

Conscious Mobility – The Impact Of Conscious Capitalism On The Way We Work

The conscious capitalism movement has gained extraordinary momentum over the past five years and is transforming the landscape of commerce. With major corporations such as Costco, Disney, Amazon, Whole Foods Market and TATA leading the way in this new approach to business, it's been possible for the first time to get real figures about its success. Conscious companies are more profitable by a factor of 10.5 than non-conscious businesses. That's 10 times more profitable! (Tony Schwarz, Harvard Business Review).

For too long companies, large and small, have focused primarily on shareholder profit, relegating the importance of business to wider society, to the balance sheet. The philosophy of conscious capitalism seeks to change this and bring business and its vital wealth creating abilities to the centre of societal values. Forbes magazine recently ran an article titled, "Only Conscious Capitalists Will Survive" - strong words indeed from the publishing bible of high capitalism. Author Jeff King, CEO of advertising agency Barkley writes; "Is conscious capitalism profitable? In a simple answer, yes. We have seen it happen more often over the past several decades - the success of companies that truly commit to the greater good. Yet, we would say that not only can conscious capitalism be profitable, it will be one of the defining mechanisms of profit in the future". So when the bottom line success of companies is linked with the values of conscious capitalism, profits are actually higher - for just doing the right thing. So what impact will the widespread adoption of conscious ideals in global commerce have on mobility?

A pioneering retailer, John Mackey and his partners, started the Whole Foods Market group back in the 1980's. Very soon they discovered that their customers genuinely loved the store. When they looked into what had created such a loyal and passionate following for what was essentially, just a supermarket, they discovered that it was the philosophy that

they built the business on, that not only directly impacted on their customers, but also their staff, suppliers and partners. In time, John Mackey figured out that more and more highly successful new companies shared a few basic ideals that were setting them apart from their competition.

To give some context, conscious capitalism is based on the notion that free enterprise is the most successful system for innovation and social cooperation that has ever been devised. It has led to incalculable benefits for mankind including:

- Reducing the population of the world living in extreme poverty (less than \$1 per day) from 85% in 1815 to 16% in 2015
- Global average life expectancy has risen from 30 to 68 years since 1800
- The percentage of undernourished people has dropped from 26% to 13% since 1970.

Capitalism has come under serious attack over the past decade and it seems to many that free enterprise and global corporations have been allowed to dominate and control societies, leading to an erosion of individual rights and effective government control over big business. As the world is hopefully coming out of an eight-year depression in the global economy, it is not surprising that we have seen grass roots organisations such as the "Occupy Wall Street" movement gaining supporters across the globe. Capitalism is seen as a threat, not a solution. But this is because capitalism is portrayed as "exploiting workers, cheating consumers and creating inequality" (John Mackey 2012), as the rich get richer and the poor get poorer. Business leaders have allowed the entrenched and historical ethical basis of commerce to be diluted by economists who have instead, developed a self-serving and ultimately perverse version of capitalism which is far, far away from its roots. Adam Smith, in his seminal book '*The Wealth of Nations*', put forward the case that capitalism is constructed on two tenets;

- Businesses are built to create wealth and for individuals to pursue their self interest and wealth at the same time
- Human nature dictates a need in us to desire and care for others and business

reflects ideals that transcend purely self-ish motivations.

This second part of Smith's philosophy of capitalism was largely ignored and the corporate world developed in a stunted and self-interested way that increased societal divisions and led directly to the development of communism, as a perceived fairer alternative to wealth distribution.

Two of the biggest barriers to our capitalist systems being fairer, more ethical, and more efficient, are the myth of profit maximisation, and crony capitalism. The myth of profit maximisation is that the ultimate purpose of business is to maximise profits for investors. Successful businesses are always profitable but the myth that this is the sole purpose of business has done huge damage to the reputation of capitalism. The purpose of business is to improve our lives and create value for all stakeholders. Crony capitalism does away with the founding principle that true free enterprise imposes strict accountability and international discipline on businesses. Crony capitalists operate in such a way as to maximise self interest and use the awesome power of governments to secure advantages available only to them. The Enron scandal was a classic case in point.

