



McCALLUM GRADUATE SCHOOL OF BUSINESS

MK 755: CONSCIOUS CAPITALISM: THEORY & PRACTICE

Fall 2009

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Course Overview

To be conscious means to be awake, mindful. To live consciously means to be open to perceiving the world around and within us, to understand our circumstances, and to decide how to respond to them in ways that honor our needs, values, and goals.... A conscious business fosters peace and happiness in the individual, respect and solidarity in the community, and mission accomplishment in the organization.

Fred Kofman, *Conscious Business*

The world of business today is urgently in need of a new paradigm because “business as usual” is simply not working well any more. Public distrust of business is at historic highs; many employees, customers and other stakeholders of businesses are disconnected from and disillusioned with the companies they interact with.

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- The New York Times: “The majority of the public... believes that executives are bent on destroying the environment, cooking the books and lining their own pockets.”
 - Only 2 percent of investors believe that CEOs are “very trustworthy”; 72 percent believe that wrongdoing is commonplace at companies.
 - 90 percent of Americans believe that big companies have too much influence on government, up from 83 percent in 2004.
 - 80 percent believe business is too concerned about making a profit and not enough about responsibilities to workers, consumers, and the environment.
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At the same time that its reputation is deteriorating, the reach and impact of business in the world is growing. Business today has more power than ever before to enhance or to diminish overall well being in society. As its power and influence grow, so too must its sense of responsibility and “stewardship” / trusteeship.

The term “conscious capitalism” reflects the fact that more people today are at higher levels of consciousness about themselves and the world around them than ever before. This is due in part to natural evolution, but also to the rapid aging of society, which has resulted in a higher proportion of people in mid-life and beyond, when consciousness is elevated and higher-level needs predominate. The advent of the World Wide Web has accelerated this trend, simultaneously connecting hundreds of millions of people and placing great demands for transparency on companies.

“Conscious capitalism” has three key elements:

- Companies have a purpose that transcends profit maximization;
- Companies are managed for the benefit of all stakeholders in their ecosystem, not just shareholders; and
- Companies are led by spiritually evolved, self-effacing servant leaders.

Course Objectives

1. To define what we mean by “Conscious Capitalism” and clearly distinguish it from a traditional perspective on business.
2. To critically examine the evidence on the impact of practicing conscious capitalism on the tangible and intangible well-being of all stakeholders.
3. To understand in detail how to operationalize the three key tenets of conscious capitalism: higher purpose, stakeholder orientation and conscious leadership.
4. To understand the steps required to help a conventionally defined business transform into a conscious business.
5. To understand and practice the fundamental elements of personal transformation that must accompany any effort to implement conscious capitalism. ***Note that approximately 25% of each class session will be devoted to cultivating mindfulness perspectives and practices.***

Course Materials

Books

- Raj Sisodia, David Wolfe and Jag Sheth (2007), *Firms of Endearment: How World Class Companies Profit from Passion and Purpose*, Wharton School Publishing.

- Donella Meadows (2008), *Thinking in Systems: A Primer*, Chelsea Green Publishing.
- Fred Kofman (2006), *Conscious Business: How to Build Value Through Values*, Sounds True Incorporated
- Chip Conley (2007), *Peak: How Great Companies Get Their Mojo from Maslow*, Jossey-Bass.
- Roy Spence (2009), *It's Not What You Sell, It's What You Stand For*, Hyperion.
- Viktor Frankl (1959), *Man's Search for Meaning*, Beacon Publishing.

Articles/Essays

As indicated in the course outline. Most readings will be made available on the course Blackboard site, some will be accessible via the Bentley Library web site and some will be handed out in class.

