

# Transcending beyond Profits –An Exploration of Integrated Approach to Valuate Business Performance of Indian Companies through Conscious Capitalism

**Astha Badjatia,**

Research Scholar,  
Devi Ahilya University,  
Khandwa Road,  
Indore

**Dr. Yamini Karmarkar,**

Reader,  
International Institute of Professional Studies,  
Devi Ahilya University,  
Khandwa Road,  
Indore

## Abstract

World has changed; human beings have evolved and are changing steadily. Business 'as usual' is just going out of trend. There is a need of some new, more enlightened approach to business. The purpose of this research is to describe the concept of conscious capitalism which is capable of taking over the traditional business approach. In this research we develop a conceptual framework for conscious capitalism and investigate whether there is any relationship between conscious capitalism, its dimensions and stock market returns of 15 selected companies (3 companies each of 5 different sectors) for the period of last 5 years. Variables were defined and scales were developed for scoring purpose. Various scales like Maslow theory scale, mission statement analysis, employee benefit expenses to total expenses scale, brand trust rank scale, trade payable ratio scale, return on equity scale, marketing expenses to total expense scale, CSR as % of Net Profit scale, conscious leadership scale, GVC rating scale, vision statement analysis and overall conscious capitalism scale are developed. First of all we have applied reliability tests for scales developed. Then to check the relationship amongst variables we have applied Pearson's Correlation. Our findings reveal that all the scales developed are highly reliable. Another important finding is that higher purpose (one of the dimension of conscious capitalism) has significant relationship with share returns. Other dimensions don't have significant relationship but they have positive impact on stock market returns. We conclude that overall conscious capitalism has positively affected the stock market returns of the companies.

**Keywords:** Conscious Capitalism, CSR, Stock Market.

## Introduction

In the very beginning of the business concept every business person followed law of jungle it means that everyone wanted to survive by any means or measures. Neither stakeholders, nor profit, nor society played any important role for them. Later motive of business shifted towards earning profits just to be in business and need some motivation to work for. Businessmen understood the slight code of conducts and tactics of running business and thus accordingly shape its activities. Only profit earning motive never helped companies to grow. Then concept of profit maximisation came into picture. Businessmen started focusing on short term plans of the business. Work with ethics became important. Strategies and policies were highlighted by companies. But

only short term profit maximisation didn't help companies to rule the industry and capture market share. For this companies tend to focus upon the long term profit maximisation along with growth prospect. Leaders here were visionary and confident that they will achieve what they think will possible tomorrow. Long term profit maximisation was possible when business again invest what they earn out of their previous activities. This gave rise to the conflict between shareholders and companies' management. If the stakeholders aren't happy and satisfied company wouldn't survive for long because stakeholders acted as the backbone of the organisation. Stakeholders are now in lime light. The way of doing and thinking about business is now changed. Every businessman starts considering stakeholders as first priority along with profit maximisation. Then the concept of corporate citizenship is tossed and plays crucial part. Companies are now trying to achieve the tag of 'corporate citizen' by fulfilling and becoming socially responsible for meeting legal, economical and ethical responsibilities. Does only becoming corporate citizen help Company in long term survival"

No, only being a corporate citizen doesn't help company in their long term growth and survival.

Today business needs some new phenomenon to practise which will club each and every aspect related to it. All these changes of the different world give rise to "Conscious Capitalism". Conscious means to awake, to aware about surrounding or to have knowledge. Capitalism means private ownership. Therefore conscious capitalism refers to a business that serves all its major stakeholders. It has 3 elements:

1. Companies have purpose that transcends profit maximisation.
2. They are managed for the benefit of all stakeholders in their ecosystem, not just shareholders.
3. They are led by spiritually evolved, self effacing servant leaders.

#### • **Why conscious capitalism?**

Conscious Capitalism philosophy is distinct from others such as corporate social responsibility, Shared Value Capitalism, Creative Capitalism and Capitalism 3.0. In particular, this way of doing business goes beyond the ideas of philanthropic thinking or virtue in that it is meant to create an entirely new structure for businesses whose financial integrity rests upon the following: the thought processes inherent in purpose-driven leaders; creating multi-faceted value for all stakeholders; leading through mentoring, motivating and developing people rather than through diktat or simple reward and punishment

incentives; aligning leadership style with organizational purpose, and creating a culture of trust, authenticity, caring, transparency, integrity, learning and empowerment.

