

CONSCIOUS BUSINESS EDUCATION



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OLD and NEW Economic Thinking

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Program

- Defining economics
- “Old” economic thinking
- The need for new economic thinking
- New Economic Models
- What does this mean for you?



Defining economics

What do you think about when you think about economics?



Economics is the study of **PEOPLE** and **CHOICES**

- Economics as a field is relatively young
- Definitions have varied over time

"Economics is the study of how societies use scarce resources to produce valuable commodities and distribute them among different people" – Samuelson

*"Economics is the study of how people choose to use re-sources."
"Resources include the time and talent people have available, the land, buildings, equipment, and other tools on hand, and the knowledge of how to combine them to create useful products and services." – American Economic Association*

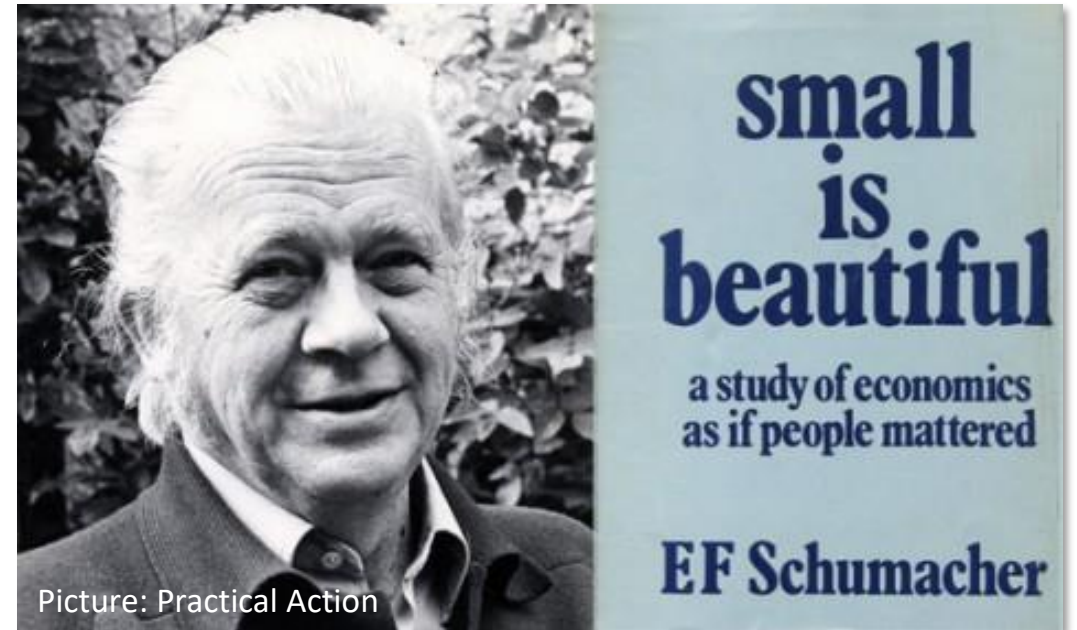
"Economics is the study of how humans use knowledge to identify resources and use these scarce resources to create, using knowledge, commodities and distribute them among people." – Khumalo (2012)



Economic Thinking

- Economic theories are constantly **proven, disproven, and revised**. The problem is, when these theories are wrong, **millions of people can be adversely affected**.

“*Economics is a ‘derived’ science which accept instructions from [...] meta economics. As the instructions are changed, so changes the content of economics.*” – Schumacher (1973)





“Old” economic thinking

Our current economic model is often labelled as **capitalism**

- “*We have no better term than ‘**capitalism**’ to describe the economic system that consolidated in the eighteenth century and led to such huge rises in productivity*” – **Hodgson, 2015**

Take some time to discuss with your neighbor: how do you understand **capitalism**?

What do we talk about when we talk about...

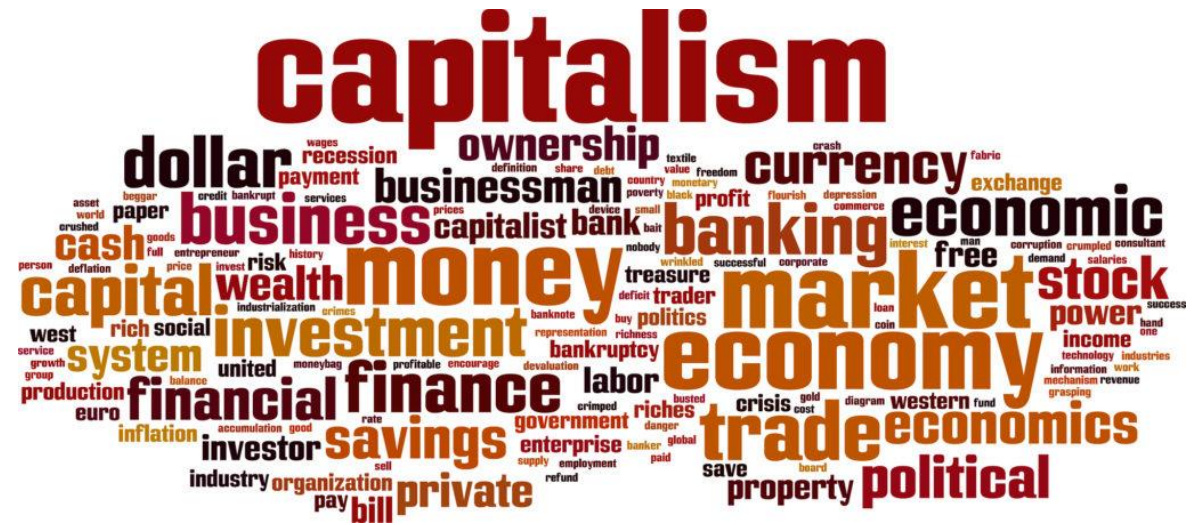
CAPITALISM

- Hodgson (2015) proposes a definition of capitalism that includes **private property**, widespread **markets**, widespread **employment contracts** and developed **financial institutions** that involve credit money and the sale of debt
- Important role for property and capital to act as collateral for loans
 - **Capital** in a narrow definition of money and collateralizable assets



Some history on our current economic thinking

- Historical theories build into capitalism
- Current theory builds upon:
 - Adam Smith, Wealth of Nations (1776)
 - John Keynes, The General Theory of Employment, Interest and Money (1936)
 - Milton Friedman, Capitalism & Freedom (1962)
- Combination of several theories:
 - Classical economics
 - Keynesian economics
 - Monetarism
 - Supply-chain/ trickle-down economics
 - Etc.



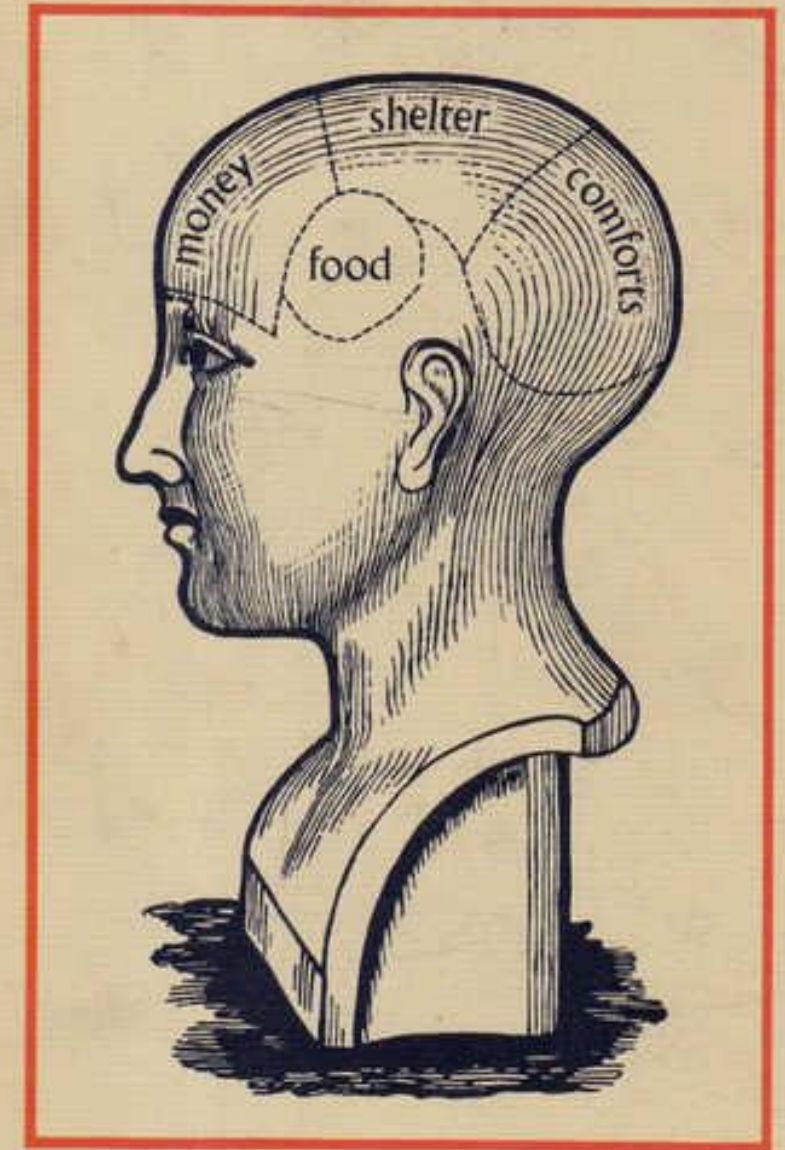
Picture: [bigstock-capitalism-word-cloud-78525653/](#)

Principles of current (?) economic thinking

- *Homo Economics*: We are **rational, self-serving** beings
- Private ownership and a **separation** between producers and the means of production
- Free markets create their own **equilibrium** through the working of self-interest (invisible hand)
- No cap on growth or wealth – **accumulation of wealth** and money to reinvest
- Economies operate on a global scale to maximize **efficiency and profit**
- Government's role is to **correct market failures**
- **Growth of GDP** as a measure of value the highest goal
- The license-to-operate for businesses is to make a **profit**

On Economic Man

D. M. Bensusan-Butt



Picture: image bookcover

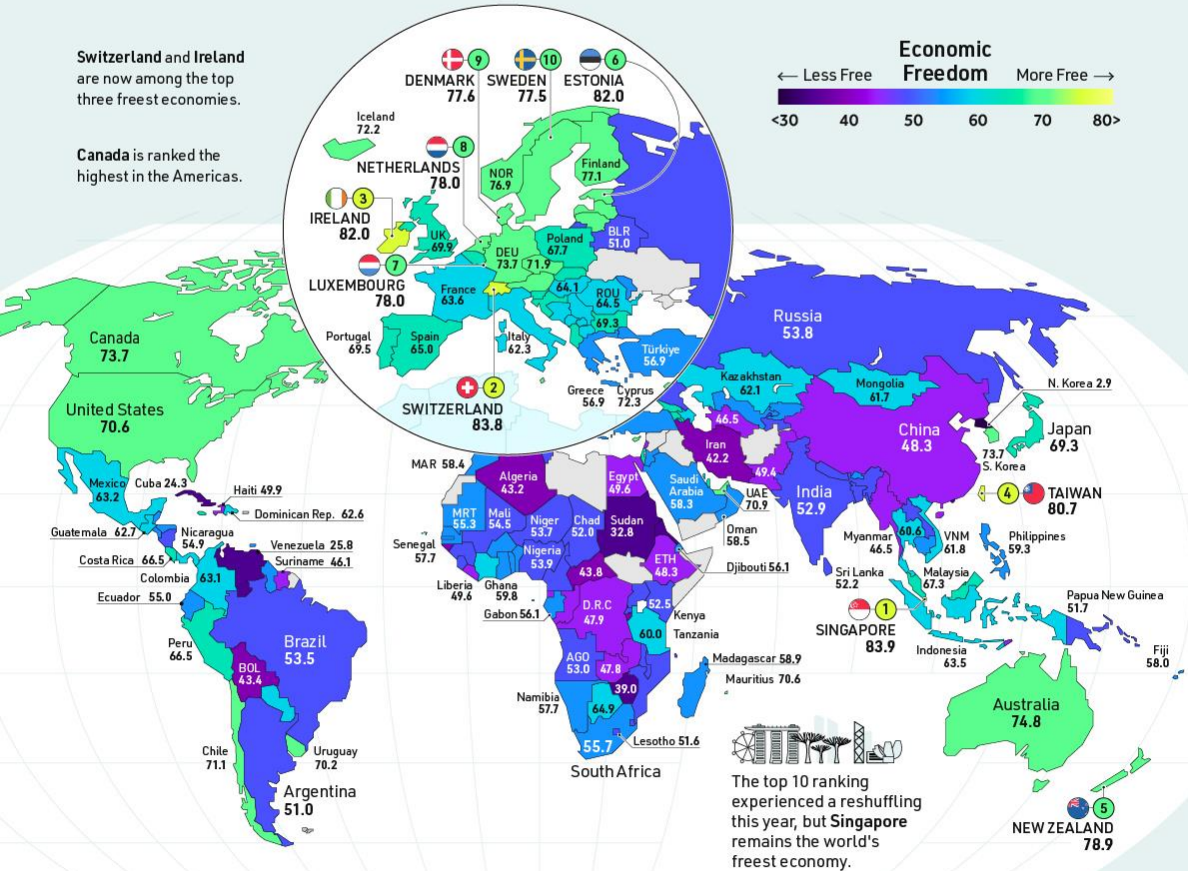
THE STATE OF Economic Freedom AROUND THE WORLD 2023

The "Index of Economic Freedom 2023" report by The Heritage Foundation is a comprehensive analysis of the economic freedom and policies of 184 sovereign countries worldwide.

The report assesses factors such as trade, investment, property rights, and government intervention in the economy, evaluating their impact on economic growth and prosperity.

Switzerland and Ireland are now among the top three freest economies.

Canada is ranked the highest in the Americas.



The top 10 ranking experienced a reshuffling this year, but Singapore remains the world's freest economy.

Source: Heritage.org

We don't have
one global economic system

...

... But we do see pressures to
align with capitalist principles
from powerful global
institutions

Photo by Ecosystem Collapse



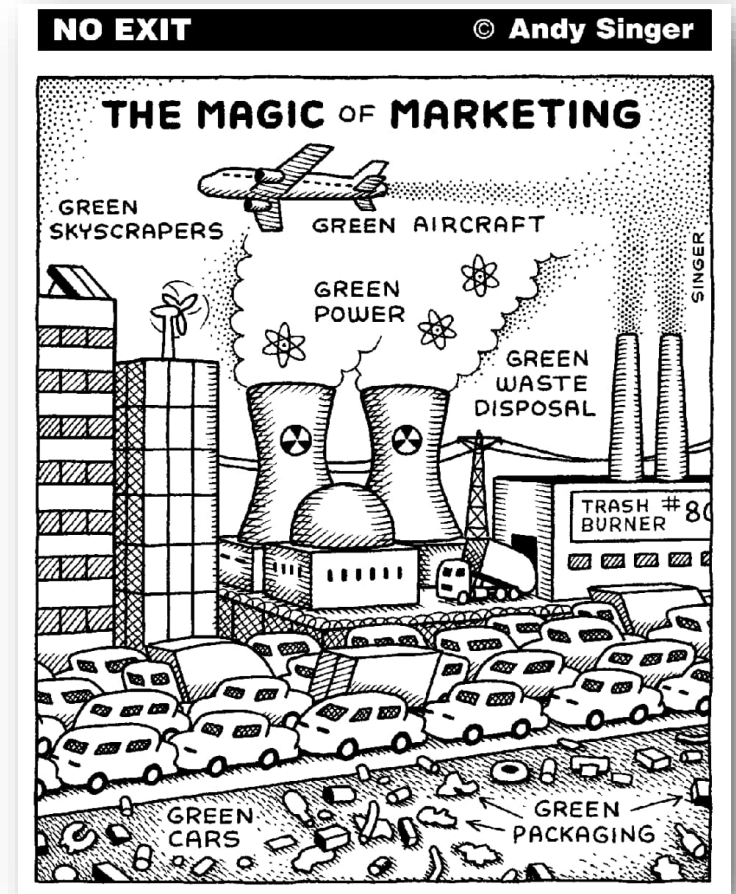
The Need for 'new' economic thinking



Photo by [Matt Collamer](#) on [Unsplash](#)

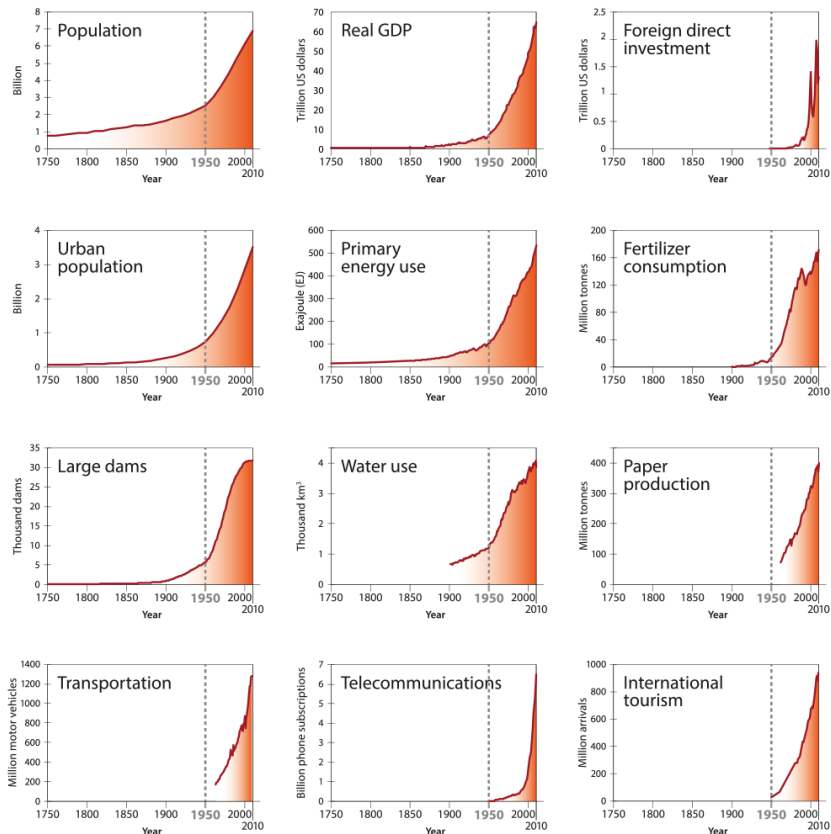
The logic of why our economic thinking might be the cause of our current problems

- In order for there to be growth, **demand much exceed supply**
- Much effort has been placed to make sure there is demand
- In order for there to be profit-growth, **revenue much exceed costs**
- Costs mainly consist of two things:
 - Natural resources (nature)
 - Labour (people)
- ... leading to an **incentive to exploit**
 - Environmental degradation & climate change (nature)
 - Inequality (people)

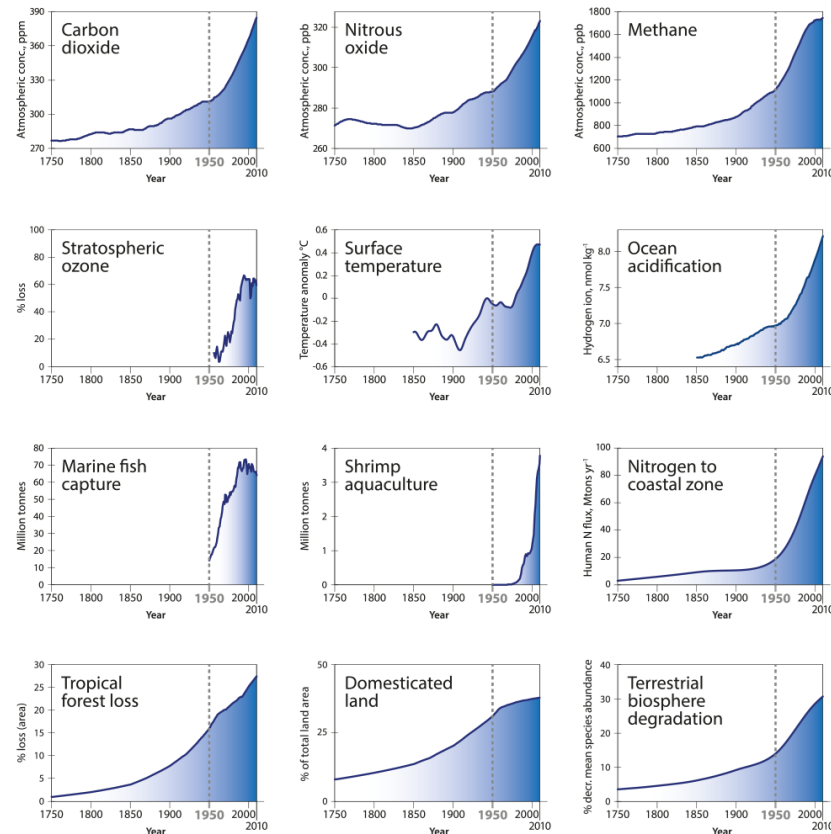


Is the economy really the problem?

Socio-economic trends



Earth system trends



Technological innovation as the holy grail?

- Scientist have proved a **“rebound” effect**, in which not all gains from increased efficiency are seen as a decrease of resources used.
- The largest rebound is called the **“Jevons paradox”**
 - the observation that improvements in energy efficiency are often connected with rising, not falling, energy consumption.



Can you come up with a (personal) example of a rebound effect?

Will technological innovation save us?



Volkswagen Kever 1950
4 meter lang
748 kilo

7,5 liter op 100 km



Volkswagen Golf 1995
4,2 meter lang
1156 kilo

7,5 liter op 100 km



Volkswagen Tiguan 2022
4,5 meter lang
1590 kilo

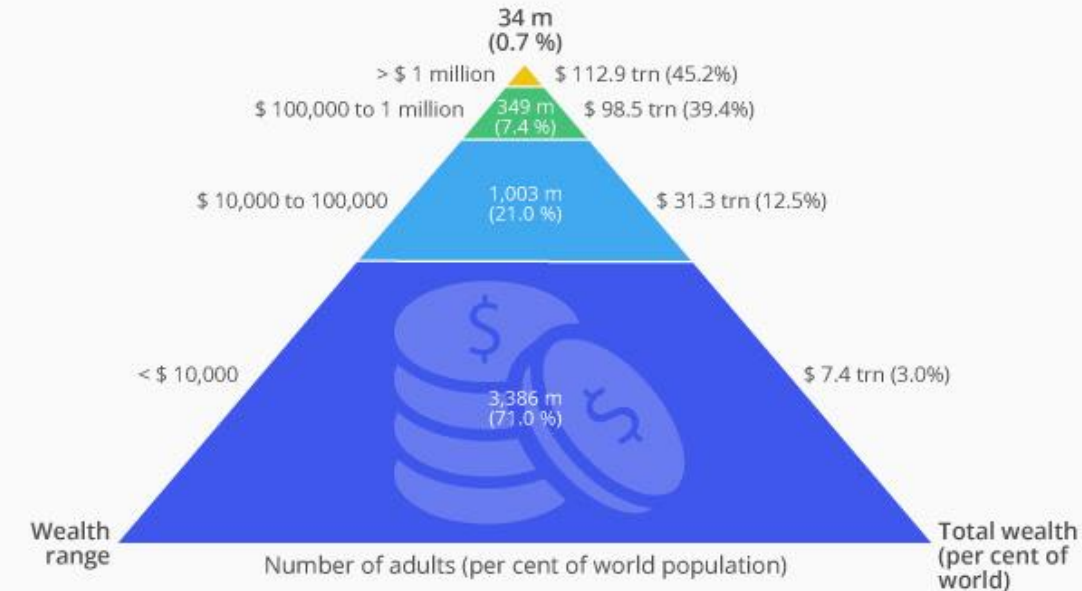
7,5 liter op 100 km

Car fuel: efficiency gains are eliminated by larger, heavier models
Leads to **need to be skeptical about what technology can do?**

Wealth distribution

The Global Pyramid Of Wealth

An overview of worldwide wealth distribution



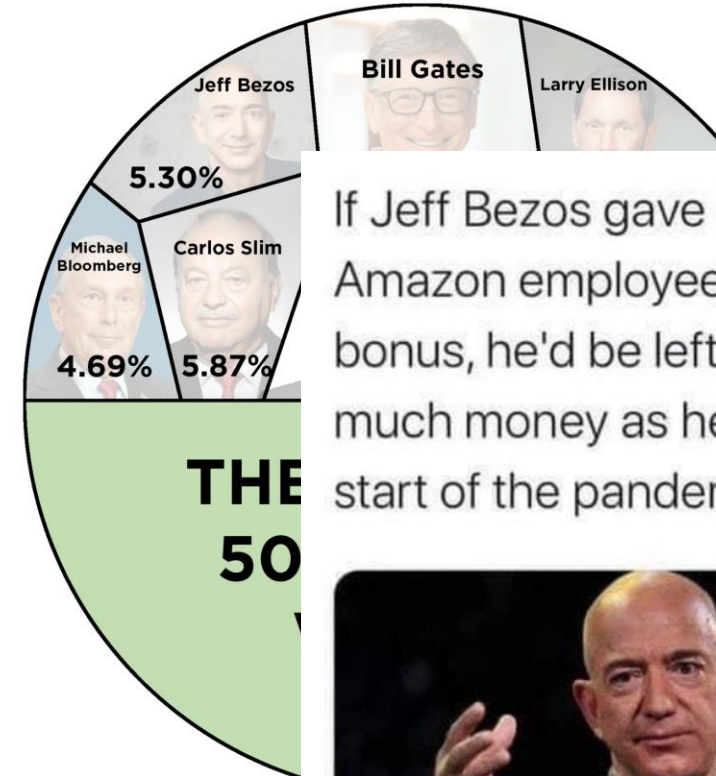
Source: James Davies, Rodrigo Lluberias and Anthony Shorrocks, Credit Suisse Global Wealth Databook 2015



@Statista_com

statista

THE WORLD'S WEALTH INEQUALITY



If Jeff Bezos gave all 876,000 Amazon employees a \$105,000 bonus, he'd be left with exactly as much money as he had at the start of the pandemic.



Billionaires won corona
the.ink

Sources:
<https://www.oxfam.org/>
<https://howmuch.net/articles/the-wo>

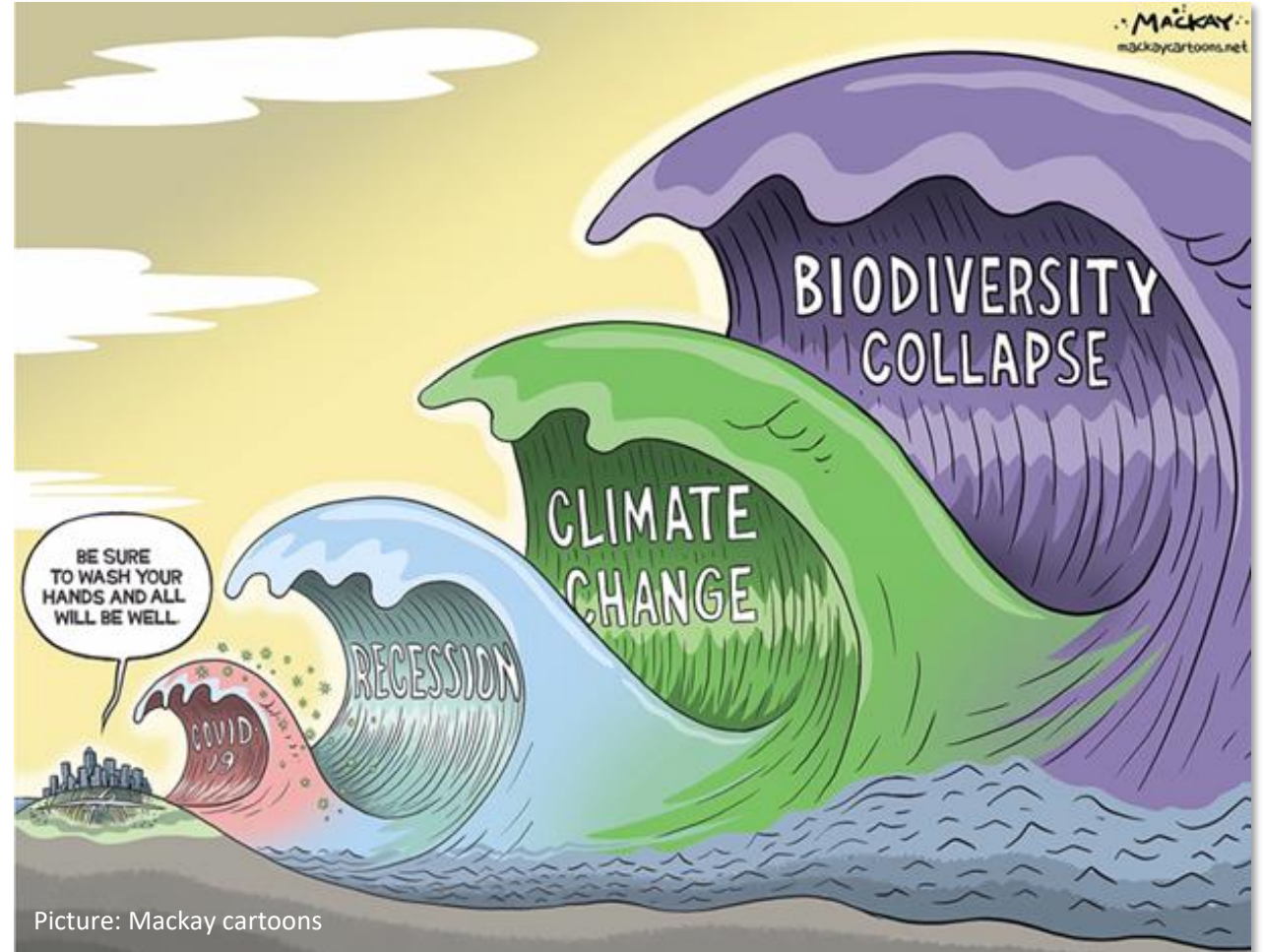
“ *Capitalism produces ecological crisis for the same reason it produces inequality: because the fundamental mechanism of capitalist growth is that capital must extract (from nature and labour) more than it gives in return*”

– Dr. Jason Hickel (de-growth scholar) on Twitter Sep 30, 2021



At the end of this paradigm of economic thinking?

