

## The Entrepreneurial PRAGMATIST Decision Style

While your primary Profile is a **PRAGMATIST**, you also possess the secondary instincts and behavior traits of an Entrepreneur. **As an Entrepreneurial PRAGMATIST, you possess a powerful mix of both heart and head strengths (and shadows).** Let's look at the basic elements of your profile as a **PRAGMATIST** with Entrepreneurial traits.

### Your Primary Decision Style - PRAGMATIST

Your Leadership Action-Initiates  
Your Leadership Core Value-Order  
Your Behavior Domain-Action/Movement

### Your Secondary Decision Style - ENTREPRENEUR

Your Leadership Action-Innovates  
Your Leadership Core Value-Independence  
Your Behavior Domain-Imagination/Intuition

## Your Personal Decision Styles Profile

### Your Primary Decision Style — PRAGMATIST

#### Power Tendencies

Pragmatist/Do decision-makers have a modest need for power. Their preferred form of power is relational, interdependent sharing of responsibility in order to accomplish a common goal. Their personal dominance is of less importance to them than a sense of accomplishment in a job well done.

Their functional use of power is cooperation, collaboration, and respectful use of authority within its formal limits.

Their dysfunctional use of power is to concentrate on short term results and avoid taking responsibility for long term consequences through a stubborn refusal to cooperate.

## **GENERAL PRINCIPLES**

### **PRINCIPLE 1 – *RESPECT STAKEHOLDERS BEYOND SHAREHOLDERS***

- A responsible business acknowledges its duty to contribute value to society through the wealth and employment it creates and the products and services it provides to consumers.
- A responsible business maintains its economic health and viability not just for shareholders, but also for other stakeholders.
- A responsible business respects the interests of, and acts with honesty and fairness towards, its customers, employees, suppliers, competitors, and the broader community.

#### **Constructive Tendencies**

Pragmatists put shoulder to the wheel, nose to the grindstone and get the job done. They deliver on plans, achieve benchmarks and hit targets - not being distracted by selfish concerns or worries over distracting considerations. They are very comfortable with reality and are creative when it comes to dealing with the unexpected and figuring out tactically how to make plans come to life.

Pragmatists are open to all who can help them get the job done. They welcome constructive comments and contributions, working easily with others who are part of getting things done.

Pragmatists follow through on plans and care about outcomes. They celebrate results. They can relate to all stakeholders within the framework of their job descriptions and their assigned goals and objectives.

#### **Subtractive Tendencies**

Pragmatists can be users of people in order to accomplish their short term objectives. If, in doing what they are told, Pragmatists come to realize that the planned results are not that fitting for the intended beneficiaries, they will tend to put aside such concerns and just get on with the job as they have been instructed. Thus, Pragmatists will not be the most engaged with a range of stakeholder concerns and interests.

Pragmatists can be stodgy and repetitive, unresponsive to larger concerns about the long term consequences of what they are doing for any stakeholder group. If told to build a bridge, they will build a bridge without worry over why they are building a bridge or whether they are building the right kind of bridge. Theirs is not to reason why.

In the story about the three masons working on a cathedral (one says he is cutting stone; a second says he is building a wall; and the third says he is building a cathedral for the glory of God), the Pragmatist is the one who thinks he or she is cutting stones. That is what the job immediately at hand is all about. And yet, without good, dedicated stone cutters, the cathedral can never be built.

The Pragmatist can fall into habits of tunnel vision and narrow focus, overlooking the interests of some stakeholders when told to get a certain job done.

## **PRINCIPLE 2 – CONTRIBUTE TO ECONOMIC, SOCIAL AND ENVIRONMENTAL DEVELOPMENT**

- A responsible business recognizes that business cannot sustainably prosper in societies that are failing or lacking in economic development.
- A responsible business therefore contributes to the economic, social and environmental development of the communities in which it operates, in order to sustain its essential ‘operating’ capital – financial, social, environmental, and all forms of goodwill.
- A responsible business enhances society through effective and prudent use of resources, free and fair competition, and innovation in technology and business practices.

### **Constructive Tendencies**

Pragmatists put shoulder to the wheel, nose to the grindstone and get the job done. They deliver on the promise of business development and take advantage of new opportunities, not being distracted by selfish concerns or worries over distracting considerations. They are very comfortable with reality and are creative when it comes to dealing with the unexpected and figuring out tactically how to make plans come to life.

Pragmatists can adjust to working in many different settings around the world. They can interact easily with many kinds of people – as long as their colleagues are equally pragmatic. They are not skilled in dealing effectively with counterparts who are either very formal and bureaucratic or indirect and subtle in communications. Pragmatists have short fuses where delay is being tolerated or rationalized by others or meetings run on and on for no apparent reason.

Pragmatists are open to all who can help them get the job done. They welcome constructive comments and contributions, working easily with others who are part of getting things done.

Pragmatists follow through on plans and care about outcomes. They celebrate results.

