, despite the company's rate of growth. Each of the following case examples demonstrates how the EDLP phases and corresponding leadership approaches impact entrepreneurial businesses on very different growth trajectories.

#### Case Study 1: Bill Gates & Microsoft

Bill Gates is known for his *visionary* leadership in founding the largest software corporation in the world. During the early 1970s, computers were too expensive for the average consumer. However, Gates, through Microsoft, successfully delineated the efficacy of computers to the public. Gates transitioned his leadership approach several times during

Microsoft's rise from the prototypical "software firm in a garage" to the world's second most valuable company. Gates' ability to shift roles from an "all hands on deck" programmer to charismatic visionary helped Microsoft manage its growth over the course of two decades.

**Initiation.** Gates' early Microsoft career was based on a *charismatic* leadership approach. Gates demonstrated *charismatic* leadership as a teenager when he persuaded his computer programmers group to be compensated through a royalty payment system instead of a fixed fee for each software program they created (Goett, 1999; Theodhosi, 2000). 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 (Microsoft, 2006a; Theodhosi, 2000). Recognizing the future demand for computer software for personal computers (PCs), Gates started Microsoft with long time friend, Paul Allen. The commitment to his goals at a young age demonstrates the stamp of *self-leadership*.

Gates' *charismatic* leadership approach enabled him to convince Allen and others to embrace his vision of software technology. In particular, his vision for pursuing the creation of leading software for PCs was "...guided by a belief that the computer would be a valuable tool on every office desktop and in every home" (Microsoft, 2006a: 1). Gates exemplified entrepreneurs at the initiation stage as he was inspired by the circumstances of the time and sought new opportunities with a trusted partner. Gates' *charismatic* leadership approach was rooted in a compelling vision of the future – so compelling that he was able to marshal resources both from within and outside his company.

The early years at Microsoft were characterized by a belief in this vision and an egalitarian style of leadership. Gates occupied two fundamental roles during the nascent phase of the business: first, he energized his small team of software engineers by infusing his vision of "personal computing;" and second, he created an egalitarian culture of personal initiative and collaborative work. While this type of culture is often true of entrepreneurs during the initiation stage, Gates made it part of the company's DNA – a cultural trait that would endure with the company's growth.

**Launch/Commercialization.** Microsoft's big breakthrough occurred a few years into its operations when it created MS-DOS, an operating system (OS) for the IBM PC (Goett, 1999; Theodhosi, 2000). Gates' *charismatic* leadership was instrumental in making MS-DOS the standard for the emerging PC market. He convinced IBM that it did not need to own the computer's operating system; the PC industry would grow faster if it focused upon what it did best (i.e., producing hardware), leaving the development of software to outside groups. Moreover, Gates displayed *transformational* leadership as he formed a team of close co-workers and employees (including Allen) to share his vision and values.

Gates again displayed *charismatic* leadership both in his interaction with the company's employees and with external partners, including IBM, during the launch of Windows in the mid 1980s (Goett, 1999). The limitations of MS-DOS started to become obvious as text-based commands only appealed to a limited consumer base. In response to this obstacle, Gates employed an existing idea – the graphic-user-interface (GUI) pioneered by Apple – and used both *charismatic* and *transformational* leadership approaches to revolutionize the industry (Goett, 1999). Ultimately, the Windows GUI became the standard for all PCs.

**Growth.** With the Windows operating system and the advent of Microsoft Office software, the company entered into a hyper-growth stage in the late 1980s and 1990s. As PCs became ubiquitous, Microsoft's software was installed on nearly every computer. In just a few short years, Microsoft transformed itself from a small software shop to a multi-billion dollar corporation. Gates shifted his role from technology visionary to corporate manager as the growing company faced different issues. With the strategic vision firmly entrenched, the

challenges faced by Gates were both operational (e.g., creating new versions of software) and competitive (e.g., fighting Lotus software like WordPerfect) (Brandel, 1999; Goett, 1999).

Gates shifted his leadership approach from *charismatic* to a blend of *transformational* and *empowering*. He hired talent (e.g., Steve Ballmer as C.O.O.) with superior operational experience. Gates realized which decisions should be delegated. He began to focus less on the business vision and more on ensuring that the most competent people were in place to execute it. Microsoft's primary staff base changed from software engineers to a broader collection of sales, marketing, and technological employees. Gates changed his motivation techniques in kind – he started to motivate employees with financial rewards (e.g., stock options) in addition to broadening his technological vision (Maccoby, 2001).

**Stabilization.** Microsoft continued to expand through the 1990s with its operating systems and Internet browser applications. Gates' primary strategy was to dominate the market to become ubiquitous within the PC software industry (Baker, 1998). Microsoft was now a global corporation and faced new challenges as a result. Additional formal processes were created to adapt to new contexts, such as managing employees in offices throughout the world, including India and China (Glover, Friedman, & Jones, 2002).

However, this saturation brought the greatest challenge to Gates' leadership approach. Neither his original technological vision nor pure operational/competitive focus was suitable for Microsoft at the turn of the millennium. Three main external factors contributed to this shift. First, the PC market growth had slowed dramatically as demand had stabilized. Second, the "dot-com" bust of 2000-2001 triggered a substantial slowdown in spending on technology (Barker III, 2005). Third, the government anti-trust case against Microsoft distracted the company from its original vision and its operational challenges (Klein, 2001). Gates' initial response to these challenges was to tighten his control. He felt he needed to reinforce his original vision and apply it to new emerging areas (e.g., the Internet) while closely monitoring operations which were commanding greater guidance (e.g., late releases of next-generation Windows and Office). He assumed the lead in defending against the federal government's anti-trust charges (Klein, 2001).

Gates' initial reaction caused Microsoft to stagnate in 2000-2002. He was unable to use his *charismatic* vision to overcome market and regulatory hurdles and the operational challenges were overwhelming. Realizing this, Gates eventually concluded that he needed to step aside as the company's leader by empowering others.

**Exit.** Gates relinquished daily management decisions to fill the role of Chief Software Architect until July 2008, when he reduced his role further by becoming an advisor (Microsoft, 2006b). He empowered Steve Ballmer to act as the new CEO in 2005 and returned to his roots – envisioning the next direction for technological advances (Microsoft, 2005; Microsoft, 2006a). Gates' original vision for Microsoft had been achieved as most PCs were operating on a Windows platform. Further, he acknowledged that other people were more suitable to handle the company's operational challenges. Gates recognized his limitations as a leader and ensured that he was surrounded by a staff of "*...smart people, visionaries, and industry insiders*" (Baker, 1998: 40).

Researcher Meryl Davids asserts that "*...the wonderful innovations that have come out of Microsoft since its inception have everything to do with Bill Gates' leadership style, which encourages suggestions from all ranks and debate of all ideas*" (Davids, 1995: 49). As Microsoft expanded from a small firm to a global corporation, Gates recognized that different leadership skills were needed. Ultimately, his underlying self-leadership skills allowed him to adapt his leadership approach, a key component of Microsoft's success.

### **Case Study 2: Sunil Paul & Brightmail**

Entrepreneurs need not stay in the company they create for a lengthy period of time or participate in all five stages of the entrepreneurial process to achieve success. In particular, there are entrepreneurs, such as Sunil Paul, who do not intend to stay or grow the company beyond a certain stage. Paul belongs to a group of individuals called “serial entrepreneurs.” Serial entrepreneurs are the ones who in the past have sold or closed a partially owned and/or operated business, and who at present partially own and/or operate another business (Wright, Westhead, & Sohl, 1998). These entrepreneurs prefer to engage in the purchase and/or establishment of ventures. The goals of serial entrepreneurs are to bring businesses to profitability and then hand them over to professional managers (Alsos & Kolvereid, 1998) or to sell the firms after the successful launch and commercialization of the products/services.

On the other hand, there are a number of small-time entrepreneurs, including those involved in single-family operated firms (e.g., “mom-and-pop” businesses), who do not want to expand their companies past a certain stage, but at the same time do not wish to sell them either. The reason justifying such resistance to expanding or selling is this: they do not want to relinquish control of and discretionary power over the infusion of their values and morés into their businesses. Instead, these entrepreneurs prefer to keep their companies small and are financially content to maintain the status quo.

“Serial” and “mom-and-pop” entrepreneurs typically bring a strong vision to each business they create, participate in the first two stages of the entrepreneurial process and predominantly exhibit three of the four leadership approaches (i.e., *charismatic*, *transformational*, and *self-leadership*). These claims are illustrated in the story of Sunil Paul who brings to each of his companies a passion for making a difference. His vision is to “...change the world through technology and business” (Rana, 2005: 1). In particular, Paul’s fight against Internet spam became the motivation for the creation of his second company, Brightmail Inc., established in 1998. Spam is not just a nuisance; it costs approximately \$20 billion to firms worldwide to filter and eliminate (Lyman, 2003). In response to these unnecessary expenses borne by commerce and industry, Paul realized a lucrative business opportunity in automatically detecting and expelling these unwanted e-mails.

**Initiation.** In the early days of Brightmail, Paul recognized the need to find a better solution to purging Internet spam problems that were plaguing Internet email users. Paul’s primary objective for Brightmail was to provide users with a means to control their email while advancing the capabilities of email for the Internet. During the *initiation* stage, Paul demonstrated strong *self-leadership* traits in both his personal and organizational practices in developing the foundation for the software. His *charismatic* leadership approach also became apparent through his ability to communicate Brightmail’s vision to investors, partners and employees. Paul was able to raise an impressive \$55 million from venture capitalists to improve the software. Additionally, his *charismatic* and persuasive approach attracted others to Brightmail’s vision. As a result, several people joined the venture at its inception and worked either for partial monetary remuneration or on a volunteer basis in exchange for increased equity in the company.

**Launch/Commercialization.** During the second stage of the entrepreneurial process, Paul’s *charismatic* leadership remained instrumental to Brightmail’s success. Paul and his team built important relationships with Internet Service Providers and formed twenty-five technology and distribution partnerships including Netscape, Bell South, Verizon and EarthLink. During this time, Paul’s *transformational* leadership also emerged through the formation of Brightmail’s substantial recruitment of employees and organizational structure complete with functional departments, support staff and developers. He was able to effectively align the vision and values of a more diverse organizational audience who espoused different interests and concerns.

