
MK 402: CONSCIOUS CAPITALISM IN BUSINESS

Spring 2011

DR. RAJ SISODIA, PROFESSOR OF MARKETING
Phone: 781-891-3461 Fax: 781-788-6456
Email: rsisodia@bentley.edu
Room 205 Morison Hall
Office hours: By appointment



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*

We stand at a tipping point in the economic history of the world. The 20th century witnessed a lengthy battle between polar opposite views of how to organize and regulate economic activity. The capitalist model won that epic struggle decisively, but failed to capture the minds of intellectuals and the hearts of citizens.

A spate of recent scandals has shaken the public's already shaky confidence in capitalism's capacity for good. However, a growing number of corporate executives are showing that business and marketing can be a powerful force for good

-
- 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.
-

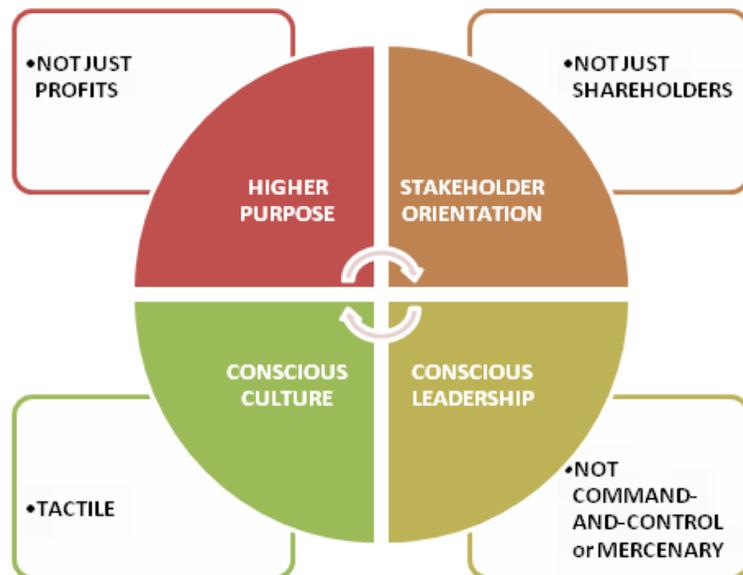
for all concerned in the 21st century — not just for shareholders. These leaders have consciously set their companies on a course designed to address societal needs while building shareholder value, creating workplaces that offer meaning and fulfillment while producing and marketing products of great value with a net positive effect on the environment.

This course examines how companies that practice such “conscious capitalism” embody the idea that profit and prosperity, and effective marketing can and must go hand in hand with social justice and environmental stewardship. Leading firms and marketers, such as Whole Foods, Costco, JetBlue, Southwest Airlines, Toyota, Google and IKEA, operate with a systems view, recognizing and benefiting from the connectedness and interdependence of all stakeholders. They tap into deeper sources of positive energy and create greater value for all stakeholders. They reject false trade-offs between stakeholder interests and strive for creative ways to achieve win-win outcomes for all. They utilize creative business models that are both transformational and inspirational, and can help solve the world’s many social and environmental problems.

The course will incorporate a blend of lectures, discussions, industry expert speakers and a group project that entails performing a Conscious Business Audit of a major company.

What is Conscious Capitalism?

Conscious Capitalism is a philosophy based on the belief that a richer, more complex form of capitalism is emerging that can enhance corporate financial performance while simultaneously improving the quality of life for billions of people and nurturing and healing our planet. Conscious Capitalism challenges business leaders to re-think why their organizations exist and to acknowledge their company’s role in the interdependent global marketplace and ecosystem.



Conscious Capitalism has four key elements:

- Business can and should be done with a sense of higher purpose that goes beyond profit;

- Business should seek to synergistically deliver long-term benefits to all stakeholders instead of accepting trade-offs and focusing primarily on immediate returns to shareholders;
- Businesses should appoint conscious leaders who are driven by the firm’s purpose rather than self-enrichment, and who lead by mentoring, motivating, developing and inspiring people rather than through command-and-control or a carrot and stick approach; and
- Businesses need to develop conscious cultures built on qualities such as trust, authenticity, transparency, caring, empowerment and learning.