### **Subtractive Tendencies**

Pragmatists may not always have the patience necessary for the implementation of projects, or the negotiation of joint ventures, which are common in multi-national companies and trans-national markets.

Pragmatists, due to their more narrow focus on getting immediate results, may not embrace with enthusiasm more long-range, or socially far-reaching, goals that embrace more than making today's sale or fixing today's problem.

## **PRINCIPLE 3 – BUILD TRUST BY GOING BEYOND THE LETTER OF THE LAW**

- A responsible business recognizes that some business behaviors, although legal, can nevertheless have adverse consequences for stakeholders.
- A responsible business therefore adheres to the spirit and intent behind the law, as well as the letter of the law, which requires conduct that goes beyond minimum legal obligations.
- A responsible business always operates with candor, truthfulness, and transparency, and keeps its promises.

### **Constructive Tendencies**

Pragmatists easily put candor and sincerity into play within work teams. They are comfortable being open with those who are helping them achieve present goals and objectives.

Pragmatists tend to keep their word as it relates to getting the job done. And they don't like to be misled by others for that raises impediments to accomplishment. Mutual reliance among team members is a given for Pragmatists.

### **Subtractive Tendencies**

Pragmatists can be users of people in order to accomplish their short term objectives. They may not disclose all that is material if doing so will “make waves” or bring up dissention, more discussions, or appeals to higher authority for re-consideration.

Beyond the immediate work group, Pragmatists need little interaction or engagement. Thus, they are not prone to excessive transparency. Similarly, they have little need to think of longer term implications of behavior on the general level of credibility enjoyed by the business. Pragmatists tend to focus on the short-term.

## **PRINCIPLE 4 – RESPECT RULES AND CONVENTIONS**

- A responsible business respects the local cultures and traditions in the communities in which it operates, consistent with fundamental principles of fairness and equality.
- A responsible business, everywhere it operates, respects all applicable national and international laws, regulations and conventions, while trading fairly and competitively.

### **Constructive Tendencies**

Pragmatists will work under conditions of intense market competition and where anti-competitive practices are in place. Pragmatists will accept the reality in which they find themselves and make the best of circumstances to improvise and get the job done.

### **Subtractive Tendencies**

Pragmatists can be users of people in order to accomplish their short term objectives. From this perspective, they may, on balance, prefer arrangements where they are less subject to the pulls and pressures of competitive forces. Setting goals – say quarterly sales targets – and achieving them is easier where market forces are in restraint and a company's market power can prevail over both customers and suppliers.

## **PRINCIPLE 5 – SUPPORT RESPONSIBLE GLOBALISATION**

- A responsible business, as a participant in the global marketplace, supports open and fair multilateral trade.
- A responsible business supports reform of domestic rules and regulations where they unreasonably hinder global commerce.

### **Constructive Tendencies**

Pragmatists like the scope for problem solving and accomplishment that international sourcing and transactions open up. Pragmatists are also comfortable working effectively with colleagues from different countries and cultures when all are focused on team goals and objectives.

### **Subtractive Tendencies**

Pragmatists may prove to be skeptical of more complex and long-range transactions. They would prefer the quick, direct, immediate response to a task and that may imply keeping closer to home for inputs.

## **PRINCIPLE 6 – RESPECT THE ENVIRONMENT**

- A responsible business protects and, where possible, improves the environment, and avoids wasteful use of resources.
- A responsible business ensures that its operations comply with best environmental management practices consistent with meeting the needs of today without compromising the needs of future generations.

### **Constructive Tendencies**

Pragmatists will contribute more than their fair share to solving problems that arise in seeking to be more sustainable in business practices and operations. They will see the challenges of sustainability as opportunity for success and accomplishment.

Pragmatists will hover around specific solutions that apply hard technical knowledge to getting results out the door. They will be good at reducing waste and increasing efficiencies.

## **Subtractive Tendencies**

Pragmatists will be comfortable with the “same old, same old” and will not eagerly embrace changes and innovations. They will perhaps more comfortably keep doing repetitively what has been approved in the past and what has given results in the past.

Pragmatists will be less likely to worry about externalities created by current methods and technologies as those consequences fall far from their arena of work.

## **PRINCIPLE 7 – AVOID ILLICIT ACTIVITIES**

- A responsible business does not participate in, or condone, corrupt practices, bribery, money laundering, or other illicit activities.
- A responsible business does not participate in or facilitate transactions linked to or supporting terrorist activities, drug trafficking or any other illicit activity.
- A responsible business actively supports the reduction and prevention of all such illegal and illicit activities.

## **Constructive Tendencies**

Where illegal or illicit behaviors raise a threat of exposure or police involvement, Pragmatists will be the first to object and refuse to go along. The behaviors threaten important goals of the Pragmatists in accomplishing expected results. Pragmatists do not like to have their powers compromised by foolish actions on the part of others. They have a high need to avoid distractions and “trouble”. The intensely personal agendas of others, which so often lie behind illegal or illicit activity, are not important to Pragmatists as they lie quite outside group goals.