- **Multitude of crises** that even transitions within sectors seem incremental
- More and more scientific understanding of the **economic system as root cause**
- More and more **societal critique** on the economic system itself (rather than on the effects of the economic system)
- Economic thinking not adequate when looking at the **many challenges** our societies face.



‘New’ Economic Models

“People are usually afraid of change because they fear the unknown. But the single greatest constant of history is that everything changes.”

Yuval Noah Harari

Homo Deus: A Brief History of Tomorrow



Different models have different (though sometimes similar) aims

Aims to **IMPROVE THE EXISTING**

- Green growth
- Conscious capitalism
- Stakeholder capitalism
- New enterprise-forms

FOCUS

- Circular Economy

Aims to **CHANGE THE SYSTEM**

- Post-/ De-growth
- Doughnut Economics
- Commons/ Solidarity Economy
- Wellbeing Economics

The problem isn't capitalism...
... but what capitalism has become

- There's a line of economist and business scholars who state the problem is the **execution of capitalism**
- “Crony” or “Speculative” capitalism
- We can **reform capitalism**, improve, take it back to the original ideas
- This line of thought is seen in:
 - Green growth
 - Conscious capitalism
 - Stakeholder capitalism
 - New enterprise-forms



Green growth

Growing without more harm on the planet

Stakeholder Capitalism


Companies seeking long-term value creation by taking into account the needs of all their stakeholders, and society at large

Conscious Capitalism

Four tenets (basic principles) that reflect WHY companies exist and HOW they can create more value

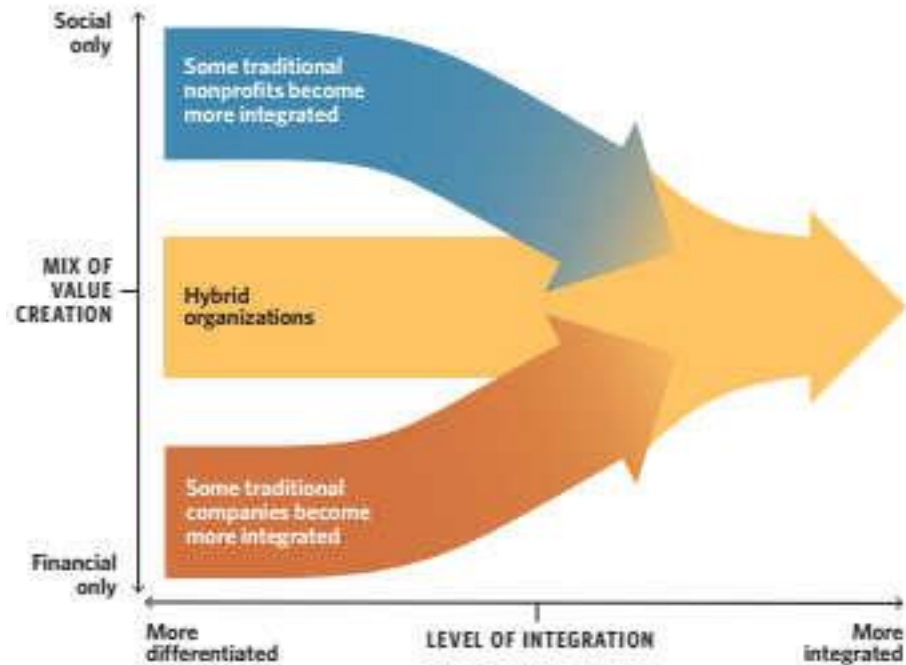
New Enterprise Forms

The creation of hybrid organizations that combine financial and social value creation (BCorp, social enterprise, not-for-profit enterprise, etc.)



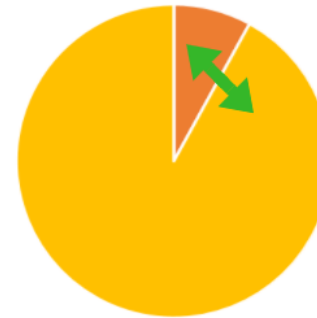
What does all this
mean for you?

Hybridization



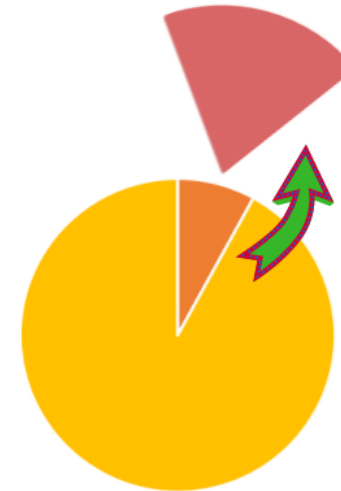
(Mair et al., 2012)

It's not about
dividing the pie



ZERO-SUM

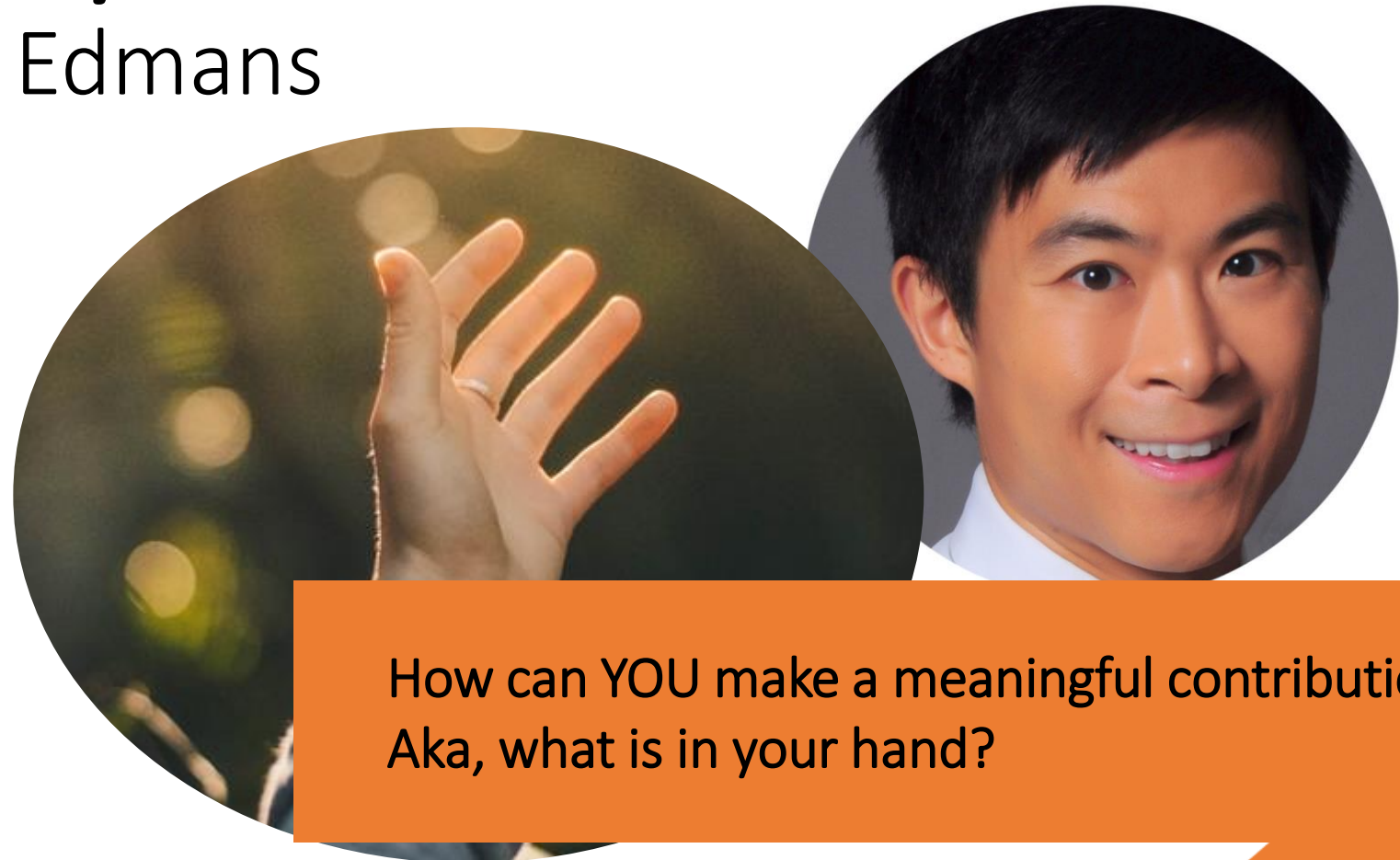
It's about
growing the pie



WIN-WIN

“What is in your hand?”

- Prof.dr. Alex Edmans



How can YOU make a meaningful contribution?
Aka, what is in your hand?



It will be a journey to discover the values and concepts underlying new systems and structures.
We need a multi-perspective inquiry process

FOUR TENETS OF CONSCIOUS BUSINESS

Jacqueline Scheidsbach
Executive Director
Impact Centre Erasmus



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The foundation of conscious businesses

In the context of "conscious business," being conscious generally refers to an approach to business that takes into consideration the direct and indirect impacts of business practices on all stakeholders, including employees, customers, the environment, and society at large.

Being conscious in the context of conscious business also involves cultivating a culture of mindfulness and awareness among employees, promoting collaboration and empathy, and encouraging personal and professional growth and development.

Ultimately, conscious business aims to create a more equitable, resilient and flourishing world by using the power and resources of business to contribute to the greater good.

Source: Kofman, 2008

The foundation of conscious businesses

- Companies can do good and be successful at the same time.
- Conscious Business supports the movement of companies that know that profit and growth are no longer the main focus. That you are only successful if the world around you is also doing well.
- Conscious leaders therefore take into account all stakeholders who are directly or indirectly connected to your company

From traditional capitalism to conscious business

“There is one and only one social responsibility of business—to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud.” – Milton Friedman



“The purpose of business is not to create profit. The purpose of business is to create profitable solutions to the problems of people and planet. Not to profit by creating problems for people and planet.” – Colin Mayer CBE



From traditional capitalism to conscious business

From ...

Profit focus
Shareholder perspective
Short-term
Zero sum
Business Perspective
Conflict of interest
Exploitative
Trade-offs
Control
Transaction focus
Efficiency
Homo economicus

... to

Purpose focus
Stakeholder inclusion
Long-term
Win-win-win
Impact Perspective
Harmony of Interests
Balanced
Values
Trust
Transformation focus
Effectiveness first | efficiency second
Homo Florens

Adapted from Mackey, Sisodia (2013)

The four tenets of Conscious Business



1st tenet: Purpose

2nd tenet: Culture & Management

3rd tenet: Leadership

4th tenet: Stakeholder inclusion

Context & Transformation

Self-scan

The four tenets of Conscious Business



- Interconnected and mutually reinforcing
 - A clear purpose is needed for conscious leadership?
- Foundational, not tactics or strategies
- Represent the essential elements of an integrated business philosophy that must be understood holistically to be effectively manifested



Introduction

The four tenets of conscious business

2nd tenet: Culture & Management

3rd tenet: Leadership

4th tenet: Stakeholder inclusion

Context & Transformation

Self-scan

Purpose?

“Profit for a company is like oxygen for a person. If you don't have enough of it, you're out of the game. But if you think your life is about breathing, you're really missing something.” – Peter Drucker

What makes a purpose statement?

Our purpose "to be useful to people"

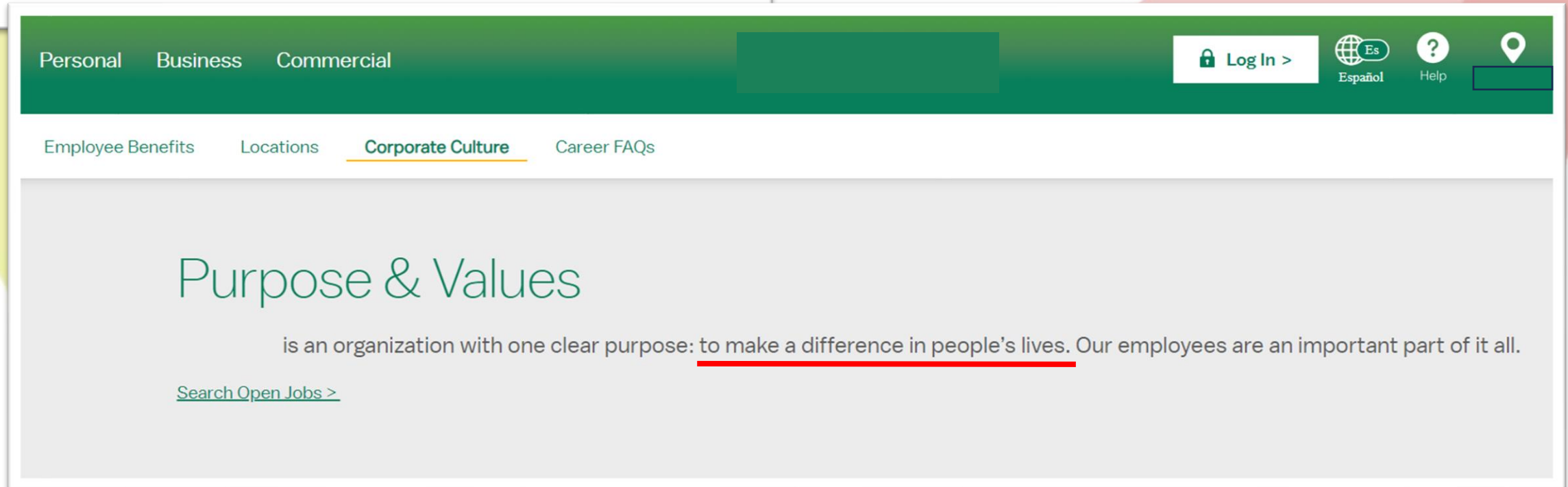
we are accomplished sportsmen and women, and we love sport. We dream of sharing this enthusiasm with the largest possible number of people. Everything we do centres around the end user. Their satisfaction is our reason for being.

Our company mission is:

"to sustainably make the pleasure and benefits of sport accessible to the many".

SPORT FOR THE MANY !

What do you think about these statements? Discuss



The screenshot shows a corporate website with a green header. The navigation bar includes links for Personal, Business, and Commercial. On the right, there are links for Log In, Español, Help, and a location pin. Below the header, the main navigation bar includes Employee Benefits, Locations, Corporate Culture (which is underlined), and Career FAQs. The main content area has a large heading "Purpose & Values" in green. Below it, a paragraph states: "is an organization with one clear purpose: to make a difference in people's lives. Our employees are an important part of it all." At the bottom left, there is a link "Search Open Jobs >".

Personal Business Commercial

Log In > Español Help

Employee Benefits Locations Corporate Culture Career FAQs

Purpose & Values

is an organization with one clear purpose: to make a difference in people's lives. Our employees are an important part of it all.

[Search Open Jobs >](#)

Purpose statements

- ‘Mission Zero 2020 ‘ (1996), achieved in 2019
- Adaptation to ‘Take Back’ Program

Tony’s purpose: *From* ‘100% slave free chocolate’ to ‘Making 100% slave free chocolate the norm’

Also: “why we still don't say we are 100% slave free”

2005: create consciousness

2012: show the way

2019: examples make others follow

2023: Mission lock

Interface[®]

Info: <https://unfccc.int/climate-action/momentum-for-change/climate-neutral-now/interface>

TONY'S CHOCOLONELY

Benefits of purpose

- Dot on the horizon: Offers clarity for all stakeholders, not only internally, but also externally
- Employee motivation & engagement (van Tuin et al., 2020)
- Financial performance -> promise of total performance: "Moving away from THE business case"

Susanne Veldung:

1. Purpose in theory
2. Purpose in reality
3. Purpose in action

van Tuin, L., Schaufeli, W. B., Van den Broeck, A., & van Rhenen, W. (2020). A corporate purpose as an antecedent to employee motivation and work engagement. *Frontiers in Psychology*, 11, 572343.



Introduction

The four tenets of conscious business

1st tenet: Purpose

3rd tenet: Leadership

4th tenet: Stakeholder inclusion

Context & Transformation

Self-scan

Culture & Management

- Overpromise and underdeliver -> A recent study of more than 6,000 articles on sustainability initiatives by large organisations shows that they do not have the societal impact they promise.
- (Inherent) Motivation – pressure or external motivation
- Benefits: short term – long term
- Mission drift – mission lock – warm glow effect

“By taking people and human organizing as starting points, we avoid blurring the lines between ethics and advertising, between identity and brand, and between meaning and bullshit.” – Stephan Ummelen

- Relationships
- Trust
- Values

Consciousness

- What does it mean to be conscious?
- *To be conscious means to be aware of our inner and outer worlds, to be fully awake.*
- *It includes self-reflection on one's own beliefs, emotions, motives, values, goals and impact.*
- *Consciousness also includes the capacity for abstraction which allows humans to manage complexity.*



[This Photo](#) by Unknown Author is licensed under [CC BY-NC](#)

Key Source:

Kofman, F. (2008). *Conscious business: How to build value through values* (Vol. 1). ReadHowYouWant. Com.



Introduction

The four tenets of conscious business

1st tenet: Purpose

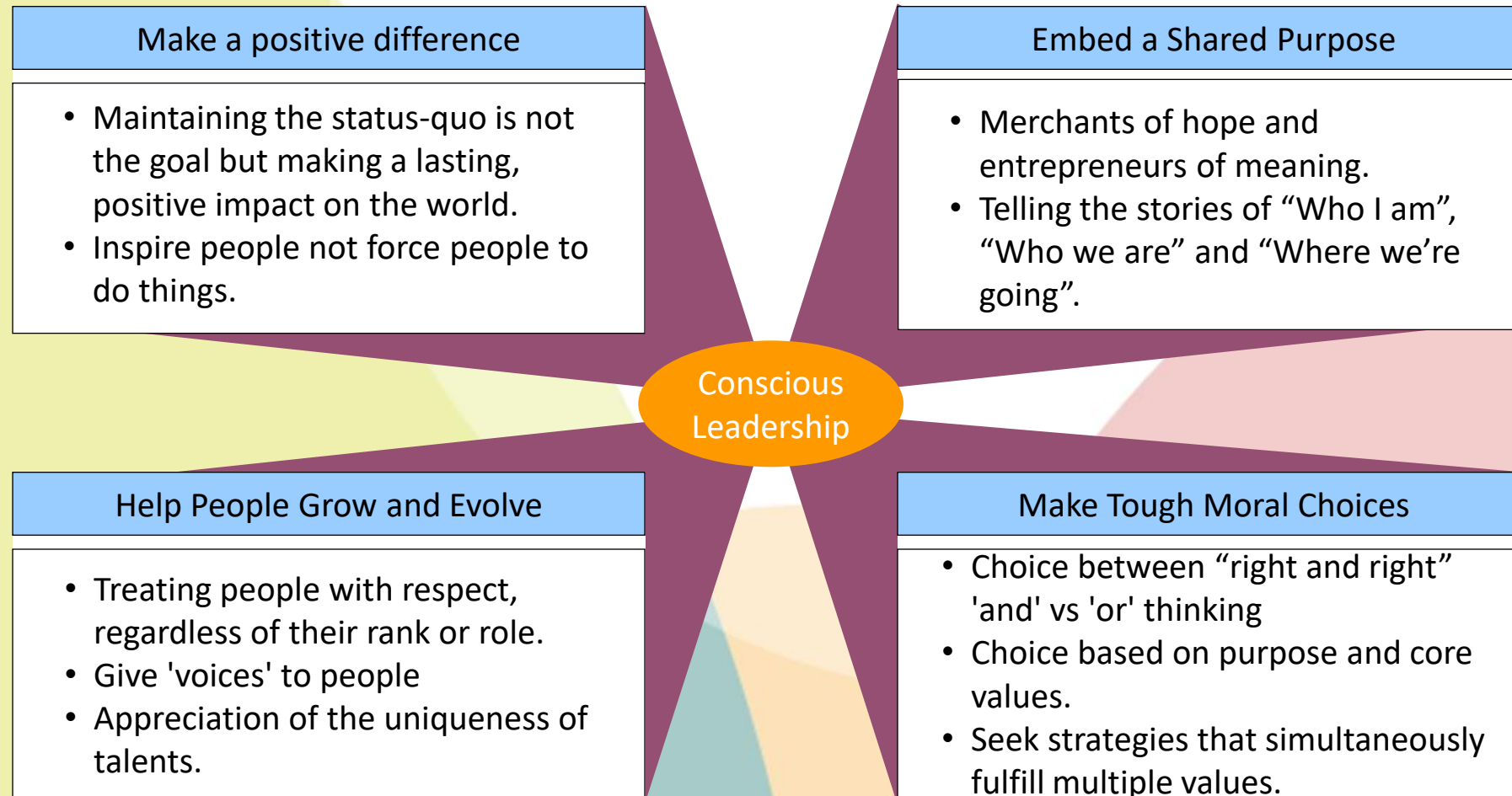
2nd tenet: Culture & Management

4th tenet: Stakeholder inclusion

Context & Transformation

Self-scan

Characteristics of conscious leaders



Conscious Leadership

False trade-offs

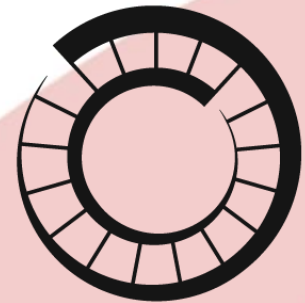


Inclusive thinking



Leadership - Inner Development Goals

- Based on SDGs
- However, blind spot: Individual angle on skills and qualities for sustainable development
- Focuses on what is needed in order to successfully work with complex societal issues
- 5 categories, 23 skills
 - Including skills and qualities that are important for general well-being or for empowering individuals to lead satisfying lives.
- **Dorianne Cotter-Lockard:**
 - Inner Compass
 - Paradox & Ambiguity



INNER DEVELOPMENT GOALS
Transformational Skills for Sustainable Development



Introduction

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1st tenet: Purpose

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Context & Transformation

Self-scan

Differences of stakeholder inclusion between traditional and conscious businesses

Traditional business

- Making trade-offs among stakeholders
- Managers who make trade-offs advantageous to the investors are seen as good managers

→ Zero-sum thinking

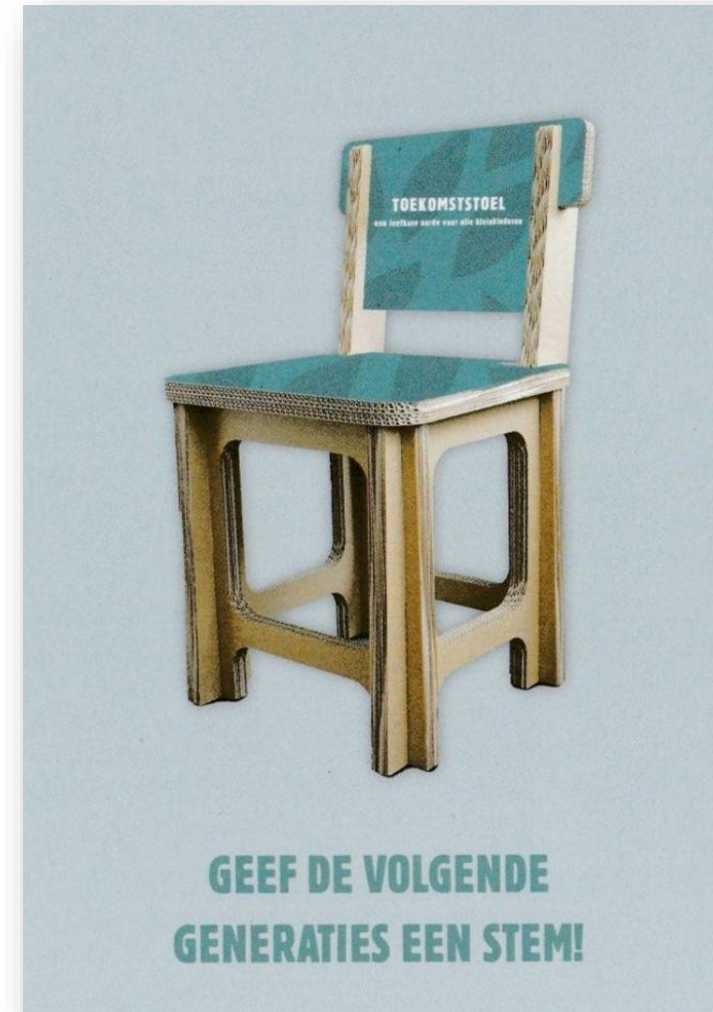
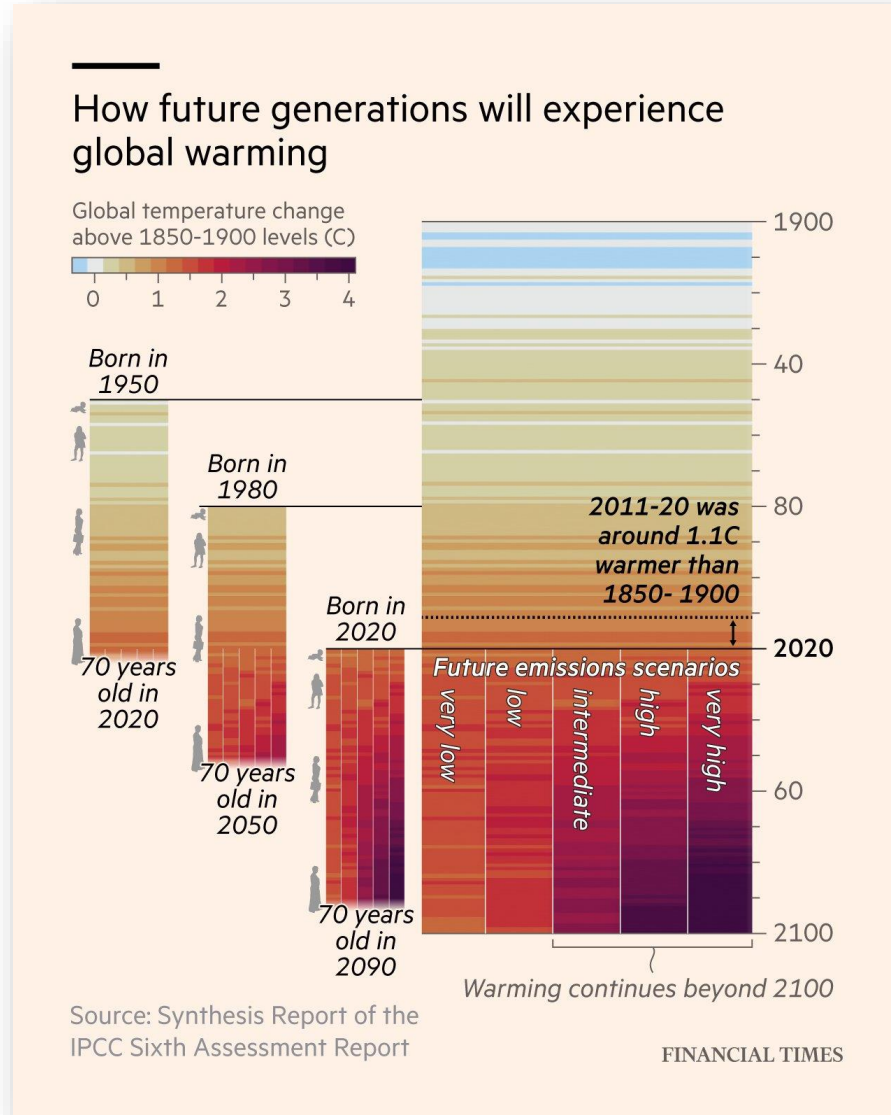
Conscious business

- Goal: Making all stakeholders better off
- Business is the ultimate positive-sum game – even among competitors

→ Positive-sum thinking

Conscious business: “If we look for trade-offs, we *always* will find them. *If we look for synergies across stakeholders, we can usually find those, too.*”

Stakeholder inclusion



A poster of the Grandparents for Climate's 'Chair of the Future' / 'Toekomststoel' van de Grootouders voor het Klimaat.
© Greetje de Haan

Stakeholder inclusion

River Ouse may become first in England to gain legal rights

Lewes council passes motion recognising Sussex river's rights to protection, amid growing concerns over pollution of waterways



Source: World Press Photo 2017, Francis Pérez, category: nature

Stakeholderinclusie



Two Na'vi protested outside Vedanta's AGM. © Survival

Rowntree trust sells shares in Vedanta over human rights fears

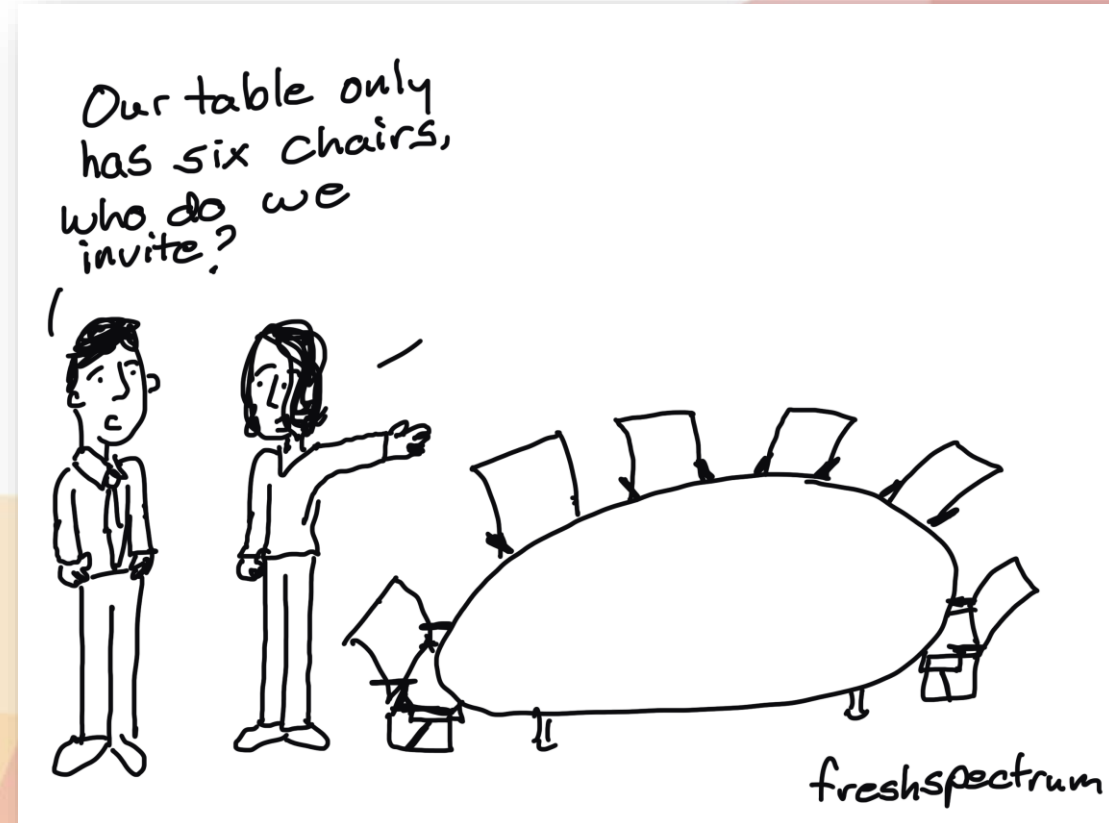
- Rowntree Trust sells its entire £1.9m holding in Vedanta
- Bianca Jagger urges other Vednata shareholders to reconsider

Church of England sells Vedanta stake over human rights concerns

Controversial plans for open-cast mine on Niyamgiri mountain in Orissa, India, force church to abandon shares worth £3.8m

Stakeholder inclusion

- (Common) Challenge is the centre, rather than the company
- Inclusion vs. management
 - 'Management' is based on control
 - To communicate \neq include
- **Prof dr Karen Maas** - 6 aspects: UN Global Compact
 - Motivation
 - Goalsetting
 - Types of stakeholders
 - Approach
 - Outcomes
 - Disclosure | Transparency





Introduction

The four tenets of conscious business

1st tenet: Purpose

2nd tenet: Culture & Management

3rd tenet: Leadership

4th tenet: Stakeholder inclusion

Self-scan

Context & transformation

- The pillars must be aligned
- Inclusive thinking instead of trade off
- Not a one-time exercise
- No fixed step-by-step plan

Depending on the context:

- sectors require different types of transformation
- country-specific & industry-specific legislation
- type of organization (healthcare company vs. service platform vs. manufacturing company)



Self-scan

*Developed by consultants of Conscious Business Netherlands (consultancy).
No involvement of Impact Centre Erasmus!*

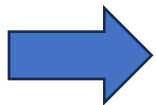
Conscious Business Scan

The Conscious Business scan maps out where your organization is within the four pillars of the Holistic Conscious Business business model and how the relationship with your various stakeholders stands.