For serving stakeholders there are many philosophies, like Friedman doctrine in which Friedman took shareholder approach to social responsibility. According to him companies only responsibility is towards its shareholders and its only purpose is to earn profit and give maximum returns to its shareholders. Companies don't have any social responsibility towards society or public. Shareholders are the owners of the company they will look after the social responsibility on their own. On the basis of the Friedman doctrine corporations won't survive in the long run because shareholders are not the only stakeholders of the company. If companies have to satisfy their only shareholder by giving maximum returns they will go beyond their legal and ethical limits just to earn profit. And if company look after the interest of single stakeholder on the cost of other stakeholders then how is it possible to survive in the competitive world where stakeholders helps in total governance.

Another phenomenon which is the extreme end of Friedman doctrine is corporate social responsibility (CSR). Under corporate social responsibility corporations take responsibility for the effect on environment and social wellbeing. CSR only talks about society and environment, company should work in such a format which doesn't harm any of the belongings of environment or society.

Business needs something which clearly defines or guides them towards the betterment of the stakeholders as well as the company. Conscious capitalism is the summation of what business should practice if wants to survive in the long run.

Conscious Capitalism, term was coined in the year 2008 and it is not a business strategy or business model. It is a comprehensive philosophy of doing business.

Conscious capitalism embodies the idea that profit and prosperity go hand in hand with social justice and environmental stewardship. Companies operate with a new perspective, recognizing and benefitting from the connectedness and interdependence of all stakeholders. They tap into deeper sources of positive energy and create greater value for all stakeholders. They utilize creative business models which are both transformational and inspirational, and can help solve the world's many social and environmental problems.

Conscious Capitalism is interconnected and builds on important academic work relating to higher purpose, stakeholder orientation, conscious leadership, and conscious culture.

## Literature Review

“Only conscious capitalist will survive”- Forbes

“A conscious business fosters peace and happiness in the individual, respect and solidarity in the community and mission accomplishment in the organisation” (Kofman, 2006).

“What is the oldest is often most valuable. When an idea has persisted for thousands of years, we can have some confidence in its truth” (Chatterjee, 2008). The dimensions of conscious capitalism are very similar to precepts for living and working written about thousands of years in the timeless Vedic wisdom literature of India- the contemplation of higher purpose, focusing on the right actions rather than being driven by an objective, the interconnectedness of all sentient beings and the ideal of servant leadership.

“Conscious business outperformed the overall stock market by nine one ratio over a period of ten years” (Sisodia et al., 2007).

Sisodia R. S. (2009) characteristics of companies that practice conscious capitalism are they have higher purpose than simply the profit maximisation or returns to shareholders. The purpose energises the organisation and infuses it with creativity and passion. All the stakeholders of the company are their main concern and they work for the benefit of all. Company recognizes connectedness and interdependence of stakeholders. Companies don't engage in exploitation of any kind. Society is seen as the ultimate stakeholder; companies view themselves as existing to advance the well being of society as a whole. Companies treat environment as crucial if silent stakeholder and take responsibility for their full environment impact. Companies' main objective is to do less harm to environment. Companies approach marketplace with a whole pyramid model that seeks to uplift rather than ignore the poorer sections of the society. Companies believe that doing right things bring good results. Profit is treated as natural outcome of doing right things.

Dimensions of conscious capitalism are higher purpose, stakeholder orientation, conscious leadership and conscious culture. In this study our main purpose is to develop a conceptual framework for conscious capitalism depending upon its dimensions. For higher purpose we have taken into Maslow Hierarchical Needs theory and mission statement. The mission statement is a formal summary of the aims and values of a company. Maslow Hierarchical of Needs theory, the earliest and most widespread version of Maslow's (1943, 1954) hierarchy of needs includes five motivational needs, often depicted as hierarchical levels within a pyramid.

This five stage model can be divided into basic (or deficiency) needs (e.g. physiological, safety, love, and esteem) and growth needs (self-actualization).

The deficiency or basic needs are said to motivate people when they are unmet. Also, the need to fulfil such needs will become stronger the longer the duration they are denied. For example, the longer a person goes without food the more hungry they will become.