## **Subtractive Tendencies**

Pragmatists, frankly, can get in the way of rooting out illegal and illicit practices and dysfunctional behaviors. They don't like to make waves, preferring to get on with the job at hand. If the illegal or illicit behaviors don't disturb their routine, they may not object or complain about such activities on the part of others.

If the objectionable behaviors occur on the part of those outside the company but who are involved with the company as suppliers, customers, etc., then Pragmatists may find it important to overlook the behaviors as long as the company's immediate interests are furthered in the transaction. Pragmatists can easily look the other way when necessary.

## **STAKEHOLDER MANAGEMENT GUIDELINES**

### **1. CUSTOMERS**

A responsible business treats its customers with respect and dignity. Business therefore has a responsibility to:

- a. Provide customers with the highest quality products and services consistent with their requirements.
- b. Treat customers fairly in all aspects of business transactions, including providing a high level of service and remedies for product or service problems or dissatisfaction.
- c. Ensure that the health and safety of customers is protected.
- d. Protect customers from harmful environmental impacts of products and services.
- e. Respect the human rights, dignity and the culture of customers in the way products and services are offered, marketed, and advertised.

### **Constructive Tendencies**

Pragmatists bring follow-through and support to customer relations. They are happy to be in the trenches with customers, seeking things from their point of view if there is a problem or a job to be done. Pragmatists are excellent people to assign to joint project ordered up by a client or to customer service teams where the customer relationship is a complex and prolonged one.



## **Subtractive Tendencies**

If Pragmatists are assigned to customer support or sales where customers come and go on a one time basis and are engaged in repeat transactions, Pragmatists are not placed where they can put their best feet forward for the company. In those conditions, the Pragmatist will tend to get the job done fast, complete the assignment, check the accomplishment box but not engage with the customer in any level of quality or depth. The Pragmatist, unless tasked, will not automatically take the initiative to turn the sale into a relationship with the company.

### **2. EMPLOYEES**

A responsible business treats every employee with dignity and respects their interests. Business therefore has a responsibility to:

- a. Provide jobs and compensation that contribute to improved living standards.
- b. Provide working conditions that protect each employee's health and safety.
- c. Provide working conditions that enhance each employee's well-being as citizens, family members, and capable and caring individuals.
- d. Be open and honest with employees in sharing information, limited only by legal and competitive constraints.
- e. Listen to employees and act in good faith on employee complaints and issues.
- f. Avoid discriminatory practices and provide equal treatment, opportunity and pay in areas such as gender, age, race, and religion.
- g. Support the employment of differently-abled people in places of work where they can be productive.
- h. Encourage and assist all employees in developing relevant skills and knowledge.
- i. Be sensitive to the impacts of unemployment and work with governments, employee groups and other agencies in addressing any employee dislocations.
- j. Ensure that all executive compensation and incentives further the achievement of long- term wealth creation, reward prudent risk management, and discourage excessive risk taking.
- k. Avoid illicit or abusive child labor practices.

### **Constructive Tendencies**

Pragmatists can readily and easily identify with employees. They see themselves as employees more than leaders. Their leadership style is team based, more managerial than visionary. They work by means of consultations, meetings, discussions of problem solving. They tend not to stand on ceremony or position and resent too much formalism if it is not getting the job done.

Pragmatists are frank and open and effective in negotiations when both sides are seeking consensus on how to constructively move forward together.

### **Subtractive Tendencies**

Pragmatists don't like to rock the boat or make waves. They work within the circumstances given to them. Thus, they will not go out of their way to constructively engage with employees if doing so is not the company practice. They will fit in to the mode of engagement, cultural style and political biases of those above them in the company hierarchy.

Pragmatists in senior positions will be less likely to take a long-term view of the company and how to develop its human capital.

### **3. SHAREHOLDERS**

A responsible business acts with care and loyalty towards its shareholders and in good faith for the best interests of the corporation. Business therefore has a responsibility to:

- a. Apply professional and diligent management in order to secure fair, sustainable and competitive returns on shareholder investments.
- b. Disclose relevant information to shareholders, subject only to legal requirements and competitive constraints.
- c. Conserve, protect, and increase shareholder wealth.
- d. Respect shareholder views, complaints, and formal resolutions.

## **Constructive Tendencies**

Pragmatists acknowledge the power and influence of investors – both equity owners and creditors. They will generally and happily do what is necessary to keep investors happy and supportive. Pragmatists take the world as it is given to them and get down to the task at hand. If that is earning returns for owners, so be it; Pragmatists will get the earnings. If that is complying with the letter and the spirit of securities laws with respect to disclosure, insider trading, etc., they will comply.