Brightmail, under Paul's leadership, faced a transition period during the third year of its operation. He recognized that in order to develop Brightmail from a burgeoning business to a respectable company, he could no longer manage the company alone nor could he remain its C.E.O. (Roberts-Witt, 2000). Therefore, Paul recruited two experienced executives to fill the roles of C.F.O. and C.O.O. He relinquished his position as C.E.O. and named Gary Hermanson, a famed business executive, to lead Brightmail. However, Paul remained a member of the Board of Directors until the sale of Brightmail, valued at approximately \$370 million, to Symantec in June 2004.

In summary, serial entrepreneurs and small and medium-sized enterprise entrepreneurs do not necessarily intend to develop their respective companies indefinitely. Most mom-and-pop entrepreneurs prefer to keep their businesses sufficiently small to maintain direct control over them. By contrast, serial entrepreneurs recognize that they lack the managerial skills or resources needed to expand the business (Westhead, Ucbasaran, & Wright, 2003) and opt to transfer the responsibility associated with the latter stages of growth to others. As demonstrated at Brightmail, its rapid growth and continued success was highly influenced by Sunil Paul's recognition of his own leadership abilities and limitations. As such, Paul understood that a new leader had to be *empowered* to carry the company torch to the next stage and prepare its people for such a transition.

## Conclusion

As demonstrated in the cases of Bill Gates and Sunil Paul, an entrepreneur's journey is unique. While each entrepreneurial venture is recognized as being different, there are similarities in the advances and obstacles confronted during its development. The EDLP model accounts for a common pattern entailing necessarily unique details in terms of the path to growth. Adopting a value-based, dynamic leadership perspective of the entrepreneurial growth process can help entrepreneurs recognize and appreciate the different ways that various leadership approaches can influence the vision and values of the business. Research suggests that the entrepreneur's ability to create a vision, which both inspires and attracts commitment from others, has a direct impact on the success of the entrepreneurial venture (Baum et al., 1998; Ensley, Pearson & Pearce, 2003). The EDLP model offers insights that can help entrepreneurs choose how best to lead their employees to promote the optimal journey of growth for the budding business venture.

## References

- Albert, S., & Whetten, D.A. (1985). Organizational identity. *Research in Organizational Behavior*, 7, 263-295.
- Alsos, G. A., & Kolvereid, L. (1998). The business gestation process of novice, serial and parallel business founders. (Habitual Entrepreneurs and Angel Investors). *Entrepreneurship: Theory and Practice*, 22(4), 101-104.
- Appelbaum, S. H., Hebert, D., & Leroux, S. (1999). Empowerment: power, culture and leadership - a strategy or fad for the millennium? *Journal of Workplace Learning*, 11(7), 233-239.
- Baker, S. (1998). What every business should learn from Microsoft. *Journal of Business Strategy*, 19, 36-42.
- Barker III, V.L. (2005). Traps in diagnosing organization failure. *Journal of Business Strategy*, 26, 44-50.
- Bass, B.M. (1985). *Leadership and performance beyond expectations*. New York: Harper.

- Bass, B.M. (1990). *Handbook of leadership: A survey of theory and research*. New York: Free Press.
- Baum, J.R., Locke, E.A., & Kirkpatrick, S.A. (1998). A longitudinal study of the relation of vision and vision communication to venture growth in entrepreneurial firms. *Journal of Applied Psychology*, 83(1), 43-54.
- Bhave, M.P. (1994). A process model of entrepreneurial venture creation. *Journal of Business Venturing*, 9, 223-242.
- Bird, B. (1989). *Entrepreneurial Behavior*. Glenview, Illinois: Scott, Foresman & Company.
- Block Z, & MacMillan, I. (1985). Milestones for successful venture planning. *Harvard Business Review*, 63(5), 184-96.
- Brandel, M. (1999). Microsoft is born. *Computerworld*, 33, 71.
- Bryant, T.A. (2004). Entrepreneurship. In G.R. Goethals & G.J. Sorensen & J.M. Burns (Eds.), *Encyclopedia of Leadership* (Vol. 1, pp. 442-448). Thousand Oaks, CA: Sage.
- Burns, J.M. (1978). *Leadership*. New York: Harper & Row.
- Cogliser, C.C., & Brigham, K.H. (2004). The intersection of leadership and entrepreneurship: Mutual lessons to be learned. *Leadership Quarterly*, 15, 771-799.
- Dauids, M. (1995). Where style meets substance. *Journal of Business Strategy*, 16, 48-60.
- Ensley, M.D., Pearson, A., & Pearce, C.L. (2003). Top management team process, shared leadership, and new venture performance: A theoretical model and research agenda. *Human Resource Management Review*, 13(2), 329-46.
- Glover, J., Friedman, H. & Jones, G. (2002). Adaptive leadership: When change is not enough (Part One). *Organization Development Journal*, 20, 15-23.
- Goett, P. (1999). Bill Gates (b.1955): Standards operating procedure. *Journal of Business Strategy*, 20, 42.
- Greiner, L.E. (1972). Evolution and revolution as organizations grow. *Harvard Business Review*, 54(4), 37-46.
- Gupta, V., MacMillan, I.C., & Surie, G. (2004). Entrepreneurial leadership: Developing and measuring a cross-cultural construct. *Journal of Business Venturing*, 19, 241-260.
- Herron, L. & Sapienza, H. J. (1992). The entrepreneur and the initiation of new venture launch activities. *Entrepreneurship Theory and Practice*, 17(1), 49-55.
- Hornaday, J.A., & Aboud, J. (1971). Characteristics of Successful Entrepreneurs. *Personal Psychology*, 24(Summer).
- Kazanjan, R.K. (1988). Relation of dominant problems to stages of growth in technology-based new ventures. *Academy of Management Journal*, 31(2), 257-279.
- Klein, B. (2001). The Microsoft case: What can a dominant firm do to defend its market position? *Journal of Economic Perspectives*, 15, 45-62.

- Krishnan, V. R. (2004). Impact of transformational leadership on followers' influence strategies. *Leadership & Organization Development Journal*, 25(1/2), 58-72.
- Lyman, J. Spam Costs \$20 Billion Each Year In Lost Productivity. (December 29, 2003). Retrieved May 8, 2006, from [www.linuxinsider.com/story/32478.html](http://www.linuxinsider.com/story/32478.html).
- Maccoby, M. (2001). Successful leaders employ strategic intelligence. *Research Technology Management*, 44, 58-61.
- Manz, C.C. (1986). Self-leadership: Toward an expanded theory of self-influence processes in organizations. *Academy of Management Review*, 11, 585-600.
- Manz, C.C., & Neck, C.P. (2004). *Mastering Self-Leadership: Empowering yourself for personal excellence* (2nd ed.). Upper Saddle River, NJ: Prentice Hall.
- Manz, C.C., & Sims, H.P.J. (1987). Leading workers to lead themselves: The external leadership of self-managing work teams. *Administrative Science Quarterly*, 32, 106-128.
- Manz, C.C., & Sims, H.P.J. (2001). *The new Superleadership: Leading others to lead themselves*. San Francisco, CA: Berrett-Koehler.
- McClelland, D. (1961). *The Achieving Society*. Pinckton: D. Vam Nostrand Co.
- Microsoft. Bill Gates' Web Site. (2006a). Retrieved April 23, 2006, from <http://www.microsoft.com/billgates/bio.asp>.
- Microsoft. Microsoft Announces Plans for July 2008 Transition for Bill Gates. (2006b). Retrieved April 28, 2008, from <http://www.microsoft.com/presspass/press/2006/jun06/06-15CorpNewsPR.msp>.
- Microsoft. Steve Ballmer: Chief Executive Officer. (2005). Retrieved April 23, 2006, from <http://www.microsoft.com/presspass/exec/steve/default.msp>.
- Neck, C.P., Neck, H.M., & Manz, C.C. (1997). Thought self-leadership: Mind management for entrepreneurs. *Journal of Developmental Entrepreneurship*, 2, 25-36.
- Neck, C.P., Neck, H.M., Manz, C.C., & Godwin, J. (1999). I think I can; I think I can: A self-leadership perspective toward enhancing entrepreneur thought patterns, self-efficacy, and performance. *Journal of Managerial Psychology*, 14, 477-501.
- Rana, R. Sunil Paul: A Man of Ideas. (2005). Retrieved May 4, 2006, from [www.indianlifeandstyle.com/ILS-July-Aug05/looking.htm](http://www.indianlifeandstyle.com/ILS-July-Aug05/looking.htm).
- Roberts-Witt, S.L. A Network's Anatomy: Brightmail Inc. (2000). Retrieved May 4, 2006, from [www.iw.com/magazine.php?inc=051500/5.15netanatomy.html](http://www.iw.com/magazine.php?inc=051500/5.15netanatomy.html).
- Rokeach, M. (1973). *The Nature of Human Values*. New York: Free Press.
- Schein, E.H. (1985). *Organizational culture and leadership*, San Francisco: Jossey-Bass.
- Schwartz, S.H., & Bilsky, W. (1987). Toward a universal psychological structure of human values. *Journal of Personality and Social Psychology*, 53, 550-562.
- Spreitzer, G.M. (1995). Psychological empowerment in the workplace: Dimensions, measurement, and validation. *Academy of Management Journal*, 39, 483-504.

- Theodhosi, A.S. (2000). May the worst man win. *Strategy & Leadership*, 28, 28-31.
- Timmons, J.A. (2001). *New Venture Creation: Entrepreneurship for the 21st Century* (5th ed.). New York: McGraw-Hill.
- Westhead, P., Ucbasaran, D., & Wright, M. (2003). Differences Between Private Firms Owned by Novice, Serial and Portfolio Entrepreneurs: Implications for Policy Makers and Practitioners. *Regional Studies*, 37(2), 187-200.
- Williams, S.L.(2002). Strategic planning and organizational values: Links to alignment. *Human Resource Development International*, 2, 217-233.
- Wright, M., Westhead, P., & Sohl, J. (1998). Editor's introduction: Habitual entrepreneurs and angel investors. *Entrepreneurship Theory and Practice*, 22(1), 5-21.
- Yukl, G. (2006). *Leadership in Organizations* (6th ed.). Upper Saddle River, NJ: Prentice Hall.