The results are presented in a 12-page report that also explains how the model works.

Start your Conscious Business Scan

Once you've established where your company is now, you can see where the greatest opportunities for development lie and what the next steps can be to grow your company into the best version of itself.



<https://scan.consciousbusiness.com/assessment/>

Dr Susanne Veldung

Purpose



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Modules



1 Purpose in theory

2 Purpose in reality



3 Purpose in action



1

Purpose in theory

Purpose of purpose

*“Purpose is certainly **not** just a **marketing issue** or **positioning** of your brand image. Purpose should **impact every aspect of the firm.**”*

The tenets of a Conscious Business



Question #1

Do you have a purpose statement in your organization?



No, we do not have
a purpose statement

10%

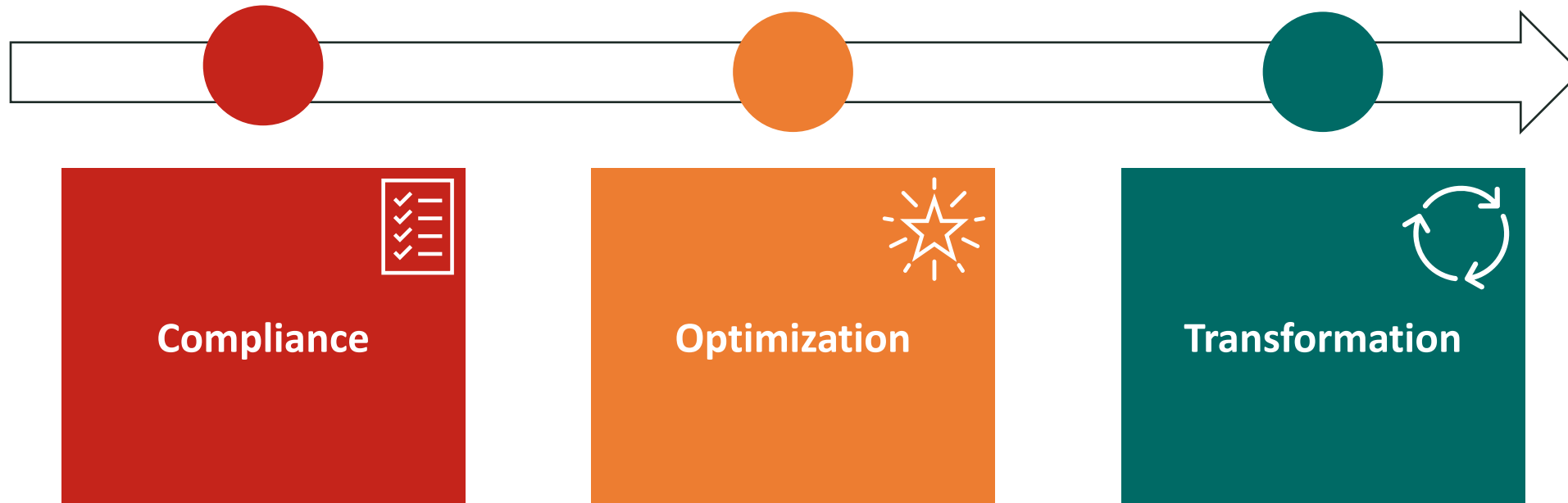
Not yet, but we are
working on a purpose
statement

44%

Yes, we have a
purpose statement

46%

Types of purpose



Question #2

What is your purpose statement about?



**Our purpose statement
is about compliance**

**Our purpose statement
is about optimization**

**Our purpose statement
is about transformation**

From compliance to impact



Impact Centre Erasmus®



Do good

Do no harm

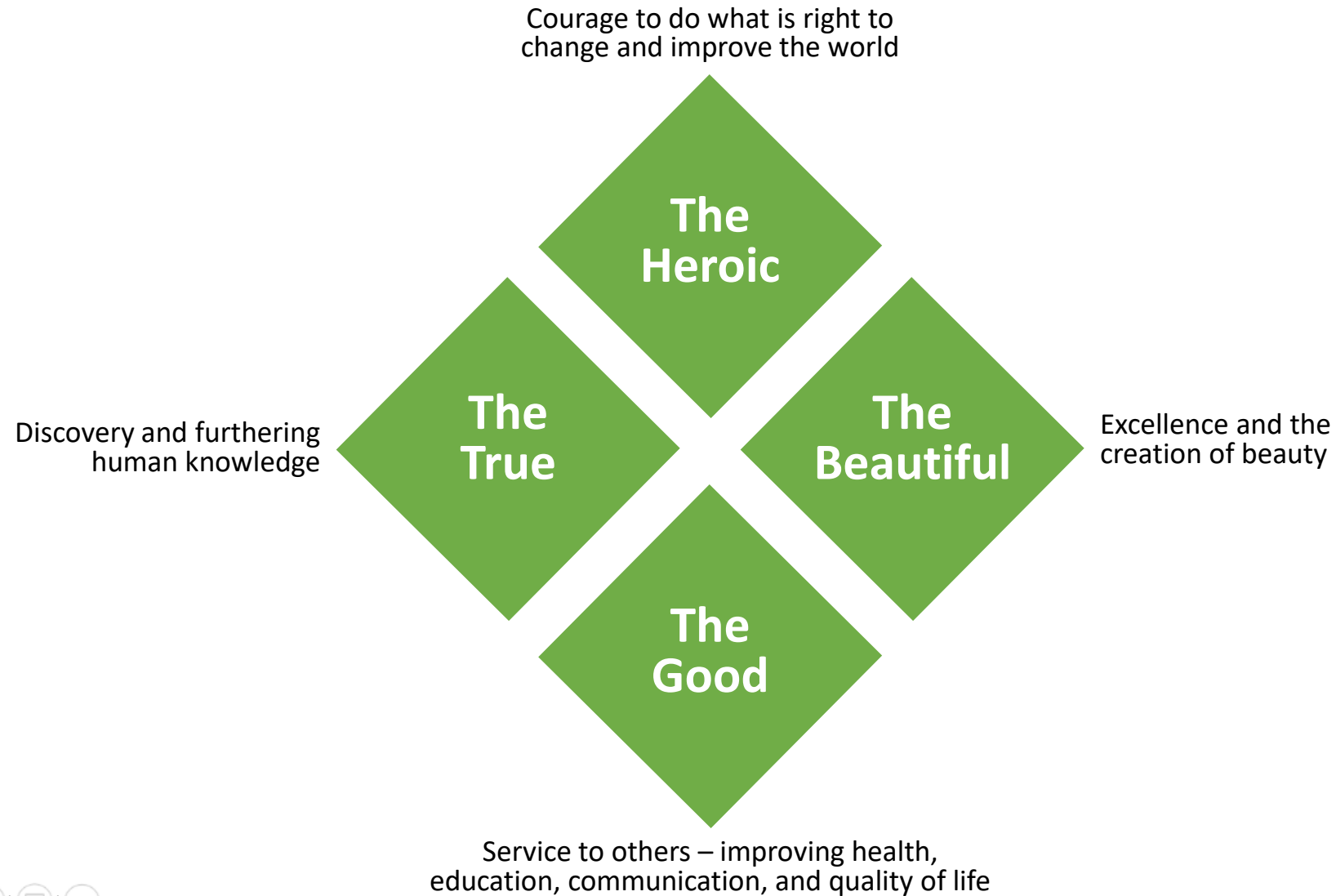
The tenet of Higher Purpose

1

HIGHER PURPOSE

Elevating humanity through business begins with knowing WHY your company exists. Without this, you have no compass to find and stay focused on your True North. Businesses should exist for reasons beyond just making a profit. We see profit as a necessary means to achieving your purpose—not as an end in and of itself.

The four categories of Higher Purpose



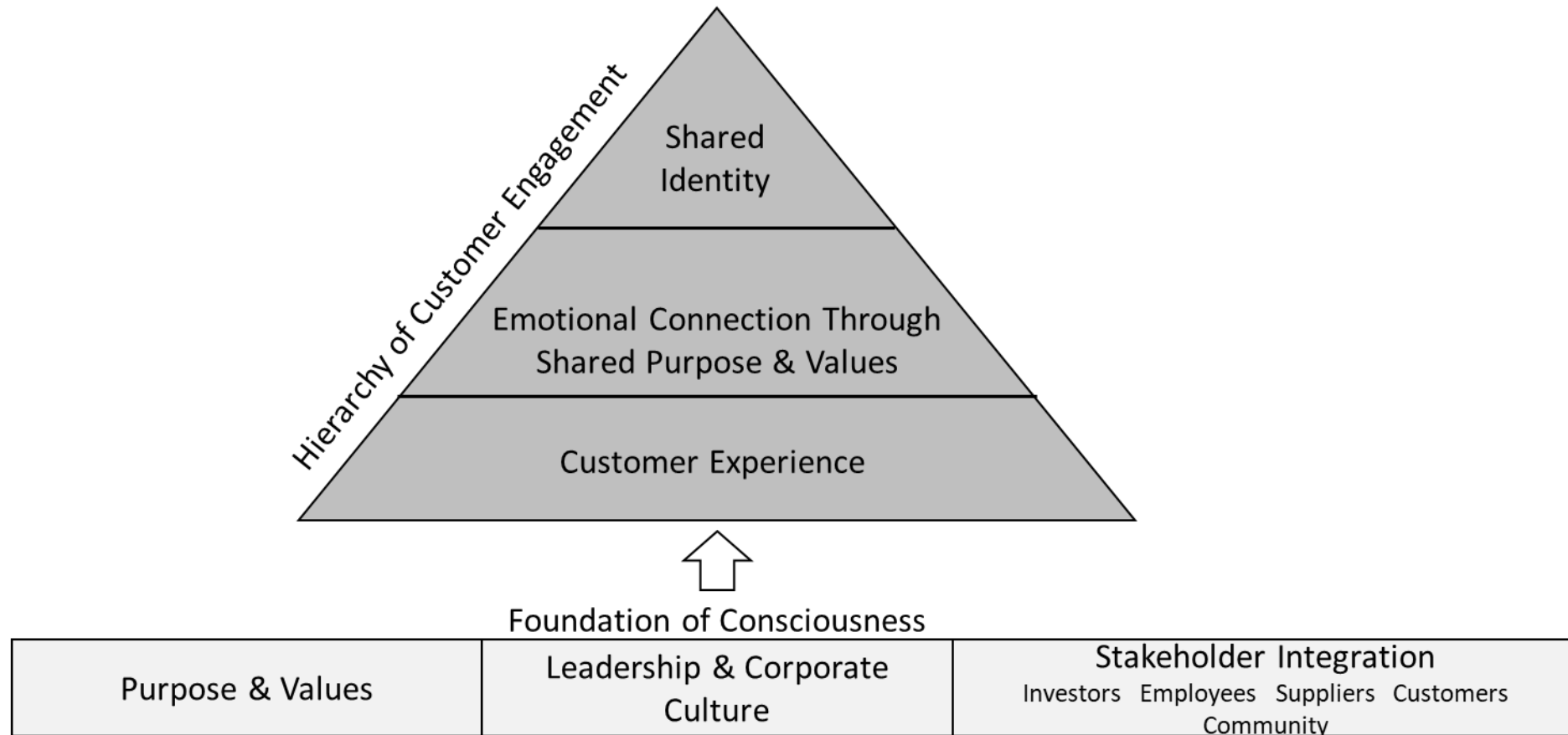
Examples for the four categories of Higher Purpose



Reach of purpose

*“If a company starts with a clear purpose, it is much more able to form **authentic customer relationships** and **attract like-minded customers**, those who **share its passion**.”*

External engagement



Internal engagement

*“For great workplaces, the way to **inspire, engage, and retain their people** lies in **purpose**: providing employees with work that is more than “just a job”.”*

Most executives believe purpose matters...



An organization with shared purpose will have employee satisfaction

89



I'm more likely to recommend a company with strong purpose to others

85



Our business transformation efforts will have greater success if integrated with purpose

84



An organization that has shared purpose will be more successful in transformation efforts

84



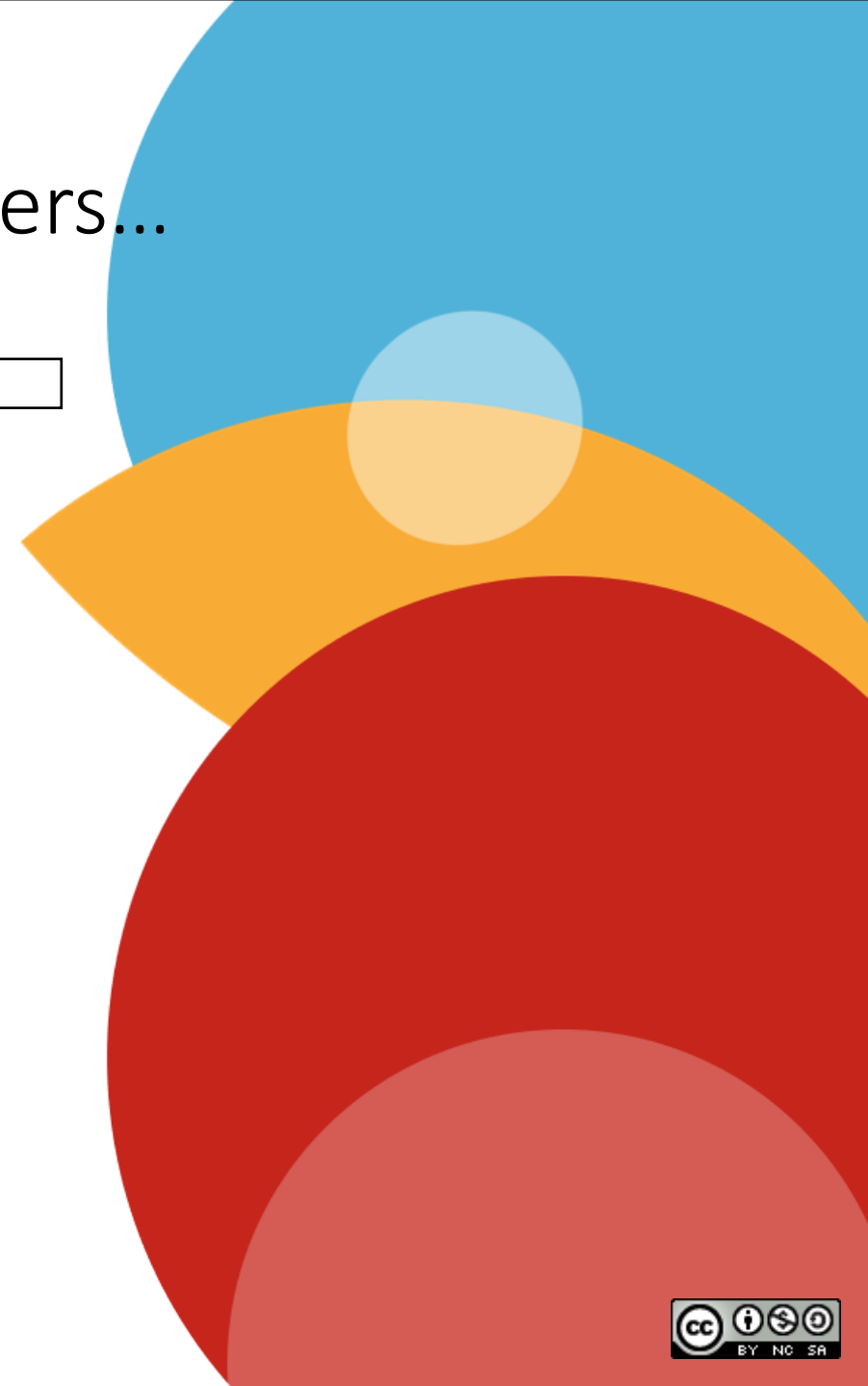
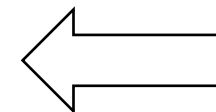
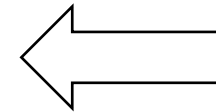
Purpose-driven firms deliver higher-quality products/services

81



An organization with shared purpose will have greater customer loyalty

80



Question #3

How relevant is it for your decision-making to have a purpose for your organization?



Not relevant

**Neither not relevant
nor very relevant**

Very relevant

2

Purpose in reality

...but only a minority said their company currently runs in a purpose-driven way.



Difference between purpose in theory and in reality

*“Although **90%** of executives surveyed said their company understands the **importance** of such purpose, only **46%** said it informs their strategic and operational **decision-making**.”*

Question #4

Is the purpose articulated and understood in your organization?



Laggards

Purpose not well
understood or
articulated

13%

Developers

Purpose understood by
some areas better than
others

48%

Prioritizers

Purpose clearly
articulated and
understood

39%

Question #5

But do you activate the purpose in your organization?



**No, we do not activate
the purpose**

**We try/tried to activate
the purpose, but failed
so far**

**Yes, we activate the
purpose**

Question #6

What are barriers regarding purpose activation?



**No, we do not activate
the purpose**



What are the
barriers?

**We try/tried to activate
the purpose, but failed
so far**



What are the
barriers?

**Yes, we activate the
purpose**

Barriers for purpose activation



Lack of meaningful
metrics to capture/track
long-term value
creation



Insufficient buy-in
across the organization



Short-term pressure
hinders management's
ability to focus on long-
term value creation



Systems/infrastructure
not aligned with
purpose



Staff performance
targets/incentives not
aligned with purpose



Poor communication
from leadership

Question #7

What are success factors regarding purpose activation?



**No, we do not activate
the purpose**

**We try/tried to activate
the purpose, but failed
so far**

**Yes, we activate the
purpose**



What are the
success factors?

Areas for purpose activation



3

Purpose in action

Companies with a strong sense of purpose are able to transform and innovate better.

“53 % of executives who said their company has a strong sense of **purpose** said their organization is **successful with innovation and transformation efforts.**”

Impact of purpose



Contributing to a sustainable world



Creating value for the customer



Galvanizing employees to persevere through challenging situations



Inspiring innovation and positive change



Positively impacting wider society/the community



Providing employees with a sense of meaning and fulfillment

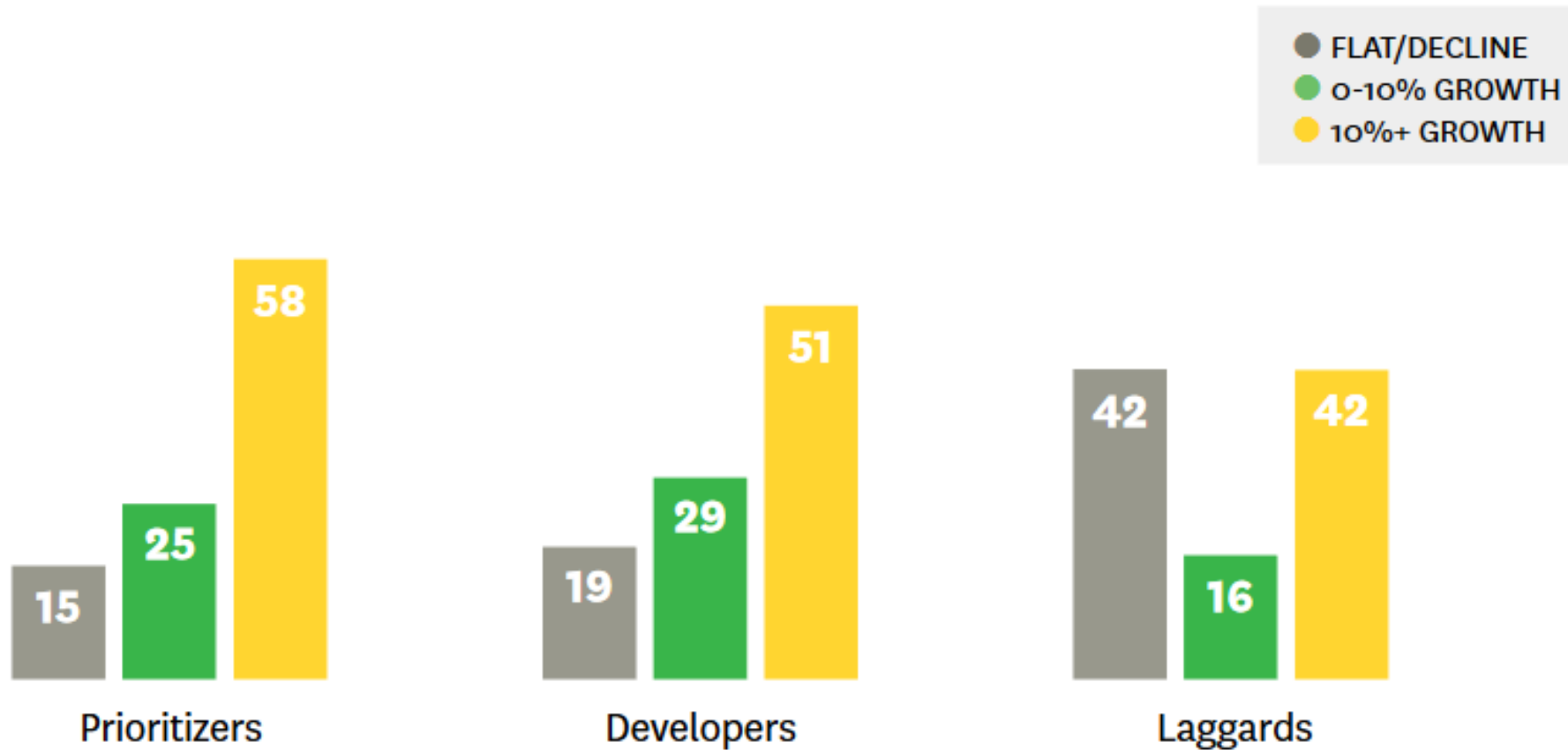


Reducing negative impact on the environment while reducing costs



Generating financial returns for shareholders

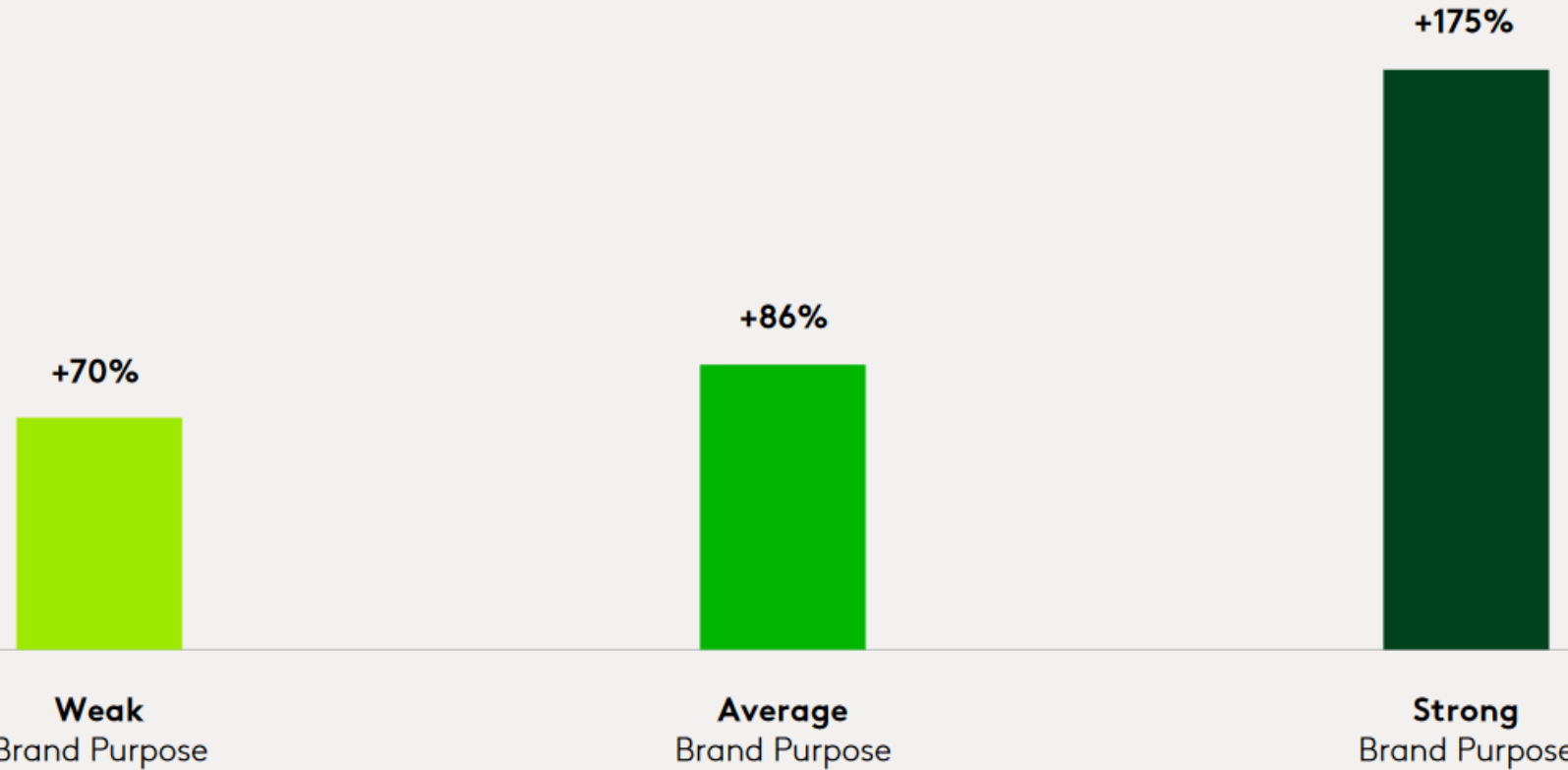
Impact of purpose on revenue



Percentage who indicated how their revenue has changed in the past three years

Impact of purpose on brand value growth

12 years Brand Value growth

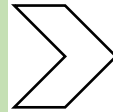


BRANDZ™ Top 100 Most Valuable Global Brands: 94 common brands. Appearing in the Top 100 in all years from 2006 - 2018

Three steps to become a purposeful brand

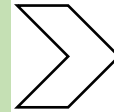
Stand up

*...for something they believe will deliver **true value** and **improve the lives of their customers.***



Stand out

*...from competitors by intentionally delivering a **distinctive customer experience across all channels**, that is **consistent** with their promise.*



Stand firm

*...by creating the **appropriate culture** to ensure sustainable and authentic delivery **over the long term.***

Culture of purpose

*“An organization’s culture of purpose answers the critical questions of who we are and why we exist through a set of carefully articulated core beliefs. **A culture of purpose guides behavior, influences strategy, transcends leaders—and endures.**”*

Stephan Ummelen

Management & Culture



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The main message

Successful organizations are about **relationships**.

Relationships are about **trust**.

Trust is about **sharing values**.





Management

/ˈkʌltʃə/

To lead the horse through its steps.

Culture

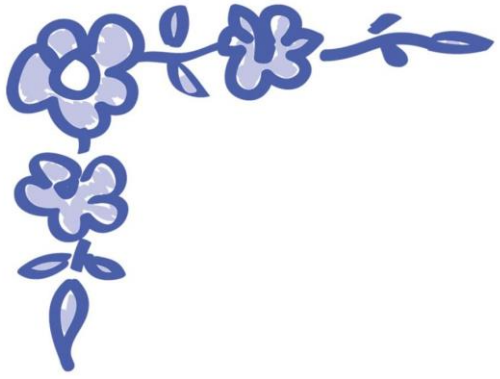
/ˈkʌltʃə/

To cultivate, tend and grow.

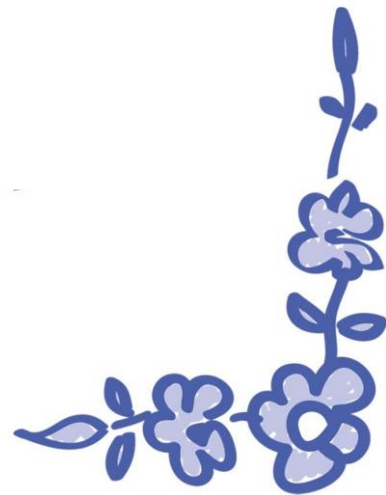
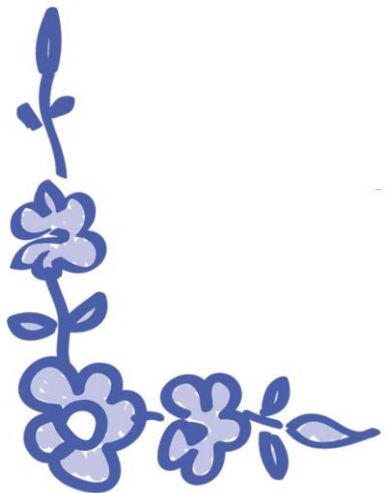
I have some questions.