Pragmatists, however, will also point out the need of the company to draw on the support and inputs of other stakeholders – especially of customers and employees. Pragmatists live in a world of synergies and mutual interdependence. They feel a need to go with wherever power is flowing and that is to maximize prospects for the company as an ongoing entity. A healthy relation between the company and its investors – equity and debt – is one of tension where the financial claims of investors must be balanced against the interests and claims of those who provide the business with its profits – customers, employees, and suppliers – and of those in the community who condition the market environment in which the company must conduct its business.

## **Subtractive Tendencies**

Pragmatists will not be the first line of defense for other stakeholders against the claims of stockholders. They will acknowledge the interests of other stakeholders as well.

Pragmatists are not committed as a matter of principle to full and fair disclosure to investors, but more to what is practical and efficient at any given time. Their preference for disclosure is for the immediate facts at hand and tabulated results. They will be less dedicated to consideration and disclosure of future risks and imponderables or reflective of possible over-the-horizon shifts in market conditions and consumer preferences.

#### **4. SUPPLIERS**

A responsible business treats its suppliers and subcontractors with fairness, truthfulness and mutual respect. Business therefore has a responsibility to:

- a. Pursue fairness and truthfulness in supplier and subcontractor relationships, including pricing, licensing, and payment in accordance with agreed terms of trade.
- b. Ensure that business supplier and subcontractor activities are free from coercion and threats.
- c. Foster long-term stability in the supplier relationships in return for value, quality, competitiveness and reliability.
- d. Share information with suppliers and integrate them into business planning.
- e. Seek, encourage and prefer suppliers and subcontractors whose employment practices respect human rights and dignity.
- f. Seek, encourage and prefer suppliers and subcontractors whose environmental practices meet best practice standards.

#### **Constructive Tendencies**

Pragmatists will work easily and constructively with suppliers within the current production paradigm. Suppliers will be taken by Pragmatists at face value as part of the work team, providing important inputs and intellectual problem-solving resources.

#### **Subtractive Tendencies**

Being realists, Pragmatists will from time to time take suppliers as a given, without engaging them deeply. The Pragmatist does not overly enjoy relationships for the sake of just getting to know people. If the supplier is not that important to the task, a Pragmatist will just use them instrumentally and clinically in arms-length transaction modes of behavior.

## **5. COMPETITORS**

A responsible business engages in fair competition which is a basic requirement for increasing the wealth of nations and ultimately for making possible the just distribution of goods and services. Business therefore has a responsibility to:

- a. Foster open markets for trade and investment.
- b. Promote competitive behavior that is socially and environmentally responsible and demonstrates mutual respect among competitors.
- c. Not participate in anti-competitive or collusive arrangements or tolerate questionable payments or favors to secure competitive advantage.
- d. Respect both tangible and intellectual property rights.
- e. Refuse to acquire commercial information through dishonest or unethical means, such as industrial espionage.

### **Constructive Tendencies**

Pragmatists follow through on plans and care about outcomes. They celebrate results. They are the boots on the ground in the competition wars. They deliver regularly, day in and day out.

And, they will tend to be ethical and to follow the rules in going about their sales and marketing assignments. They are not driven by any need to excel, just to hit their targets and pull their weight.

### **Subtractive Tendencies**

Pragmatists may not be the most responsive or creative competitors. They will keep to the model set before them and to what they know has worked in the past. They may not focus on the fact that their actions have become less and less effective or that contrary market forces are gathering.

## **6. COMMUNITIES**

As a global corporate citizen, a responsible business actively contributes to good public policy and to human rights in the communities in which it operates.

Business therefore has a responsibility to:

- a. Respect human rights and democratic institutions, and promote them wherever practicable.
- b. Recognize government's legitimate obligation to society at large and support public policies and practices that promote social capital.
- c. Promote harmonious relations between business and other segments of society.
- d. Collaborate with community initiatives seeking to raise standards of health, education, workplace safety and economic well-being.
- e. Promote sustainable development in order to preserve and enhance the physical environment while conserving the earth's resources.
- f. Support peace, security and the rule of law.
- g. Respect social diversity including local cultures and minority communities.
- h. Be a good corporate citizen through ongoing community investment and support for employee participation in community and civic affairs.

### **Constructive Tendencies**

Pragmatists are open to extending their activities outside the company to society if doing so is practical, focused and would tend to bring immediate rewards and satisfactions in the arena of accomplishment. They have no principled objection to government involvement in business and will be open to good collaborative working relationships with relevant government officials. They tend to take a team approach to getting the job finished and government agents can be accepted as part of the total team working on the problem at hand.

Pragmatists will be helpful to a company in working through its engagements with community through volunteerism and charitable works.

## **Subtractive Tendencies**

Crusades for reform of government and social norms such as promoting human rights or saving the environment, do not, as a rule, appeal to Pragmatists. Their participation in such efforts will wait until prospects for success loom large and change is on its way. The comfortable scope of engagement for Pragmatists is closer to home. They will not encourage the company to engage in such macro social and political enterprises.