---

## Author Biographies

### Charles C. Manz

Charles C. Manz, Ph.D. is a speaker, consultant, and bestselling author of over 200 articles and scholarly papers and 20 books including *Mastering Self-Leadership*, 4<sup>th</sup> ed., *Fit to Lead*, *The New SuperLeadership*, *The Power of Failure*, Foreword Magazine best book-of-the-year Gold Award winner *Emotional Discipline*, and Stybel-Peabody National Book prize winning *SuperLeadership*. His work has been featured on radio and television and in *The Wall Street Journal*, *Fortune*, *U.S. News & World Report*, *Success*, *Psychology Today*, *Fast Company* and several other national publications. He is the Nirenberg Chaired Professor of Leadership in the Isenberg School of Management at the University of Massachusetts. Formerly a Marvin Bower Fellow at the Harvard Business School his clients have included 3M, Ford, Xerox, General Motors, P&G, American Express, the Mayo Clinic, Banc One, the U.S. and Canadian governments, and many others.

### Chun Guo

Chun Guo is a Ph.D. candidate in Organizational Studies at the Isenberg School of Management, University of Massachusetts at Amherst. Her research interests include leadership, entrepreneurship, organizational justice, social networks, and human resource management in China. She received her M.B.A. from Oklahoma State University. She has worked in the clean energy industry in China for years and is currently working on her Ph.D. dissertation research regarding the role of organizational justice in massive layoffs in China.

### Sinéad G. Ruane

Sinéad G. Ruane spent years employed in a variety of organizations, from public and private to non-governmental and charity, filling an assortment of roles, before realizing that she'd really prefer to *study* different organizations and forms of work. A nomad at heart, she has lived on four continents and earned degrees in Management from the University of Saskatchewan, Canada, and University College Dublin, Ireland. Sinéad is now pursuing a PhD in Organization Studies at the University of Massachusetts, Amherst. Her research interests include emotion, gender, and power issues in the workplace, qualitative methodology, and her current obsession, personal coaching – the focus of her dissertation.

**Alexandra Galli-Debicella**

Alexandra has worked for several small businesses in areas related to strategic management and studied corporate strategy in her MBA program, before entering the PhD Program at the University of Massachusetts. Her academic interests span many areas of strategic management including how service firms deal with uncertainty from clients, innovation, exploring the ways small business deal with growth, how businesses create value propositions in undefined markets, and international business. Alexandra has also authored and co-authored several conference papers.

**Phuong Anh Nguyen**

Phuong Anh Nguyen is a Ph.D. student in Management Science at the Isenberg School of Management at the University of Massachusetts, Amherst. She received her M.B.A. from the California State University, East Bay, and a B.A. in Molecular and Cell Biology from the University of California at Berkeley. Her research interests cover a wide range of topics in lean production, high performance work organization, quality management, continuous improvement, and innovation and creativity. She is currently working on her Ph.D. dissertation researching continuous improvement practices of organizations in Vietnam.



*Many great business leaders have had childhood experiences and been exposed to certain behaviors early on in their lives which inevitably affect their business decision-making skills in their later years. Family members, social events, school instructors, friends and work colleagues may have intentionally or even unwittingly created an impressionable affect upon the future entrepreneur, predisposing that person to an astute awareness of binding social obligations. It is that certain individual, imbued with respect, understanding and benevolence toward others coupled with a strong work ethic, who embraces moments of intuitive perception with a newfound and all-encompassing passion and zeal, and moves outside of his or her comfort zone, prepared to act, risk and lead.*

# Capitalism Revisited: The Interplay of Motivation, Inspiration and Risk

---

DUNCAN GOOSE, CEO, GLOBAL ETHICS LIMITED, FOUNDER “ONE” WATER CO., LONDON, UK

## Introduction

### (Editor's Notes)

When one thinks of benevolent capitalism, thoughts of Andrew Carnegie and David Rockefeller of yesteryear and more recently, Bill Gates, William Randal Hurst III and Warren Buffett, emerge. These individuals are pillars of the business world who all emphasized the obligation of bettering society with one's acquired wealth. But how did these men all arrive at this common conclusion, that successful business people should serve as stewards and trustees for the public good?

Many people, during the course of their respective lifetimes, experience life-changing moments. Some might be near-death events and others might involve troubling world crises. Regardless, not every person responds in like manner to incidences of particular influence, whether latent or conspicuous. Therefore, it is necessary, in learning from values-based business leaders, to examine the sociological and psychological makeup of that particular individual and determine what makes him or her “tick” and respond to that exposure in a meaningful way. So, by examining a person's background and relationships both central to and external from that individual's being, perhaps a common thread can be uncovered.

## Case Examples:

**Bill, Melinda and Mary Gates:** The Bill and Melinda Gates Foundation is the leading example of acquired wealth generated from superior business acumen and distributed in large increments towards the end of the business man or woman's lifetime. But is this just an attempt to create a legacy while gaining financially beneficial personal tax strategies? Or did the familial, religious, environmental, educational and/or social underpinnings of these business people shape their anthropologist direction?

In the case of the founding of the Gates Foundation, an interesting story has emerged. Melinda French, (n/k/a Melinda Gates), a Roman Catholic, was once an employee of Microsoft. In 1993, she met her employer's co-founder, Bill Gates. In that year, she traveled to South Africa on safari and was struck by the fact that the local women there were all walking or running without shoes to the nearest village to sell vegetables. This experience determined what she would do next in her life and the people — most notably her soon-to-be husband — she would influence. Additionally, when Bill and Melinda married in 1994, on the eve of Melinda's bridal shower, Bill's mother Mary Maxwell Gates — the first female King County United Way President and a 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 — handed her a note which read: "To those who are given much, much is expected." This was a self-proclaimed epiphinal experience for the young couple (Lohr and Strom, 2006).

**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. Their respective parents inculcated within them the expectation to treat their fellow human beings with benevolence and respect. In the early 1970s, Jerry attended Oberlin College in Ohio. The Kent State University shootings committed by the National Guard against defenseless students in May of 1970 — only miles away from Oberlin — became an epiphinal experience for these business partners, leading them to commit to giving back to society as their business grew (A&E Television Networks, 2005).

**Ray Anderson:** Ray Anderson, founder and CEO of Interface, Inc., was raised in a Southern Baptist environment. In 1973, he founded the now billion-dollar, largest carpet making industry in the world. In 1994, Mr. Anderson read the book "The Ecology of Commerce" by Paul Hawkins. This book constituted his life-changing experience, which precipitated the formation of a company committee assembled 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. (Achbar, Mark et al, 2005).

**The story of Duncan Goose provides yet another example of the interplay of business success, world situation 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.**

## **A Venture Capitalist with a Commitment to Stewardship**

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."

## **Impact of Religion**

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.'"

**"When I am asked what I believe in, my response is 'I don't disbelieve in anything.'"**

### Impact of the Work World

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 epiphal 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 epiphal 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.’”

With respect to how Bill Gates understands capitalism and social responsibility, Duncan acknowledges that he would both agree and disagree with Gates’s ideology respecting the interaction between business undertakings and philanthropic endeavors, stating that: “I am a capitalist in that I have developed an industry, fought competition, developed emerging markets, and marketed this particular product for world wide 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 epiphanal 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

**Risking yourself and your assets for what you believe to be beneficial to society is risking outside of one’s comfort zone. You must accept that you are not going to get everything right; just minimize what you get wrong and give it your best shot.”**

**— Duncan Goose**

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 thoroughly identifies with 20<sup>th</sup> century French writer and theologian Jacques Ellul’s ideological statement: “to live is to risk” (modifying Soren Kierkegaard’s well-known idiom “to live is to risk...dying”), but cautions that this 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.”

## On Developing Countries

For Duncan, the subject of assisting third world communities is especially complex. He emphasizes that when coming into these underdeveloped communities, one must first partner with the local residents and work as a team to combat or resolve identifiable issues adversely affecting that community. Following this mindset, Duncan chose Playpumps International as the recipient NGO of his company's net profits. "The playpump is an invention that involves the community in an intergenerational way and provides local employment to maintain each water system. It is a truly sustainable operation. Family planning, on the other hand, is too complex to address without involving a specialist such as a socio-philanthropist."

## The Ingredients of Creative Capitalism

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. Duncan Goose is certainly one of those leaders. He describes his life as "a series of awakenings — you live your life when you live it backwards. Riding my motorbike around the world allowed me to expand my rather limited international travel experiences and to witness things that I may have otherwise never encountered." This, in turn, has changed the way he views life and conducts his business.

In summarizing his own method of pursuing capitalistic ventures while remaining socially responsible, Duncan has shaped a unique ideology:

***"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."***

## Editor's References

Achbar, Mark, Abbott, Jennifer, and Bakan, Joel 2005. The Corporation. A documentary produced by Zeitgeist Films, Ltd, Canada.

Biography: Ben & Jerry's 2005. A&E Television Networks.

Lohr, Steve and Strom, Stephanie 2006. No Longer in Shadow, Melinda Gates Puts Her Mark on Foundation. Available at <http://www.nytimes.com/2006/07/06/us/06gates.html?pagewanted=print>.

---

## Biography

Duncan Goose, a native of Scotland, is the CEO of London-based Global Ethics Limited with offices in Washington, D.C., London and Australia. Duncan is also the founder and owner of the “One” bottled water company, situate in the U.K., with a worldwide distribution base.

In 2004, Duncan left his position as a board member and development director of WPP plc, a world leader in marketing communications, and established the not-for profit organization, “Global Ethics Limited” with the principal aim of raising funds for sustainable projects in developing countries. In 2005, Global Ethics launched the “One” bottled water business. The net profits derived from the sale of “One” water are dedicated to programs which provide clean water solutions in Africa. The concept of “One” water began in a completely innocuous way when Duncan, between 1998 and 2000, fulfilled a life-long ambition of riding a motorbike around the world. During this time, Duncan witnessed first-hand the devastation caused in Honduras by Hurricane Mitch which precipitated the establishment of a fundraising program which helped to reconstruct 13 villages. This experience radically changed his view of the world and the way of conducting business. He soon realized just how a little bit of ingenuity and support could drastically improve peoples’ lives forever.

After learning that more than 1 billion people in world have no access to clean drinking water and that approximately 2 million people die each year from diseases related to unsafe water, the concept of “One” was realized. In the first year of trading, “One” donated £1 million with the aim to donate £5 million annually directly through “One” water sales. Currently, these proceeds have been helping to finance the manufacture of roundabout water systems powered by PlayPumps, a unique water pumping system in which children play on roundabouts that pump fresh, clean water from deep underground aquifers into storage tanks for use by the whole community.