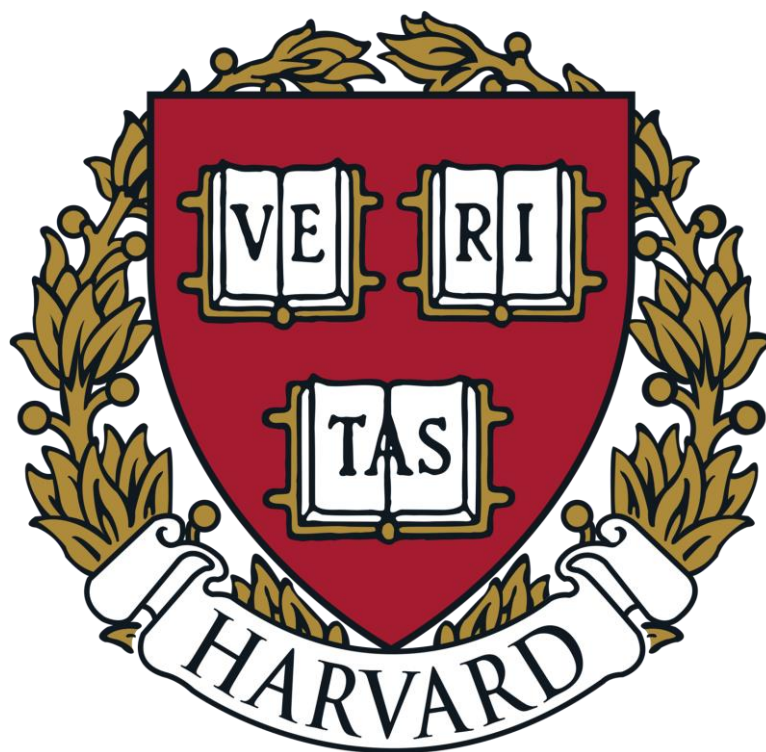
- why does half of Holland **mistrust organizations?**
(Source: Adformatie)
- why does 1 out 3 Dutchies have **little to no confidence in leadership?**
(Source: Great Place to Work)
- why is Holland doing so poorly when it comes to **employee engagement?**
(source: Gallup)

How does this relate to culture and management?



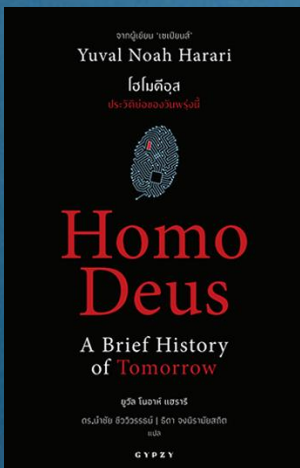
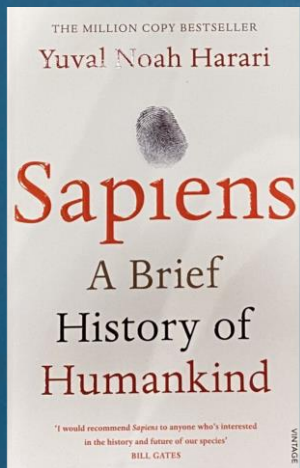
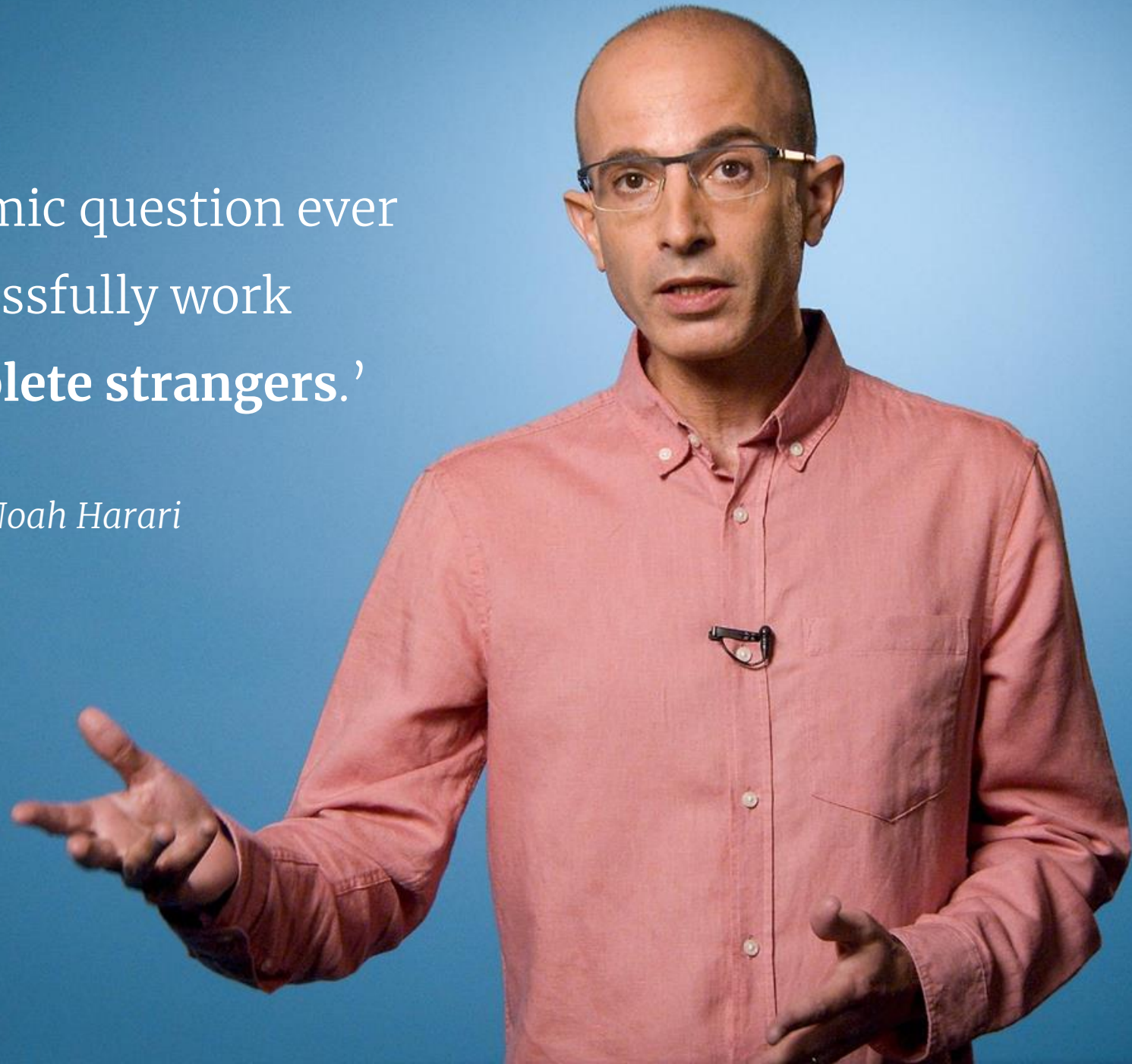
Organizations are about **relationships**.





‘The biggest economic question ever
is how we can successfully work
together with **complete strangers.**’

– Yuval Noah Harari



Collaborative Fictions

Creating a *tribe* (or an organization):
who are we, and what do we stand for?

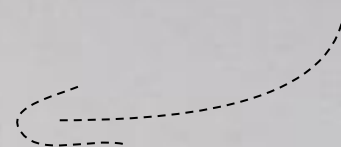


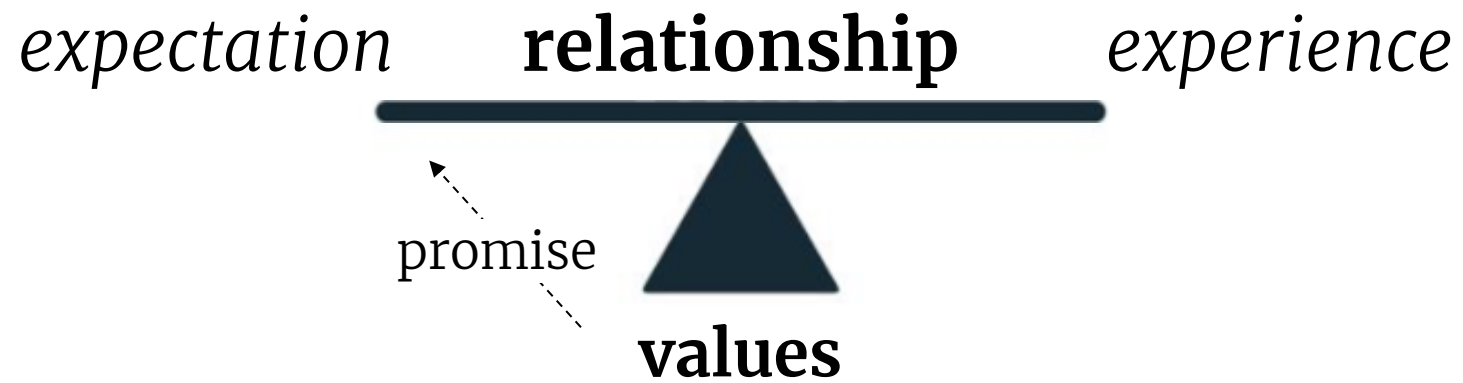
Enthousiast
Empathisch
Echt

(Enthusiastic)

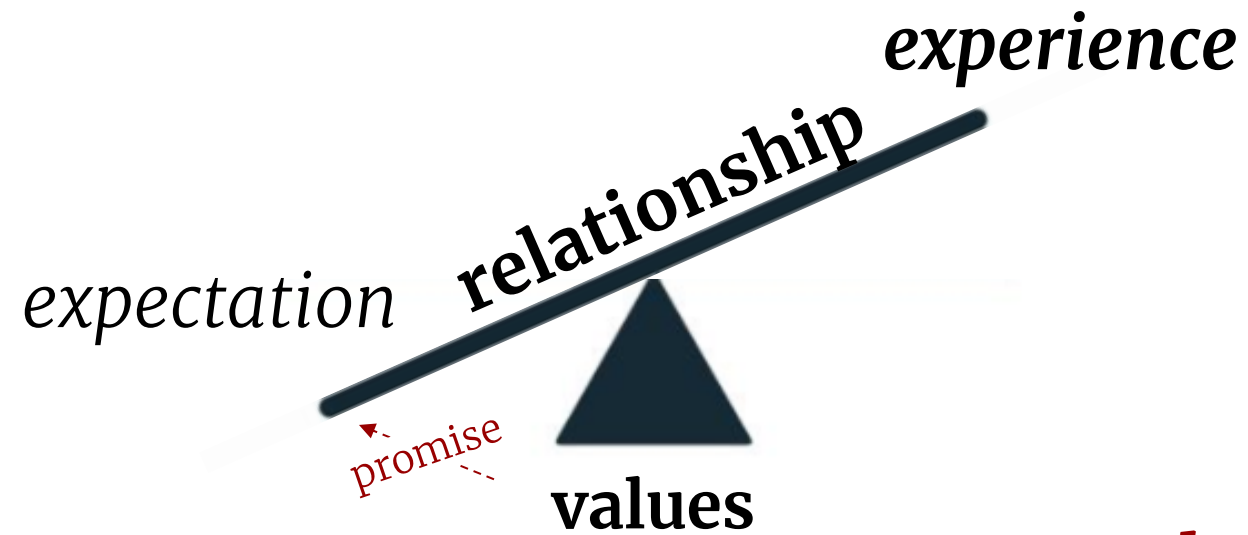
(Empathetic)

(Real)

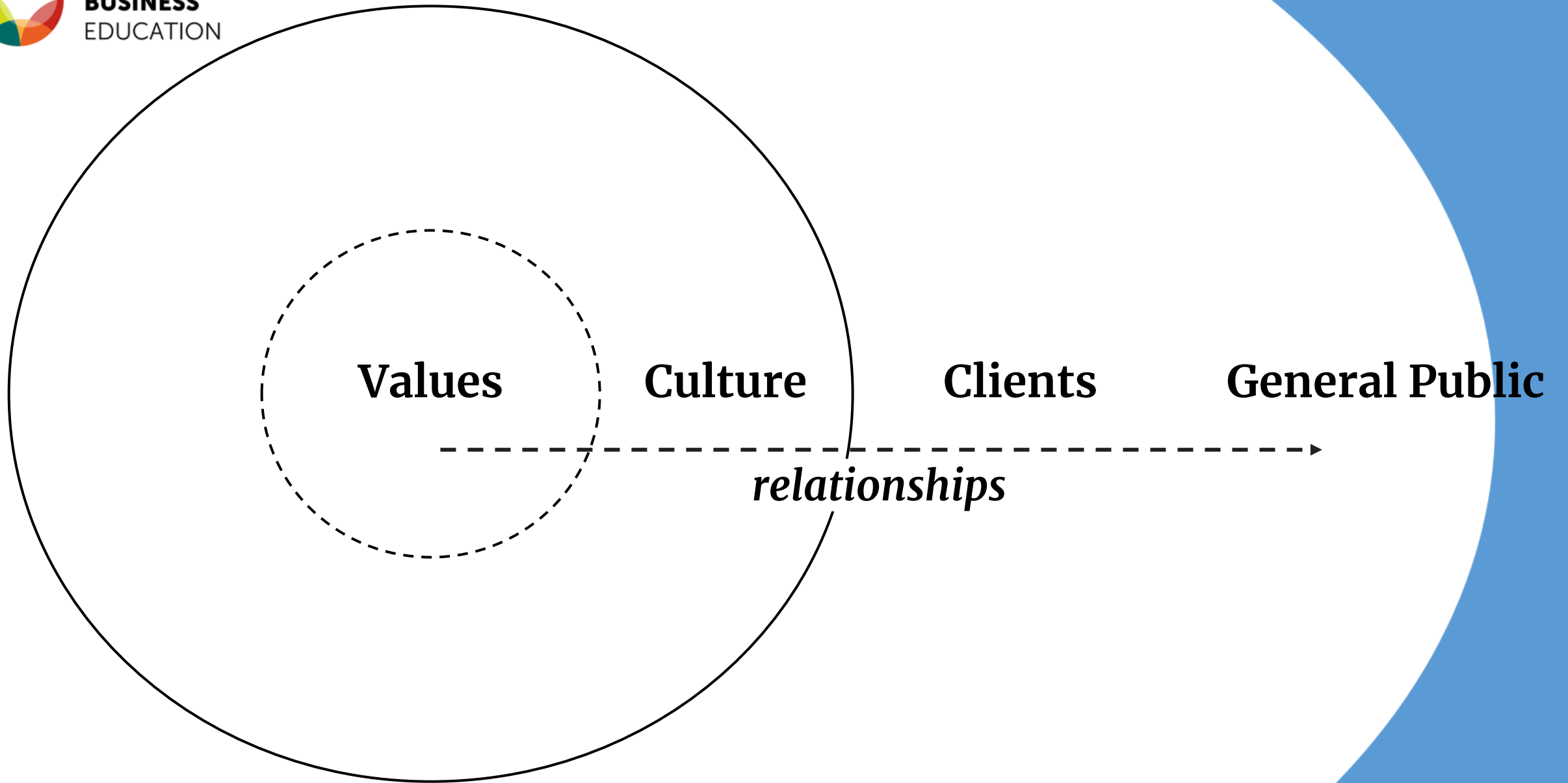


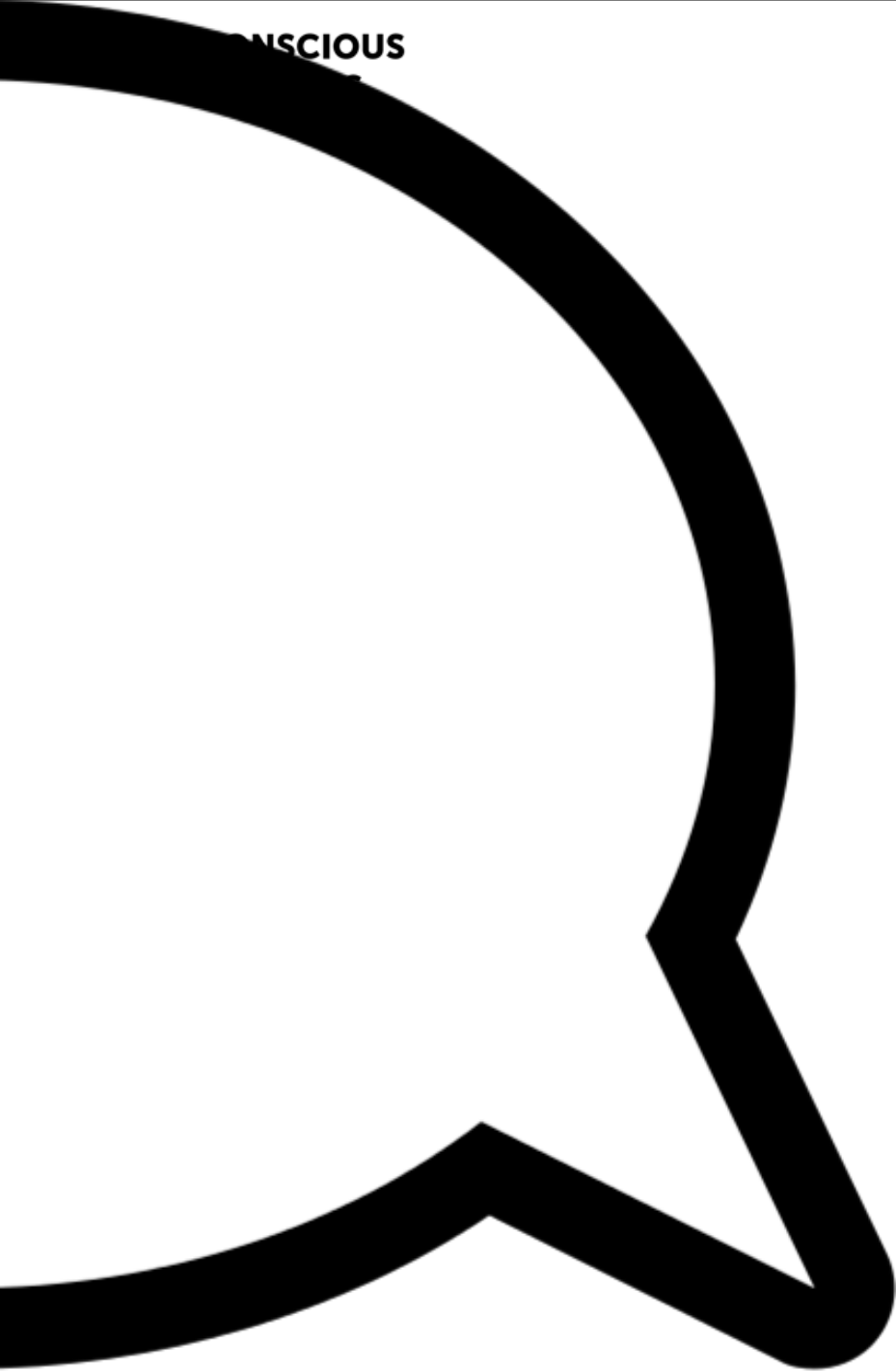


overpromise



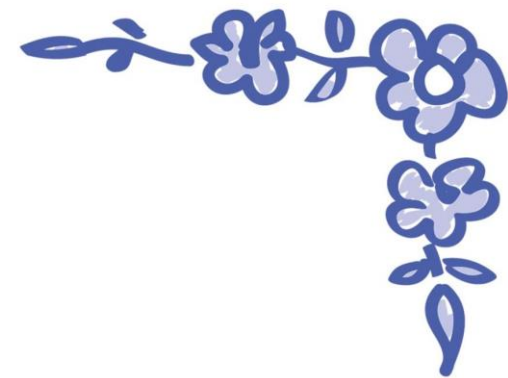
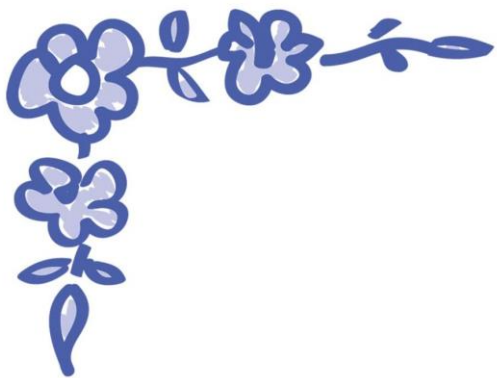
underdeliver



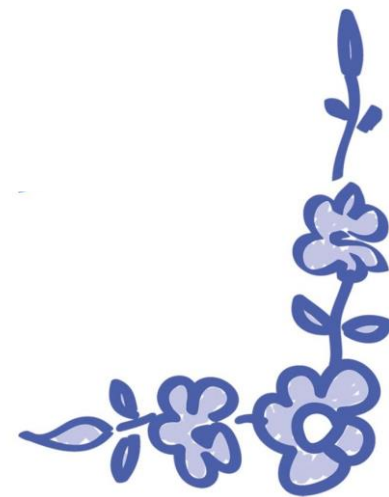
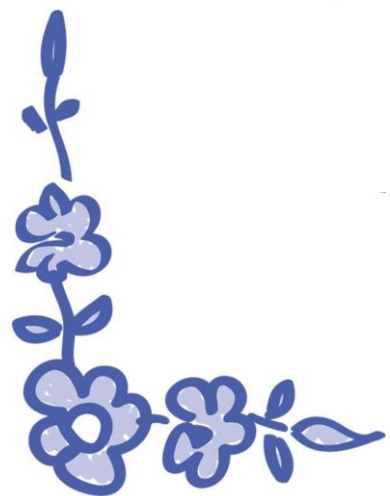


How does your
company culture
improve
**human
relationships?**





Relationships are about **trust**.



**WELLS
FARGO**

Together we'll go far



WELLS
FARGO

Moving forward to make things right.

We are deeply committed to serving you and your financial needs. We know we did not live up to that commitment. We want you to know that we're making things right and that we're even more dedicated to serving you and making sure you know where you stand. There is nothing more important than for you to experience the very best from us.

That's why we've already taken action:

Putting your interests first: We have eliminated product sales goals for our Retail Banking team members who serve customers in our bank branches and call centers. This means that their focus will be on meeting your financial needs, not meeting sales goals.

Proactively communicating with you: We send a confirmation after you open a new consumer or small business checking, savings or credit card account so that you know what is happening and can tell us if anything we've confirmed is different than what you expected.

Full transparency: You can always see your eligible accounts any time when enrolled in Wells Fargo Online.*

Fixing what went wrong: We have provided full refunds to customers we have already identified and we're broadening our scope of work to find customers we may have missed. If we have any doubt about whether one of your accounts was authorized, and any fees were incurred on that account, we will contact you and refund fees.

If you have any concerns about your accounts or any aspect of your relationship with Wells Fargo, please come into a branch or call us on our dedicated hotline 24/7 at 1-877-924-8697.

The trust you place in us means everything and we will work hard every day to earn it back.

wellsfargo.com/commitment

1-877-924-8697

Mea Culpa





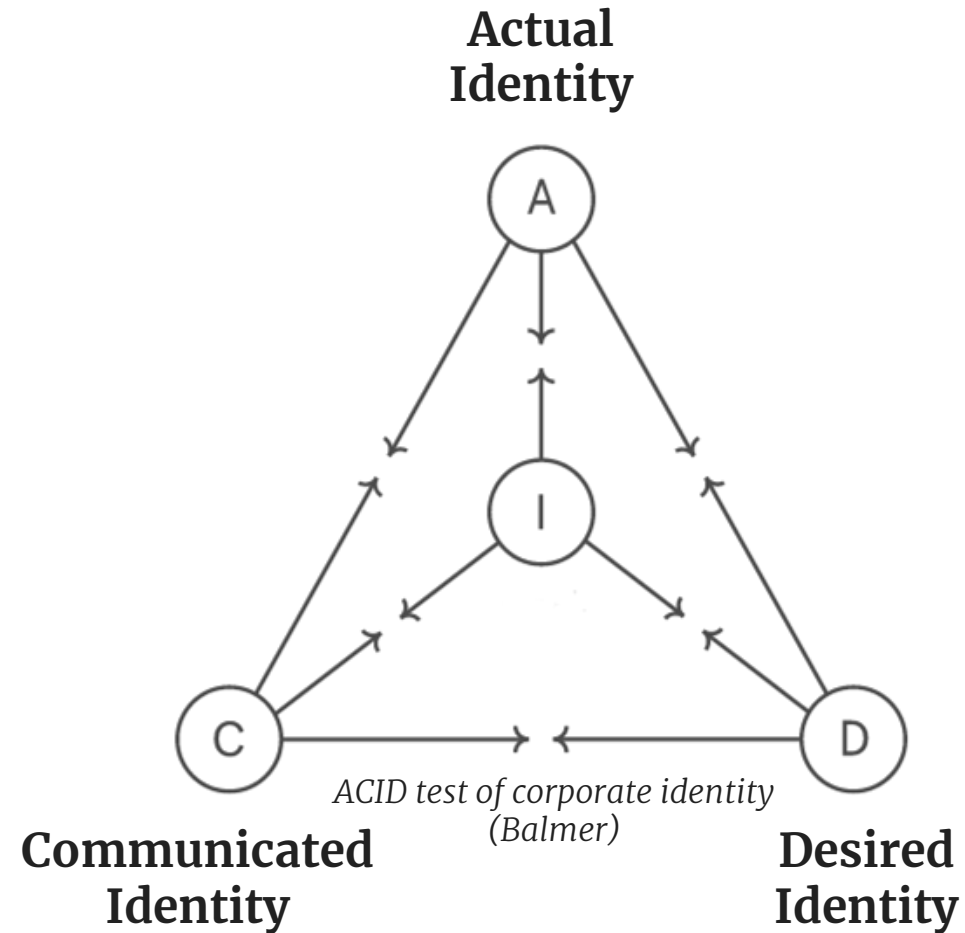
'Puffery'

More than 90% of Dutch organizations has gone through the trouble of **defining their ethics**.

What percentage of employees at these companies feel truly engaged with the company they work for?

<14%

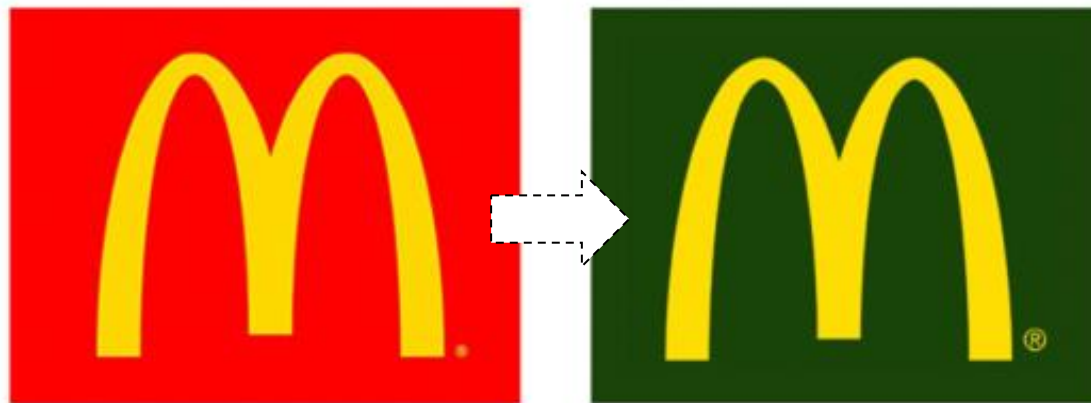
Measuring Authenticity



The Problem

Most company values are **marketing-driven**.

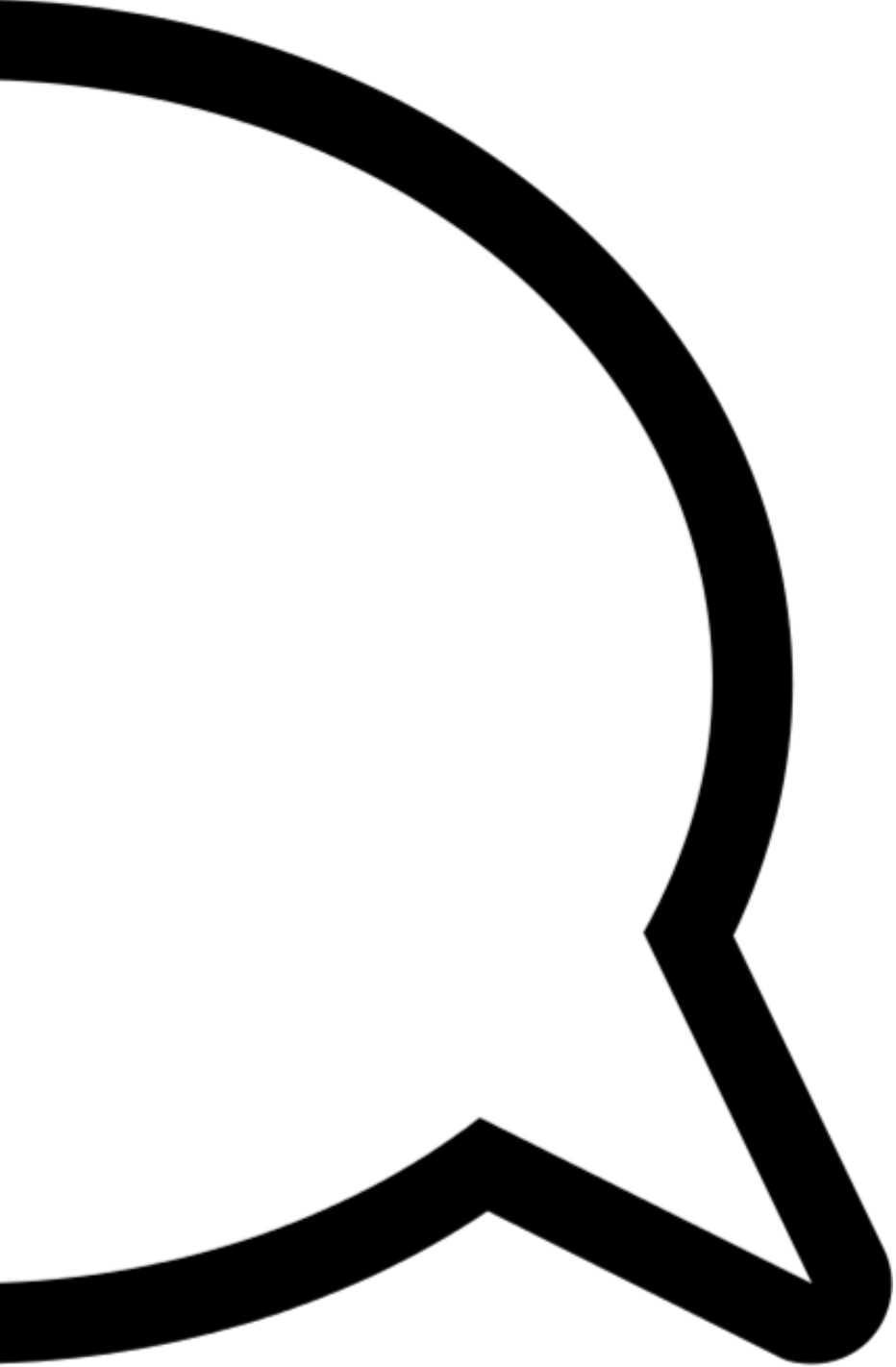
‘Who do we have to become
in order to be **successful**?’