Pragmatists will also resent government interference, rules and regulations if they are not practical and constructive, and especially, if such rules and regulations are getting in the way of the Pragmatist's accomplishment of business objectives. From society's perspective, this resistance on the part of Pragmatists to certain government policies can be constructive in pointing out dysfunction, over reach, or stupidity on the part of government.

## **Your Secondary Decision Style – ENTREPRENEUR**

### **Power Tendencies**

Entrepreneur/I decision-makers have a strong need for power. Their preferred form of power is personal, individualistic, charismatic, colored with emotions (including fear and greed), manipulative and deal based.

Their functional use of power is to be innovative, break out of the box, and achieve the remarkable.

Their dysfunctional use of power is to use the 48 laws of power to get their own way no matter what. They can easily set in motion destabilizing action/reaction cycles that undermine existing cultures and value hierarchies, putting a premium on competition, internecine rivalries and survival of the fittest.

## GENERAL PRINCIPLES

### PRINCIPLE 1 – *RESPECT STAKEHOLDERS BEYOND SHAREHOLDERS*

- A responsible business acknowledges its duty to contribute value to society through the wealth and employment it creates and the products and services it provides to consumers.
- A responsible business maintains its economic health and viability not just for shareholders, but also for other stakeholders.
- A responsible business respects the interests of, and acts with honesty and fairness towards, its customers, employees, suppliers, competitors, and the broader community.

#### **Constructive Tendencies**

The Entrepreneur is the lone ranger with sufficient self-confidence to believe that he or she can find new and clever ways to please stakeholders. The Entrepreneur likes to listen in order to find out how to please the customer and get a personal reward from the effort. Entrepreneurs are charismatic, well-spoken, entertaining and self-absorbed. They can be charmers and so helpful in attracting support from constituencies. They are good politicians and sellers of programs.

Entrepreneurs, however, are easily frustrated by rules and regulations and the limitations imposed by formal structures. They can lead others in new directions and keep up with changing times and methods. Entrepreneurs are innovative and will design new products and services to meet stakeholder needs. In this regard, they are key to helping companies be market sensitive and market relevant. They incubate the promise of business to produce goods and services that enhance standards of living.

Entrepreneurs bring back from the field good, detailed information about the needs, wants and circumstances of the different stakeholder constituencies.



## **Subtractive Tendencies**

Entrepreneurs in their enthusiasm and operational savvy can be conniving, misleading and breakers of rules. They need close supervision to keep them within the bounds of expected accountability. Their needs for personal reward and to stand out for their individual achievements can generate resentment from peers and supervisors.

Entrepreneurs, in their desire to please certain stakeholder constituency of personal importance to themselves, will press and insinuate themselves to the point of connivance in order to get their way and enjoy personal mastery of the immediate situation. In this capacity, they may sway decision-making within the company away from considered judgments and strategic advantages towards tactical victories and the interests of a narrow few.

Entrepreneurs can bully to get their way, resist formal accountability relying instead on the satisfactions expressed by those they seek to please for a measure of success. And they will take excessive risks, without much thought as to who will bear the burden of fixing things if they are wrong. They prefer to go it alone rather than work with a team. Entrepreneurs have a tendency to over-promise in order to get recognition.

## **PRINCIPLE 2 – *CONTRIBUTE TO ECONOMIC, SOCIAL AND ENVIRONMENTAL DEVELOPMENT***

- A responsible business recognizes that business cannot sustainably prosper in societies that are failing or lacking in economic development.
- A responsible business therefore contributes to the economic, social and environmental development of the communities in which it operates, in order to sustain its essential 'operating' capital – financial, social, environmental, and all forms of goodwill.
- A responsible business enhances society through effective and prudent use of resources, free and fair competition, and innovation in technology and business practices.

### **Constructive Tendencies**

The Entrepreneur can be the company's most astute and effective bridge between its business plan and wider environments. The Entrepreneur will enjoy developing personal knowledge and contacts with those in his or her wider environment. The Entrepreneur is taken with new opportunities, technologies, markets, services. He or she can respond at the edges of change where marginal utilities are not yet set in concrete; where innovation and early adoption open new business opportunities.

### **Subtractive Tendencies**

Entrepreneurs may be too eager to forge ahead where markets are not soundly established or technology remains not fully scaled for reliable profitability. They may with great personal zeal over-sell the opportunities they see.

And, their networking contacts may be similar optimists living on hopes and possibilities and not really in positions to deliver paying customers or well-tested products and methodologies.

## **PRINCIPLE 3 – BUILD TRUST BY GOING BEYOND THE LETTER OF THE LAW**

- A responsible business recognizes that some business behaviors, although legal, can nevertheless have adverse consequences for stakeholders.
- A responsible business therefore adheres to the spirit and intent behind the law, as well as the letter of the law, which requires conduct that goes beyond minimum legal obligations.
- A responsible business always operates with candor, truthfulness, and transparency, and keeps its promises.