Assessment

Component	Weight	Description
Individual	20%	<p>Two reviews/summaries: Each student will develop a thorough and critical review/summary of an article or book from the assigned readings. These summaries will be posted on the Conscious Capitalism blog.</p> <p>Contributions to Shared Wisdom Mind-Map: Every week, each student has to come up with 4-5 nuggets of wisdom from the readings or other sources and post them to the discussion board. These nuggets can relate to business success or personal happiness or both. I will organize them into a Mind Map and keep adding to it every week.</p>
Group paper	30%	<p>Conscious Capitalism Research Paper: Teams of students will critically examine a particular aspect of Conscious Capitalism. The project is described in a separate handout.</p>
Take home final	30%	<p>This will consist of four reflective essays on various aspects of Conscious Capitalism.</p>
Class participation	20%	<p>Regular attendance and contribution to course experience. This includes posting to the Conscious Capitalism blog http://consciouscapitalism.typepad.com/</p>

Pedagogy

The course will be taught using a blend of lectures, class discussions, video presentations, guest speakers and exercises. Attendance at each session and prior preparation are essential.

Session Outline

No.	Date	Business Theme	Topics	Readings / Videos / Guests	Personal Mastery Theme
1	Sep 10	Introduction / Course Overview	A Brief History of Capitalism The Three Modern Ages of Capitalism	David Wolfe, "The Cultural Foundations of the Conscious Capitalism Movement" John Mackey, "Conscious Capitalism: Creating a New Paradigm for Business" Charles Handy, "What's a Business For?" <i>Harvard Business Review</i> <i>FoE</i> , Prologue and Chapter 1 Video: Ray Anderson, Interface	Discussion of personal journeys & life/business philosophies Video: Srikumar Rao @ Google
2	Sep 17	Capitalism & its Discontents	Contemporary Critiques of Capitalism Alternatives to Traditional Capitalism	Chapter Summaries, Riane Eisler's <i>The Real Wealth of Nations</i> Jeremy Mercer, "The Altruism in Economics" Mackey/Friedman/Rodgers debate in <i>Reason</i> , "Rethinking the Social Responsibility of Business" Michael Yaziji, "Time to Rethink Capitalism?" <i>Harvard Business Review</i> <i>FoE</i> , Chapter 2 Video: "The Corporation – Part 1"	Exercise: Mental Models Contemplative Practices in Management Guest: Joe Weiss, Bentley University
3	Sep 24	Tenets of Conscious Capitalism	The Case for Conscious	Fred Kofman, <i>Conscious Business</i> Michael Strong, "Context", Chapter 1 from <i>Be the Solution: How Entrepreneurs &</i>	Martin Seligman & Mihaly Csikszentmihalyi, "Positive Psychology: An

			<p>Capitalism</p> <p>Conscious Capitalism & CSR</p>	<p><i>Conscious Capitalists Can Solve All the World's Problems</i></p> <p>William H. Marquard & Ann B. Graham, "Shareholder Value OR Social Responsibility? How Corporations Find the AND"</p> <p>Phil Mirvis & Bradley Googins, "Stages of Corporate Citizenship"</p> <p>Mary Sully de Luque et al, "Unrequited Profit: Effects of CEO Decision-Making on Firm Performance"</p> <p><i>FoE</i>, Chapter 3</p> <p>Video: "The Corporation – Part 2"</p>	<p>Introduction"</p>
4	Oct 1	Defining Corporate Purpose	<p>The Power of Purpose</p> <p>Purpose Archetypes</p>	<p>Christopher Bartlett & Sumantra Ghoshal, "Changing the Role of Top Management: Beyond Strategy to Purpose," <i>Harvard Business Review</i></p> <p>Roy Spence, <i>It's Not What You Sell, It's What You Stand For</i></p> <p>Viktor Frankl, <i>Man's Search for Meaning</i></p> <p>Richard Ellsworth, "Infusing Purpose"</p> <p>Kenneth Goodpaster, "Orienting Corporate Conscience"</p> <p>Video: Roy Spence on Purpose</p>	<p>Exercise: Living in an Other Centered Universe</p> <p>Wisdom Note: Mihaly Csikszentmihalyi, <i>Flow: The Psychology of Optimal Experience</i> (if available)</p>
5	Oct 8	Systems Thinking	<p>The Enterprise as a System of Systems</p>	<p>Donella Meadows, <i>Thinking in Systems</i></p> <p>Sumantra Ghoshal, "Bad Management Theories are Destroying Good"</p>	<p>Guest: Satish Thatte, CEO, New Synergy Group</p>