Our experience and research has found that companies that embody the principles of Conscious Capitalism substantially outperform the market in financial terms over the long term, while creating many other kinds of non-financial wealth for all stakeholders. They maximize the “total value created” on a sustained basis and share that value in an equitable and enlightened manner with all their stakeholders. Such businesses enhance the overall health and well-being of society, bringing joy, fulfillment and a sense of meaning to all their stakeholders. Their very existence enriches the world

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 develop an understanding and appreciation for systems thinking as an integral discipline contributing to the practice of Conscious Capitalism.
5. To understand the steps required to help a conventionally defined business transform into a conscious business.
6. 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 (**PROVIDED ELECTRONICALLY**)
- Donella Meadows (2008), *Thinking in Systems: A Primer*, Chelsea Green Publishing.
- 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	10%	Reviews/summaries: Each student will develop a thorough and critical review/summary of one article from the assigned readings.
Individual	20%	Each student will complete the Personal Mastery exercises and the Life Map assignment.
Group paper	20%	The project is described in a separate handout.
Take home final	30%	The final will consist of four reflective essays on various aspects of Conscious Capitalism.
Class participation	20%	Regular attendance and contribution to course experience.

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	Personal Mastery Theme
1	Jan 24	Introduction / Course Overview	A Brief History of Capitalism The Three Modern Ages of Capitalism	<i>FoE</i> , Prologue and Chapter 1 Video: Ray Anderson, Interface	Discussion of personal journeys & life/business philosophies Video: Srikumar Rao @ Google
2	Jan 31	Capitalism & its Discontents	Contemporary Critiques of Capitalism Alternatives to Traditional Capitalism	Jeremy Mercer, “The Altruism in Economics” Mackey/Friedman/Rodgers debate in <i>Reason</i> , “Rethinking the Social Responsibility of Business” <i>FoE</i> , Chapter 2	Guest: Dr. Eva Selhub, Harvard Medical School & Mass General
3	Feb 7	Tenets of Conscious Capitalism	The Case for Conscious Capitalism Conscious Capitalism & CSR	Michael E. Porter & Mark R. Kramer, “Creating Shared Value: How to Reinvent Capitalism—and Unleash a Wave of Innovation and Growth,” <i>Harvard Business Review</i> Charles Handy, “What’s a Business For?” <i>Harvard Business Review</i> Michael Strong, “Context”, Chapter 1 from <i>Be the Solution: How Entrepreneurs & Conscious Capitalists Can Solve All the World’s Problems</i> <i>FoE</i> , Chapter 3	
4	Feb 14	Defining Corporate	The Power of Purpose	Christopher Bartlett & Sumantra Ghoshal, “Changing the Role of Top Management: Beyond	Exercise: CONTROLLING MENTAL CHATTER

		Purpose	Purpose Archetypes	Strategy to Purpose," <i>Harvard Business Review</i> Roy Spence, <i>It's Not What You Sell, It's What You Stand For</i> Viktor Frankl, <i>Man's Search for Meaning</i> Video: Roy Spence on Purpose	
FEB 21: RSS AWAY – NO CLASS					
5	Feb 28	Systems Thinking	The Enterprise as a System of Systems	Donella Meadows, <i>Thinking in Systems</i> Video: Russ Ackoff on Systems Thinking	Exercise: BECOMING MORE MINDFUL
6	Mar 7	Stakeholder Theory	The SPICE Model	Bradley Agle et al, "Dialogue: Toward Superior Stakeholder Theory" Video: Ed Freeman on Stakeholder Management	Exercise: CULTIVATING APPRECIATION AND GRATITUDE
7	Mar 21	Stakeholder: Society	Meeting Societal Needs at Multiple Levels Aligning Company & Societal Well-Being	Phil Mirvis & Bradley Googins, "Stages of Corporate Citizenship" 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> <i>FoE</i> , Chapter 8	Exercise: CHOOSING YOUR REALITY Guest: Kevin Armata, President and CEO, Windsor Marketing Group
8	Mar 28	Stakeholder: Partners	Meeting Partner Needs at Multiple Levels Aligning Company & Partner Well-	<i>FoE</i> , Chapter 7 Video: Walter Robb, President, Whole Foods	Exercise: CHANGING YOUR MENTAL MODELS