Since “One” was launched at Live8 in 2005, it has helped install 899 roundabout pumps in South Africa, Mozambique, Swaziland and Zambia — enough to supply 1.2 million people with clean drinking water from a sustainable source. This has changed the lives for many African children who now have the opportunity to go to school rather than spend the majority of their time collecting water and has additionally had a significant impact on reducing the prevalence of illness and death from contaminated water.



*Workplace bullying is an oft overlooked, insidious practice encountered by countless workers today. Such harassment has taken a toll, not just on the physical and mental well-being of the individual directly affected, but on his or her familial and social relations, job productivity, and overall workforce morale. As with more subtle forms of sexual harassment, incidences of bullying are often unreported or if investigated, brought to a quick and usually ineffective conclusion.*

# WORKPLACE BULLYING AND ETHICAL LEADERSHIP

---

DAVID C. YAMADA, J.D., SUFFOLK UNIVERSITY LAW SCHOOL, BOSTON

## Introduction

Workplace bullying has been defined as “the repeated, malicious, health-endangering mistreatment of one employee . . . by one or more employees” (Namie & Namie, 2003, p. 3). It may come in the form of the yelling and screaming boss who regularly inflicts high-decibel tirades upon a subordinate. It may be in the way of workers who deliberately sabotage the reputation of a co-worker by spreading lies and rumors about her performance and character. In any of its overt and covert varieties, bullying inflicts serious harm upon employees and organizations alike, causing psychological and physical injuries to workers and sapping productivity and morale from the workplace. Studies indicate that most people will be exposed to this behavior at some point during their working lives.

Workplace bullying presents serious challenges to organizations, but it remains one of the most neglected problems in the realm of employment relations. Accordingly, this article addresses the implications of workplace bullying for organizational leaders and suggests measures that can be undertaken to respond to it. First it will describe common bullying behaviors and their effects on individuals and organizations. Next it will examine how organizations can act preventively and responsively to this destructive phenomenon. Finally, it will tie together these threads in the context of individual dignity and the practice of values-based leadership.

## Understanding Workplace Bullying

The term “workplace bullying” may be relatively new to American audiences, but it is widely recognized in many other countries. Most researchers agree that the work of Heinz Leymann, a Swedish psychologist and professor, constituted the starting point for conceptualizing and understanding this phenomenon. During the 1980s, Leymann drew on his experience as a family therapist and began investigating various forms of interpersonal conflict at work. He used the term “mobbing” to describe the kinds of hostile behaviors that were being directed at workers (Leymann, 1996). His pioneering research forms a seminal body of work on psychological abuse in the workplace.

During the 1980s and early 1990s, British journalist Andrea Adams popularized the term “bullying” to describe these workplace behaviors, using a series of BBC radio documentaries to bring the topic to a larger public audience. In 1992, she authored the first book to use “bullying at work” as its operative term (Adams, 1992), clarifying that:

Bullying at work is like a malignant cancer. It creeps up on you long before you – or anyone else – are able to appreciate what it is that is making you feel the ill effects. Yet despite the fact that the majority of the adult population spends more waking hours at work than anywhere else, the disturbing manifestations of adult bullying, in this particular context, are widely dismissed (Adams, 1992, p. 9).

Although the term “workplace bullying” did not reach the United States until the late 1990s, the occurrence of psychologically abusive behaviors at work and the harm created began to attract more attention from American practitioners and researchers during the early to mid 1990s. The initial works came from specialists in the mental health and human resources fields, examining the impact of these behaviors on individuals and organizations (Bassman, 1992; Hornstein, 1996; Stennett-Brewer, 1997; Wyatt & Hare, 1997). In addition, a spate of “bad boss” books, often filled with anecdotes about working for horrible supervisors and intended for a more popular audience, appeared around this time (Bing, 1992; Sartwell, 1994; Tien & Frankel, 1996). Of course, this also was the prime decade of *Dilbert*, the syndicated cartoon series about cynical cubicle dwellers and their dysfunctional workplaces.

Finally, the husband and wife team of Drs. Gary and Ruth Namie, both trained in psychology, introduced workplace bullying into the vocabulary of American employment relations. In response to what they had witnessed and experienced in the workplace, the Namies consulted the works of Leymann, Adams, and other European writers and scholars. They determined that an American campaign of research and education was necessary to expose this widespread form of mistreatment at work, and they chose to use the label *bullying* because they believed it would resonate with the public. Their ongoing efforts led to the establishment of the non-profit Workplace Bullying Institute ([www.bullyinginstitute.org](http://www.bullyinginstitute.org)), the publication of a leading book (Namie & Namie, 2003), and a pioneering array of public education, consulting, and advocacy initiatives.

Workplace bullying is on the verge of entering the mainstream of American employment relations. In recent years, the *New York Times*, *Wall Street Journal*, and many other leading newspapers and periodicals have run feature stories on bullying at work (Parker-Pope, 2008; Tuna, 2008), and popular television news programs have devoted segments to the topic. Business journals for managers and employment relations specialists are taking

particular note of workplace bullying (Badzmierowski & Dufresne, 2005; Fox & Stallworth, 2005; Vega & Comer, 2005; Gardner & Johnson, 2001). The Labor and Employment Relations Association, Society for Human Resource Management, American Psychological Association, and Association of American Law Schools are among the learned and professional associations that have sponsored panels and lectures on workplace bullying and related topics nationally. The Internet, perhaps the leading indicator of emerging societal trends, is awash in commentary devoted to workplace bullying, workplace mobbing, and psychological abuse at work.

During the past decade, researchers in the United States have followed in the footsteps of their European colleagues to help build a significant body of data and information on workplace bullying and related mistreatment at work. We now understand the most common bullying behaviors, the frequency of this conduct, and the potential impact on workers and employers. The following represent a sampling of the more relevant findings:

### **Behaviors and Frequency**

Workplace bullying comes in many varieties, overt and covert, direct and indirect. It is intentionally hurtful, typically repeated, and often malicious in nature. Among the most frequently reported behaviors are yelling, shouting, and screaming; false accusations of mistakes and errors; hostile glares and other intimidating non-verbal behaviors; covert criticism, sabotage, and undermining of one's reputation; social exclusion and the "silent treatment"; use of put-downs, insults, and excessively harsh criticism; and unreasonably heavy work demands (Namie & Namie, 2003, p. 18; Keashly & Jagatic, 2003, pp. 36-37).

Workplace bullying does not concern everyday disagreements at work, the occasional loud argument, or simply having a bad day. Furthermore, it does not involve interpersonally difficult aspects of work, such as giving a fair and honest evaluation to an underperforming employee. It also is not about gruff vis-à-vis easygoing bosses, as bullying often transcends management styles. Rather, bullying encompasses a power relationship, whether vested in organizational hierarchies, interpersonal dynamics, or both, that has crossed a line and become abusive.

Because of different measures used to define workplace bullying, surveys and studies have varied widely on determining the frequency of this conduct. By any measure, however, workplace bullying is common. For example:

- In 2007, pollster Zogby International conducted a national survey and public opinion poll on workplace bullying in conjunction with the Workplace Bullying Institute (WBI/Zogby, 2007). The survey responses indicated that some 37 percent of American workers had experienced bullying at work.
- During the mid-1990s, social psychology professor Harvey Hornstein analyzed information about abusive supervision from nearly 1,000 workers in a wide variety of occupations and concluded that approximately 90 percent of the workforce experienced abuse from their bosses at some time in their careers (Hornstein, 1996, p. xiii).
- In 2000, social psychologists Loreleigh Keashly and Karen Jagatic cited numerous studies showing the frequency of bullying-type behaviors, including their own survey of

Michigan residents in which “about 59 percent of the representative working sample indicated they had experienced at least one type of emotionally abusive behavior at the hands of fellow workers” (Keashly & Jagatic, 2003, p. 35).

## **Harm to Employees and Others**

Severe workplace bullying can inflict serious harm upon a targeted employee (Namie & Namie, 2003, pp. 53-68; Keashly & Jagatic, 2003, pp. 52-57). Common psychological effects include stress, depression, mood swings, loss of sleep (and resulting fatigue), and feelings of shame, embarrassment, guilt, and low self-esteem. Some targets have developed symptoms consistent with Post-Traumatic Stress Disorder. Common physical effects include stress headaches, high blood pressure, digestive problems, increased risk of cardiovascular illness, and impaired immune systems.

Workplace bullying is a profound violation of one’s personal dignity. To illustrate, a study by a team of communications researchers examining how bullying targets perceived their experiences found that targets’ narratives “were saturated with metaphors of beating, physical abuse, and death” (Tracy, Lutgen-Sandvik & Alberts, 2006, p. 160). One target reported feeling “maimed” and “character assassinated,” while others used terms such as “‘beaten,’ ‘abused,’ ‘ripped,’ ‘broken,’ ‘scarred,’ and ‘eviscerated’” (Tracy et al, 2006, p. 160). The bullying process was described alternatively as a “game or battle,” a “nightmare,” “water torture,” and a “noxious substance” (Tracy et al, 2006, p. 159). In describing themselves, targets used terms such as “slave” or “animal,” “prisoner,” child with “an abusive father,” and “heartbroken lover” (Tracy et al, 2006, p. 159).

Targeted workers are not the only ones negatively impacted by this mistreatment. Co-workers who witness or learn of this behavior may become intimidated and fearful, experiencing anxieties that affect the quality of their work lives as well. Targets of severe bullying are likely to bring their experiences home with them, affecting family and social relationships. For example, targets who are suffering from clinical depression due to bullying may be so consumed by their own situations that they are less attentive to the emotional needs of their children.

## **Harm to Employers**

Employers pay a heavy price for workplace bullying. Human resources specialist Emily Bassman found that “(e)mloyee abuse can have major bottom-line consequences” for employers, including direct costs, indirect costs, and opportunity costs (Bassman, 1992, pp. 137-49). Direct costs include a significant increase in medical and workers’ compensation claims due to work-related stress and the costs of litigation emerging from abusive work situations. Indirect costs reflect the impact on employee morale and engagement, including “fear and mistrust, resentment, hostility, feelings of humiliation, withdrawal, play-it-safe strategies, and hiding mistakes” (Bassman, 1992, p. 141). High turnover, absenteeism, poor customer relationships, and acts of sabotage and revenge may result from such environments, as well as opportunity costs reflecting losses from a worker’s job effort falling “between the maximum effort of which one is capable and the minimum effort one must give in order to avoid being fired” (Bassman, 1992, p. 145).