				Management Practices” Peter Senge, “Sustainability: Not What You Think It Is” Video: Russ Ackoff on Systems Thinking	
OCTOBER 10-11: OPTIONAL WEEKEND PROGRAM ON “CONSCIOUS LIVING”					
6	Oct 15	Stakeholder Theory	The SPICE Model	Jeffrey Pfeffer, “Shareholders First? Not so Fast,” <i>Harvard Business Review</i> Bradley Agle et al, “Dialogue: Toward Superior Stakeholder Theory” Video: Ed Freeman on Stakeholder Management	Srikumar Rao, “It’s Mental Chatter and Its’ Real!” Exercise: Mental Chatter / Voice of Judgment <i>Wisdom Note: Maslow on Management</i> (if available)
OCTOBER 22, 25: NO CLASS (CONSCIOUS CAPITALISM CONFERENCE IN AUSTIN)					
7	Oct 29	Stakeholder: Society	Meeting Societal Needs at Multiple Levels Aligning Company & Societal Well-Being	Scott Beardsley et al, “Bringing Society into Strategy” Amory B. Lovins, L. Hunter Lovins, & Paul Hawken, “A Roadmap for Natural Capitalism” <i>Harvard Business Review</i> Robert Phillips & R. Edward Freeman, “Corporate Citizenship and Community Stakeholders” Michael Porter, “The Competitive Advantage of Corporate Philanthropy,” <i>Harvard Business Review</i> Ryuzaburo Kaku, “The Path of Kyosei,” <i>Harvard Business Review</i> <i>FoE</i> , Chapter 8	Guest: Beth Holzman, Manager of CSR Strategy & Reporting, Timberland
8	Nov 5	Stakeholder:	Meeting Partner	<i>FoE</i> , Chapter 7	Srikumar Rao, “Your ‘Me-

		Partners	Needs at Multiple Levels Aligning Company & Partner Well-Being	Video: Walter Robb, President, Whole Foods	Centered' Universe Creates the Stress in Your Life" Exercise: Gratitude and Appreciation Wisdom Note: Martin Seligman, <i>Authentic Happiness</i> (if available)
9	Nov 12	Stakeholder: Investors	Meeting Investor Needs at Multiple Levels Aligning Company & Investor Well-Being	<i>Peak</i> , Part 4 <i>FoE</i> , Chapter 6	Guest: Allen White, Tellus Institute
10	Nov 19	Stakeholder: Customers	Meeting Customer Needs at Multiple Levels Aligning Company & Customer Well-Being	Leonard Berry & Ann Mirabito, "Recapturing Marketing's Mission" Peter Senge, "Waking the Sleeping Giant" <i>FoE</i> , Chapter 5 <i>Peak</i> , Part 3 Video: "Killing Us Softly"	Guest: Richard Whiteley, author, <i>Love the Work You're With</i> Wisdom Note: Daniel Goleman, <i>Emotional Intelligence</i> (if available)
11	Nov 20 (MAKEUP CLASS 1)	Stakeholder: Employees	Meeting Employee Needs at Multiple Levels Aligning Company & Employee Well-Being	<i>FoE</i> , Chapter 4 <i>Peak</i> , Part 2	Guest: Doug Rauch, former President, Trader Joe's
12	Nov 20 (MAKEUP CLASS 1)	Conscious Leadership	Spirituality Servant	Phil Mirvis, "Executive Development Through Consciousness Raising"	Wisdom Note: Stephen Covey, <i>The 7 Habits of</i>

