# Business Ethics

January/February 1994 VOL.8, NO.1

The mission of Business Ethics magazine is to promote ethical business practices, to serve that growing community of professionals striving to live and work in responsible ways, and to create a financially healthy company in the process.

> <u>Co-Founders</u> Editor and publisher **Marjorie Kelly** Chief operating officer **Miriam Kniaz**

EDITORIAL MANAGING EDITOR Craig Cox ASSOCIATE EDITOR Margaret Kaeter COLUMNIST Doug Wallace CONTRIBUTING WRITERS Dan Callahan, Mark Engebretson, Susan Gaines, Steve Peristein

Design art director Mark Simonson stabilizing influence Pat Thompson

CIRCULATION CIRCULATION CONSULTANT Rebecca Sterner CIRCULATION ASSISTANT Karen McNichol

Advertising 612/962-4700 Advertising representative Ann Lynch Accounting Cecily Farnham

LIST RENTAL Stevens-Knox List Management 304 Park Ave. South New York, NY 10010 Robert Desrochers 212/388-8819 Belkys Reyes-Cuni 212/388-8820

EDITORIAL ADVISORY BOARD	
Ben Cohen	Co-Founder, Ben & Jerry's
Craig Dreilinger	President, Dreiford Group
Paul Freundlich	Founder, Co-op America
	Business Enterprise Trust
	Futurist and economic analyst
W. Michael Hoffman	Director, Center for Business
	Ethics, Bentley College
Kenneth Goodpaster	Koch Professor of Business
	Ethics, University of St. Thomas
Thomas Kaney	VP Human Resources,
	SmithKline Beecham
Michael Levett	Executive Director, Businesses
	for Social Responsibility
Mendel Melzer	Chief Financial Officer,
	Prudential Capital
	Investment counselor
	Professor, Stanford University
William C. Norris	Founder and Chairman
	Emeritus, Control Data
	President, H.H. Owen & Co.
	Corporate Values Management
	VP, South Shore Bank
Timothy Smith	Exec. Director, Interfaith Center
	on Corporate Responsibility
Or. Barbara Ley Toffler	Resources for Responsible
	Management
Michaela Walsh	Founding President and Trustee,
	Women's World Banking
Thomas Wyman	Former Chairman and CEO
	of CBS

Business Ethics (ISSN 0894-6582) is published bimonthly by Mavis Publications, Inc., 52 S. 10th St., #110, Minneapolis, MN 55403-2001. Second-class postage paid at Minneapolis, MN 55403-2001 and additional offices. Subscription rates: U.S. 849; foreign \$59. Copyright © 1994 by Mavis Publications, Inc. Contributors: Please write for editorial guidelines, or query with article ideas. Unsolicited manuscripts must be accompanied by return postage. Subscriptions and editorial correspondence should be addressed to Business Ethics, 52 S. 10th St., #110, Minneapolis, MN 55403-2001. Phone 612/962-4700. Postmaster: Send address changes to Business Ethics, Subscription Dept., PO. Box 14748, Dayton, OH 45413. ₹

Business Ethics is indexed in the Alternative Press Index.

D



16 Interview: Tom Chappell The founder of Tom's of Maine may view his business as a ministry, but that doesn't mean he's afraid to go toe-to-toe with the likes of Procter & Gamble.

COVER PHOTOGRAPHY BY WING HUIE.

## 19 Healthy Dividends: A *Business Ethics* Guide to Socially Responsible Investing

Our second annual exploration of the social investing world yields some valuable insights on the top performing mutual funds, and introduces some of the most innovative financial advisors and venture capital firms around the country.

## 33 High Explosives

The path to business success has become littered with ethical landmines. We offer ten explosive issues to avoid in the coming year, and provide a route designed to bring your business safely through the minefield unscathed.

By craig cox

# Not Business As Usual

12 Tons of Dough Breadsmith's premium pricing yields social dividends.13 Catalyst for Growth Smart hiring and teamwork help tiny Catalytica compete.

14 A Thirst for Success Apple & Eve has created a niche in the East.

15 When the Boss Is Your Toughest Customer Colgate's Enviropride program.

# DEPARTMENTS

## 6 MUSINGS

In Defense of Tobacco

Killing the industry won't rescue an addictive society.

## 8 Trend Watch

Ben & Jerry's takes a licking; Earth Care Paper crumples; a struggling Seventh Generation goes public; and Nintendo engages rival Sega in moral combat.

## 36 Working Ideas

Making the most of temporary workers; preventing sexual harassment; "Score Carding" customer relations; and giving employees a piece of the action.

38 WHAT WOULD YOU DO?

#### A Twisted Arm

Jack had nothing against making a donation to this cause, but to be threatened into giving was other matter. 40 BOOK REVIEWS Civil Wars The Moral Sense, by James Q. Wilson; and A World Waiting to Be Born, by M. Scott Peck.

**46** PURSUIT OF HAPPINESS **The Fourth Quarter** Thinking about retirement now can make it more rewarding in the future.

- 4 Letters
- 42 Editor's Bookshelf
- 43 Directory
- 45 Calendar