

“Conscious Capitalism”

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N.B. – These sermons are made available with a request: that the reader appreciate that, ideally, a sermon is an oral/aural experience that takes place in the context of worship – supported and reinforced by readings, contemplative music, rousing hymns, silence, and prayer – and that it is but one part of an extended conversation that occurs over time between a minister and a covenanted congregation.

Conscious Capitalism. You may be wondering how those two words can go together—they’re antithetical. And you may be asking yourself “How can capitalism be conscious?” Well, I asked myself the same question. You see, before researching and learning about Conscious Capitalism, I was very much against capitalism. I’d been influenced by the media and especially by films like *Wall Street*, where “money never sleeps,” and where exploiting workers, cheating customers, and destroying the environment is all in a day’s work. And, I’ve read the news stories about the business leaders who only care about profits. But, I also experienced the effects of “unconscious” capitalism up close and personal.

My mother worked for a large brokerage firm for 33 years. She was so loyal to that company. I remember one time our apartment flooded. My mother made the trip home to see the damage, but it was “year end” at the firm, and so she went back to work--by subway--from Scarborough to downtown. I was shocked, but my mother’s commitment to the company was strong. She survived several company mergers, but then the day came. Just short of her retirement, she was laid off. Just like that—after 33 years of hard work and dedication, she was let go. It was very hard on her because work was everything to her. This is one of the reasons why I want to help transform companies to be better places to work.

As some of you may know, I’ve been on a three-year doctoral journey and it is almost finished. My Ph.D. will be in Organization Development, which is the study of change in organizations. Organization Development is based on humanistic values and the application of the behavioral sciences to improve organizational health. I’m interested in helping people create healthy work environments. We spend so much time in organizations—we need them to be healthier places. That’s why Conscious Capitalism, the topic of my dissertation, resonated with me. This morning I want to lift-up *how* our values, as Unitarian Universalists, inform my doctoral work.

So many of us would agree that market-based capitalism, the way it is practiced now, is unsustainable. Since the Industrial Revolution, corporations have made profits, in part, because of the ease with which they could access natural resources and could externalize

their social and environmental costs onto society. These actions have contributed to climate change, the depletion of our natural resources, and income inequality, across and within countries around the world. Some experts believe we have almost reached the limits of the Earth's carrying capacity, and that if things do not change, the world economy, as we know it, will collapse.

On the other hand, the capitalist system has brought wealth to a great many people in recent decades, and many economists believe the system will take care of itself through competition and Adam Smith's "invisible hand." In fact, some point to the growing middle class in China and India, where there had been none before, as examples of wealth creation. However, the type of market-based capitalism practiced now, is only viable if growth and expansion are rapid and continuous. Unfortunately, we can no longer base our economy on this kind of *short-term* growth because we are running out of the very natural resources on which the system depends. Environmentalist and author, Johnathon Porritt, asks "Can capitalism, as the only real economic game in town, be retooled to deliver a sustainable future?" He thinks it can and I agree. Because it is clear, if we do not change the way we do business, then we will pay the social, environmental, and economic costs that result.

But all is not lost, yet...positive change is occurring. Instead of encouraging rapid and continuous growth that disregards the environment, some world leaders are declaring that business can help solve social and environmental deficiencies by using the market-based economic system. Muhammad Yunus, creator of the Grameen micro-credit bank and winner of the 2006 Nobel Peace Prize, argues that:

By simply capitalizing on core strengths and knowledge, companies and entrepreneurs can engage in an emerging business model that will enable them to create - and demonstrate - real, sustainable social impact in society. (2013)

A shift *is* taking place. Business leaders and entrepreneurs are becoming more concerned with social, environmental, and economic sustainability. New types of business models are emerging to address sustainability issues; these innovative kinds of businesses, have a *long-term* focus, and dual mandate of purpose *and* profit. These new types of businesses belong to a relatively new phenomenon called socially "Conscious Capitalism."

So, what's this Conscious Capitalism? Well, it has been defined as "the deliberate and explicit harnessing" of capitalism, "to effectively address complex social and environmental issues."¹ This means using business purposefully...intentionally, to tackle social and environmental problems. "A socially conscious business aspires to create financial," social, cultural, emotional, spiritual, and ecological wealth for all its stakeholders. That means not

¹ Fiona Sara Wilson, *Socially Conscious Capitalism* (Dissertation)

only for the owners and investors, but also for the employees, customers, and the community as well. As part of my research, I interviewed many owners and leaders of these types of businesses, and one quote—in particular—struck me. One interviewee said, “Business can be a force for good.” I agree. If we believe that people are inherently good, that they have worth and dignity—incidentally the first principle of Unitarianism—it follows that their business, can also be good. Business can have a meaningful reason to exist; and it can be more than just making money.

And our seventh principle? Respect for the interdependent web of all existence of which we are a part. In addition to our interaction with nature, I believe this principle can be applied to our mode of commerce as well. Living in the city, we are dependent on farmers to grow and transport our food. Many of us also depend on others to make our clothes, our furniture, our houses, and so on. Some of you have or may have had a business, and you relied on customers to buy your products or your services. We are all connected...and it is a give and take.

At its purest form capitalism is about free choice and exchange of value. You have something that I want or need, and I have something you value. At a moment in time, we make an agreement to exchange—value for value. You buy milk at the corner store—that’s capitalism; you get your hair cut at your friendly barber—that’s capitalism; you’re an artist and you sell a painting, or your friend opens a new business—that too, is capitalism. Every time we buy or exchange something, for a service or product that we need or want, that is capitalism at its most essential and ethical form.