	CLASS 2)		Leadership	Experiences” Judy Sorum Brown, “Welcoming the Feminine Dimensions of Leadership” Peter Senge, “Systems Citizenship: The Leadership Mandate for this Millennium” William Miller & Debra Miller, “Four Contexts of Business Leadership Shaping the 21st Century” Video: Debashis Chatterjee on Timeless Leadership	<i>Highly Effective People</i> (if available) Guest: Phil Mirvis, Boston College
13	Dec 3	Becoming a Conscious Business	The Change Management Process Changing Mental Models	Daryl Conner, “How to Be an Effective Sponsor of Major Organizational Change” Daryl Conner, “The Leader’s Challenge - Installation or Realization” Michael Thomas & Bill Veltrop, “Internal Transformation of Corporations: The Road to Conscious Capitalism” Video: Deepak Chopra on Metamorphosis	Wisdom Note: Mitch Albom, <i>Tuesdays With Morrie</i> Guest: Mark Albion, founder, Net Impact
14	Dec 10	PROJECT PRESENTATIONS			
15	Dec 17	Looking Back, Looking Ahead	The Conscious Capitalism Movement	Rakesh Khurana and Nitin Nohria, “It’s Time to Make Management a True Profession,” <i>Harvard Business Review Peak</i> , Chapter 14 Video: Rick Warren on The Purpose Driven Life Video: Randy Pausch, The Last Lecture	Exercise: Good Thing, Bad Thing Wisdom Note: Eckhart Tolle, <i>A New Earth: Awakening to Your Life's Purpose</i> (if available)

PEER EVALUATION FORM

(DUE NO LATER THAN THE LAST DAY OF CLASS)

Each group member may submit this peer evaluation form. This form constitutes a **confidential** evaluation of each of your team members. The form will, of course, be kept in the strictest confidence. The evaluations will be used to adjust the grade received by each member.

In the space provided below, please fill in the names of your team members and record your rating for each. The form **MUST** be signed, and folded to maintain evaluator privacy. ***You may use the back of the form to provide any additional comments that you wish to be placed "on the record".***

The peer rating is based on a total awardable point base of 100 points to all team members **not including you**. The points should be allocated among your team members based upon a consideration of the following:

1. Willingness of the individual to carry out assigned tasks
2. Ability of the individual to meet deadlines
3. Cooperation with other team members
4. Quality of the individual's work
5. Overall contribution to the project

Note that the points awarded must total 100.

TEAM MEMBER	POINTS AWARDED
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____
TOTAL	100

Name: _____ Signature: _____

(Please use the reverse side of this sheet to explain any unequal scores)

CLASS PARTICIPATION: Expectations, Performance and Grading

Student Name _____ Date _____

Please check the category that you feel best represents your attendance and class participation.
Please return this form to me on the last day of class.

	Point Range	PERFORMANCE DESCRIPTION
<input type="checkbox"/>	90-100	Regular attendance; frequent participation and substantial contribution to class discussions.
<input type="checkbox"/>	80-89	Regular attendance; participated and contributed moderately to class discussions.
<input type="checkbox"/>	70-79	Regular attendance; occasional participation and contribution.
<input type="checkbox"/>	75-79	Missed a few sessions; participated frequently and substantially to class discussions.
<input type="checkbox"/>	70-74	Missed a few sessions; participated and contributed moderately to class discussion.
<input type="checkbox"/>	65-69	Missed a few sessions; occasional participation and contribution.
<input type="checkbox"/>	0-65	Attendance was irregular, with occasional participation.

Comments by Instructor:

Score: _____

Notes:

- The point spread within each category represents instructor's judgment regarding the quality of contributions to class discussion.
- "Regular attendance" means missing less than 10% of semester sessions.
- "Missed a few sessions" means missing less than 20% of semester sessions.

Biographical Sketch

RAJENDRA S. SISODIA

Dr. Rajendra S. Sisodia is Professor of Marketing and the Founding Director of the Center for Marketing Technology at Bentley University. He was previously Trustee Professor of Marketing. Until 1998, he was Director of Executive Programs and Associate Professor of Marketing at George Mason University in Fairfax, Virginia. His responsibilities there included directing the Executive MBA program, the Masters program in Technology Management and short executive programs. From 1985 to 1988, he was Assistant Professor of Marketing at Boston University. An electrical engineer from BITS, Pilani (India), Dr. Sisodia has an MBA in Marketing from the Bajaj Institute of Management Studies in Bombay, and a Ph. D. in Marketing & Business Policy from Columbia University, where he was the Booz Allen Hamilton Fellow of Strategic Management.