### **Constructive Tendencies**

Entrepreneurs like to build relationships so that they can gain support and buy-in to their way of thinking or acting. Thus, being trustworthy with key clients is an important behavior for them. Being open about their needs, wishes, aspirations, problems comes naturally to Entrepreneurs. They want to attract investors financially and emotionally. Entrepreneurs generally have a story to tell and enjoy telling it.

### **Subtractive Tendencies**

Entrepreneurs are often out for themselves. Their need in these situations is to “take the money and run”. Thus, they are open to taking advantage of trusting relationships, not being fully candid, telling only what others want to hear, hiding what is worrisome, risky or problematic. They are ready to move on to new prospects, always looking for greener grass, and so may underestimate the value of building long-term relationships based on fixed credibility and stable character.

### **PRINCIPLE 4 – RESPECT RULES AND CONVENTIONS**

- A responsible business respects the local cultures and traditions in the communities in which it operates, consistent with fundamental principles of fairness and equality.
- A responsible business, everywhere it operates, respects all applicable national and international laws, regulations and conventions, while trading fairly and competitively.

### **Constructive Tendencies**

Entrepreneurs can thrive in the hurly-burly of competition. They like challenges to their skills, creative abilities and persuasive powers. They are the ones to build that better mousetrap that beats the competition with new features, lower prices, or other advantage in the eyes of customers. They try to find new ways of making progress when the status quo is unfriendly to their purposes.

### **Subtractive Tendencies**

Entrepreneurs will enjoy the freedom and scope that comes with manipulating market equilibriums to their own advantage. Motivated by personal achievement, they will be flexible in setting up conditions that will enhance their market presence and power. Discounts, rebates, tying arrangements, special considerations – all appeal to the sales persona of Entrepreneurs though such practices may violate or infringe on the spirit of anti-competition laws and policies.

## **PRINCIPLE 5 – SUPPORT RESPONSIBLE GLOBALISATION**

- A responsible business, as a participant in the global marketplace, supports open and fair multilateral trade.
- A responsible business supports reform of domestic rules and regulations where they unreasonably hinder global commerce.

### **Constructive Tendencies**

Entrepreneurs can thrive where challenges are open to a wider range of solutions; they will seek out new customers, new sources of supply, new financial arrangements in the international setting without reservations. They seek to overcome market limitations and rigid restrictions on business activities. They like travel and meeting people. Experimentation and learning from others are comfortable habits for Entrepreneurs.

### **Subtractive Tendencies**

Entrepreneurs may resist market opening measures if it would bring in new and formidable competition, especially competition on cost of production. Such outsourcing to foreign markets will limit the scope afforded them for success. They will be quick and clever in arguing for domestic protective measures that will lock-in their positional advantages. Becoming a big fish in a small pond is a meaningful incentive for Entrepreneurs.

## **PRINCIPLE 6 – RESPECT THE ENVIRONMENT**

- A responsible business protects and, where possible, improves the environment, and avoids wasteful use of resources.
- A responsible business ensures that its operations comply with best environmental management practices consistent with meeting the needs of today without compromising the needs of future generations.

### **Constructive Tendencies**

The Entrepreneur may be the most creative person when it comes to finding innovation solutions and in building constructive partnerships with NGOs and others seeking protection and remediation of the environment. Entrepreneurial skills will come in handy when new solutions are to be found, new technologies are to be adapted to existing plant and equipment requirements, and new marketing approaches are needed to find new customer networks, or to reposition the company with respect to existing customers and clients.

### **Subtractive Tendencies**

Entrepreneurs may oversell the sustainable aspects of products and services to take advantage of public opinion and “green” preferences among consumers. Cost conscious Entrepreneurs may also overlook sound sustainable practices in order to get a price advantage. They may be less supportive of life-cycle product design requirements to minimize degradation of the environment, looking instead to immediate market payoffs for the company.

## **PRINCIPLE 7 – AVOID ILLICIT ACTIVITIES**

- A responsible business does not participate in, or condone, corrupt practices, bribery, money laundering, or other illicit activities.
- A responsible business does not participate in or facilitate transactions linked to or supporting terrorist activities, drug trafficking or any other illicit activity.
- A responsible business actively supports the reduction and prevention of all such illegal and illicit activities.

### **Constructive Tendencies**

Entrepreneurs can find it within themselves to expose illegal and illicit proposals and transactions in order to better insulate themselves from scandal and punishment. Entrepreneurs want personal success and do not want to be dragged down by the mistakes of others.

## **Subtractive Tendencies**

Entrepreneurs may feel temptation to “walk on the wild side” or to put “one toe over the line” – or worse - to actually embrace illegal or illicit conduct that will bring them personal reward. Entrepreneurs can become rule-breakers given their commitment to self and their disregard for commonly applied rules and regulations.