I have a friend who is a massage therapist in a small town in Ontario. Nicola is one of the most conscious, self-aware, spiritual people I know...and her livelihood is based on a capitalist framework. Clients come to her clinic for therapy and she receives money in return. She values the money she receives, but that’s not why she’s in business. Nicola’s in business because she wants to help others. With the money, she earns, she pays the bills and any left over she uses for her own self-care and self-reflection work. Money is used as a tool...and an opportunity to build community...it flows from person...to person...to person. And I would say that she is very successful—she has been in business for almost 30 years.

Capitalism has helped increase the average income per capita, globally, by 1000% since the year 1800. In developed countries, it has increased by 1600%. And adjusting for affordability and quality improvements, the standard of living of ordinary Canadians has improved by about 10,000% since 1800.² And with this prosperity, has come some very good things such as improved health, literacy, life expectancy, and improved life

² Mackey & Sisodia, *Conscious Capitalism: Liberating the Heroic Spirit of Business*

satisfaction. Capitalism has created prosperity for many, but especially in the Western world. We are very lucky here in Canada. We have a lot of choice in the products and services we can purchase and with this choice, comes power—this is a very important point, and I will come back to it—suffice to say that we can use the power of our choices for good.

My research is a qualitative study based on Grounded Theory which means instead of proving a hypothesis, I'm letting the theory come from the interview data. I'm grateful for this opportunity, because this type of investigation has allowed me to explore the rich experiences of my participants, to connect with them, and see the world from their perspective.

The purpose of my study is to understand the meanings and operational practices behind the Conscious Capitalist. Essentially, how do they function? How do they define success? What are the key practices critical for their success? I want to answer these questions because, ultimately, I'm interested in helping conventional companies transform into socially conscious businesses. I believe this transformation to Conscious Capitalism will create healthier work places, and ultimately better societies to live in.

And I have found some interesting preliminary results. By far, the most important thing to socially conscious business leaders and owners are their values *and* living those values through their work. That is, making sure that the way they do business is aligned with their personal values. Values are “the new variable in the economic equation.” Values, like respect, care, dedication, and authenticity kept coming up again and again in the data—with the practice of *care* being the number one value expressed by my respondents.

In addition to practicing their values, I'm finding that socially conscious business owners make it a top priority to foster good relationships with their key stakeholders—that means being in relationship with anyone connected to their company, but especially their employees and customers. One leader views employees and customers “as two wings of a bird: you need both to fly” he says. “They go together—if you take care of your crew members, they'll take care of your customers. When your customers are happier and they enjoy shopping, it also makes your employees' lives happier, so it's a virtuous cycle.”³

Socially conscious business leaders are interested in what their stakeholders think. One CEO gives his cell phone number to all new employees and encourages them to use it. Another leader surveys his employees monthly, so that he knows how the company is doing, in terms of creating a positive impact on the lives of his employees. And another, has monthly town hall meetings where employees can ask questions and share their

³ Doug Rauch in *Conscious Capitalism: Liberating the Heroic Spirit of Business*

concerns. What's common about these approaches is that through open and honest communication and feedback, a positive, vibrant culture is created. "Culture eats strategy for breakfast" goes the famous quote. That is not to say that strategy planning in business isn't important, it is. But studies have shown that there's a direct correlation between good corporate culture and the company's bottom line.

And what about the bottom line? What about money and profits? Money can certainly be a measure of success, but I am finding that these companies define success in other ways. Do employees enjoy working in my company? Do people feel safe enough to tell me what's going wrong in my organization? Is there a balance of peace, prosperity, and play for me and my employees? These are the types of questions that leaders are asking themselves to determine if they are achieving their goals. They're motivated by a deep sense of purpose that goes beyond just making money—and they're passionate about it. Don't get me wrong. "Profit is essential" to most socially Conscious Capitalist firms because it is how the company can achieve its higher ideals, its higher purpose. You cannot live your values through work, create a culture of love and care for your employees, and achieve your higher purpose if you can't pay the bills and the doors close. By focusing on the purpose and their values, these firms create that virtuous cycle, I was talking about earlier. I admit, I had a few respondents that spoke about financial success, but it was almost always accompanied by "but that's not why we're in business."

Now, I have shared some of my results with you—but what does it all mean? And what does it mean for you? I have shared my work with you because I want you to know that business, capitalist business, can be a force for good—it can be honourable, ethical, and right. Now, capitalism is not perfect, by any means. The world-wide emphasis on short-term, profit-maximizing economic growth, and reliance on cheap oil has resulted in the loss of biodiversity, ecological degradation, inequality, and the loss of local jobs. Many business leaders still operate at a low level of awareness of these things...or are fully aware, yet, refuse to take responsibility for their actions. But, I can tell you, from my research and experience, that capitalism has a new narrative, and momentum is building—we haven't reaching critical mass yet—but we will.

And this is where you come in. As I mentioned earlier, we have tremendous power as consumers. And this power goes largely untapped. If capitalism is the only economic game in town, then, *where* we buy, and *what* we buy has tremendous impact on leaders of companies both large and small. If we demand better, then we'll get better.

I would like to share some practical suggestions that we can all do to "live our values." Here are my five "Rs"

1. Do the Research—Ask questions. Buy Fair Trade goods and ethically sourced foods. Be curious about where things come from and ask why they're so cheap.
2. Refuse convenience—Try as much as you can to live life simply. Refuse the easy choice.
3. Be Resourceful—Mend your clothes, buy second-hand, refurbish and fix rather than buy new.
4. Be Responsible—for your choices. Think critically. Buy according to your needs *and* your values.
5. And finally, Reimagine. Reimagine a society where our seven principles are fully lived by everyone...where we *want* to go to work because kinder, more caring places await us...where money is moving intentionally and consciously. May we all be *stewards* of this future Earth and the interdependent web of life of which we are a part.

So may it be.