His research, teaching and consulting expertise spans the areas of stakeholder-based management, leadership and cultural transformation, new marketing frameworks, marketing ethics, measuring and improving marketing productivity and performance, relationship marketing and systems thinking. Dr. Sisodia was nominated three times for the George Mason University Teaching Award, and was twice a finalist. In 2003, he was cited as one of "50 Leading Marketing Thinkers" by the UK-based Chartered Institute of Marketing (the largest marketing association in the world). In 2007, he was honored with the Award for Excellence in Scholarship by Bentley University, and in 2008, he received an award for Innovation in Teaching.

Dr. Sisodia's book *The Rule of Three: How Competition Shapes Markets* (with Jagdish N. Sheth) was published by Simon & Schuster in 2002, and has been translated into German, Italian, Polish, Japanese and Chinese. It was the subject of a seven part television series by CNBC Asia, and was a finalist for the 2004 Best Marketing Book Award from the American Marketing Association. In 2006, he published *Tectonic Shift: The Geoeconomic Realignment of Globalizing Markets* (Sage Publications) and *Does Marketing Need Reform?* (M.E. Sharpe). His book *Firms of Endearment: How World Class Companies Profit from Passion and Purpose* (with David Wolfe and Jagdish N. Sheth, Wharton School Publishing, 2007) has been translated into six languages and was named one of the best business books of 2007 by several organizations, including Amazon.com. His forthcoming books is *The 4A's of Marketing*.

Dr. Sisodia has published approximately one hundred articles in publications such as *Harvard Business Review*, *Journal of Marketing*, *Journal of Marketing & Public Policy*, *Journal of Business Strategy*, *Journal of Business Research*, *Journal of the Academy of Marketing Science*, *Marketing Management*, *Marketing Research*, *Journal of Services Marketing*, *European Business Forum* and many others. He has authored book chapters on "Consumer Behavior in the Future," "The Future of Marketing Education," "The Impact of Information Technology on Relationship Marketing" and "The Future of Marketing." He has written over two dozen cases, primarily on strategic and marketing issues in the telecommunications industry, as well as several telecommunications industry and company analyses. His research reports titled *The Consolidation of the Information Industry* and *The Future of Wireless Communications* were published by the International Engineering Consortium.

Dr. Sisodia is listed in *Who's Who in America* and *Who's Who in Finance and Industry*. He writes frequently for the *Wall Street Journal*, and his work has been featured in *The New York Times*, *Fortune*, *Financial Times*, *The Washington Post*, *The Boston Globe*, *Christian Science Monitor*, *The Economic Times*, *Upside* and numerous other publications, radio shows and television networks such as CNN, CBC and Fox. His research has been cited in over thirty professional books and numerous academic articles. He has been interviewed on the American Public Radio national business program *Marketplace*, and appeared regularly with Steve Pearlstein of the Washington Post on the programs Public Interest and One Union Station on National Public Radio, discussing current business issues. He is on the editorial board of several journals, and was previously the Associate Editor of the *Journal of Asia Pacific Business*. He has served as reviewer for *Journal of Marketing* and *Journal of Retailing*.

Dr. Sisodia was cofounder and Chairman of adAlive, Inc. from March 2000 to June 2002. He has consulted with organizations and companies in the United States, Canada, Chile, Singapore, Hong Kong, India and England, including AT&T, BJ's Wholesale, Siemens, Sprint, MCI, BellSouth, Bell Atlantic, Volvo, Northern Telecom, Bellcore, IBM, Price Waterhouse, Perot Systems, Ernst & Young, Telecom Italia, Southern California Edison, United Nations, World Bank, Internal Revenue Service, US Postal Service, and the Commonwealth of Virginia.