John Mackey again, "While free-enterprise capitalism is inherently virtuous and vitally necessary for democracy and prosperity, crony capitalism is intrinsically unethical and poses a grave threat to our freedom and well being".

So, we need to re-write the philosophy of capitalism to get back to the founding principles which have been such a power for good in the world, and the principles of conscious capitalism are one way to achieve just that. The philosophy is built on four primary ideas:

- Higher Purpose
- Stakeholder Integration
- Conscious Leadership
- Conscious Culture and Management.

Higher Purpose

In the context of conscious capitalism higher purpose refers to the difference

that the company is trying to make to the world (Mackey 2013). Higher purpose ask four questions:

- What will the world look like when we have achieved our higher purpose?
- What are the principles we will hold onto regardless of changes in the marketplace?
- What is the reason for the organisations' existence beyond making a profit.
- How do we convey our value and purpose to external stakeholders and create loyalty?

A great example of a higher purpose definition within a conscious company is Disney; "To use our imaginations to bring happiness to millions".

Stakeholder Integration

The big difference between stakeholder integration in a conscious company and within a CSR policy is that no stakeholder is perceived as more important than any other. In a non-conscious company, even where it has a robust CSR, the shareholder will often take precedence over other stakeholders. Customers, employees, suppliers and investors all take an equal place in the integration of the conscious company. But the wider community is also one of the core constituents of the conscious business. All business should benefit the wider community and this is where CSR policies have started to reintegrate businesses into society.

Conscious Leadership

"Conscious leaders focus on 'we' rather than 'me'. They inspire, foster transformation, and bring out the best in those around them". (Mackey 2013). The role of the conscious leader is to serve the higher purpose of the organisation and create value for all stakeholders. The philosophy of the conscious leader was first adopted into management theory in the early 1970's by Robert Greenleaf who recognised that organisations as well as individuals could be servant leaders. These ideas form a core part of the conscious leadership tenet of conscious capitalism. "Good leaders must first become good servants... A servant-leader focuses primarily on the growth and well-being of people and the communities to which they belong. While traditional leadership generally involves the accumulation and exercise of power by one at the 'top of the pyramid,' servant leadership is different. The servant-leader shares power, puts the needs of others first

and helps people develop and perform as highly as possible". (Greenleaf 1970.)

Conscious Culture And Management

"Conscious businesses have distinctive cultures that help them adhere to their higher purpose and maintain a harmony of interests across stakeholders". (Mackey 2014). Corporate culture has long been an essential defining characteristic of businesses, but in the context of a conscious business, it is not something simply observable about the company, but something built into the fabric of every part of the operation. "Culture can account for up to half the difference in operating profit between two organisations in the same business (Heskett 2012)". Conscious cultures have seven key characteristics summed up by the mnemonic TACTILE:

- **Trust** – Internally between management and teams, externally between suppliers and customers
- **Accountability** – between team members, to customers and to and from suppliers
- **Caring** – genuine heartfelt care towards all stakeholders by being thoughtful, authentic, considerate and compassionate
- **Transparency** – in finance and strategic planning
- **Integrity** – telling the truth and operating with fairness and fair play
- **Loyalty** – to all stakeholders, staff, customers, suppliers
- **Egalitarianism** – all stakeholders are treated with respect and dignity, small salary differentials between the top and lowest earners within the organisation.

So how can these core values of conscious capitalism impact on the mobility process? To me it's easy to see where the main impacts will be. There is a moral duty to support families in transition and this has been well understood by HR for decades. But where cost controls have become the sole responsibility of procurement, HR face an uphill battle to maintain service levels that will support individuals and families in the mobility process. Where companies keep the ideals of conscious capitalism and TACTILE in particular at the heart of their approach to mobility, they maintain a genuine balance between the need for talent management in creating and maintaining profit and true human caring. The figures speak for themselves; conscious companies

are 10.5 times more profitable than non-conscious. Commentators across all sectors of commerce maintain that this is the most compelling new philosophy since the notion of the CSR was first introduced. With talent management being a key driver in the success of global corporations, the link between conscious business and moving key players around the world is profound. Ultimately the more conscious businesses will succeed in the war for talent.



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