The residual effects of bullying on organizational performance can be significant. For example, social worker and attorney Eliza Vanderstar observed that in health care settings, workplace

bullying directed at physicians and nurses can have a negative impact on the quality of patient care (Vanderstar, 2004). In one particularly vivid example, she summarized an interview with a kidney dialysis patient who saw his nurse being yelled at right in front of him by another nurse as “she was drawing up medication” (Vanderstar, 2004, p. 466). The patient reported that he was reluctant to say anything “for fear of any retaliatory effect as the nurses stick him with large needles each time he has treatment” (Vanderstar, 2004, p. 466).

Employers ignore workplace bullying at their peril. Pamela Lutgen-Sandvik analyzed what she called the “communicative generation and regeneration of employee emotional abuse” and found that when bullying is left unaddressed by the organization, targets become more motivated to engage in retaliation and the likelihood of further aggression or violence increases (Lutgen-Sandvik, 2003). This is compatible with the findings of organizational behavior professors Robert Baron and Joel Neuman, who have characterized overall workplace aggression as the “iceberg” beneath the “tip” of workplace violence (Baron & Neuman, 1998). At times, the link between bullying and violence at work can be very direct. According to workplace violence expert Joseph Kinney, “there have been numerous instances where abusive supervisors have baited angry and frustrated employees, pushing these individuals to unacceptable levels of violence and aggression” (Kinney, 1995, p. 132).

### **Targets and Aggressors**

In the United States, workplace bullying appears to be a very “top-down” phenomenon and disproportionately harmful to female workers. The WBI/Zogby survey found that “72 percent of bullies are bosses, and 55 percent of those bullied are rank-and-file workers” (WBI/Zogby, 2007, p. 1). In addition, “women are targeted by bullies more frequently (in 57 percent of cases), especially by other women (in 71 percent of cases)” (WBI/Zogby, 2007, p. 1). Peer-to-peer bullying, though less common, also presents significant challenges to organizations, leaving them in a position to sort out what may resemble schoolyard aggression or a group of teens mercilessly ganging up on someone who does not quite “fit in” with the dominant clique. On other occasions, subordinates may band together and “bully up” a supervisor they do not like.

Targets of workplace bullying are not easily categorized. They range from strong to weak performers, with varying personality types. High-level performers may trigger reactions from insecure bullies who see them as a threat. Some workers may be vulnerable to bullying due to marginal job performance or certain personality characteristics. Others may be targeted on the basis of race, sex, or other characteristics by those harboring certain biases.

### **Legal and Employee Benefit Impacts**

A full assessment of the potential legal and employee benefit impacts of workplace bullying is beyond the scope of this article, but given the significance of liability exposure in today’s business climate, a short summary is in order. As of late 2008, there is no direct legal claim for workplace bullying, although advocacy efforts have been underway in over a dozen states to enact variations of the Healthy Workplace Bill, model anti-bullying legislation drafted by this author that would provide targets of severe workplace bullying with a legal cause of action and provide incentives for employers to engage in effective preventive and responsive measures (Stephenson, 2008; Yamada, 2004). There is an emerging debate over the merits of such proposed legal protections, with proponents arguing that a workplace bullying statute would fill

a large gap in the law, and opponents asserting it would result in too much frivolous litigation (Davis, 2008).

Although the risk of actual liability for workplace bullying is low to moderate, employers would be well-advised to consider the potential legal costs. Claims for bullying-related behaviors may arise under a number of legal theories, including discriminatory harassment on the basis of sex, race, disability, or other legally protected classes; retaliation and whistle-blowing claims; and tort claims such as defamation, intentional interference with employment relationship, and intentional infliction of emotional distress (Yamada, 2004; Yamada, 2000). In addition, workplace bullying may cause greater resort to employee and public benefit programs, including workers' compensation, health insurance coverage, unemployment insurance, and public and private disability plans.

### **The American Workplace and Bullying**

The growth of the service sector economy and the dynamics of high-pressure corporate work environments have combined to fuel the likelihood that workplace bullying will occur with greater frequency. Because service-sector work is so dependent on personal interaction, it becomes a form of "emotional labor" in which the psychological consequences of work, both positive and negative, are easily exacerbated, especially in comparison to the more mundane yet steady working conditions of a manufacturing plant. Frequent, ongoing personal interaction between workers often becomes a basic element of a job, especially in work arrangements between supervisors and subordinates. The more people interact, the more likely it is that personalities will clash.

This is especially true when employees must confront economic pressures, layoffs, and the challenges of doing more work with fewer resources. In fact, Baron & Neuman found that popular cost-cutting measures such as downsizing and layoffs, and organizational changes such as corporate restructuring, were "significantly related" to acts of "verbal aggression and obstructionism" in the workplace (Baron & Neuman, 1998). Hornstein, examining the corporate work environment of the early 1990s, described a "siege mentality" whereby managers felt "that they must stamp down subordinates to stay on top of things and alive" (Hornstein, 1996, p. 29). This environment "ignited explosions of brutality both from innate bullies who thrive on their mistreatment of others and from overburdened bosses who might never have behaved that way in less stressful times" (Hornstein, 1996, p. 143).

### **Prevention and Response**

Genuine organizational commitment, effective education and policies, and attentiveness to people and their behaviors will go a long way towards reducing workplace bullying and responding fairly and effectively when situations occur. A sound organizational approach to workplace bullying should incorporate these practices:

#### **1. Organizational Leadership and Culture**

It starts at the top. Organizational leaders must send a message that workplace bullying is unacceptable behavior. Executives and managers who preach and practice dignity will see that quality resonate throughout an organization. Establishing a culture of open, honest, and mutually respectful communication will have the salutary effect of reducing bullying and other forms of employee mistreatment.

The presence of socially intelligent leaders will go a long way towards creating healthy organizational cultures. Social intelligence, according to Daniel Goleman, requires “being intelligent not just *about* our relationships but also *in* them” (Goleman, 2006, p. 11). Qualities such as empathy and concern for others are at the core of socially intelligent behavior. Organizations that value their workers will hire, promote, and empower socially intelligent managers, including mid-level supervisors and human resources directors who deal extensively with employees at all levels. These managers should be educated about workplace bullying and authorized to handle concerns about bullying promptly and fairly, and they should be supported by their employer when they do so.

## **2. Education and Policies**

Workplace bullying should be included in employee education programs and employment policies. Over the past decade, concerns about sexual harassment and workplace violence have dominated discussions about counterproductive behavior in the workplace and led to training programs and company policies addressing these behaviors. Although workplace bullying is a more serious problem in terms of pervasiveness (and sometimes in severity), by comparison it has been sorely neglected by most employers.

Gary Namie of the Workplace Bullying Institute recommends that employers adopt a comprehensive blueprint to address bullying (Namie, 2003). This approach should include a “values-driven policy,” “credible enforcement processes,” “restorative interventions” for targets and offenders, and “general and specialized education” (Namie, 2003, pp. 5-6). All of these measures can be incorporated rather seamlessly into any good set of existing personnel practices and policies.

Education and policies are only the beginning. The next step, a much more difficult one, is to enforce policies relating to bullying by conducting genuine follow-up investigations and where necessary, assessing reprisals, when complaints arise. Unfortunately, bullying targets often report that organizational responses to their complaints about bullying made their experiences worse. One of the most common laments is that “HR was useless” in handling complaints about bullying and in some cases turned out to be complicit with the aggressors, especially those higher up on the organizational chart. In the WBI/Zogby survey, respondents reported that when employers were made aware of alleged bullying behaviors, 62 percent either ignored the complaint or exacerbated the situation (WBI/Zogby, 2007, p. 1).

## **Telltale Signs**

Good leaders listen and observe, and they are attuned to what is going on in the office or on the company floor. By operating in this mode, they can pick up on indicators of workplace bullying and employee discord. These signs may include:

- Sharp increases in attrition and absenteeism and declines in productivity after supervisory change;
- Sudden actual or alleged reductions in performance by workers with otherwise consistently satisfactory work records;
- Declining employee morale after downsizing, merger, and reorganization situations;
- Heightened levels of interpersonal aggression levels of all types, regardless of situation.

Such advice may appear to state the obvious. However, employers must understand that the worst bullies are often very good at covering their tracks. In addition, legitimate fear of employer retaliation or indifference often causes targets to remain quiet about their experiences. In such instances, circumstantial evidence may be the only outward signs that bullying is a problem in an organization.

### Unionized Workplaces

Unionized workplaces present both opportunities and challenges in terms of addressing workplace bullying in several ways. First, a growing number of unions have expressed concerns about workplace bullying, especially abusive supervision. Some have proposed adding anti-bullying provisions to collective bargaining agreements. (As one might expect, employers have not been agreeable to this.) Second, when an alleged bully is a union member, the union has a legal duty of fair representation in the event of a disciplinary proceeding. Finally, some unions have taken undue advantage of their power to engage in intimidating, bullying-type behaviors.

The best approach is for management and union leaders to address bullying as cooperatively as circumstances permit. When a union alleges instances of abusive or bullying supervision, an employer should take these concerns seriously. Establishing positive, informal lines of communication between management and union leaders may help to foster effective resolutions of bullying situations, without resort to grievance or disciplinary processes. Also, effective union leaders can play valuable negotiating and mediating roles when allegations of bullying arise, whether between a manager and a bargaining unit member or between bargaining unit members.

### Making the Tough Calls

One of the most difficult decisions from both an ethical and business perspective is what to do with an abusive manager or executive. He may be seen as a “rainmaker” who is good at attracting business. He may be socially popular with others in management, including those who will determine his fate. Oftentimes, a workplace bully will have mastered “kiss up, kick down” tactics that hide his abusive side from superiors who review his performance. *“Oh, I cannot believe he’d do anything like that to someone”* is a common refrain from those who have been shielded from a bully’s conduct.