With their insights and instinct for outreach, networking and building relationships, Entrepreneurs may favor or indulge in cronyism along with opportunities for involvement with unorthodox, dysfunctional, illicit transactions.

## **STAKEHOLDER MANAGEMENT GUIDELINES**

### **1. CUSTOMERS**

A responsible business treats its customers with respect and dignity. Business therefore has a responsibility to:

- a. Provide customers with the highest quality products and services consistent with their requirements.
- b. Treat customers fairly in all aspects of business transactions, including providing a high level of service and remedies for product or service problems or dissatisfaction.
- c. Ensure that the health and safety of customers is protected.
- d. Protect customers from harmful environmental impacts of products and services.
- e. Respect the human rights, dignity and the culture of customers in the way products and services are offered, marketed, and advertised.

## **Constructive Tendencies**

Entrepreneurs can be masters of customer relations, marketing, advertising and sales. They are energized by contacts and relationships where they can shine, make a deal, find a way forward, develop rapport and get support for their own advancement. They bring back from the field vital information on customer preferences, needs, desires, fears, price points. They have their fingers on the pulse of new needs, demands, opportunities. They have the insights and stories that can drive market penetration.

## **Subtractive Tendencies**

Depending on their incentive arrangements, Entrepreneurs can either go from sale to sale, racking up the individual achievement numbers and hitting their targets, or they can use their insights and charm to take time with each customer and bind them more permanently to the company.

Entrepreneurs, in order to make sales, please customers, hit their targets, will do what it takes. They may not fully disclose matters and conditions of the product or service. They may slide over harsher terms in contracts, painting a picture of the future with no dark or somber tones at all. Puffing and worse come easily to many Entrepreneurs.

Entrepreneurs will be tempted from time to time to cut corners, make special deals, affirm representations and warranties that go beyond company policy, all to make the sale and make the customer happy for the moment.

## **2. EMPLOYEES**

A responsible business treats every employee with dignity and respects their interests. Business therefore has a responsibility to:

- a. Provide jobs and compensation that contribute to improved living standards.
- b. Provide working conditions that protect each employee's health and safety.
- c. Provide working conditions that enhance each employee's well-being as citizens, family members, and capable and caring individuals.
- d. Be open and honest with employees in sharing information, limited only by legal and competitive constraints.
- e. Listen to employees and act in good faith on employee complaints and issues.
- f. Avoid discriminatory practices and provide equal treatment, opportunity and pay in areas such as gender, age, race, and religion.
- g. Support the employment of differently-abled people in places of work where they can be productive.
- h. Encourage and assist all employees in developing relevant skills and knowledge.

- i. Be sensitive to the impacts of unemployment and work with governments, employee groups and other agencies in addressing any employee dislocations.
- j. Ensure that all executive compensation and incentives further the achievement of long- term wealth creation, reward prudent risk management, and discourage excessive risk taking.
- k. Avoid illicit or abusive child labor practices.

### **Constructive Tendencies**

Entrepreneurs will enjoy gathering and mobilizing employees for new projects and challenges. Entrepreneurs will be excellent cheerleaders, giving directions and inspiration for taking initiatives, delivering excitement, and rushing into the breach.

They will point out advantages and opportunities and creatively respond to both threats and opportunities.

### **Subtractive Tendencies**

Entrepreneurs, on the other hand, may be tempted to use employees for selfish reasons, pushing them out of the routine into projects and undertakings of merit mostly in the eyes of the Entrepreneur who initiated them. Entrepreneurs have a manipulative side that can either be or seem exploitative of those around them.

Self-promoters, and largely unwilling to share credit and responsibility, Entrepreneurs do not make the best team players at times. They want to shine brightly in the company heavens, leaving others in the shadows.



### **3. SHAREHOLDERS**

A responsible business acts with care and loyalty towards its shareholders and in good faith for the best interests of the corporation. Business therefore has a responsibility to:

- a. Apply professional and diligent management in order to secure fair, sustainable and competitive returns on shareholder investments.
- b. Disclose relevant information to shareholders, subject only to legal requirements and competitive constraints.
- c. Conserve, protect, and increase shareholder wealth. Respect shareholder views, complaints, and formal resolutions.
- d. Respect shareholder views, complaints, and formal resolutions.

#### **Constructive Tendencies**

Being such avid seekers of support, Entrepreneurs can be assigned to the task of acquiring capital – attracting equity investment, promoting the company and its prospects.

#### **Subtractive Tendencies**

Entrepreneurs may be less helpful to the company in their dealings with creditors. Creditors dislike risk and seek to tie down risk exposure with restrictive covenants. Entrepreneurs, on the other hand, take risks and don't like to be controlled or tied down.

Entrepreneurs also enjoy a tendency to over-promote and that cast of mind and presentation may mislead investors into thinking company prospects and initiatives are better and brighter than a cautious mind would calculate. Entrepreneurial enthusiasm tends to inflate the valuation of enterprise both as to prospects for future income and as to the capitalization multiplier.