One must satisfy lower level basic needs before progressing on to meet higher level growth needs. Once these needs have been reasonably satisfied, one may be able to reach the highest level called self-actualization.

Conscious capitalism stresses the importance of viewing stakeholders as interconnected and interdependent. All stakeholders – employees, customers, suppliers, investors, and community members – are regarded as important in their own right (not just as a means to better business results). Ensuring they're continued is a key managerial responsibility. When this not achieved, people in the excluded groups feel more isolated. This concern has more than humane roots – it has business implications as well, and brain science provides part of the explanation for this.

Brand Trust Rating to measure customers trust in the brand and was taken from the website of Trust Research Advisory (TRA). TRA (formerly Trust Research Advisory), a part of the Comniscient Group, is a Brand Intelligence and Data Insights Company dedicated to understand and analyze stakeholder behaviour through 2 globally acclaimed, proprietary matrices of Brand Trust and Brand Attractiveness. Over a decade of research has helped us decipher the numerous characteristics that constitute the foundations of a brand. TRA conducts a primary research with consumers and stakeholders to assist brands with their business decisions based on our insights on Consumer Behaviour. We provide Competitive Intelligence Reports mined from more than 15 million data-points on brand intangibles of 20,000 brands and also custom-made studies for the same. TRA is also the publisher of 'The Brand Trust Report' and of 'India's Most Attractive Brands'. We have also ventured into mapping Educational Institutes on a much needed factor of trust, based on our Brand Trust Matrix. India's Most Attractive Brands 2015, the second in its series has been recently launched.

Corporate social responsibility (CSR) from 2008 it becomes compulsory for the companies to give 2% of their average net profit as CSR. Company generally do CSR in the form of donations, environmental and pollution related CSR, social and community based funds, all these are done in those areas where it doesn't notice by the shareholders. But here it becomes important for the companies to do CSR

in those areas where it comes in the eyes of the shareholders, and then only CSR will prove worth for the companies. To develop scale for environment we have taken CSR as % of net profit of the previous year.

### Objectives

The study aimed at developing a conceptual framework for conscious capitalism and to check its relationship with stock market returns. The objectives of the study are:

- To develop a scale and estimate the scores of “Higher Purpose”, “Stakeholder Orientation”, “Conscious Leadership”, “Conscious Culture” and “Conscious Capitalism” of selected companies.
- To study association, if any, between the Higher Purpose, Stakeholder Orientation, Conscious Leadership, Conscious Culture, overall Conscious Capitalism and Stock Market Returns of the selected companies.

### Data and Methodology

This research aims at exploring 2 things:

1. To establish a framework for conscious capitalism.
2. To study whether there is any relationship between components of conscious capitalism, overall conscious capitalism and stock market return of the companies.

For the purpose of establishing the framework we have used the concept of conscious capitalism and for testing correlation we have applied Spearman and Pearson's correlation.

### Research Design:

#### Dimensions of Conscious Capitalism and their measurement:

Conscious Capitalism builds on the foundations of Capitalism - voluntary exchange, entrepreneurship, competition, freedom to trade and the rule of law. These are essential to a healthy functioning economy, as are other elements of Conscious Capitalism including trust, compassion, collaboration and value creation. It has four guiding principles upon which the whole concept of conscious capitalism depends - Higher Purpose, Stakeholder Orientation, Conscious Leadership and Conscious Culture. Following section describes each dimension and its measurement.

**Higher Purpose:** Recognizing that every business has a purpose that includes, but is more than, making money. By focusing on its Higher Purpose, a business inspires, engages and energizes its stakeholders. Higher purpose of

business is something beyond profit. The basic purpose of the business is either to make profit or to satisfy its customer and consumers or both. The study identified two parameters for estimating whether the company has a higher purpose or not. First parameter was based on analysis of mission statement and second was based on a framework of Maslow's hierarchy of needs theory.