Through coaching and counseling, some aggressors can be reformed. Frequently, however, these behavioral changes are temporary or limited. In such cases, dismissing a serial bully not only is the right thing to do in terms of ethical treatment of the remaining employees, but also may be good for business. Even if an incorrigible bully brings some value to the organization, the prospect of increased productivity due to better morale and lower attrition (not to mention reduced employee benefit and legal expenses) may make this a sound decision from a cost-benefit standpoint.

### The Bigger Picture

Although the preceding commentary has focused on workplace bullying as an individual phenomenon, it should not be regarded as an isolated problem — to be dealt with in a discreet and surgical manner. As noted above, workplace bullying is strongly associated with other forms of aggression and misconduct at work. From a standpoint of employment relations practice and policy, it should be incorporated into an overall program of education,

prevention, and response. The “mainstreaming” of workplace bullying as an employment relations priority will ensure that we continue to devote attention to it.

Furthermore, workplace bullying is strongly tied to the notion of dignity at work and the practice of values-based leadership. Understanding these connections can help any thoughtful practitioner or researcher to grasp its broader significance. Accordingly, these two considerations will be the closing focal points for this article.

### **Towards Dignity at Work**

For all too many, the notion that one is entitled to be treated with dignity at work remains a somewhat revolutionary concept. Business and labor writer Robert Levering has aptly observed that the contemporary workplace frequently is severed from the rest of human activity in terms of everyday rights and privileges:

We generally accept as a given the contrast between our time at work and the rest of our lives. Once you enter the office or factory, you lose many of the rights you enjoy as a citizen. There's no process for challenging – or changing – bad decisions made by the authorities. There's no mechanism to vote for people to represent you in decision-making bodies. . . .

We take for granted that such rights and protections don't apply to the workplace partly because most of us have never seen examples to the contrary (Levering, 1988, p. 62).

As discussed above, currently employees do not enjoy generalized legal protections against workplace bullying. Nevertheless, the idea that one *should* enjoy some right to be free from workplace bullying – however publicly or privately defined and enforced – is grounded in an idea as basic as the freedom to perform one's job and earn a living without undue and disabling interference. This “right to be let alone” transcends political and social ideologies and goes to the very core of individual dignity.

If workplace bullying is to be taken more seriously, it may unfold as part of a deeper overall societal interest in human dignity. On this point, we may turn to Robert Fuller, a physicist and former college president who has attracted national attention for his examinations of dignity in the context of hierarchy and rank. According to Fuller, the primary obstacle to building what he calls a “dignitarian” society is the persistence of “rankism,” which may manifest itself as discrimination on the basis of constructs such as race, sex, or age, but also may generate from unnecessarily hierarchical relationships in our private, public, and civic institutions (Fuller, 2006). Fuller has devoted considerable attention to occurrences of rankism at work, including bullying. His continuing work reminds us that denials of dignity occur throughout society and thus call for connected rather than atomized responses.

### **Values-Based Leadership and Workplace Bullying**

Values-based leadership, like many inherently appealing but unavoidably imprecise concepts, is most easily practiced at the level of exhortation. For example, generations of best-practices gurus have been advocating for inclusive organizational leadership, as exemplified by this passage from *In Search of Excellence*, the popular management bible of the 1980s:

Treat people as adults. Treat them as partners; treat them with dignity; treat them with respect. . . . In other words, if you want productivity and the financial reward that goes with it, you must treat your workers as your most important asset (Peters & Waterman, 1982, p. 238).

Similarly, calls of “thou shall not bully” sound good and flow easily. Without much ado, they can be included in employee handbooks and repeated at meetings for managers. The real test appears, however, when leaders who profess to abhor bullying are asked to address specific, inconvenient occurrences of such behavior. To borrow from Michael McCuddy’s characterization of values-based leadership, these scenarios truly illuminate how one’s moral foundation leads to “stewardship decisions and actions” (McCuddy, 2008, pp. 11-12). For example:

- What does a manager do when she learns that one of her best friends in the office has been a serial bully and most recently was responsible for the departure of an excellent worker who resigned to avoid facing further mistreatment?
- How does an organization respond to an administrative assistant who is suffering from depression because of bullying and retaliation that occurred after she rightfully accused her highly-productive supervisor of engaging in an unethical business practice?
- What does a human resources director do when confronted with a socially quirky, adequately performing employee who fears going to work because he is being bullied and ostracized by productive, more popular co-workers?

To anyone who understands the myriad ways in which workers have been bullied, mobbed, and otherwise emotionally pummeled by fellow employees, these questions are not abstractions. People have lost their careers, livelihoods, and health due to these destructive behaviors, and too many others in positions of power and influence have chosen to ignore their pain and torment. The question of what to do about workplace bullying may not always yield comfortable, easy answers, but hopefully the foregoing commentary has identified some basic steps forward for leaders who want to take ethical action.

## References

- Adams, Andrea with Crawford, Neil (1992). *Bullying at Work: How to confront and overcome it*. London: Virago.
- Badzmirowski, William F. and Dufresne, Jerilyn C. (2005). Dealing with Office Bullies: Developing Respect, Service, and Safety on the Job. *EAP Digest*, Fall 2005.
- Baron, Robert A. and Neuman, Joel H. (1998). Workplace Aggression — The Iceberg Beneath the Tip of Workplace Violence. *Public Administration Quarterly*, Vol. 21, No. 4.
- Bassman, Emily S. (1992). *Abuse in the Workplace: Management Remedies and Bottom Line Impact*. Westport, CT: Quorum.
- Bing, Stanley (1992). *Crazy Bosses*. New York, NY: Pocket Books.
- Davis, Wendy N. (2008). No Putting Up with Putdowns. *ABA Journal*, February 2008.
- Fox, Suzy and Stallworth, Lamont E. (2005). Racial/ethnic bullying: Exploring links between bullying and racism in the US workplace. *Journal of Vocational Behavior*, Vol. 66, No. 3.
- Fuller, Robert W. (2006). *All Rise: Somebodies, Nobodies, and the Politics of Dignity*. San Francisco, CA: Berrett-Koehler.
- Gardner, Susan and Johnson, Pamela R. (2001). The Leaner, Meaner Workplace: Strategies for Handling Bullies at Work. *Employment Relations Today*, Summer 2001.
- Goleman, Daniel (2006). *Social Intelligence: The New Science of Human Relationships*. New York, NY: Bantam.
- Hornstein, Harvey A. (1996). *Brutal Bosses and Their Prey: How to Identify and Overcome Abuse in the Workplace*. New York, NY: Riverhead.
- Keashly, Loreleigh and Jagatic, Karen (2003). U.S. Perspectives on Workplace Bullying, in Einarsen, Stale, et al., eds., *Bullying and Emotional Abuse in the Workplace: International Perspectives Research and Practice*. London: Taylor & Francis.
- Kinney, Joseph A. (1995). *Violence at Work*. Englewood Cliffs, NJ: Prentice Hall.
- Levering, Robert (1988). *A Great Place to Work*. New York, NY: Random House.
- Leymann, Heinz (1996). The Content and Development of Mobbing at Work. *European Journal of Work and Organizational Psychology*, Vol. 5, No. 2.
- Lutgen-Sandvik, Pamela (2003). The Communicative Cycle of Employee Emotional Abuse: Generation and Regeneration of Workplace Mistreatment. *Management Communication Quarterly*, Vol. 16, No. 4.
- McCuddy, Michael K. (2008). Fundamental Moral Orientations: Implications for Values-Based Leadership. *Journal of Values-Based Leadership*, Vol. 1, No. 1.

Namie, Gary (2003). Workplace bullying: Escalated incivility. *Ivey Business Journal*, November/December 2003.

Namie, Gary and Namie, Ruth (2003). *The Bully at Work: What You Can Do to Stop the Hurt and Reclaim Your Dignity on the Job*. Naperville, IL: Sourcebooks.

Parker-Pope, Tara (2008). When the Bully Sits in the Next Cubicle. *New York Times*, March 25, 2008.

Peters, Thomas J. and Waterman, Jr., Robert H. (1982). *In Search of Excellence*. New York, NY: Harper & Rowe.

Sartwell, Matthew (1994). *Bosses from Hell: True Tales from the Trenches*. New York, NY: Penguin.

Stennett-Brewer, Linda (1997). *Trauma in the Workplace: The Book about Chronic Work Trauma*. Decatur, IL: Nepenthe.

Stephenson, Correy E. (2008). Workplace bullying suits on the horizon. *LawyersUSA*, Oct. 15, 2008.

Tien, Ellen and Frankel, Valerie (1996). *The I Hate My Job Handbook: How to Deal with Hell at Work*. New York, NY: Fawcett Columbine.

Tracy, Sarah J., Lutgen-Sandvik, Pamela and Alberts, Jess K. (2006). Nightmares, Demons, and Slaves: Exploring the Painful Metaphors of Workplace Bullying. *Management Communication Quarterly*, Vol. 20, No. 2.

Tuna, Cari (2008). Lawyers and Employers Take the Fight to "Workplace Bullies." *Wall Street Journal*, August 4, 2008.

Vanderstar, Eliza S. (2004). Workplace Bullying in the Healthcare Professions. *Employee Rights and Employment Policy Journal*, Vol. 8, No. 2.

Vega, Gina and Comer, Debra R. (2005). Sticks and Stones may Break Your Bones, but Words can Break Your Spirit: Bullying in the Workplace. *Journal of Business Ethics*, Vol. 58, Nos. 1-3.

Workplace Bullying Institute and Zogby International (2007). *U.S. Workplace Bullying Survey*.

Wyatt, Judith and Hare, Chauncey (1992). *Work Abuse: How to Recognize and Survive It*. Rochester, VT: Schenkman.

Yamada, David C. (2000). The Phenomenon of "Workplace Bullying" and the Need for Status-Blind Hostile Work Environment Protection. *Georgetown Law Journal*, Vol. 88, No. 3.

Yamada, David C. (2004). Crafting a Legislative Response to Workplace Bullying. *Employee Rights and Employment Policy Journal*, Vol. 8, No. 2.