#### **4. SUPPLIERS**

A responsible business treats its suppliers and subcontractors with fairness, truthfulness and mutual respect. Business therefore has a responsibility to:

- a. Pursue fairness and truthfulness in supplier and subcontractor relationships, including pricing, licensing, and payment in accordance with agreed terms of trade.
- b. Ensure that business supplier and subcontractor activities are free from coercion and threats.
- c. Foster long-term stability in the supplier relationships in return for value, quality, competitiveness and reliability.
- d. Share information with suppliers and integrate them into business planning.
- e. Seek, encourage and prefer suppliers and subcontractors whose employment practices respect human rights and dignity.
- f. Seek, encourage and prefer suppliers and subcontractors whose environmental practices meet best practice standards.

#### **Constructive Tendencies**

Entrepreneurs can engage suppliers creatively when the suppliers are in a position to provide inputs for a pet project of the Entrepreneur. When the Entrepreneur needs something to add into the mix supporting a new product, service, initiative, he or she should find it easy to charm and please the provider of such an input.

An Entrepreneur may also enjoy feeding back to suppliers impressions, lessons-learned, preferences from company clients and customers in order to get improved products or services from the supplier. Upgrading inputs from suppliers will support the Entrepreneur's ambitions to be successful in winning new business.

#### **Subtractive Tendencies**

Entrepreneurs will not, in most cases, be prone to interactions with suppliers, taking them as a given and as a presence that can't really help advance the Entrepreneur's interests very much.

## **5. COMPETITORS**

A responsible business engages in fair competition which is a basic requirement for increasing the wealth of nations and ultimately for making possible the just distribution of goods and services. Business therefore has a responsibility to:

- a. Foster open markets for trade and investment.
- b. Promote competitive behavior that is socially and environmentally responsible and demonstrates mutual respect among competitors.
- c. Not participate in anti-competitive or collusive arrangements or tolerate questionable payments or favors to secure competitive advantage.
- d. Respect both tangible and intellectual property rights.
- e. Refuse to acquire commercial information through dishonest or unethical means, such as industrial espionage.

### **Constructive Tendencies**

Entrepreneurs can be great, dynamic, unflagging competitors. Entrepreneurs bring back from the field good, detailed information about the needs, wants and circumstances of existing and potential customers. What they perceive and recommend as to what is needed to win market share should be listened to and studied by others assigned to develop marketing strategies.

### **Subtractive Tendencies**

In order to win in the competition wars, Entrepreneurs can become the rule-breakers of the free market place. They too want to win, but personally as well as for the company. They will be sorely tempted to cut corners, take short cuts, make illicit payments, bribe to gain advantage with inside information or proprietary data, not respecting the intellectual property rights of others. They see themselves as the center of action and what is good for them, in their minds, should therefore be good for all.

They will not mind rigging markets or squeezing rivals in order to gain market power.

## **6. COMMUNITIES**

As a global corporate citizen, a responsible business actively contributes to good public policy and to human rights in the communities in which it operates.

Business therefore has a responsibility to:

- a. Respect human rights and democratic institutions, and promote them wherever practicable.
- b. Recognize government's legitimate obligation to society at large and support public policies and practices that promote social capital.
- c. Promote harmonious relations between business and other segments of society.
- d. Collaborate with community initiatives seeking to raise standards of health, education, workplace safety and economic well-being.
- e. Promote sustainable development in order to preserve and enhance the physical environment while conserving the earth's resources.
- f. Support peace, security and the rule of law.
- g. Respect social diversity including local cultures and minority communities.
- h. Be a good corporate citizen through ongoing community investment and support for employee participation in community and civic affairs.

### **Constructive Tendencies**

Entrepreneurs can be excellent champions of reform and change when they have been oppressed or repressed. They can take the lead in innovation and creating new patterns of power. They will use company resources in these efforts without hesitation.

When Entrepreneurs can see their way to community involvement, they are eager, creative, delightful participants in such works. They can lead the team effort to accomplish cultural, communal, political or social objectives. They can be strong articulate civic leaders coming from the business community.

## **Subtractive Tendencies**

Entrepreneurs can be the most vociferous opponents of government power and regulation. Tight social control is not often in the interest of Entrepreneurs. Such conditions clip their wings and constrain their freedom of movement and invention. Entrepreneurs like scope and flexibility. They want to make it on their own and not through subservience to higher powers.

In their desire to get ahead, Entrepreneurs will be open to evading, avoiding and even breaking government rules and regulations.

Improving the lives of others – their enjoyment of human rights or economic development – is not usually an important goal for Entrepreneurs. They will not be likely to urge company efforts in these directions.

Entrepreneurs are less likely to become involved in or support principle community engagement through volunteerism or charity unless the specific activity in question can enhance their power or prestige or advance their business interests.

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