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LIGHTS - Leadership

Putting care before profit makes companies stronger

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Abstract

This paper reframes corporate performance by introducing unconditional care as a foundational principle for how companies operate within their business ecosystems. Based on qualitative research across several dozen organizations in Europe, North America, and Asia, it shows that businesses which prioritize the care for customers, suppliers, and local communities—without conditioning such care on immediate financial returns—consistently achieve strong and sustained performance. Rather than treating profit as an objective to optimize, these companies allow it to emerge as a consequence of care-based business activities. Through cases spanning manufacturing, banking, and consumer goods, the paper illustrates how this logic translates into concrete practices such as decentralized decision-making, long-term supplier investment, and adaptive responses in times of crisis. It further argues, drawing on behavioral science, that care aligns with intrinsic human motivations, making it a robust and scalable foundation for business organization. For practitioners, the implication is not the addition of new programs or ESG layers, but a shift in managerial intent and decision criteria toward relational rather than transactional logic. By doing so, companies can contribute significantly to society and — as a consequence — strengthen their resilience and achieve superior long-term corporate performance.

Keywords: Leadership philosophy, Unconditional care, Resilience and sustainability, Post-CSR business approaches, Stakeholder capitalism

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Putting care before profit makes companies stronger[1]

Canadian business leadership in sustainability is being redefined not by government policy or ESG ratings but by a little-known company in Lévis, Quebec. PMB, a 120-person manufacturer of custom metal parts and components, has retrofitted its facilities with a geothermal heating system, maximized natural light and repurposed waste heat from paint ovens to dry components. It also harvests rainwater to clean parts and has streamlined its manufacturing to reduce transportation and packaging waste. But as CEO Dominique Tremblay emphasizes – both in conversation with us and in his recent book (Tremblay, 2025) – none of this is about optics or certification. PMB's choices point to a different operating logic, one that prioritizes care for the members of its business ecosystem as a starting point, not an afterthought.

Across three continents and dozens of organizations like PMB, our recent research published in our book *The Caring Company* (Getz & Marbacher, 2025a) reveals a powerful insight: when companies show what we call "unconditional" care – that is, care that is not contingent on short-term returns or contractual reciprocity – for customers, suppliers and local communities, they consistently outperform their competitors financially. Strong profit is not their objective, but it becomes the outcome.

This perspective differs from traditional CSR, stakeholder capitalism, ESG, and many purpose-driven approaches. These frameworks often seek to balance economic and social objectives. In the companies we studied, however, social good is not one objective among others to be weighed against profit. Rather, decisions begin with the question: "What would genuinely serve the long-term good of the members of the company's business ecosystem — customers, suppliers, and members of the local community?" Financial performance follows as a consequence rather than an objective.

What does this change in practice? It changes how companies make their decisions. Rather than asking whether a decision maximizes short-term financial returns, leaders ask whether it strengthens relationships and generates social value for the members of the company's business ecosystem. The examples below illustrate how this logic operates in very different industries and contexts.

One clear example is Handelsbanken, a leading Swedish bank, which redesigned its organization to give branch managers full autonomy to care for customers, even during crises. At the height of COVID, while most British banks withdrew lending to small and medium-sized enterprises (SMEs) made fragile by the pandemic, Handelsbanken leaned in. Despite holding just 1% of the U.K. banking market, it issued nearly 50% of all SME loans. As former CEO Anders Bouvin put it, "We don't want to be a burden to society. We want to be an asset." The outcome of this care-first approach? Handelsbanken has outperformed its competitors for more than 50 consecutive years.

Similarly, Traditional Medicinals, a U.S.-based producer of herbal medicinal teas, found its supply chain misaligned with its values when its founders discovered child labor during a visit to a supplier in Guatemala. Rather than simply leaving the supplier, CEO Drake Sadler committed to rebuilding the entire supply network, rebuilding it "village by village." Today, across 35 countries and 160 suppliers, the company has invested in organic farming transitions, local education and water collection wells – not out of compliance, but out of unconditional care for supplier welfare. The result? In the case of organic transitions, the

[1] This paper is based on the article that was published in *Corporate Knights* (January 5, 2026).

higher potency of active ingredients has reduced total input costs while strengthening supplier communities.

PMB provides another illustration. It has no formal strategic plan. It declines transactional requests for proposals and instead focuses on trusted relationships with customers. Yet it has become a preferred supplier, won three Grand Lévis Chamber of Commerce awards – the first company ever to do so – and tripled its profits since placing unconditional care at the heart of its operations.

An urgent shift

These are not isolated stories. They reflect a systemic insight: when businesses move from transactional thinking to relationships grounded in unconditional care, they unlock a different kind of value – loyal customers, dedicated suppliers, and supportive communities. Together, these become powerful sources of performance, in good times and — even more importantly — in bad times.

And this shift could not be more urgent. Traditional models of capitalism, rooted primarily in self-interest, continue to be criticized for privatizing profits while socializing risks. Yet, as we detail in one chapter of our book (Getz & Marbacher, 2025b), behavioral science suggests something different: humans are wired for care, especially when those affected by our actions are visible and proximate. Care is not an abstraction. It is built through daily interactions and has proven to be a reliable foundation for sustainable performance.
Skeptics may argue that putting care before profit is naïve or financially risky. The evidence from the organizations we studied suggests otherwise. Care-based organizations do not ignore financial realities. Rather, they recognize that long-term economic performance depends on the quality of relationships with customers, suppliers, and local communities. Unconditional care is not a substitute for sound way of running a company; it is a different basis for it.

Of course, the caring company philosophy is not a formula that applies identically everywhere. Different industries and competitive environments create different contexts. Yet the principles remain remarkably robust: when employees have sufficient autonomy to build trusted relationships with members of their business ecosystem, decisions grounded in unconditional care tend to strengthen organizational resilience and performance.

What these companies demonstrate is not simply a better way of doing business. They offer a blueprint for rethinking capitalism. Canada is uniquely positioned to contribute to this transformation. With a strong social foundation, growing climate urgency and a rising generation of values-driven entrepreneurs, many of the conditions are already in place.

For business leaders, the starting point may be to ask three simple questions:

- If we care unconditionally about our customers, will they come back, buy more from us, and talk better about us?
- If we care unconditionally about our suppliers, will they be fully dedicated and go the extra mile every time we need them?
- If we care unconditionally about the members of our local communities, will they fully support us?

If the answers are "yes", then these leaders might be willing to move away from driving their companies through self-interested transactions and profit-maximization and turn towards driving them through unconditional care.

Companies like PMB are lighting the way. Unconditional care is not only the right thing to do; it can also be a powerful source of stronger and more sustainable performance.

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