---

## Author Biography

David Yamada is a Professor of Law and Director of the New Workplace Institute ([www.newworkplaceinstitute.org](http://www.newworkplaceinstitute.org)) at Suffolk University Law School in Boston. He is a leading authority on workplace bullying and psychologically abusive work environments. He founded the New Workplace Institute in 2007 as a multidisciplinary research and education center to promote healthy, productive, and socially responsible workplaces. In addition, since 1998 he has been affiliated on a *pro bono* basis with Drs. Gary and Ruth Namie and their Workplace Bullying Institute. This article draws in part from his previous writings on the topic, especially the two law review articles listed in the references. He is a graduate of Valparaiso University (B.A.), Empire State College (M.A.), and New York University School of Law (J.D.).



*AccountAbility's mission is to promote accountability for sustainable development. The AA1000 Series of standards are an innovative and ground-breaking series of standards aimed at helping leadership organisations understand, respond to and benefit from sustainability challenges. They have been used by some of the world's biggest and most progressive organisations to build sustainability into core decision making. They are not tick-box standards but principles-based, and therefore require leadership, commitment and understanding.*

# PRINCIPLES FOR ACCOUNTABLE LEADERSHIP – THE AA1000 SERIES

---

**DANIEL WAISTELL**  
STANDARDS AND RELATED SERVICES MANAGER, ACCOUNTABILITY  
LONDON, UK

## The Need for a New Leadership Perspective

In recent years, global society has witnessed a rapidly changing world bringing about both new opportunities and new challenges. Nowhere is this more obvious than at the interface of business and society.

Globalization and the increasing reach of multinational business, the explosion of information communication technology, the emergence of liberal democracies and powerful civil society groups, as well as the increasing prominence of emerging economies such as China and India have all contributed to a new landscape of greater interdependence and interconnectedness.

As our understanding of the interconnectedness increases, we are realigning the way we see challenges such as poverty, pollution, human rights and healthcare. These are no longer seen as charitable issues to be addressed by a dedicated few but rather societal problems

that present both risks and opportunities for business and must therefore be built into strategic planning.

This understanding has led to a shift in thinking and a growing appreciation that a focus purely on financial outcomes is insufficient to understand, benefit from and ultimately overcome these challenges. Leading businesses now understand this and are actively looking at ways to both address these difficult issues and benefit from doing so. These foresighted organisations are renegotiating and realigning the boundaries of their accountability. The new leadership perspective requires business to shift from viewing sustainable development as a matter of compliance to one of value generation. It is what they do in achieving success rather than what they avoid doing.

Leadership organisations understand that addressing this leadership challenge can only be achieved through engagement with a multitude of internal and external stakeholders. Such dialogue and collaboration enables better identification and understanding of how issues affect a business and its stakeholders and ensures that decisions are made with a greater appreciation of the context.

Reconsidering the role of business in this changing landscape has implications for leadership, and requires a re-thinking thereof. Today's leaders have to engage, understand and respond to a multitude of stakeholders, with a range of perspectives and concerns. Today leadership means building long-term relationships and partnerships which create value for a much wider group of interested parties than previous approaches have done.

## **Principled, Accountable and Collaborative Leaders**

As business renegotiates and realigns the boundaries of its accountability there is a need for more principled and value-based leadership.

Leaders have to carry people with them. This requires them to have a set of values with which people can identify and in which they can believe - principles which will help shape the way an organisation operates and connects with its surrounding society. If organisations are to achieve accountable leadership, they will need new frameworks to help them identify, understand and respond to strategic risks and opportunities. The AccountAbility Principles and the AA1000 Series of standards provide a basis for such principled leadership.

Principles and values alone are not enough. Leaders must be accountable for their actions and the impact of these actions on a whole range of affected stakeholders. Organisations will need to evaluate the appropriateness and effectiveness of their responses and communicate this to a wider set of stakeholders than they have done previously. Transparency is a necessary condition for accountable leadership, but the focus on improving performance must not be lost in the push for greater transparency.

In accepting their role in addressing global challenges, leaders must recognize that they cannot act alone. They will not be able to identify or understand the issues adequately and certainly won't be able to respond sufficiently. Values-based leaders understand the importance of collaboration – with governments, NGOs and even competitors.

*“Globalization is forcing changes in how people collaborate in a fundamental way. If we are interconnected and the world is interconnected, the only way for the world to work is to have a common set of values. We have no option but to work together.”*

— Former British Prime Minister, Tony Blair

Accountable leadership is crucial in any emerging area and has been fundamental to many of the developments and achievements in the area of Corporate Responsibility or Sustainability. However, isolated leadership organisations are not enough, even if that leadership is principled, accountable and collaborative. Leadership may be able highlight possible solutions but it will not solve the problem without going to scale. So as the sustainability challenges continue to deepen, leadership must not just focus on identifying the solution to tomorrow’s problems but prioritise how to mainstream that solution as quickly as possible, whether it be through better regulation for financial markets, carbon trading schemes to combat climate change, or new and cheaper products to give poorer people access to services many of us take for granted. Leadership must deliver innovation at scale or global sustainability challenges will remain.

## The AA1000 Series of Standards

It is clear that leadership comes not only from people but from institutions, standards, research and other innovations. These types of measures are helping organisations to understand and navigate this minefield of seeming ever increasing responsibilities.

For any business faced with a host of sustainability challenges, there are a series of questions that are continually being asked, but two of the most common are “What issues should I be concerned with?” and “How can I measure and evaluate the way in which I deal with these issues?” The AA1000 Series of standards is a set of principles-based standards aimed at helping leaders better comprehend these challenges.

As sustainability issues are now so obviously financially material as well as material environmentally, socially and economically, it is the way in which businesses deal with diverse non-financials (such as customer service or climate change) that drives reputation, innovation and, in the end, profitability. The AA1000 AccountAbility Principles provide a framework that helps organisations move beyond a compliance approach to these issues and starts seeing them as value drivers. The Principles are outcome orientated and embed continuous improvement in organisations leading to improved processes and ultimately more accountable performance.

The AccountAbility Principles are the foundation for the other two standards in the series: the AA1000 Stakeholder Engagement Standard and the AA1000 Assurance Standard. The flexibility of the principles means that a organisations can use the values they articulate and adapt them to the needs of their context. Doing so requires commitment, understanding and

leadership, as application varies depending on time, context and organisation. These standards are certainly not for those for whom compliance is king.

Although the AA1000 Series of standards are clearly leadership standards, they are not just for leadership organisations. These principles can be universally applied, and since they are centered on continuous improvement rather than compliance, are of value to organisations at any scale and in any context.

The AA1000 Series of standards are voluntary and are created through a highly legitimate multi-stakeholder process, which aims to allow all voices and comments to be heard. The most recent revisions took place through international consultations and a groundbreaking online wiki platform. This wiki platform broke the mould for standard setting, increasing both the access and transparency of the process.

## **The Accountability Principles**

The AccountAbility Principles are the bedrock of the AA1000 Series of standards. Previously they were incorporated into the individual standards, however, during the recent revision of the AA1000 Assurance Standard, finalized in October 2008, it was decided that they would be given additional importance and focus through a dedicated document and so the AA1000 AccountAbility Principles Standard, or AA1000APS (2008), was created.

Organisations use the AccountAbility Principles to develop an accountable and strategic response to sustainability. The basic premise is that an accountable organisation will take action to:

- establish a strategy based on a comprehensive and balanced understanding of, and response to, material issues and stakeholder issues and concerns;
- establish goals and standards against which the strategy and associated performance can be managed and judged; and
- disclose credible information about strategy, goals, standards and performance to those who base their actions and decisions on this information.

The value of the AccountAbility Principles lies in their comprehensive coverage and the flexibility of their application. They demand that an organisation actively engages with its stakeholders, fully identifies and understands the sustainability issues that will have an impact on its performance (including economic, environmental, social and longer term financial performance) and then uses this understanding to develop responsible business strategies and performance objectives.

Being principles rather than prescriptive rules, they allow the organisation to focus on what is material to its own vision, and provide a framework for identifying and acting on real opportunities as well as managing non-financial risk and compliance. They do not provide a tick-box approach to sustainability, nor do they highlight key issues and responses to which all businesses must adhere.

### ***Foundation Principle of Inclusivity***

For an organisation that accepts its accountability to those on whom it has an impact and who have an impact on it, *inclusivity* is the participation of stakeholders in developing and achieving an accountable and strategic response to sustainability.

The commitment to inclusivity has long been the bedrock of the AA1000 Series and standards and it retains that position of primacy in the 2008 standard. Inclusivity is much more than a stakeholder engagement process as it is the organisation enabling stakeholders to participate throughout the decision making process. The principle of Inclusivity is supported by the AA1000 Stakeholder Engagement Standard which provides a flexible framework for planning, implementing and evaluating stakeholder engagement. The concept of inclusivity is at the heart of all values-based leadership, the importance of listening to and responding to the concerns of others whether they are powerful or weak will remain of fundamental importance.

In 1999, when Monsanto came under pressure in the UK and Europe for its promotion of genetically modified products, it was the fact that it failed to be inclusive by listening and responding to its stakeholders' concerns that led to its financial failure. Monsanto perceived the issue as a technical matter but by not engaging failed to understand the other dynamics at play.

*"We have irritated and antagonised more people than we have persuaded. Our confidence in biotechnology has been widely seen as arrogance and condescension because we thought it was our job to persuade. But too often we forgot to listen."*

— Bob Shapiro, Monsanto

The practice of inclusivity requires organisations identify and understand stakeholders, their views and expectations. This process requires robust and balanced strategies for engaging stakeholders in decision making and are tailored to their capacities for engagement. Inclusivity is supported by the AA1000 Stakeholder Engagement Standard which provides a flexible framework for planning, implementing and evaluating stakeholder engagement, and the UNEP Toolkit on Stakeholder Engagement developed with AccountAbility and Stakeholder Research Associates.