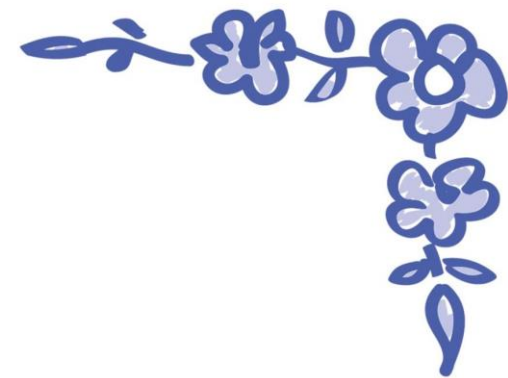
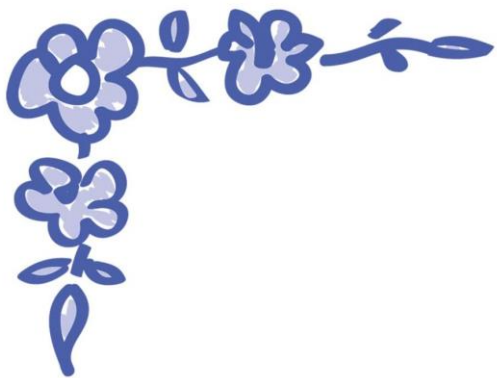
Values-Driven

What do we *actually* stand for and
how do we form **sustainable
relationships?**

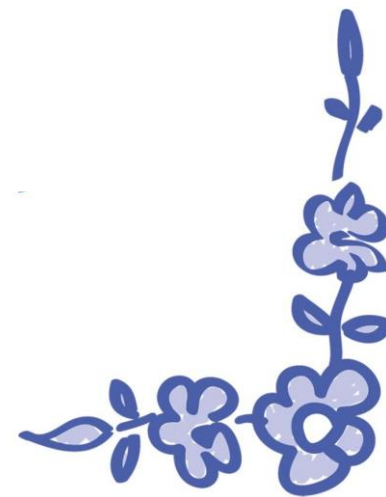
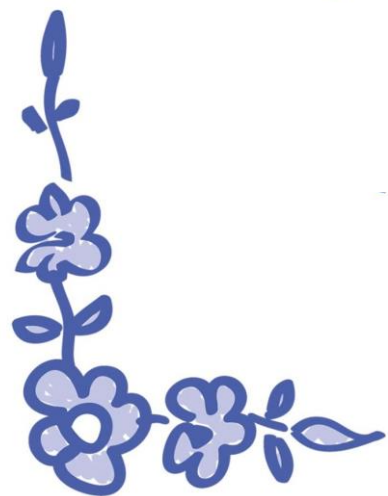




How does your
management style
inspire trust?



Trust is about sharing **values**.



Traditional vs. Secular Values

Survival vs. Self-Expression Values

Muslim countries in italic>

Source: World Values Survey & European Values Study (2005-2022)
www.worldvaluessurvey.org
<http://europeanvaluesstudy.eu/>

Source: World Values Survey &
European Values Study
(2005-2022)
www.worldvaluessurvey.org
[https://europeanvaluesstudy.eu/](http://europeanvaluesstudy.eu/)



Can companies satisfy the
Even if **search for meaning** anything.
which churches no longer serve?
(for most of us)



Just do it.

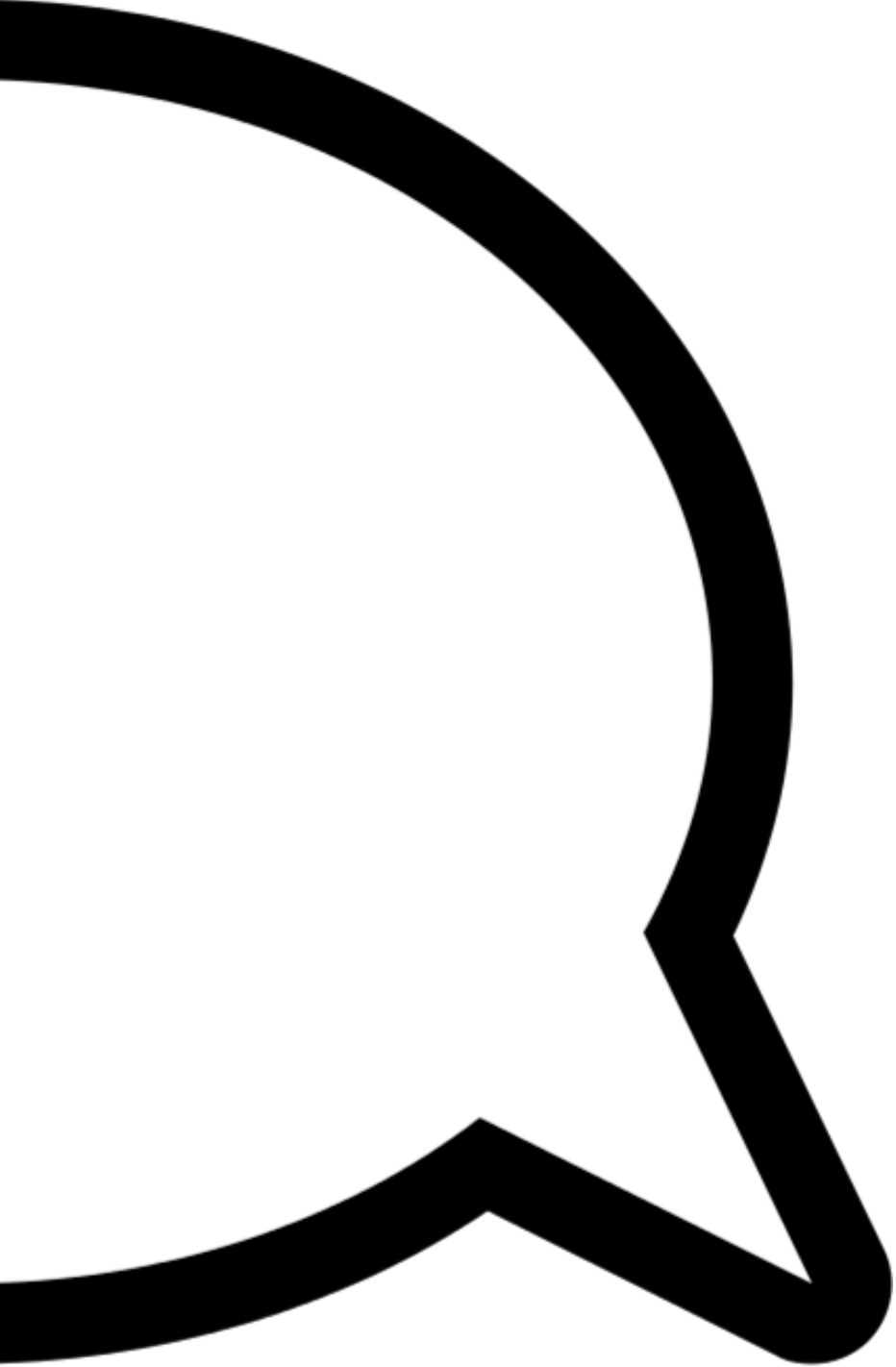
Sensemaking

Meaning in complex environments like organizations, is **socially constructed**.

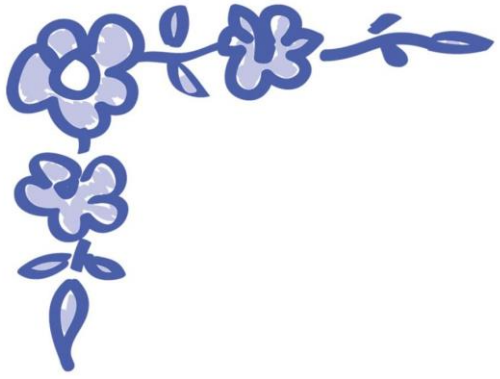
[Karl E. Weick](#), [Kathleen M. Sutcliffe](#), [David Obstfeld](#), (2005) Organizing and the Process of **Sensemaking**. Organization Science 16(4):409-421.

That means that written value statements and their behavioral codes are *useless*...

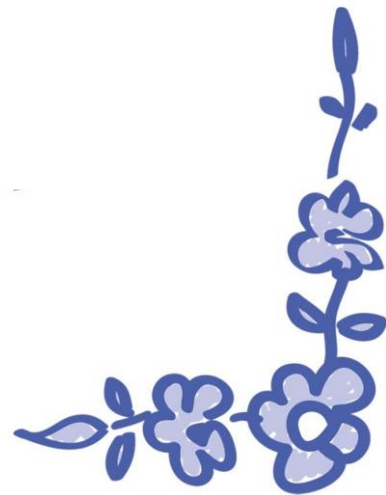
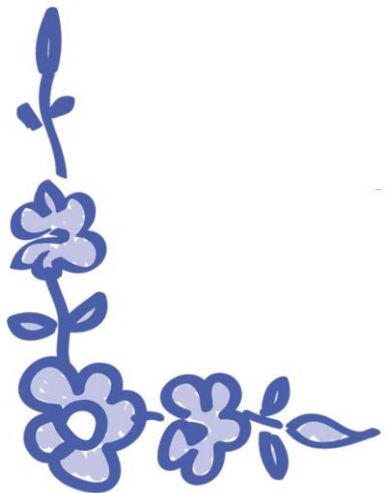
...unless they are **grounded in personal experience** and **given meaning** together by sharing stories, symbolism and rituals.



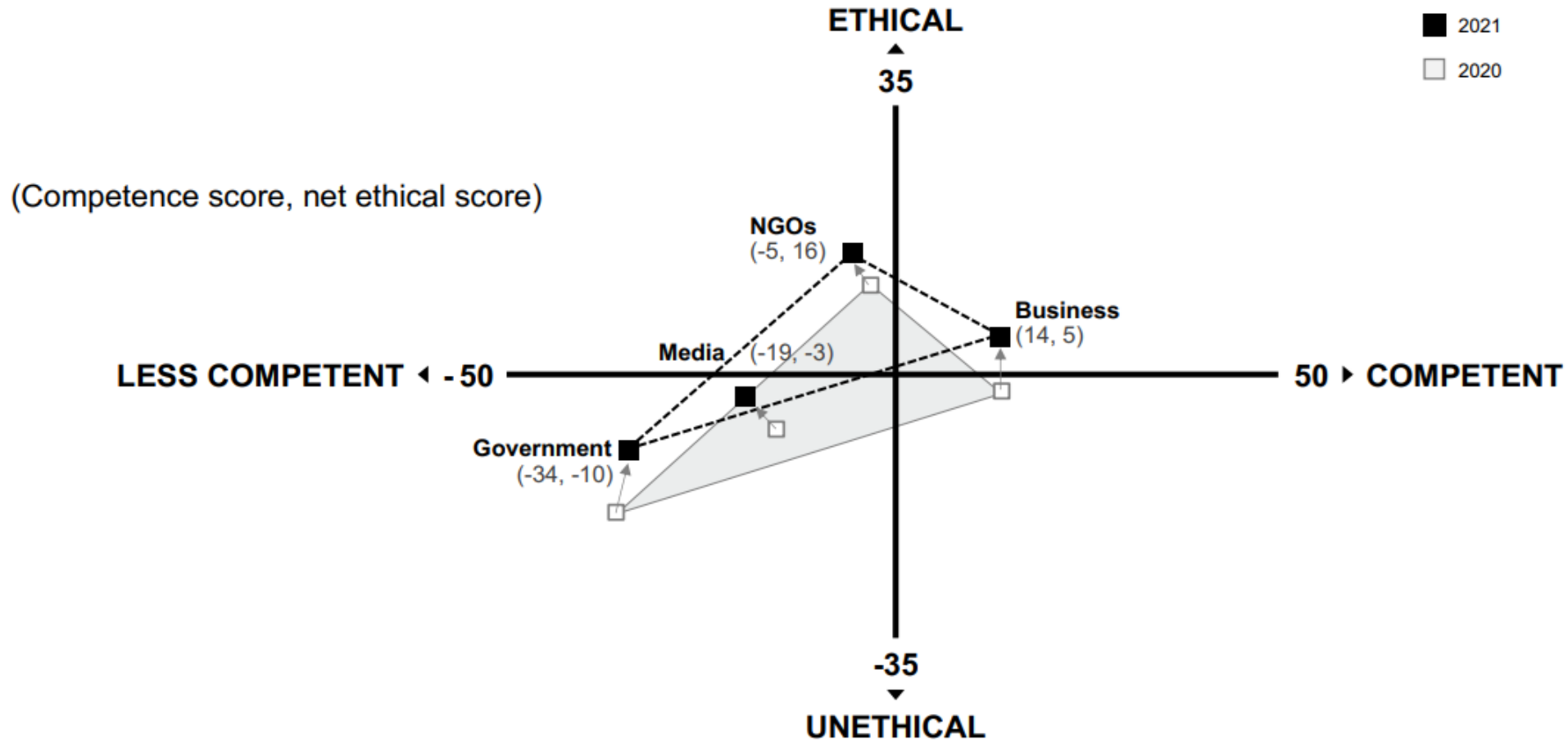
How does your
company **share values?**



What does **conscious business** ask of culture and management?



Business is now the **ONLY** force for good that can meet **social challenges**



A new generation is looking for meaning

(work is no exception)



... it is important to
have a purpose



... purpose should
receive more weight
than profit

THE

SECOND
EDITION

VALUES-DRIVEN ORGANIZATION

CULTURAL HEALTH AND EMPLOYEE WELL-BEING
AS A PATHWAY TO SUSTAINABLE PERFORMANCE



Richard Barrett

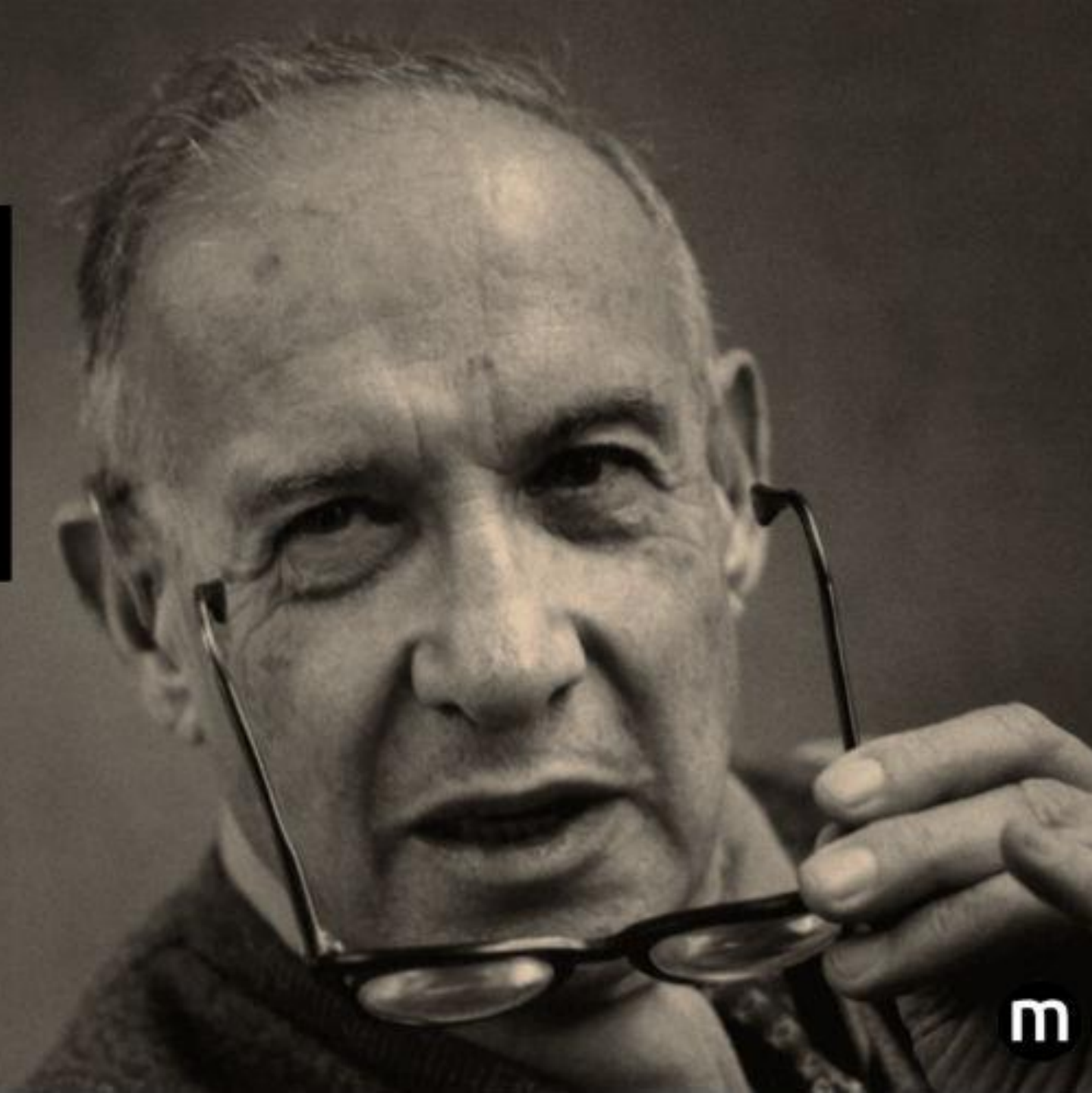


Meta-analysis: leadership by example is the **key factor** for cultural change.

The **role of leadership** is to guide this process of *sensemaking*.

CULTURE EATS STRATEGY FOR BREAKFAST

Peter **DRUCKER**



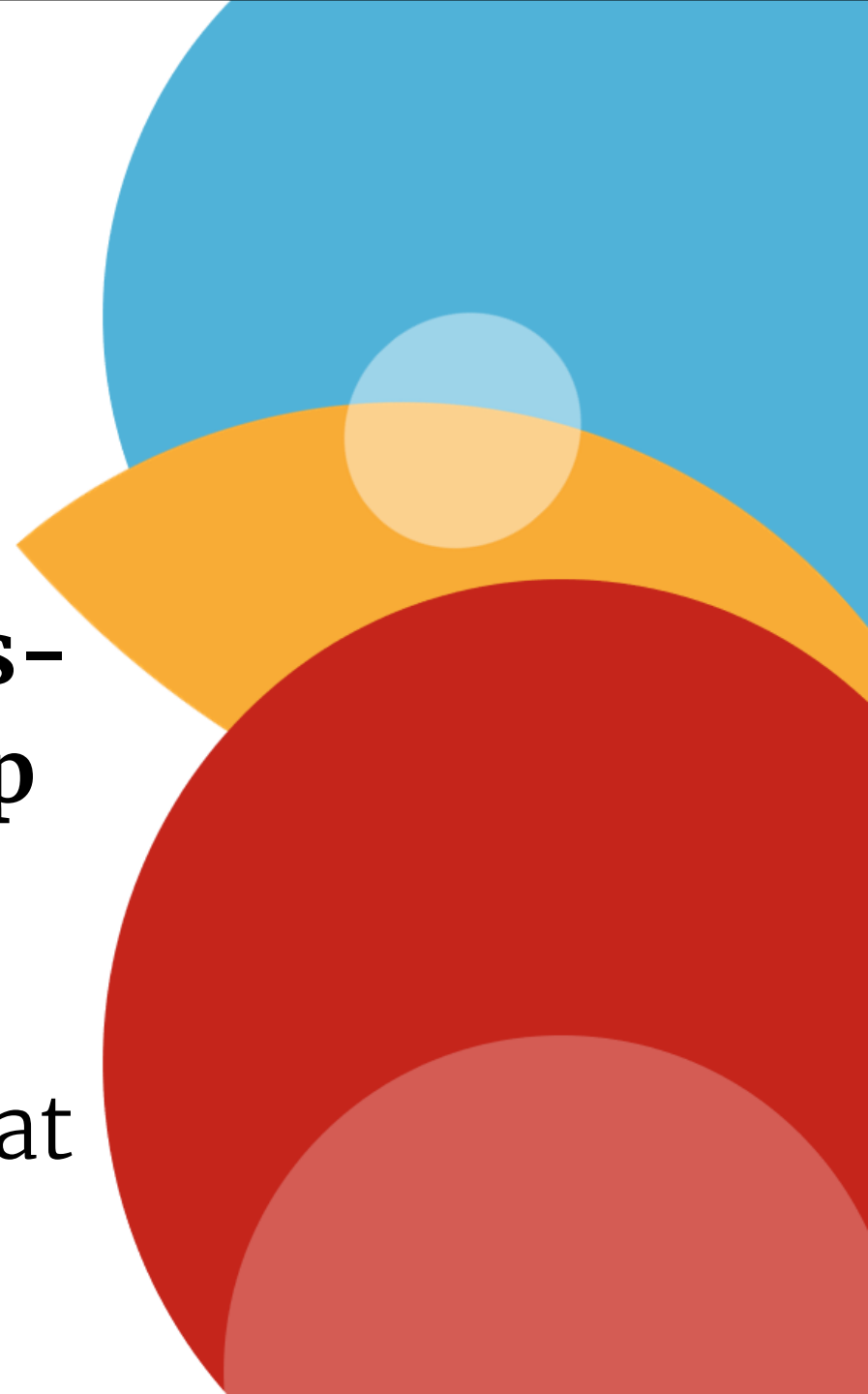
- Values play a key role in predicting repeat purchases

Strong values, loyal relationships, better results

2023 Dissertation Ronald Voorn, PHD

- Brand values are more important than personality traits for long-term relationships
- Brand messages with self-transcending values (such as social involvement) perform better when it comes to attitude towards the brand, quality and intention to purchase.

How does **values-based leadership** lead to a meaningful and credible culture at your company?



Pitch Exercise



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Your horizon story

- "Those who tell the story rule society" - Plato
- "Stories are much more powerful than statistics" - comment under a youtube by Simon Sinek
- Science showed: The brainwaves of the person telling the story and those listening synchronized.
- "Make things as simple as possible, but not simpler" - Albert Einstein
- "Simplicity is the ultimate form of sophistication" - Leonardo Da Vinci
- "Communication becomes more powerful when you visualise it" - visual author Kim Ravers

Template 'Hero's Journey'

'The Hero with the Thousand Faces' by Joseph Campbell



Hoe word ik een held? - Matthew Winkler

<https://www.youtube.com/watch?v=Hhk4N9A0oCA>



Leadership

Dr. Dorianne Cotter-Lockard



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Conscious Leadership

“A new type of leadership is emerging. It turns the current business leadership paradigm of fear-based motivation on its head, creating a dynamic approach that is more purposeful, compassionate and humane.”

Olafsson, Allenby, & Tuck (2022). *Beyond Ego - The Inner Compass of Conscious Leadership.*

Reflections on Day 1

- What surprised you about yesterday's program, activities, or conversations?
- What did you learn about yourself?
- What is one thing you did not say yesterday that you want to say today?

(keep confidential what your partner tells you)



Visioning Process

What does it mean to be conscious?

To be conscious means to be aware of our inner and outer worlds, to be fully awake.

It includes self-reflection on one's own beliefs, emotions, motives, values, goals and impact.

Consciousness also includes the capacity for abstraction which allows humans to manage complexity.



[This Photo](#) by Unknown Author is licensed under [CC BY-NC](#)



Key Source:

Kofman, F. (2008). *Conscious business: How to build value through values* (Vol. 1). ReadHowYouWant.Com.

Conscious Leadership

Discussion in Triads:

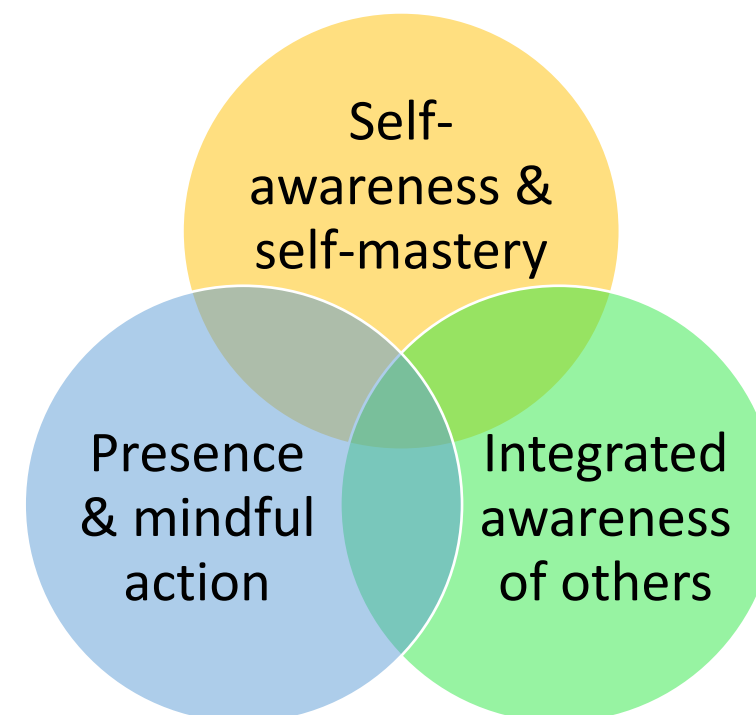
- 1) How often do you reflect on your beliefs, motives, values, goals, and impact?
- 2) If you were to measure your capability to be aware of your inner world on a scale of 1 – 10 (10 = fully aware), what score would you give yourself? What first step could you take to increase your level of inner awareness?
- 3) What is your attention span and engagement in the following scenarios:
 - *1 to 1 meetings and conversations*
 - *Small groups – when you are facilitating/ leading*
 - *Small groups – when you are a participant*
 - *With stakeholders*
 - *During difficult conversations*

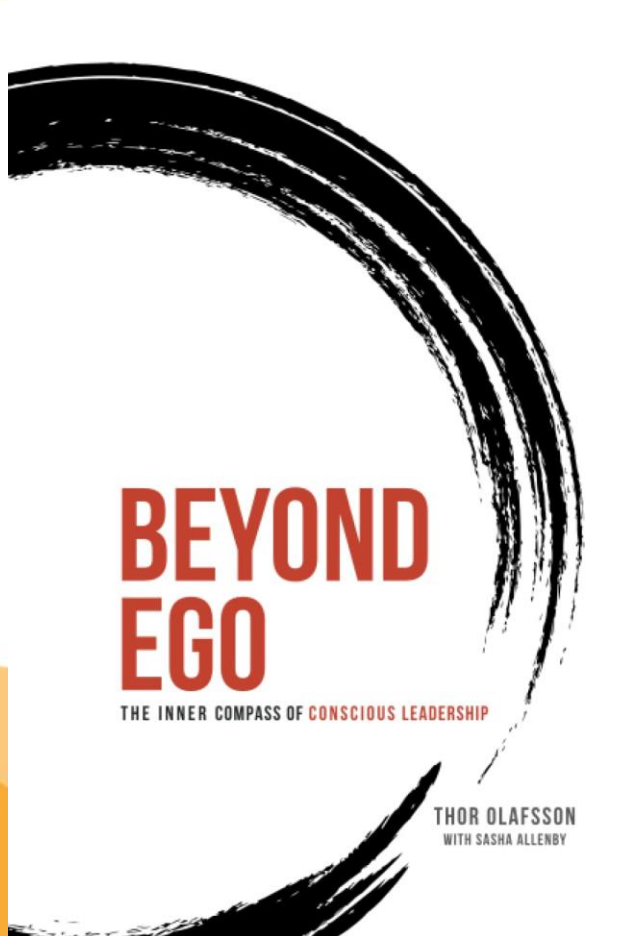
*To be conscious means to be aware of our inner and outer worlds, to be fully awake.
It includes self-reflection on one's own beliefs, emotions, motives, values, goals and impact.
Consciousness also includes the capacity for abstraction which allows humans to manage complexity.*

The Inner Development Goals (IDGs)

(Related to the United Nations' SDG's)

| Being – Relationship to Self | Thinking – Cognitive Skills | Relating – Caring for Others and the World | Collaborating – Social Skills | Acting – Driving Change |
|---------------------------------------|--|---|---|-------------------------------|
| Inner Compass | Critical thinking | Appreciation | Communication skills | Courage |
| Authenticity and Integrity | Complexity awareness | Connectedness | Co-creation skills | Creativity |
| Openness and learning mindset | Perspective skills | Humility | Inclusive mindset and Intercultural competence | Optimism |
| Self- awareness | Sense- making | Empathy and Compassion | Trust | Perseverance |
| Presence | Long-term orientation and visioning | | Mobilization skills | |





Inner Compass:

“The concept of an inner compass is related to how people make priorities when making decisions and acting. A stable inner compass anchored in values relating to a larger whole means that concerns for the well-being of the larger whole are factored in in various situations.”

Jordan et al. (2021). *Inner Development Goals: Background, method and the IDG framework.*

The Inner Compass:

“If we want to be more conscious as leaders, it probably comes as no surprise that we need to look deeply within ourselves and examine the inherited patterns that have been causing us to lead from a semi-conscious state and operate from ego-based patterns.”

Olafsson, T., Allenby, S., Tuck, K. (2022). *Beyond Ego: The Inner Compass of Conscious Leadership*. New Leadership Press.