			Being		
9	Apr 4	Stakeholder: Investors	Meeting Investor Needs at Multiple Levels Aligning Company & Investor Well-Being	Mary Sully de Luque et al, “Unrequited Profit: Effects of CEO Decision-Making on Firm Performance” <i>Peak</i> , Part 4 <i>FoE</i> , Chapter 6	Exercise: LIVING IN AN OTHER-CENTERED UNIVERSE
10	Apr 11	Stakeholder: Customers	Meeting Customer Needs at Multiple Levels Aligning Company & Customer Well-Being	Leonard Berry & Ann Mirabito, “Recapturing Marketing’s Mission” <i>FoE</i> , Chapter 5 <i>Peak</i> , Part 3 Video: “Killing Us Softly”	Exercise: GOOD THING, BAD THING, WHO KNOWS? Guest: Nick Craig, President, Authentic Leadership Institute
11	Apr 25	Stakeholder: Employees	Meeting Employee Needs at Multiple Levels Aligning Company & Employee Well-Being	Lynda Grafton, “The Future of Work” Gallup White Paper, “The Relationship Between Engagement at Work and Organizational Outcomes” <i>FoE</i> , Chapter 4 <i>Peak</i> , Part 2	Exercise: CREATING MIRACLES IN YOUR LIFE Guest: Richard Whiteley
12	Apr 29 (MAKE-UP)	Conscious Leadership	Spirituality Servant Leadership	John Renesch, “Conscious Leadership” Video: Debashis Chatterjee on Timeless Leadership	

	CLASS)				
13	May 2	PROJECT PRESENTATIONS			
14	May 9	Looking Back, Looking Ahead	The Conscious Capitalism Movement	John Mackey, "Conscious Capitalism: Creating a New Paradigm for Business" <i>Peak</i> , Chapter 14 <i>Video: Rick Warren on The Purpose Driven Life</i>	Exercise: DESIGNING YOUR IDEAL JOB

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 at Bentley University, and was previously Trustee Professor of Marketing and the Founding Director of the Center for Marketing Technology. A leading figure in the Conscious Capitalism movement, he is also the Founder and Chairman of the Conscious Capitalism Institute (www.cc-institute.com). 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.

His research, teaching and consulting expertise spans the areas of conscious capitalism, corporate strategy and leadership, globalization, stakeholder management, marketing strategy, marketing ethics, relationship marketing, and measuring and improving marketing productivity. In 2003, he was cited as one of “50 Leading Marketing Thinkers” and named to the “Guru Gallery” 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. In 2008, he received the Bentley University *Innovation in Teaching* Award.

Dr. Sisodia’s 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 book *The Rule of Three: How Competition Shapes Markets* (with Jagdish N. Sheth, Emory University) was published by the Free Press division of 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. Other books include *Tectonic Shift: The Geoeconomic Realignment of Globalizing Markets* (with Jagdish N. Sheth, Sage Publications, 2006) and *Does Marketing Need Reform?* (co-edited with Jagdish N. Sheth, M.E. Sharpe, 2006). Forthcoming books include *The 4As of Marketing* (with Jagdish N. Sheth) and *A Roadmap for Conscious Capitalism* (co-edited with Shubhro Sen).

Dr. Sisodia has also published over one hundred articles in publications such as *Harvard Business Review*, *Journal of Marketing*, *Journal of Public Policy & Marketing*, *Journal of Business Strategy*, and *Journal of Business Research*. His research reports titled *The Consolidation of the Information Industry* and *The Future of Wireless Communications* (with Jagdish N. Sheth) have been published by the International Engineering Consortium.

Dr. Sisodia’s work has been featured in the *Wall Street Journal*, *The New York Times*, *Fortune*, *Financial Times*, *The Washington Post*, *The Economic Times*, and numerous other publications, radio shows and television networks such as CNN, CBC and Fox. His research has been cited in over sixty 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 business issues. He is on the editorial board of several journals, and was previously the Associate Editor of the *Journal of Asia Pacific Business*.

Dr. Sisodia was cofounder and Chairman of adAlive, Inc. (a VC-financed company in Waltham, MA) from March 2000 to June 2002. He has consulted with organizations and companies in the information technology, telecommunications, electric utility, real estate, healthcare and financial services industries. Consulting and executive education clients have included AT&T, Nokia, Ericsson, Siemens, Sprint, MCI, BellSouth, Bell Atlantic, Volvo, Butcher’s, Northern Telecom, American Management Systems, Bellcore, IBM, Price Waterhouse, Perot Systems, Ernst & Young, Southern California Edison, SuperComm, United Nations, World Bank, Internal Revenue Service, Bureau of Land Management, US Postal Service, and the Commonwealth of Virginia.

A frequent and popular keynote speaker, Dr. Sisodia has made nearly 300 presentations at leading universities, corporations, non-profits and other organizations around the world. He currently serves on the Board of Directors of Mastek Ltd., a publicly traded provider of enterprise technology solutions for business transformation.