



Moral Capitalism at Work

**Business and Public Policy Round Table
November 4, 2013
University Club of St. Paul**

“How to Manage External Stakeholders?”

Guest Speaker: Bill Shireman, President & CEO, Future 500

Chair and facilitator: Steve Young, Global Executive Director, Caux Round Table

Participants: Steve Boehlke; John Buettner; Tom Horner; Lynn Lindsay; Kevin Lynch; John Mauriel; Patrick McGuinness; Terence Steinberg; Leslie Wilson, Hoa Young

Staff: Jessica Fiala; Jed Ipsen

Overview from Bill Shireman

Future 500 works primarily in three areas: conflict/gridlock, changes/transformation in the overall economy and political/cultural transformation. In sharing his own history, Shireman explained this orientation, “I deal with conflict because I’m so conflicted myself.” An early entrepreneur, Shireman had an affinity for business and Republican leanings, yet came of age in the 1960s/70s culture of wariness of business pursuit of profit at any cost. This concern led to his involvement as a Ralph Nader activist. In his current work, he adopts and values both frames, seeking to break a cycle of demonization by humanizing both sides. In part, the goal is to break a “tribal sense” that divides opposing sides into camps of “us” and “them,” a trend that permeates mediatized narratives, as well as the conduct of organizations and individuals.

Shireman’s work began by bringing different groups together on a bottle recycling bill in California that saved money and served the interests of producers, retailers and environmental activists. While these groups lacked trust in one another and resisted working together, they were able to work separately, with Shireman serving as a mediator who incorporated their individual concerns into a common end compromise. From this initial success, he went on to mediate between major corporations and interest groups, including Mitsubishi and the Rainforest Action Network and Sierra Club and Exxon Mobile. In addition to formal mediation via informal engagements that are planned, but not high stress, Shireman has sought to break the divisive mentality that creates an obstacle to productive solutions.

Questions & Discussion

There is a concern over a perceived lack of a spirit of purpose in American culture where material gain has become an end, rather than part of a larger goal. In the context of the 1960s rebellion against materialism, Shireman became a journalist. During his career, he witnessed that sector, too, shift in character, due to competitive pressure. Rather than serving as a “fourth branch of government,” journalism shifted to cater to audiences, repeating the same narrative to their core consumers. Selling advertising, the system now cycles at max speed recycling comfortable and predictable narratives.

Ecologists and Libertarians see two different aspects of the same system. Libertarians focus on the spirit of the entrepreneur, the individual, as crucial to the system and an element that is destroyed through over-regulation. Environmentalists focus on ecosystems and see that when you destroy the healthy functioning of the system as a whole, you create myriad unforeseeable problems. Systems create a range of values and outcomes. Nearsighted fixation on a specific goal without considering negative externalities is part of the main problem across the board. We have reached a point where politics is adapting more slowly than the corporate sector. An important aspect of making positive change is breaking the cycle of demonization that will enable us to move towards systematic solutions. Demonization serves short-term needs, but more choices are needed beyond the far left or far right.

This challenge brings forth an array of questions: Are simplistic narratives an inherent problem in a two-party system? How do you develop a popular narrative that rejects extremism in favor of a reasonable candidate? Is social media a possible avenue? Can you convey a serious idea via the internet?

Despite a daunting system, the masses are the kingmakers and the mobilization of even a small group can ultimately get the major parties to listen. For Ralph Nader and Ross Perot, the strategy was to run for president knowing that they were unlikely to win. Alternatively, rank choice voting disrupts the binary system, as well.

Within the current system, the purpose is to be reelected and to cater to one’s district, not to spearhead change. How can we get a system that is best for this country? Parties have inherited a broken system and there is a hunger for leadership.

The assertion was made that business changes faster than government, yet one might question this distinction, given that business and government are increasingly entwined. It can, however, be easier to disrupt company plans in comparison with government systems because government does not function in the same competitive cycles as business and is reliant upon business interests that change slowly. Additionally, government is more monopolistic than private companies and monopolies are resistant to change.

Is there something today that prevents a Teddy Roosevelt? What is that and what do we do about it? We seem to have a distinction between who someone is as a person and who someone is as a candidate. We want a strong individual and yet, distinctive traits and opinions make someone vulnerable to attack. With the increased transparency and access to information provided by the internet, individuals' actions and careers are subject to on-going scrutiny. The population is ready for a new system that has not yet coalesced.

Large employers are becoming the new town squares. We live, recreate, go to church, etc. with people like ourselves. At large employers, we work with individuals different from ourselves. The key is to improve the level of discourse in places where different individuals intermingle. This may be a starting point.

An organization like Greenpeace can influence brands. A company like Walmart can transform a supply chain. These large organizations can accomplish a lot to instigate change. If politics is not responsive, we can use the marketplace to drive change and to find power outside of an official role. What is needed is courteous, deep dialogue. Mediators work between groups and see commonalities, but these groups are still not connecting with each other.