<https://strategicleaders.com/solutions/inner-compass/>

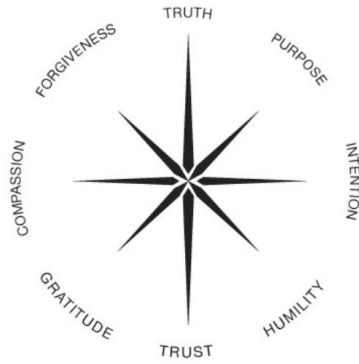
The Inner Compass: Truth

“Truth for your [organization], truth for your team, and truth for yourself. ... truth for yourself is the starting point”

Olafsson, T., Allenby, S., Tuck, K. (2022). *Beyond Ego: The Inner Compass of Conscious Leadership*. New Leadership Press.



<https://strategicleaders.com/solutions/inner-compass/>



Inner Compass: Our Relationship with Truth

Most of us are fundamentally truthful. However, when we were younger, we also learned some strategies and coping mechanisms which weren't necessarily guided by truth at the core.

Individual Reflection (homework):

- What did you learn growing up about being truthful?
- What is the story you tell about yourself? What do you include? What do you leave out? What do you embellish?
- What reactionary patterns do you see within yourself? How do those patterns affect your team and organization?

Inner Compass Truth



“If you want everyone [on your team] to be the best version of themselves, you need to lead them beyond ego to a place where vulnerability and psychological safety are the norm in the workplace.” ~ Olafsson, et al.

Questions to ponder (in pairs):

- How often do team members raise difficult issues, challenge ideas, or question existing processes? How empowered do you think they feel to do so?
- What steps are you taking to create psychological safety, so team members feel at ease to be themselves?
- How are you modeling vulnerability for your team members? How do you admit mistakes and acknowledge times when you don't have the answer?

VUCA: Volatile, Uncertain, Complex, Ambiguous



Photo by [Markus Spiske](#) on [Unsplash](#)



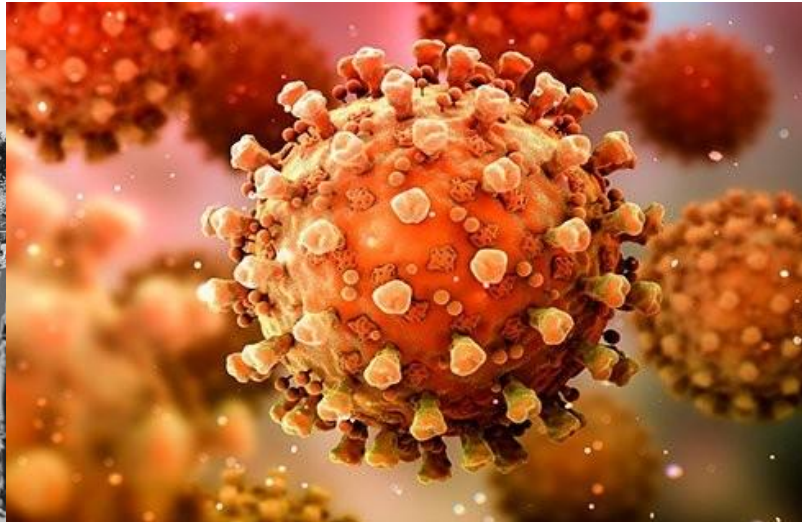
Photo by [Timo Volz](#) on [Unsplash](#)



Grandjean Martin (2016) "[Connected World: Untangling the Air Traffic Network](#)"



Photo by [Lee Chinyama](#) on [Unsplash](#)



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Photo by [Dustan Woodhouse](#) on [Unsplash](#)

Sitting with Paradox & Ambiguity - Polarities

“The bad news about life is that we all face a number of unsolvable problems.

However - The good news is that we can, in many cases, stop trying to solve and begin to manage them by holding two conflicting concepts in mind. This is an essential part of the leadership mind”

~ Barry Johnson

Johnson, B. (1992). *Polarity management: identifying and managing unsolvable problems*. HRD Press.

Sitting with Paradox & Ambiguity - Polarities

Moving from Either/Or thinking to Both/And thinking:

Either/Or is exclusionary

One right answer

“A” is right – “B” is wrong

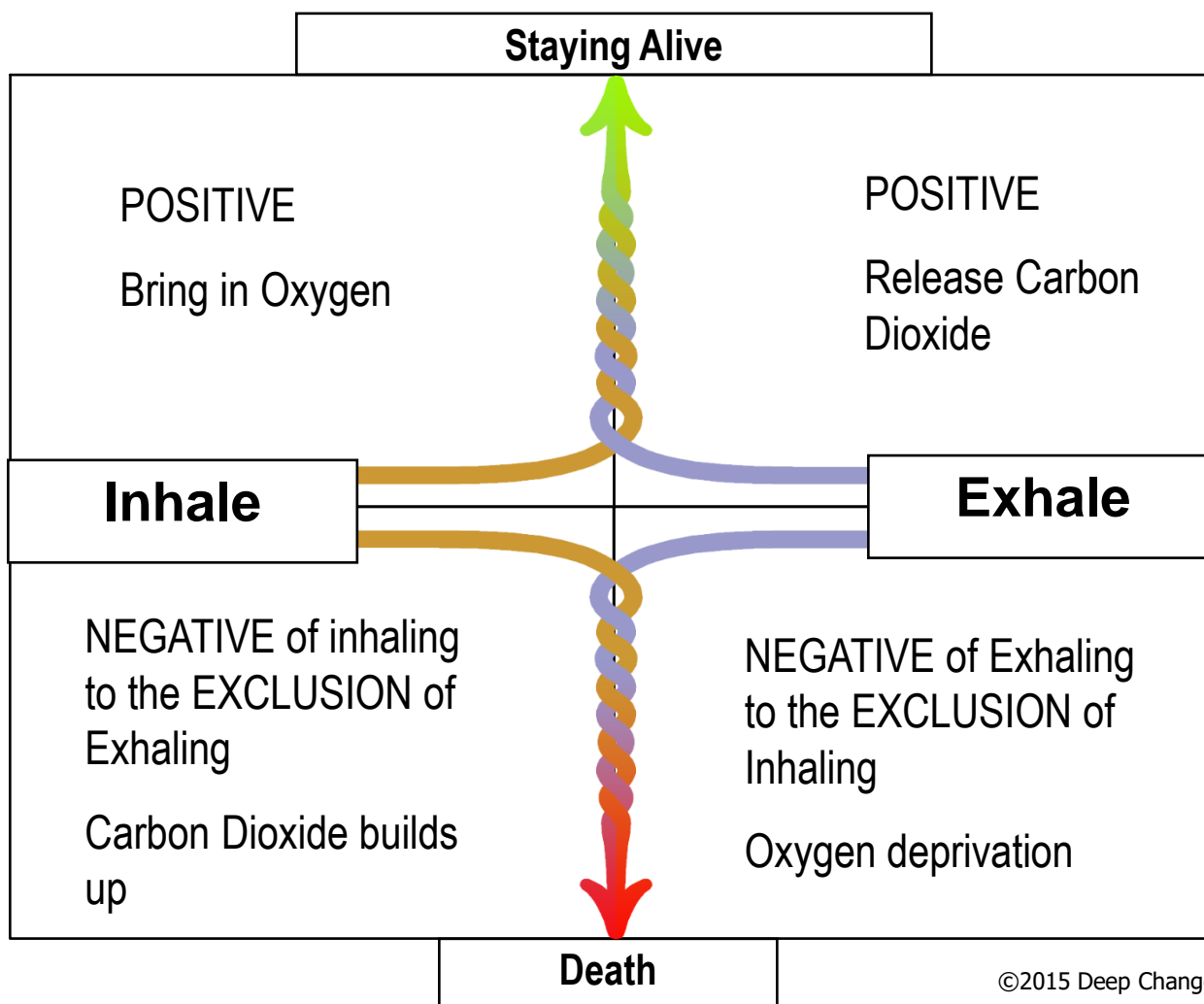
Someone wins

Someone loses

Both/And is inclusive

Contains at least two points of view which are good and/or true

Sitting with Paradox & Ambiguity - Polarities



Sitting with Paradox & Ambiguity - Polarities

Customer Needs
AND Employee
Needs

Change AND
Stability

Mission AND
Margin


Data and Intuition
AND Experience

Get the Job Done
AND Build Healthy
Relationships

Centralized
Coordination AND
Decentralized
Initiatives

Care for My Part
AND Care for the
Whole
Organization

Top Down AND
Bottom Up



Common Business Polarities

Photo by [Alice Yamamura](#) on [Unsplash](#)

Sitting with Paradox & Ambiguity - Polarities

What polarity are you sitting with that requires Both/And thinking?

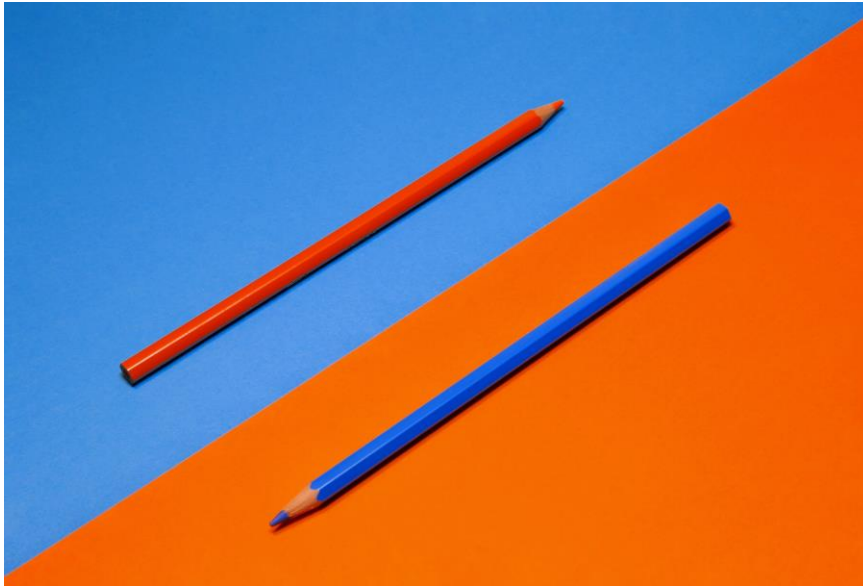
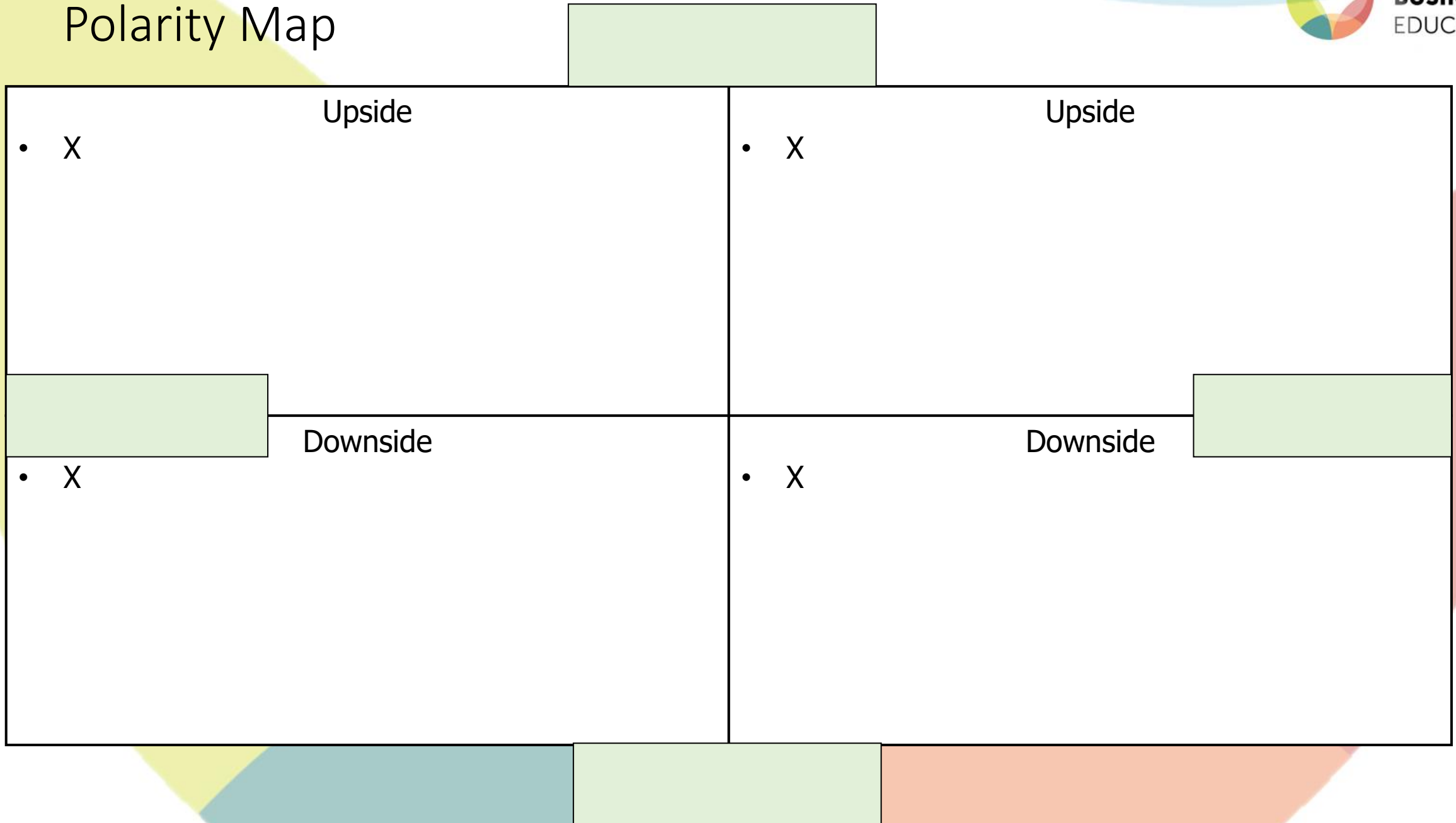


Photo by [Alice Yamamura](#) on [Unsplash](#)

Polarity Map



Transforming Organisations



Monbiot, G.
(2022a). *How wolves change rivers*
[remastered HD]. [Video].
Sustainable Human.
<https://sustainablehuman.org/stories/how-wolves-change-rivers/>

- Interdependence
- Impacts felt throughout the system
- Cannot be separated into pieces and parts

Transforming Organisations

“To improve the culture of an organisation, the leaders must change, or you must change the leaders.”

Barrett, R. (2016). *Building a winning organisational culture*. Barrett Values Centre.



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Transforming to a Conscious Culture

Discussion:

- What happens within the chrysalis that turns a caterpillar into a butterfly?
- How is the chrysalis process similar to transforming an organisation with an established culture?

Kegan & Lahey: *Immunity to Change* (2001, 2009)

Kegan, R., & Lahey, L. L. (2009). *Immunity to change: How to overcome it and unlock potential in yourself and your organization*. Harvard Business Review Press.



Mismatch between stated goal
and a person's actions



Competing commitments



The BIG Assumption

KEGAN & LAHEY: IMMUNITY TO CHANGE (2001, P. 89)

| | Stated Commitment: <i>I am committed to...</i> | <i>What am I doing, or not doing, that is keeping my stated commitment from being fully realized?</i> | <i>Competing commitments</i> | <i>Big assumptions</i> |
|--------------|---|---|--|---|
| Helen | <i>... the new initiative.</i> | I don't push for top performance from my team members or myself; I accept mediocre products and thinking too often; I don't prioritize. | I am committed to not upsetting my relationship with my boss by leaving the mentee role. | I assume my boss will stop supporting me if I move toward becoming his peer; I assume that I don't have what it takes to successfully carry out a cutting-edge project. |
| Tom | <i>... hearing from my subordinates and maximizing the flow of information into my office.</i> | I don't ask questions or ask to be kept in the loop on sensitive or delicate matters; I shoot the messenger when I hear bad news. | I am committed to not learning about things I can't do anything about. | I assume as a leader I should be able to address all problems; I assume I will be seen as incompetent if I can't solve all problems that come up. |

Kegan, R., & Lahey, L. L. (2001). The Real Reason People Won't Change. *Harvard Business Review*, 79(10), 84-92.

YOUR TURN: IMMUNITY TO CHANGE (HOMEWORK)

| | Stated Commitment: <i>I am committed to...</i> | <i>What am I doing, or not doing, that is keeping my stated commitment from being fully realized?</i> | <i>Competing commitments</i> | <i>Big assumptions</i> |
|------------------|---|--|---|-------------------------------|
| Your Name | | | | |

Kegan, R., & Lahey, L. L. (2001). The Real Reason People Won't Change. *Harvard Business Review*, 79(10), 84-92.

A photograph of a wooden boardwalk winding through a grassy dune landscape. The boardwalk is made of light-colored wooden planks and curves gently through tall green grass and low-lying vegetation. In the background, there are rolling sand dunes with patches of grass and some distant trees under a cloudy sky. On the left side of the image, there is a teal vertical bar with overlapping yellow and orange circles.

Celebrate the Journey

Developing a Conscious
Business

Prof dr Karen Maas

Transformation & Congruence



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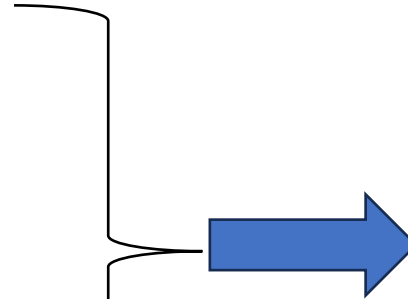
How can your organisation make a difference?

- Products



WHAT

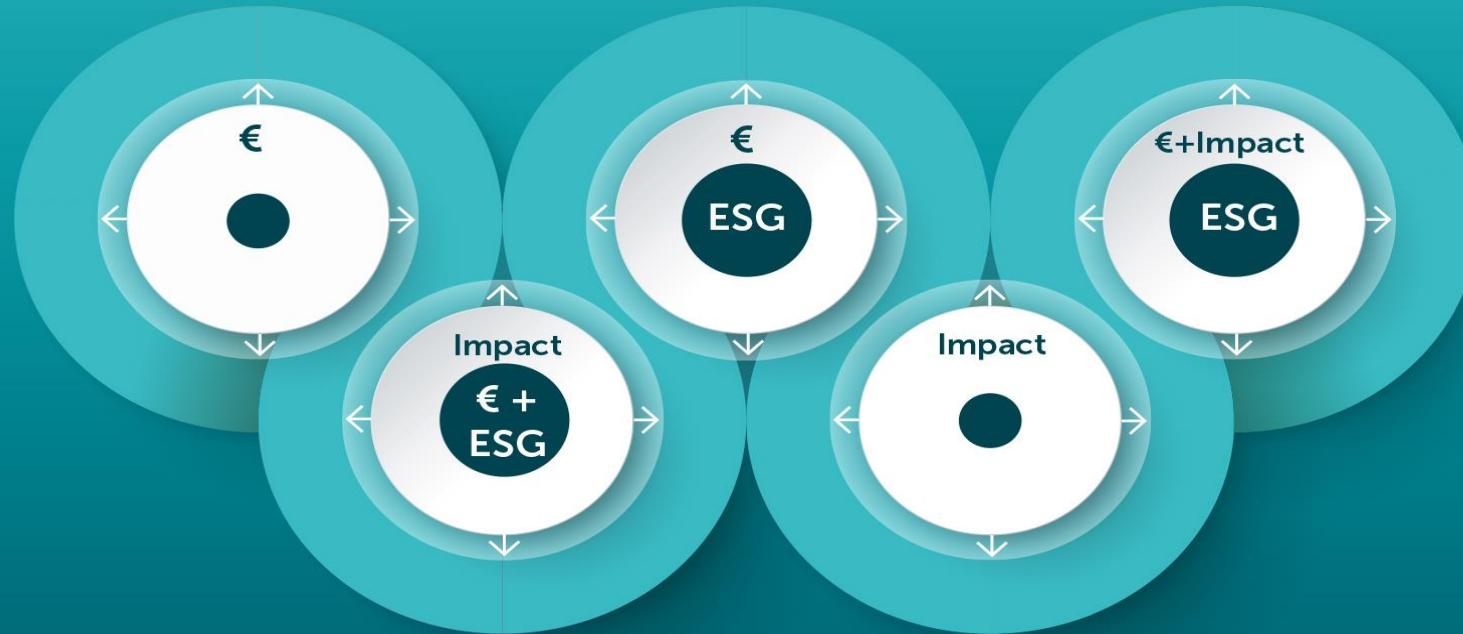
- Processes



HOW

- Facility/business operations

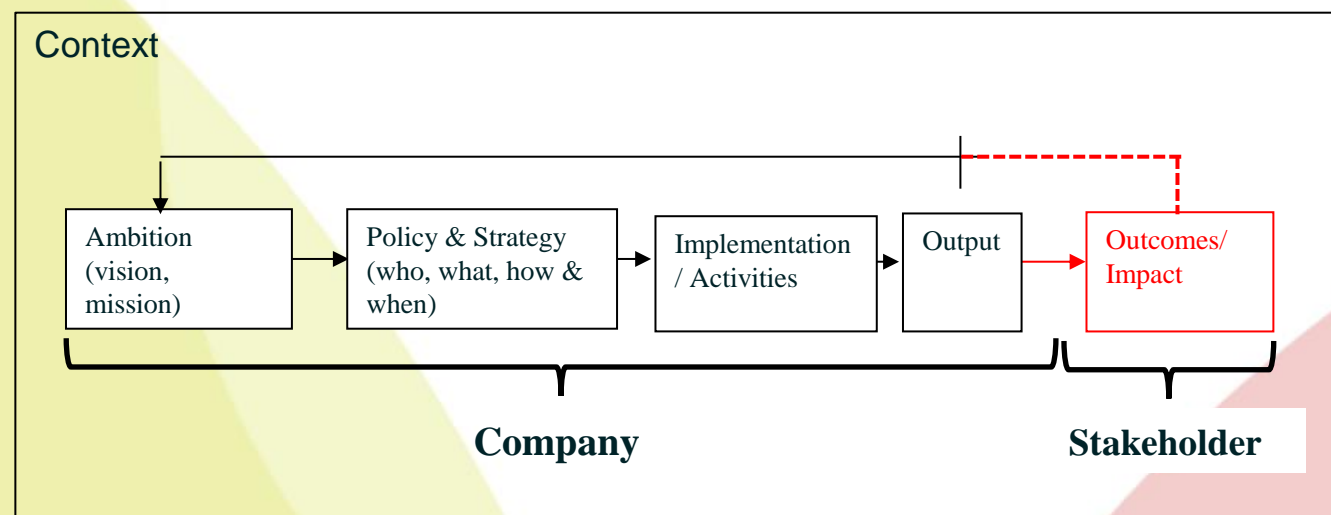
Different Business Models



Impact Centre Erasmus®



Van Purpose naar Impact



Impact is the additional effect* of your organization on stakeholders, on the economic, environmental and social dimensions.

**positive and negative, direct and indirect, intended and unintended*

Transformatie

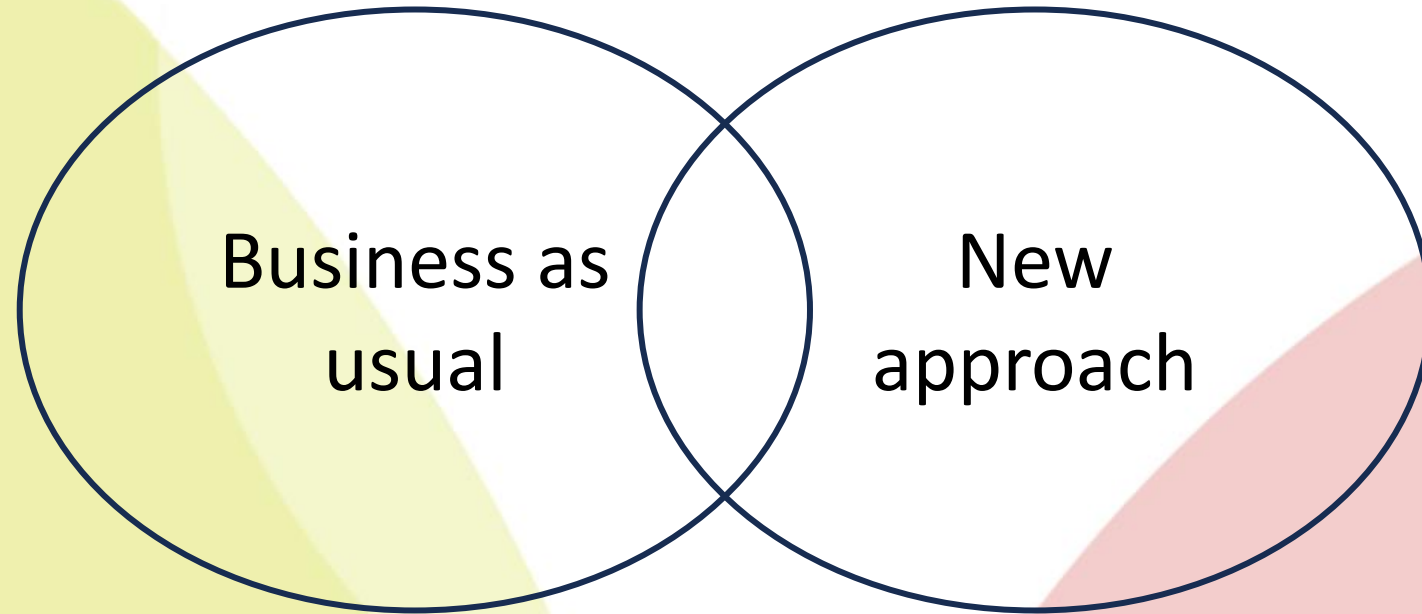


Business as
usual

New approach

Step 1. Separate programme, project or funding (e.g. green fund)
from a traditional profit-driven business model

Transformatie



Step 2. Integration into traditional (profit-driven) business model

Transformatie



Conscious
Business

Step 3. Integration to conscious business

Working towards congruence

5 Due Diligence steps:

1. Define purpose, operationalise and integrate
2. Identify actual and potential risks and opportunities
3. Set objectives, negative impacts ↓; positive impacts ↑
4. Track implementation and results
5. Communicate, learn and adjust



Stakeholder Inclusion

Prof. dr. Karen Maas
Academic Director
Impact Centre Erasmus



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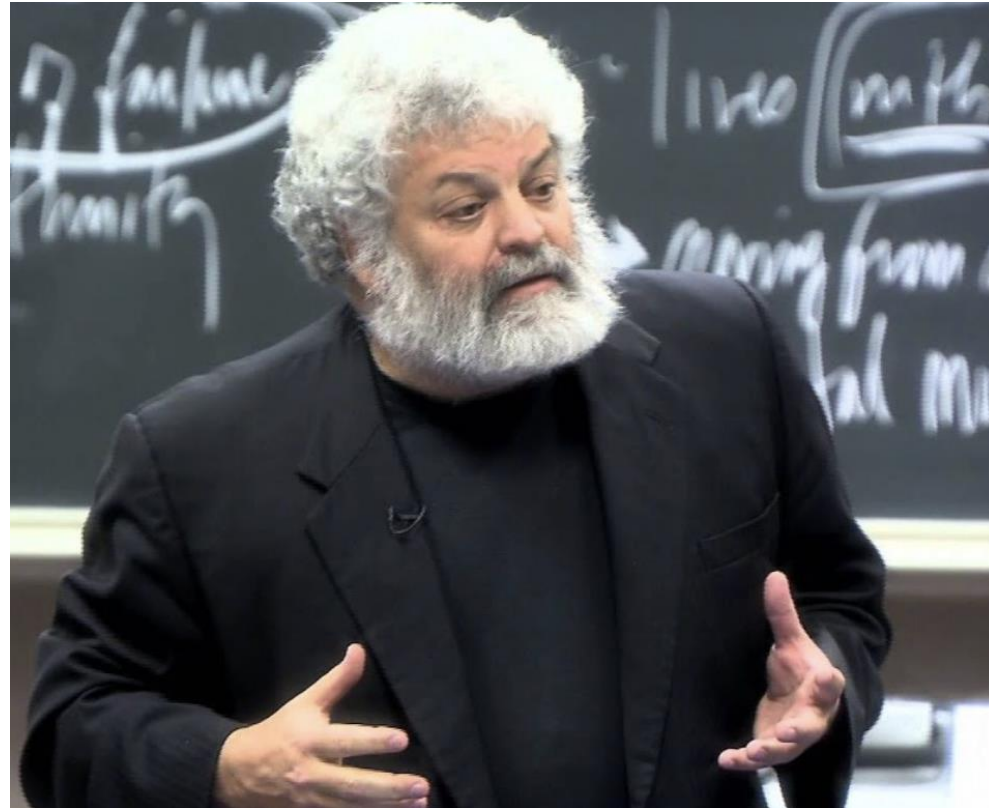
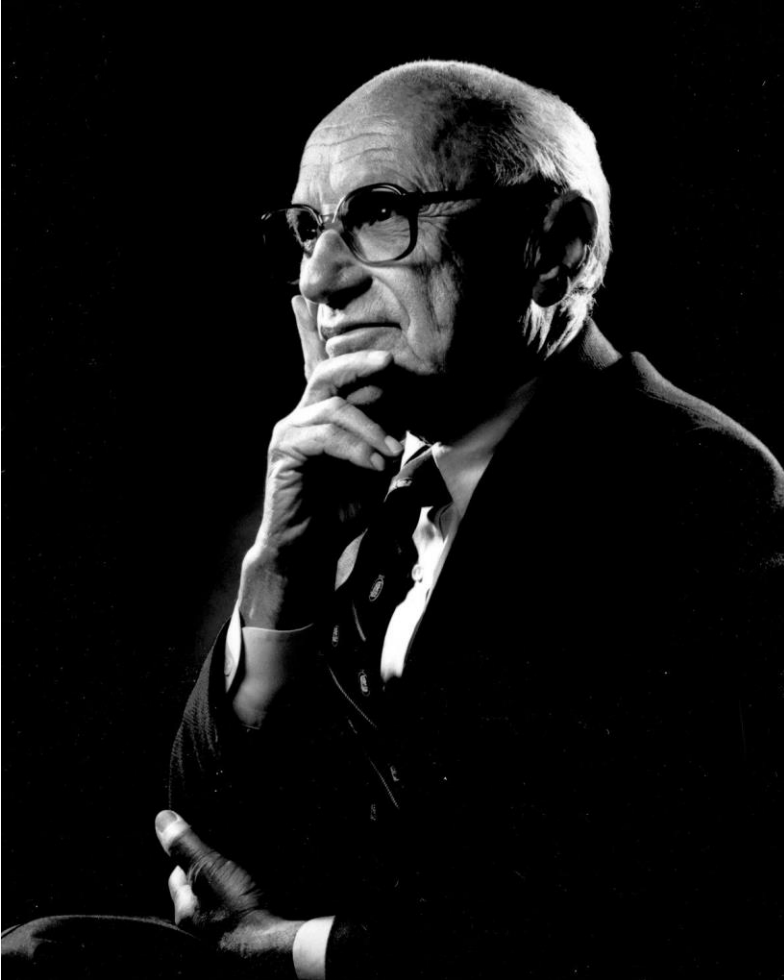
Stakeholderinclusion

- Theory and research developments
- Practice
 - Motivation
 - Orientation
 - Stakeholder types
 - Approaches
 - (Pursued) outcomes
 - Communication



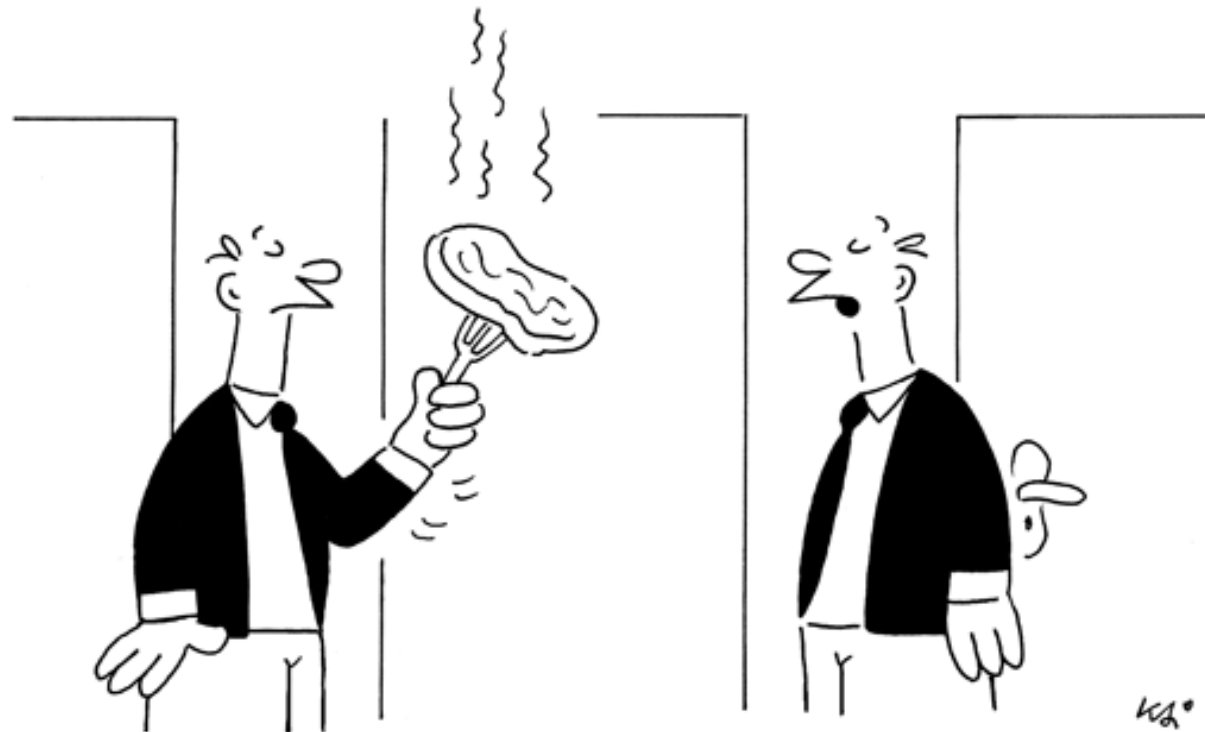
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Theory



Theory: developments

1980-1990: What are stakeholders?