### ***Principle of Materiality***

The principle of *materiality* is about determining the relevance and significance of an issue to an organisation and its stakeholders. A material issue is an issue that will influence the decisions, actions and performance of an organisation or its stakeholders. It is about ensuring business focus on issues that have the potential for material impact on the value of the business and its stakeholders. Whether *Wal-Mart* uses *Fairtrade* coffee in its staff canteens is certainly important to the *Fairtrade* movement, to its coffee suppliers and to some of the firm's employees. But it is highly unlikely that this matter is material to Wal-

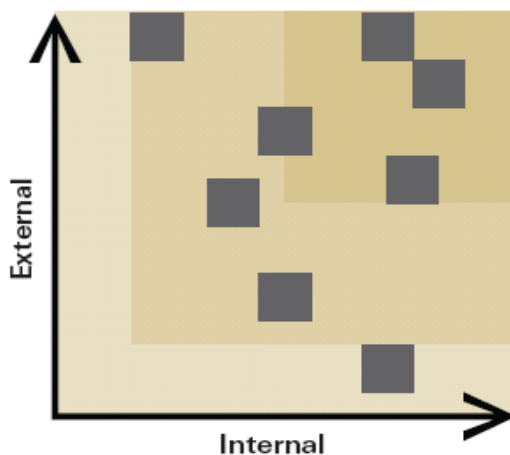
Mart. On the other hand, although Wal-Mart's position on its environmental impact started from a defensive posture, it has become increasingly integrated into its strategic thinking. The decision to invest \$500 million a year in energy efficiency improvements is now a core part of its overall strategy for driving down costs.



Diagram 1

The principle of materiality has been revised and updated in the recent revision of the AA1000 AccountAbility Principles to embrace developments in understanding. Materiality now links strongly to business performance through analysis of both the relevance and significance of issues, which will help organisations become more strategic in dealing with sustainability issues. Stakeholder concerns remain at the heart of materiality and this requires organisations to take a longer term and deeper view of materiality. The diagram above, taken from *The Materiality Report*, published by AccountAbility, highlights that materiality is at the centre of links between corporate strategy, engagement, reporting and performance.

Diagram 2



Determining what issues are material is crucial to the success of an organisation's ability to tackle sustainability challenges in a way that adds value to the company and external stakeholders. The practice of materiality is highly individual and complex but Diagram 2 shows in simplistic form, a viable way of identifying what issues are material. By assigning scores relating the significance to relevant issues to both internal and external stakeholders based on clear criteria, an organisation can develop a matrix like the one above. By then developing thresholds, an organisation can decide what is really material to its operations and its stakeholders and what is slightly less important.

## ***Principle of Responsiveness***

The principle of *responsiveness* concerns an organisation's response to stakeholder issues that affect its sustainability performance and is realised through decisions, actions and performance, as well as communication with stakeholders.

The principle of responsiveness is about taking action and communicating. Responsiveness places emphasis on the understanding behind the processes used to develop responses as well as the responses themselves. As communication is part of responsiveness, this principle also links to the use of reporting frameworks and guidelines.

The response to an issue may develop over time as an issue matures and stakeholders' expectations change. Gap's response to labour standards have developed over time as stakeholder expectations have developed and the impact on its business has been better understood. Initially responding through codes of conduct, this has developed into comprehensive audits and collaborative initiatives to ensure not only are standards met, but they are met in a way to improve conditions and company performance on an ongoing basis.

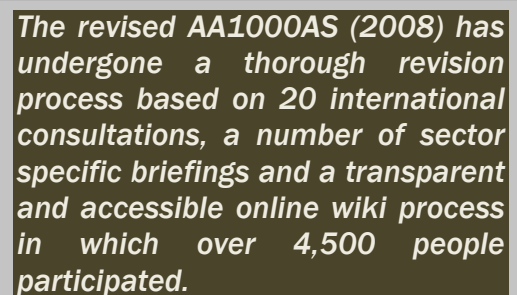
## **The AA1000 Assurance Standard – Credible Disclosure**

The importance of sustainability reporting and assurance has emerged as it becomes ever clearer that today's financial reporting is failing to provide data on the drivers that create business value. But like financial reporting, sustainability reporting is open to abuse and misuse.

It should be no surprise, therefore, that the importance of assurances in sustainability reporting is increasing. Today, a diverse set of stakeholders are demanding a higher level of assurance about the products and practices of companies, not just their financial performance. It is clear that traditional reporting and audit methods that focus on accurate descriptions of historic performance, rather than predictive value, whilst still important, are not sufficient to deliver assurance to these groups.

The recently revised AA1000 Assurance Standard (AA1000AS) provides a comprehensive way of holding an organisation to account for its management, performance and reporting on sustainability issues, by evaluating the adherence of an organisation to the AccountAbility Principles and the reliability of associated performance information.

The AA1000AS (2008) is a principles-based standard that provides a rigorous framework for sustainability assurance while at the same time providing enough flexibility to adapt to the context of the individual organisation. It is forward as well as backward looking and provides findings and conclusions on the current status of an organisation's sustainability performance as well as recommendations to encourage continuous improvement. It is not a certification standard

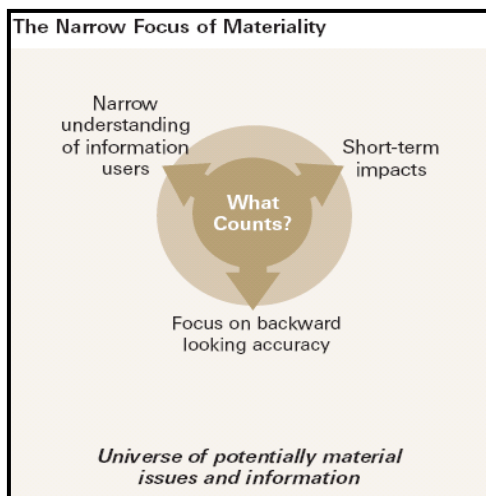


*The revised AA1000AS (2008) has undergone a thorough revision process based on 20 international consultations, a number of sector specific briefings and a transparent and accessible online wiki process in which over 4,500 people participated.*

which leads to a “pass” or “fail,” but rather provides findings on the current state. It can therefore be used by organisations at all stages of maturity as part of their continuous improvement process.

AA1000AS assurance provides a methodology for assurance providers to evaluate and provide conclusions on:

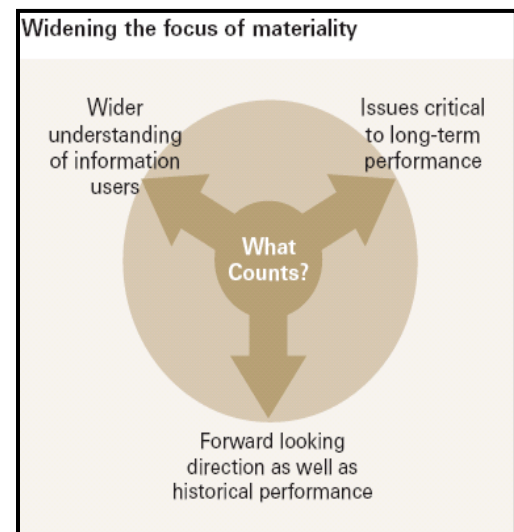
- the nature and extent of adherence to the AA1000 AccountAbility Principles, and
- the quality of the information publicly disclosed on sustainability performance.



The AA1000 Assurance Standard (2008) is unique as it requires the assurance provider to evaluate the extent of adherence to a set of principles rather than simply assessing the reliability of the data. AA1000AS (2008) requires the assurance provider to look at underlying management approaches, systems and processes and how stakeholders have participated. Reporting organisations which choose AA1000AS (2008) assurance acknowledge and assume responsibility for the impacts of their actions, products, decisions and policies. In return, AA1000AS assurance delivers a more rigorous process that adds value for both the company and external stakeholders.

The AA1000AS (2008) marks a significant step forward for sustainability assurance, incorporating developments in the understanding and practice of stakeholder engagement and materiality, and adding additional clarity and rigour. There have been a number of important changes from the original AA1000 Assurance Standard which was published in 2003. These changes enable a more rigorous, consistent and high quality approach to sustainability assurance in a variety of contexts.

It also provides a platform to align the non-financial aspects of sustainability with financial reporting and assurance through its understanding of materiality. New measures of non-financial performance and associated reporting and assurance methods such as AccountAbility’s AA1000 Assurance Standard are helping companies and stakeholders redefine what “material” is. Understanding how these sustainability “intangibles” integrate with financial reporting is central to the credibility and usefulness of any future reporting and assurance model.



The AA1000AS (2008) is a vital step towards that future model. Through the principles of *inclusivity*, *materiality* and *responsiveness*, it focuses on organisational performance and disclosure, and increases the relevance to financial reporting and audit. However, the AA1000AS (2008) broadens the traditional lens of materiality, requiring a longer term view

of issues, a wider spectrum of stakeholders who may use the information, and a deeper view of the information necessary which is both backward and forward looking.

Mainstream auditors have become active in delivering services in the sustainability arena. Now is the time for them to invite others to engage in rewriting the rulebook on financial reporting and assurance. Such collaboration will have dramatic implications for tomorrow's standards and the outcomes they strive to achieve. Assuring stakeholders will become increasingly difficult and developing the mechanisms to do it will require great collaboration. If we want to see our tools reflecting our values, we need to move towards multi-stakeholder approaches that reduce their dependence on the primary financial beneficiaries of standards developed, in favour of those impacted by their implementation. We may even need to develop closer links with more informal forms of assurance.

## Conclusion

As global challenges and business strategies integrate yet further, the need for more accountable, values-based leadership will become more pressing. Those looking to embrace such moves will need to recognise and understand the implications of tools created to help them meet these challenges. The AA1000 series provides a number of tools to help organisations identify, understand and respond to sustainability challenges, and in so doing benefit from addressing the challenges we all face.

*Further information regarding the AA1000 Series of standards and other publications by AccountAbility can be found and downloaded for no charge at <http://www.accountability21.net>.*

---

## Author Biography

As Standards and Related Services Manager of AccountAbility, Daniel Waistell has responsibility for contributing to standards development, including the recent revision of the AA1000 AccountAbility Principles and the AA1000 Assurance Standard. He is also responsible for sustainability standards related research, standards outreach, standards related advisory services and training. Daniel also contributes to the broader range of strategic advisory services that AccountAbility offers and has worked with multinational corporations, UN agencies, multi-stakeholder initiatives and NGOs on a range of responsible business issues.

Daniel Waistell has experience of standards development and analysis, evaluation and reporting systems, stakeholder engagement and corporate strategy. His career has included a period with Deloitte Strategy Consulting, advising Private Equity and Fortune 500 corporations on commercial strategy as well as strategic corporate responsibility issues. He has also worked in Sierra Leone, West Africa, setting up a development-focused venture capital fund, Manocap. Daniel has worked with major international corporations in the manufacturing, energy, construction, logistics and financial sectors, and has spoken and written on a range of standards related to sustainability subjects. He holds a first class degree from the University of Cambridge, UK.