„Und Sie sind bestimmt der Steak-Holder?..“

Theory: developments

1980-1990: what are stakeholders?

- Stakeholder theory is traced back to its beginnings with the book '*Strategic management: a stakeholder approach*' by Edward Freeman (1984).
- A Stakeholder was defined as: *“any group or individual that influences or is influenced by the organization”*.
- At the time, stakeholder management was positioned as an **alternative to economic thinking**, and with a **focus on collaboration**, where people are viewed as complex systems (instead of focusing on Homo Economicus).
- Stakeholder theory had a strong **normative** narrative



STAKEHOLDERS - BY DJWDJW

WWW.TOONDOO.COM

IDENTIFY, UNDERSTAND & MANAGE YOUR STAKEHOLDERS

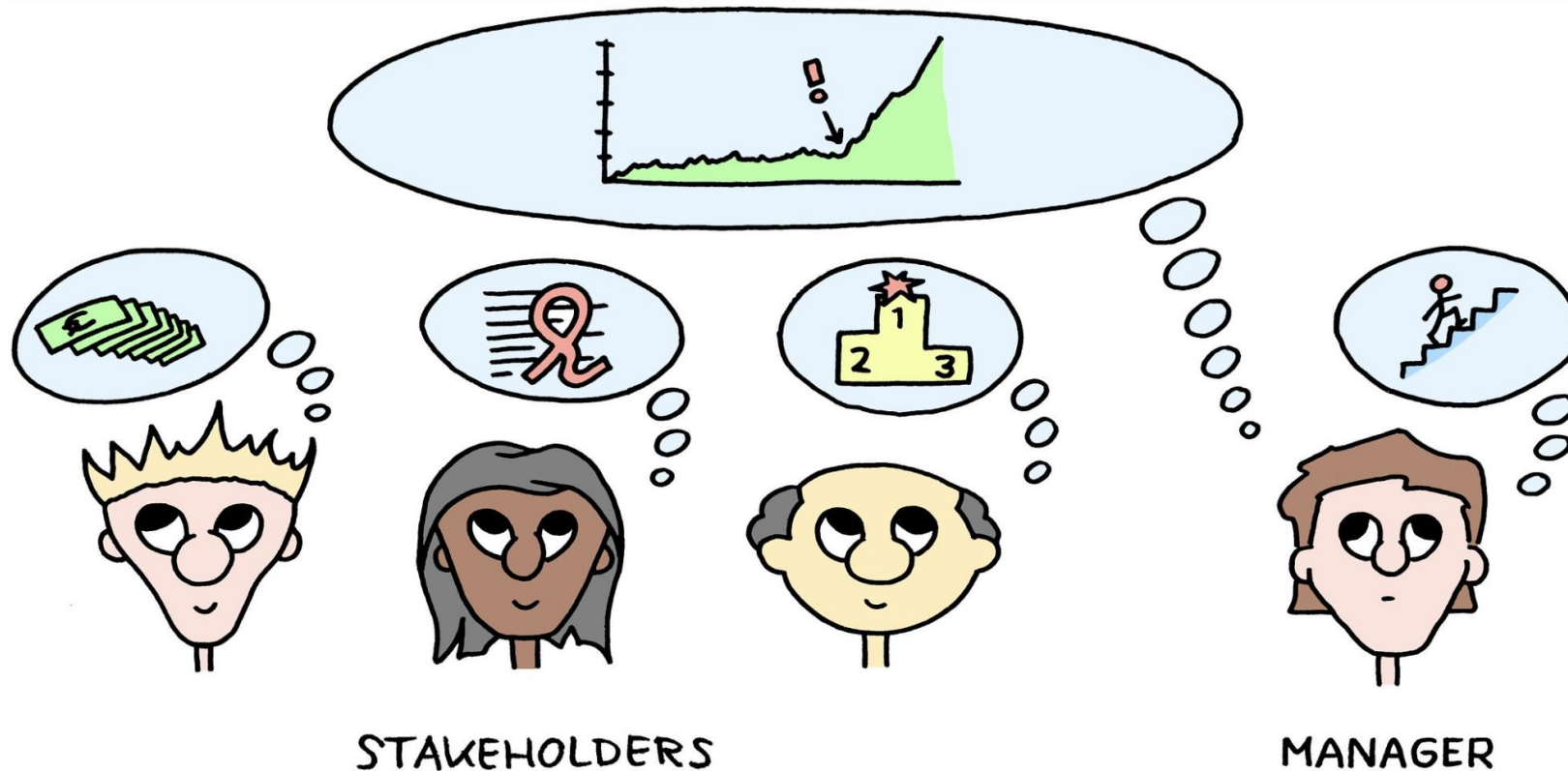


Now I understand why they
are named *STAKE*-holders



Theory: developments

1990-2000: What do stakeholders want?



Theory: developments

1990-2000: What do stakeholders want?

- Confirmation by behavioral economists who show that **people are not as rational** as portrayed in traditional economic models, but have a **complex character** with social preferences that respond to **moral norms and values** as well as **financial incentives**.
- Research focuses on investigating the **added value of the stakeholder approach**, for example on the performance of organizations (empirical evidence for this was only found in ~2014).
- Other research focuses **on the effect of approach** on the relationship between the organization and its stakeholders.

Theory: developments

2000-2010: What are the results of stakeholder theory?

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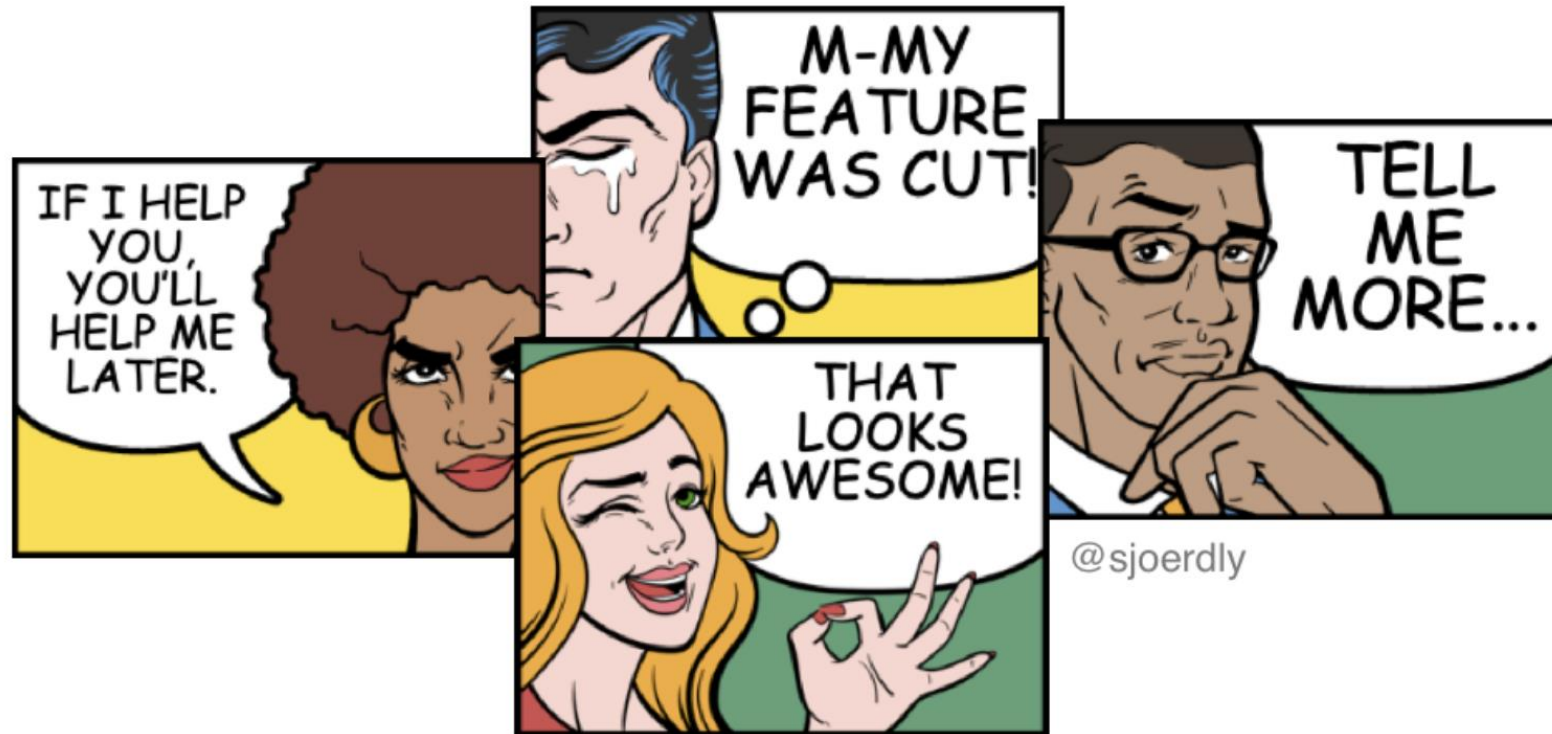
Theory: developments

2000-2010: What are the results of stakeholder theory?

- In 2007-2008, the financial crisis has put enormous pressure on organizations to take their social responsibility, leading to the **UN's 17 SDG**.
- **Empirical evidence** for a **positive relationship** between **stakeholder inclusion** and **financial performance, continuation and innovation** of organizations is provided.
- **Building sustainable relationships** with stakeholders is essential for value creation.

Theory: developments

2010-2020: Different approaches?



Different Stakeholder have different needs and wants.

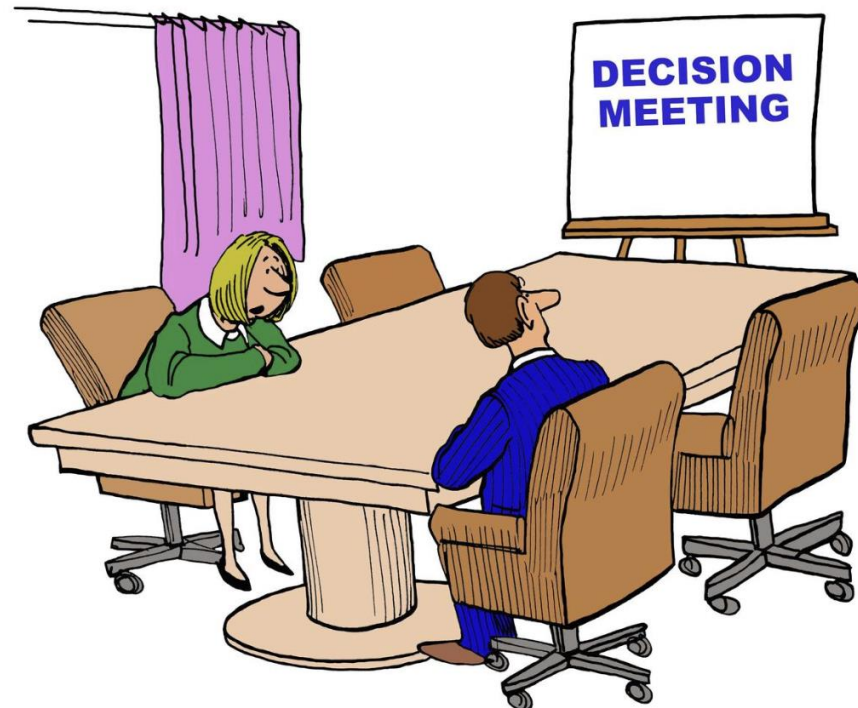
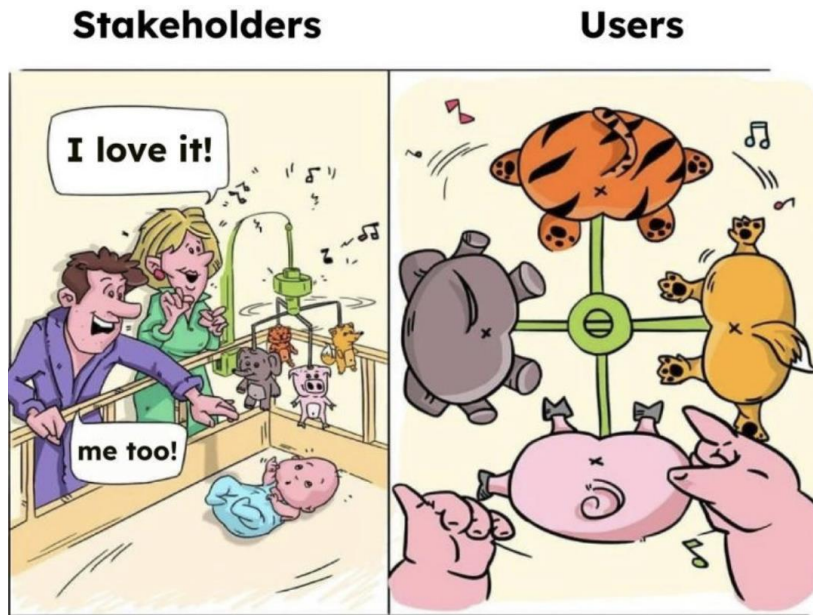
Theory: developments

2010-2020: Different approaches?

- Research finds unforeseen, negative side effects in the relationship between organisations and stakeholders. Approach determined the relationship and results
- In addition, research is conducted on whether all stakeholders should be treated equally.
- Organisations have broader responsibilities and are no longer only responsible for their own relationship with their own stakeholders, but also for the relationship between stakeholders.

Theory: developments

Present (2020-2023): How to be inclusive?



**“Quick, let’s make the decision
before everyone else shows up!”**

Theory: developments

Present (2020-2023): How to be inclusive?

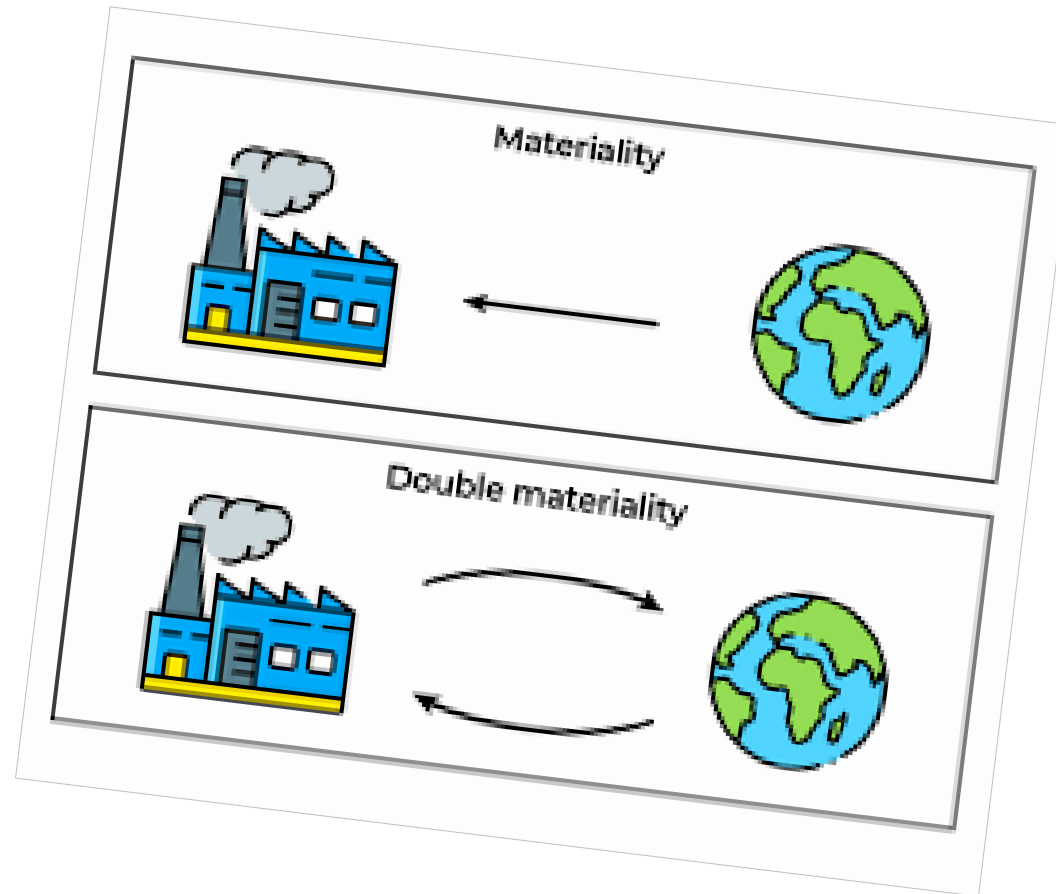
- From *'fear based, I perspective'* through *'risk based, I and you'* to *'opportunity based, stewardship'*
- A rapidly growing area of research (New Stakeholder Theory) focuses on **stakeholder governance**. A more practical approach in which the philosophy is no longer based on a group of formal stakeholders, but on a coalition of stakeholders who voluntarily participate in joint value creation ("**a nexus of contracts**").
- This **collaboration between multiple parties** can be arranged both through formal contracts and informally (via standards) that stakeholders see as fair.

- **Stakeholders are important!**

Companies can only exist in a social context, in 'society'.

Stakeholders represent 'society'.

What is acceptable?
Only 'society' can determine that



Motivation

Because I have to

Because it pays

Because it is the only way

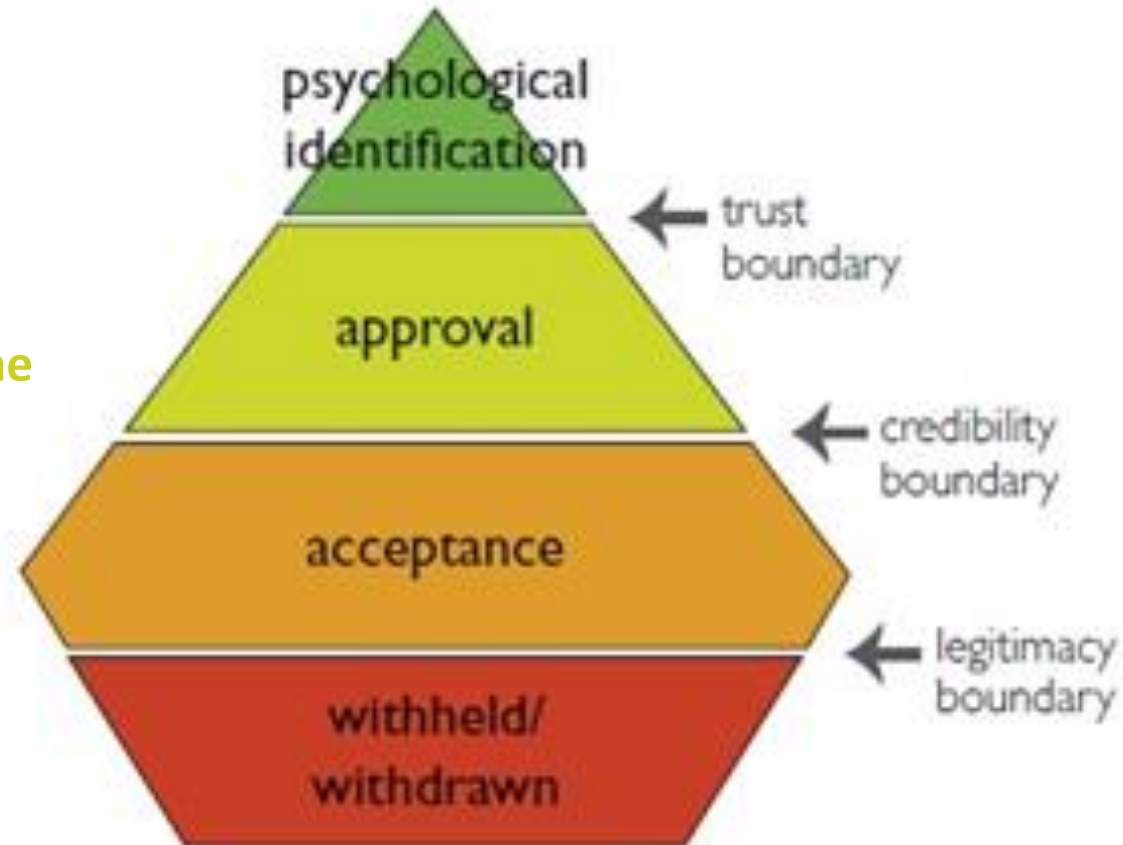
Motivation

Stewardship

**Opportunity based/
To know me is to love me**

Risk based

**Legal minimum/
License to operate**



Orientation

By choice | Strategy

Basics | Compliance



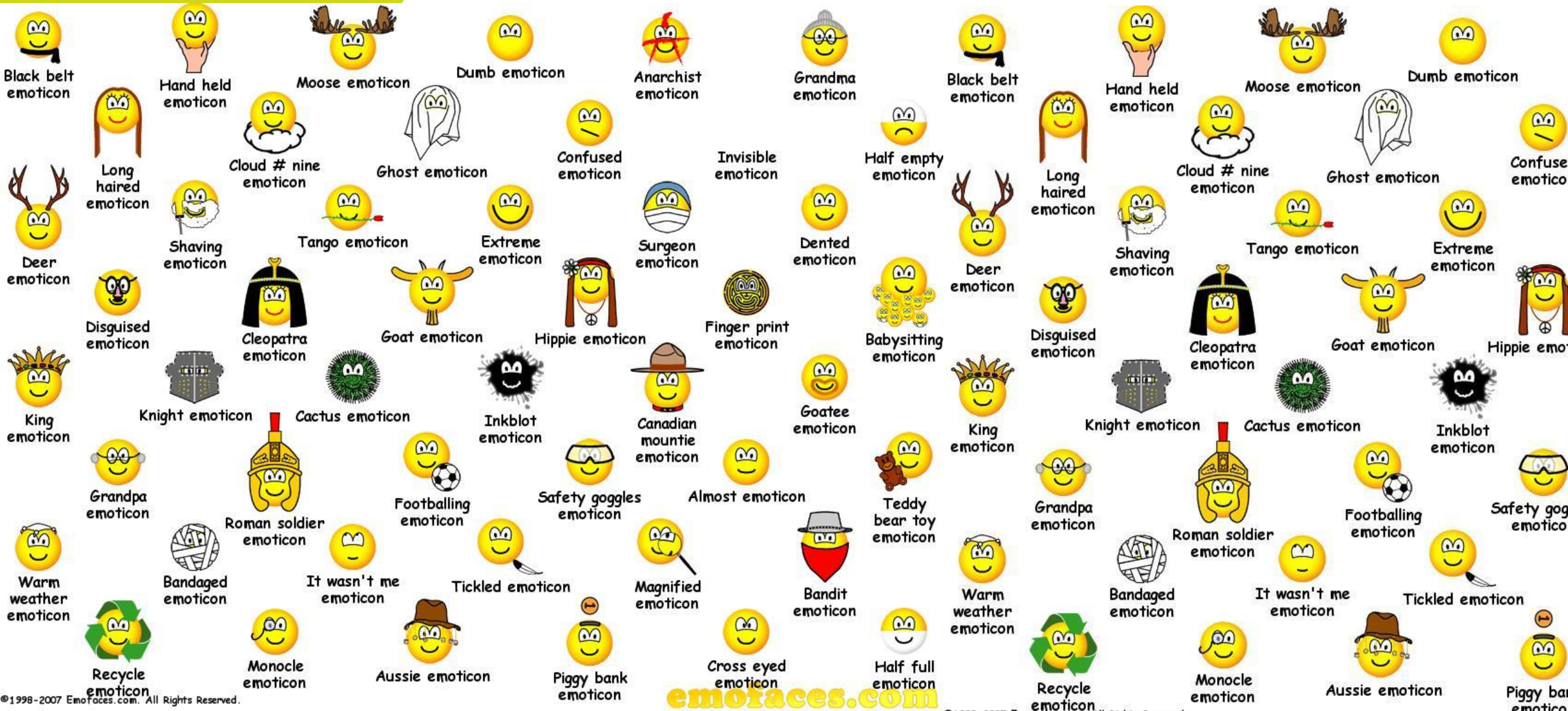
Do good

Do no harm

Impact Centre Erasmus®



Who are my stakeholders?

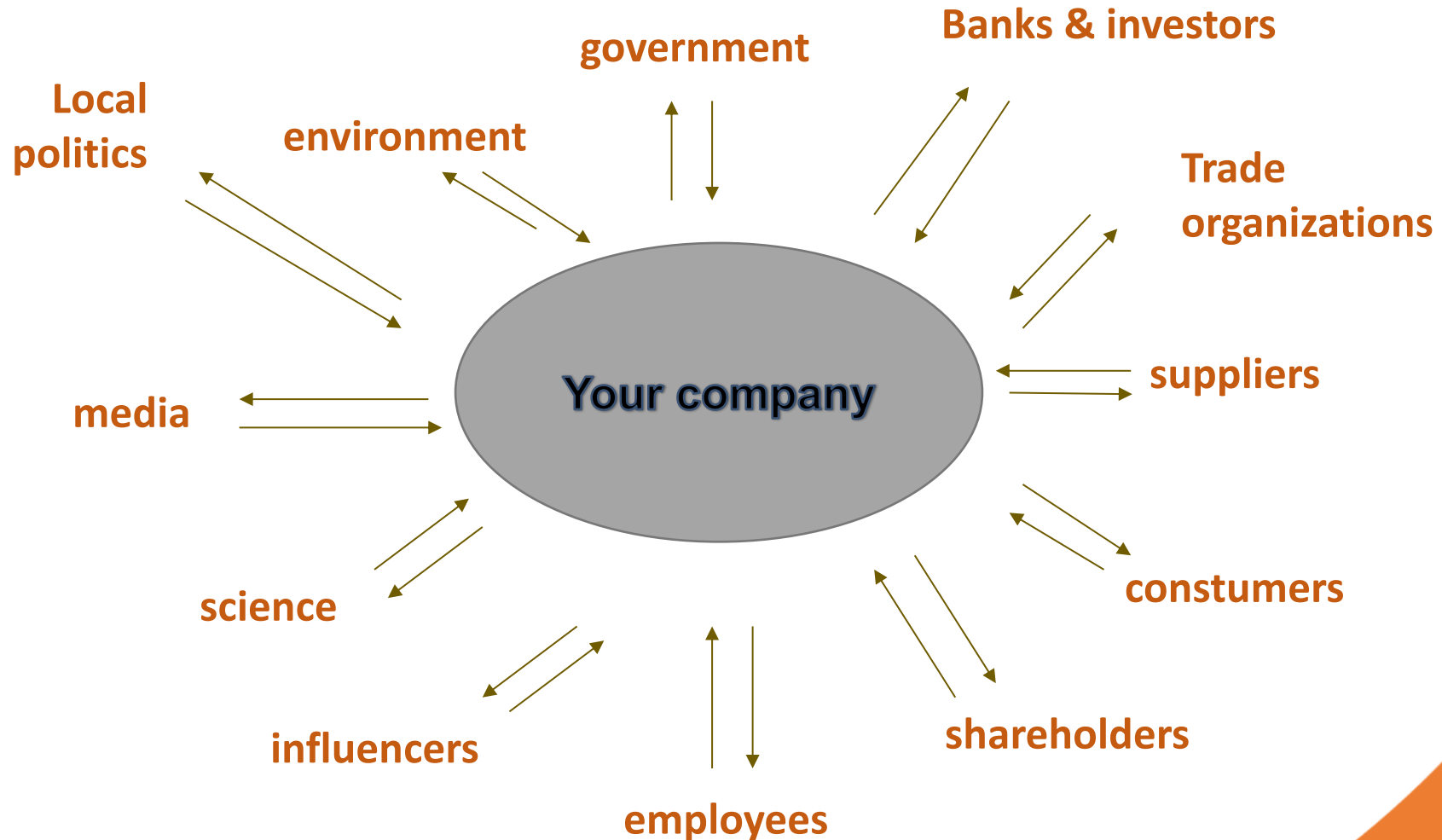


Who are my stakeholders?



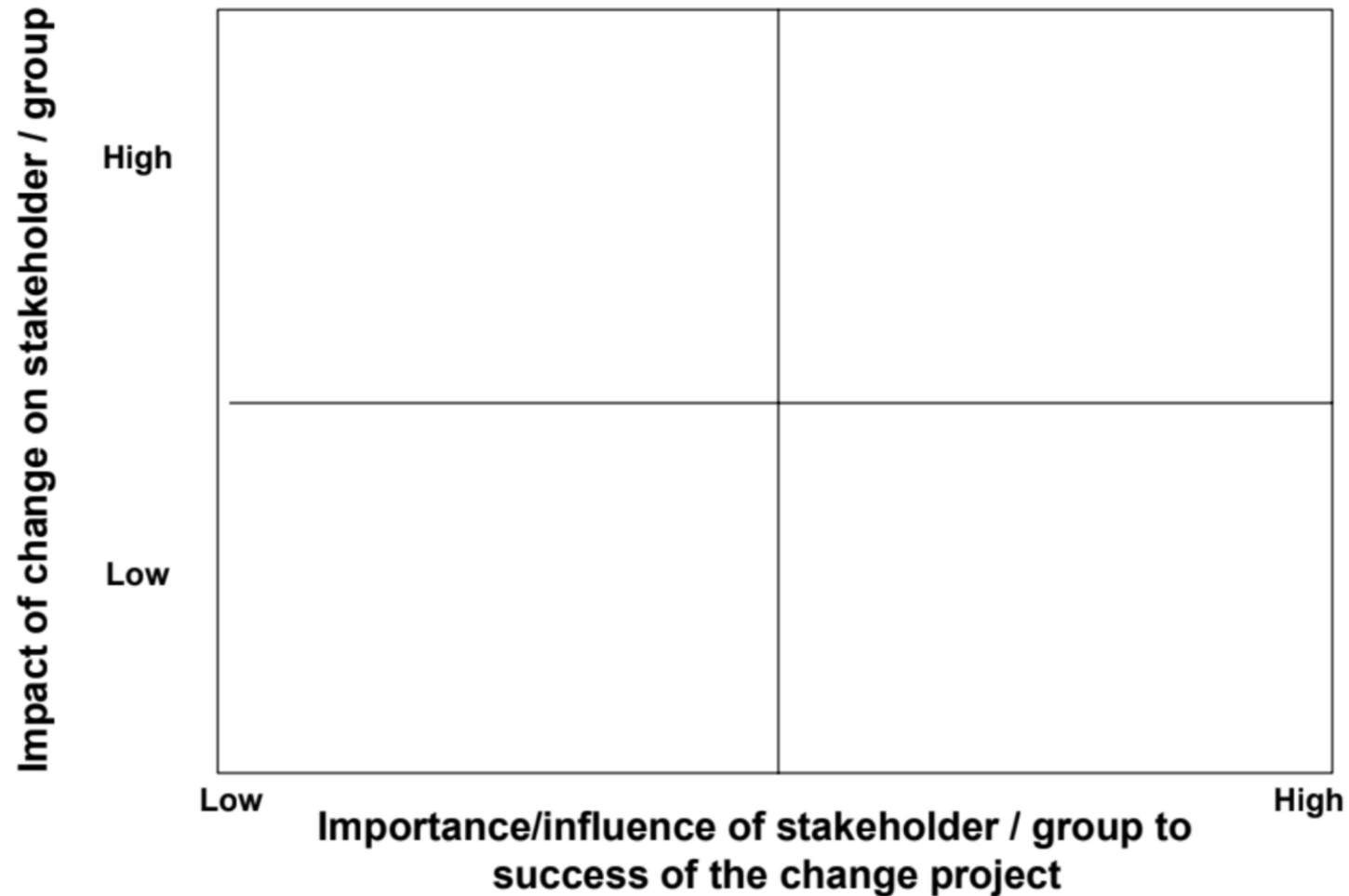
freshspectrum

We're surrounded!



Stakeholders mapping

Stakeholder Matrix



Contact



Henry Kissinger:

“Who do I call if I want to call Europe?”

Stakeholders mapping

- Importance of stakeholder
- Importance for stakeholder

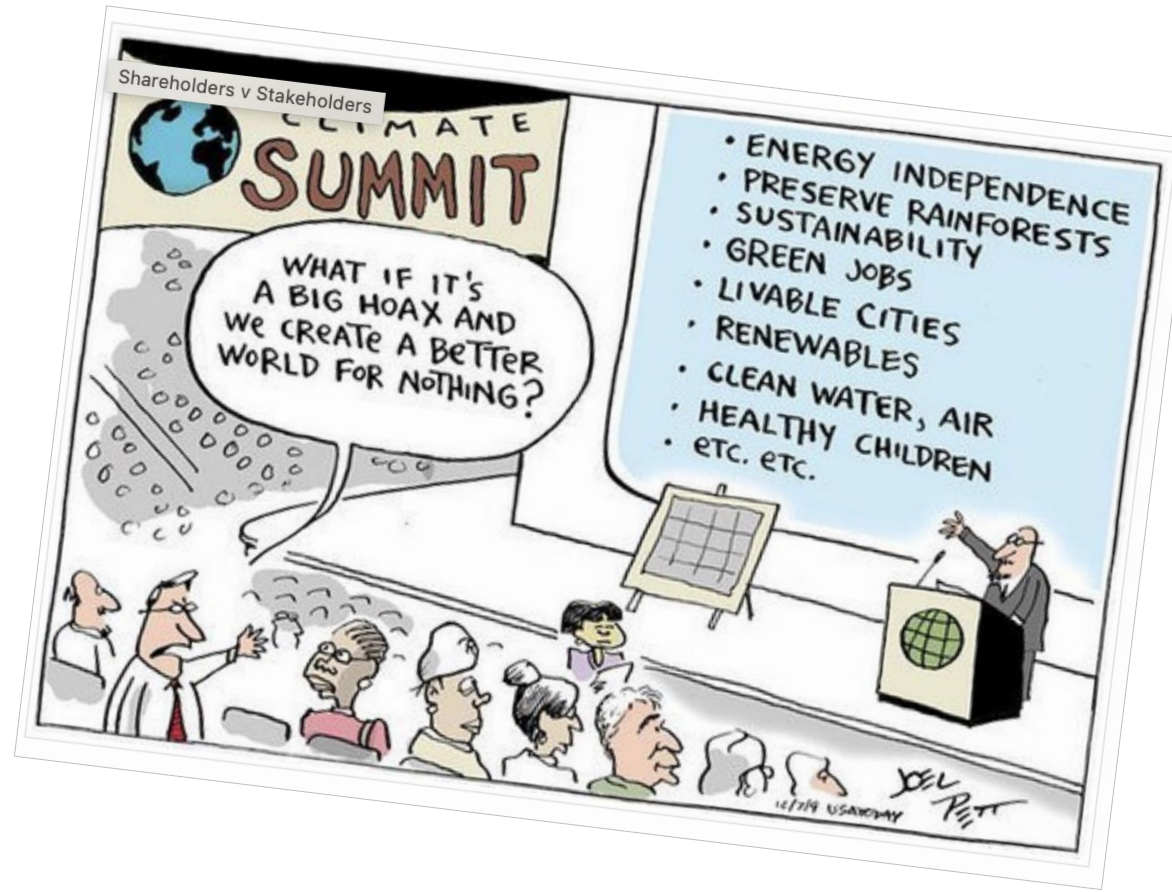
Which stakeholders are most important?





The problem with stakeholders...

- They do not always agree (sometimes they do)



The problem with stakeholders...

- They might not be interested



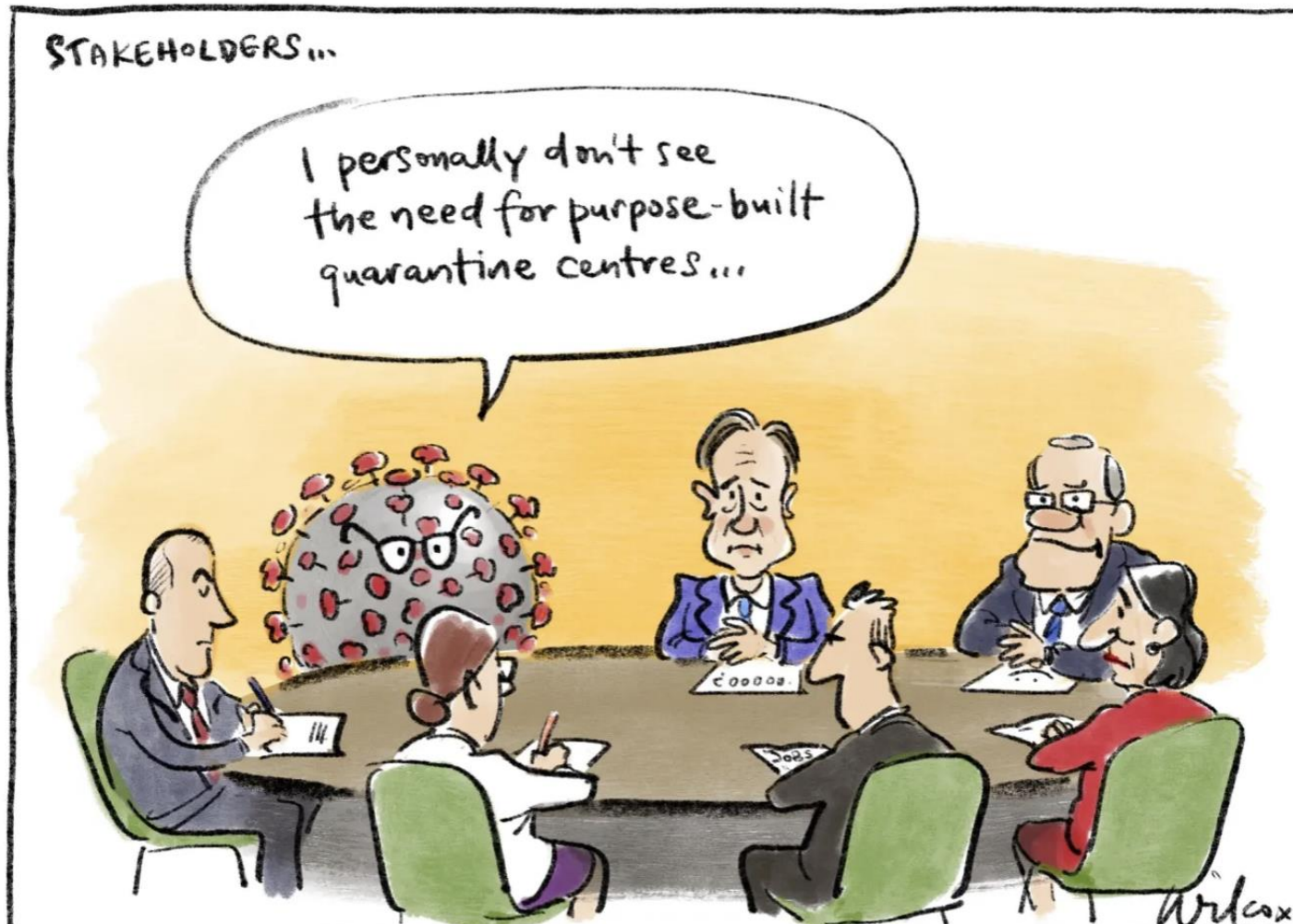
The problem with stakeholders...

- They might not trust you



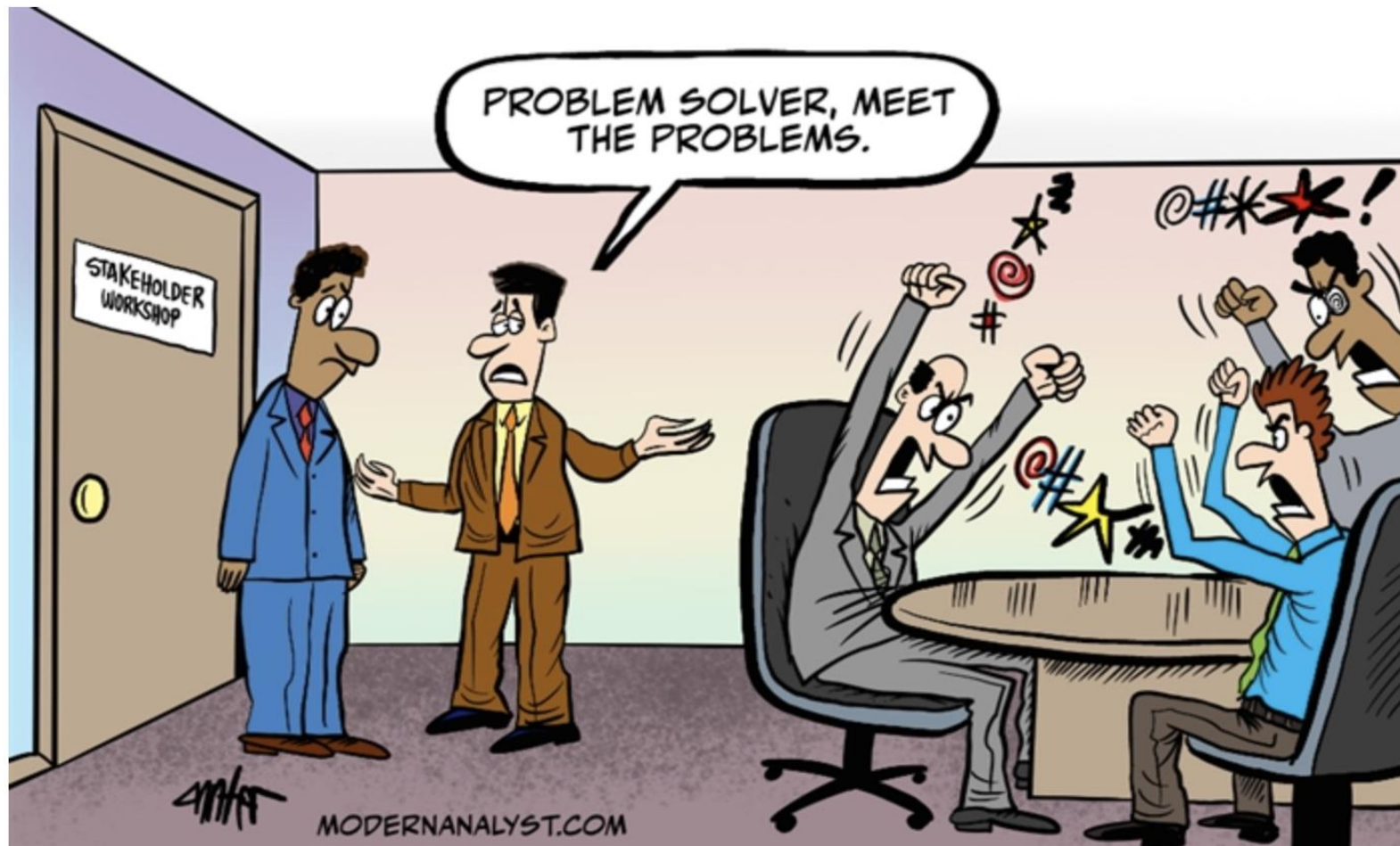
The problem with stakeholders...

- They find other issues more important



The problem with stakeholders...

- They are not interested to solve problems

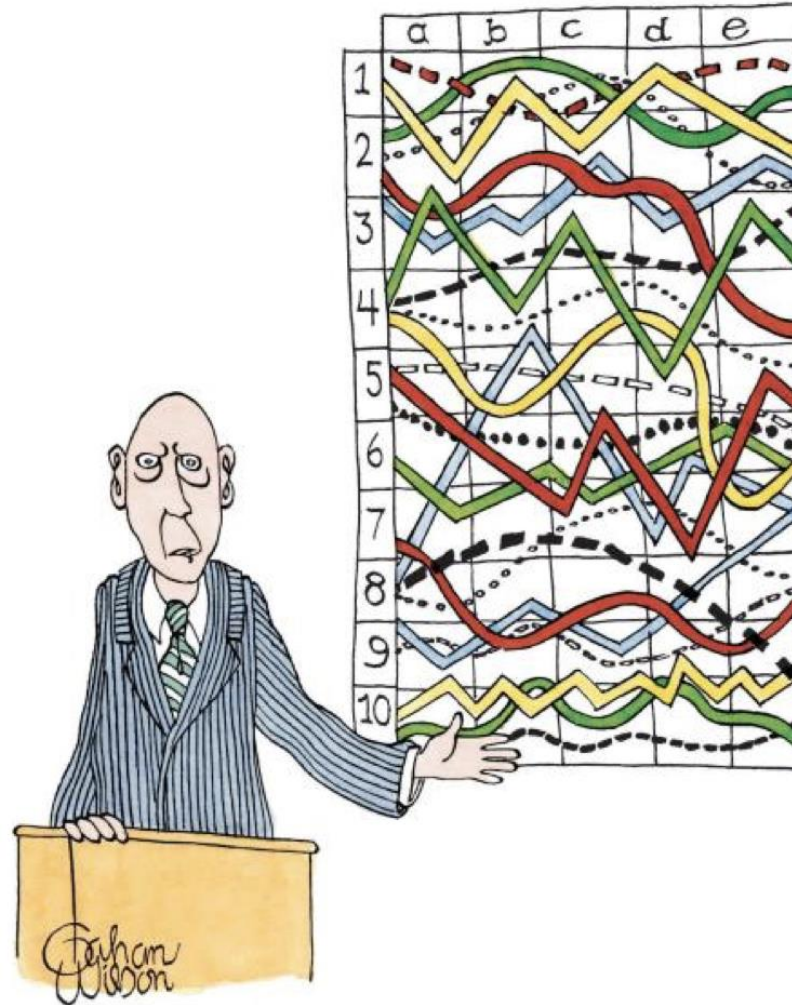


Approaches



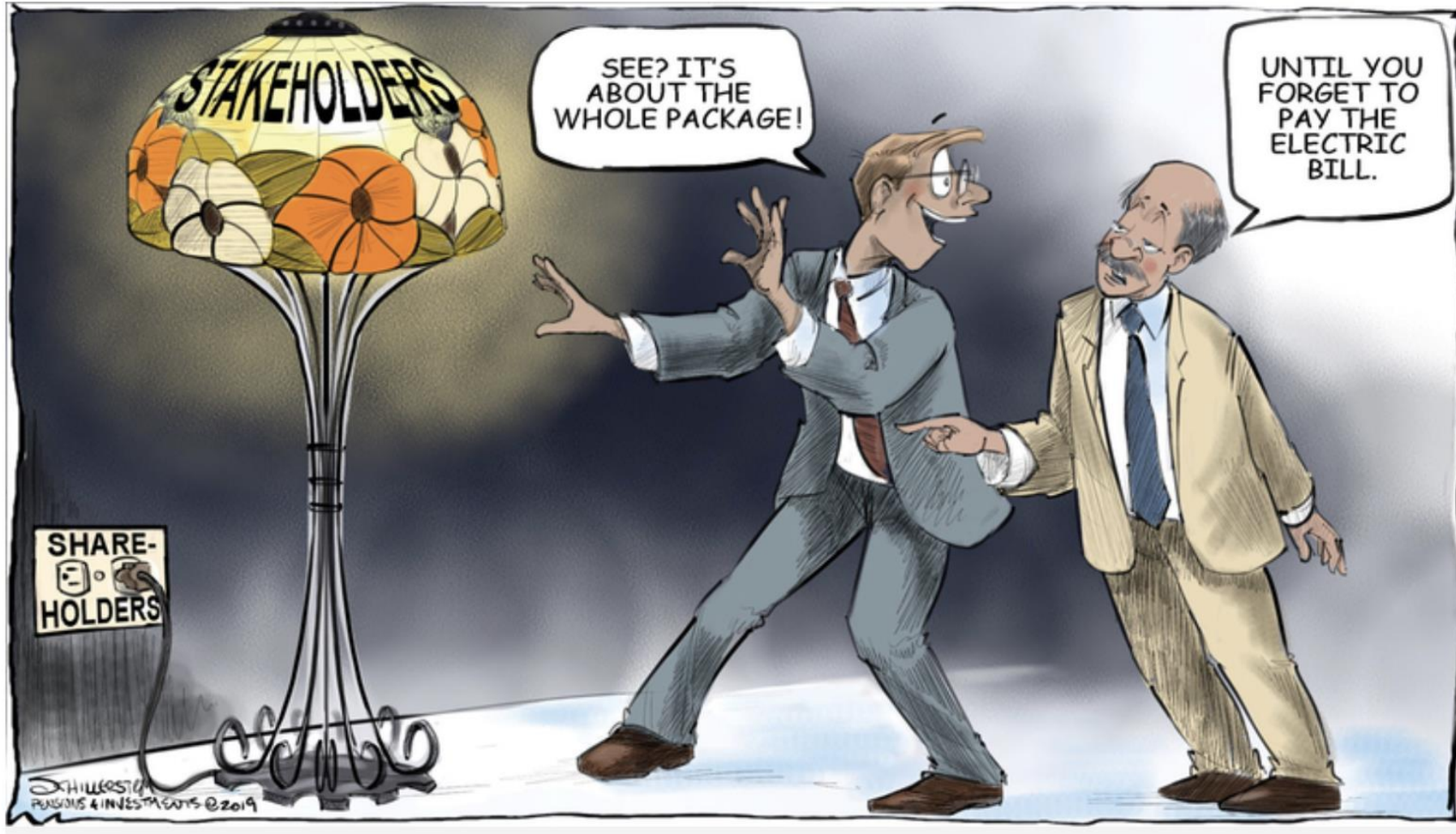
Approaches

- Information
- Consultation
- Involvement
- Partnership



*"I'll pause for a moment so you can
let this information sink in."*

(Pursued) Outcomes



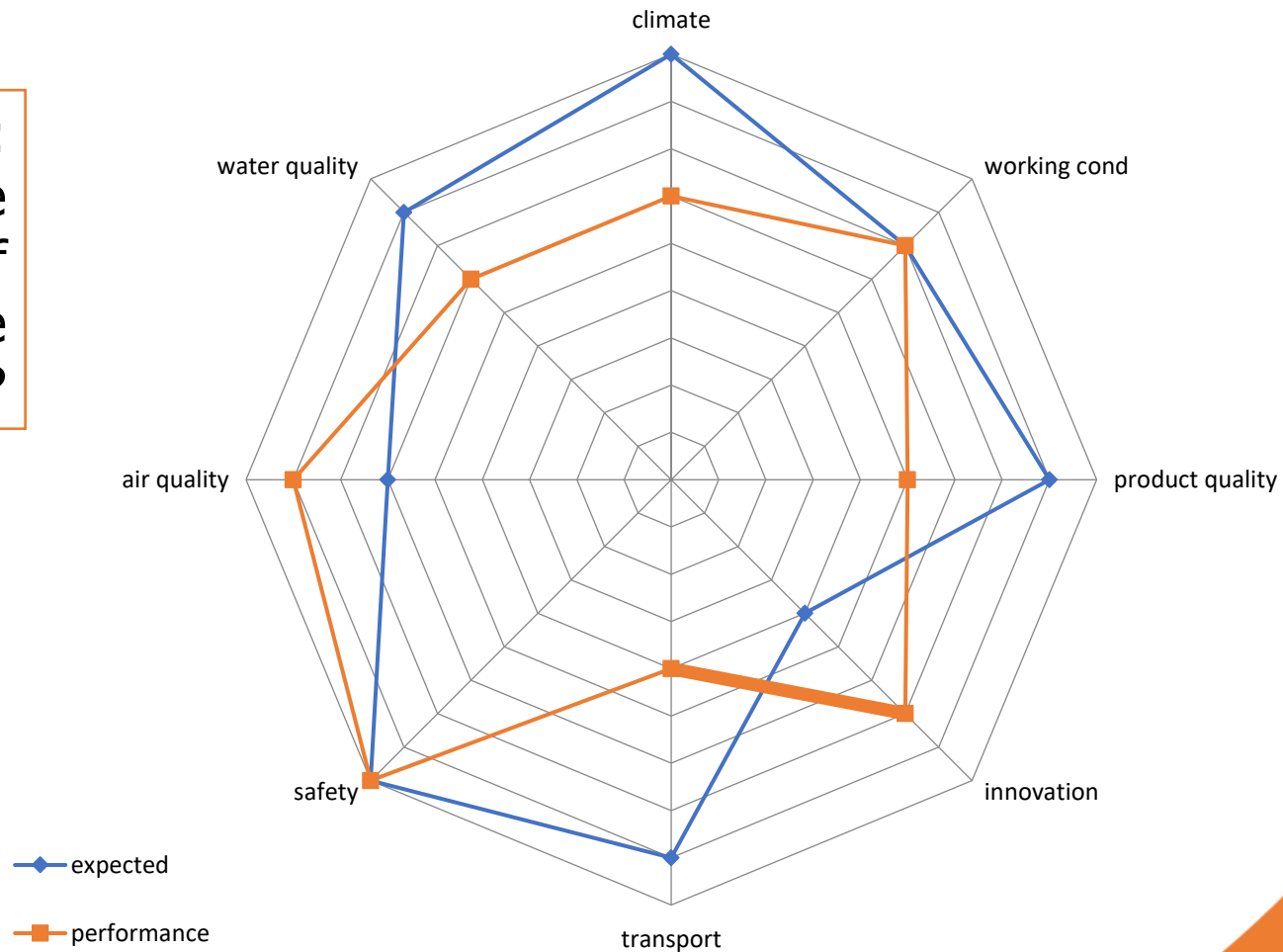
How to use outcomes?



- No standard recipe
- Stakeholders are important, they are not the boss of your company
- Results should be discussed (Sense making)
- Insights in process, approach and results are needed

Results: spiderweb

What to do:
improve
performance of
reduce
expectations?



(Pursued) Outcomes

- Insight
- Validation
- Alternatives
- Integrated values



Disclosure

- Mandatory
- Opportunistic
- Wider
- Impact



SIX ASPECTS OF STAKEHOLDER ENGAGEMENT

DISCLOSURE

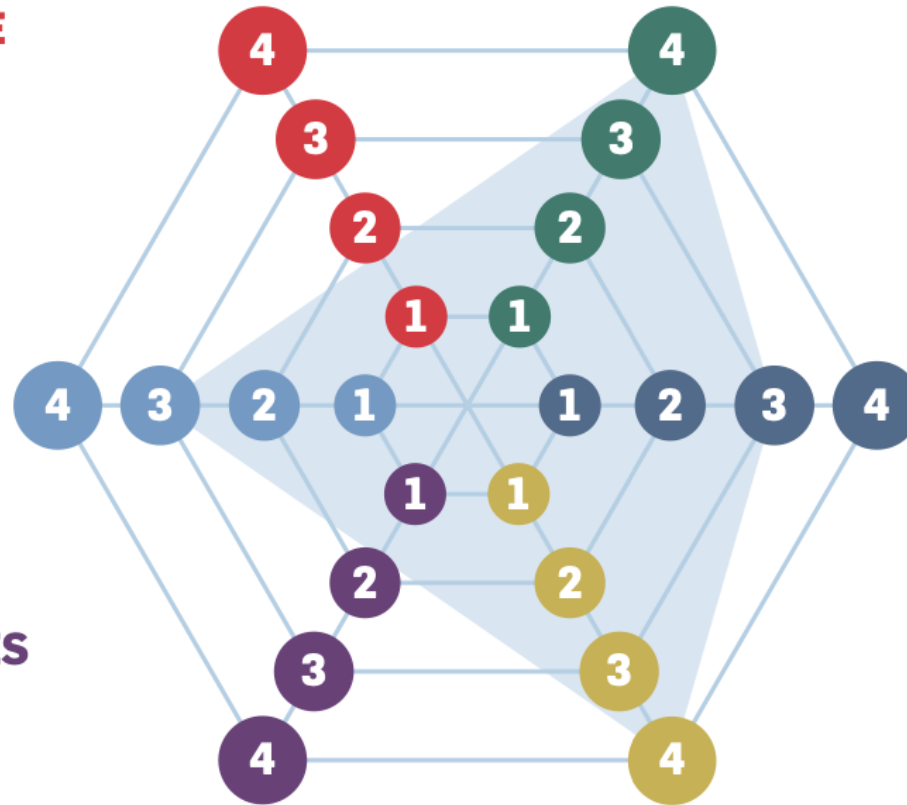
1. Mandatory
2. Opportunistic
3. Wider
4. Impact

(PURSUED) OUTCOMES

1. Insight
2. Validation
3. Alternatives
4. Integrated value

APPROACHES

1. Information
2. Consultation
3. Involvement
4. Partnership



MOTIVATION

1. Legal-minimum
2. Risk-based
3. Opportunity-based
4. Stewardship

ORIENTATION OF TARGETS

1. Compliance
2. Do no harm
3. Shared value
4. Purpose

STAKEHOLDER TYPES

1. Internal
2. 1st tier
3. 2nd tier
4. 3rd tier

Bootcamp The End

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