“Mission Statement Analysis” was based on ten variables namely - function of the business, target market or target customers, company's values, essential technical know-how, employee policy, financial objectives, beyond profit, crafting company's public image, societal upliftment, keywords in mission statement like environment, sustainable growth, and global economy, policies/principles / code of conduct directly pointing towards achieving mission. A qualitative analysis of the mission statement was done using wordle and a score was assigned to each company out of ten. The company who did not have mission statement, vision statement was taken into consideration. Equal weights were assigned to each of the ten variables and scoring was done on the basis of presence of a particular variable. Thus, the score of a company reflected number of variables reflected in its mission statement.

The second parameter used the framework of Maslow's Hierarchy of Needs to evaluate the purpose of business. A higher purpose is assumed to be related to the higher needs and vice versa. Thus, if a company is addressing immediate physiological needs it was scored as 5, followed by safety (4), love (3), esteem (2) and self-actualization (1).

Total score of higher purpose is the summation of score of mission statement analysis and score of Maslow theory scoring.

**Stakeholder Orientation:** Recognizing that the interdependent nature of life and the human foundations of business, a business need to create value with and for its various stakeholders. Like the life forms in an ecosystem, healthy stakeholders lead to a healthy business system.

To evaluate stakeholder orientation, the study identified six parameters related to major stakeholders of the company like employees, customers, creditors, shareholders, community and environment.

- a) **Employees:** Employees are the pillars of the organisation. There are different aspects through which company can create value for its employees like job security, timely payment of remuneration, health and insurance facilities, training and development and other perks and requisites. Various employees related expenses are counted under a single head in balance sheet i.e. employee benefit expenses. To study the



company's value creation towards its employees, the study has taken into consideration employee benefit expenses to total expenses, and then calculated the average ratio. The companies were given score on a 3-point scale (3 = above average; 2 = near to average; 1 = below average) depending upon the difference between company's ratio and overall average.

- b) **Customers:** Customers another important stakeholder of the organisation. The trust of customer towards the company's product or service is all what a company wants. If the level of trust is high then the company is already at an advantage over competitor. To study the level of trust in company's product or service, the study has taken Trust Research Advisory (TRA) report on All India Brand Trust Ranking 2016, Top 1000 brands and on the basis of ranks scale was designed. Under which companies whose rank was from 1 to 333 were given high score (3) followed by companies whose rank was from 334 to 667 were given medium score (2) and companies whose rank was from 668 to 1000 were given low score (1).
- c) **Creditors:** Creditors are those who provide goods and services on credit to the company. It is always not possible for the company to purchase goods and services in cash, so creditors play an important role in the functioning of business. To evaluate the creditors' value creation in stakeholder orientation, the study has taken trade payable ratio and then compares the ratio of companies with average trade payable ratio of that particular industry. The companies were given score on 3-point scale (3 = above industry average; 2 = near to industry average; 1 = below industry average) depending upon the difference between companies' ratio and industry average.
- d) **Shareholders:** Shareholders are the owners of the company. If a company makes profit they will earn their return and if the company makes loss they will lose their return, ultimately their return is concerned totally with performance of the company. The most common phenomenon to calculate the return of shareholder is return on equity. To evaluate the stakeholder orientation from the point of view of shareholder, the study has taken return on equity as the parameter. The companies were given score on 3-point scale (3 = above overall average; 2 = near to overall average; 1 = below overall average) depending upon the difference between company's ratio and overall average.
- e) **Community:** If the stakeholder orientation of the company is high then it shows that its stakeholders are loyal towards the company and company has to do less

marketing or spend less on the marketing to retain its customers. To evaluate company's orientation towards community, the study has taken marketing expenses to total expenses and observed how much part of the total expense was used for marketing. The companies were given score on 3-point scale (3 = above industry average; 2 = near to industry average; 1 = below to industry average) depending upon the difference between company's ratio and overall industry ratio.

- f) **Environment:** A physical surrounding in which business operates. It is the silent and powerful stakeholder for any company. The complete business cycle works in the environment and because of the environmental support. It is the duty of the company to return some part of the profit back to the environment for its support. To evaluate this parameter the study has taken corporate social responsibility (CSR) as percentage of profit, which means how much part of the profit is return back by the company in the betterment of its surrounding. The companies were given score on 3-point scale (3 = above overall average; 2 = near to overall average; 1 = below to overall average) depending upon the difference between company's ratio and overall average.

The total score of the stakeholder orientation consists of the score of employees, customers, creditors, shareholders, community and environment.

**Conscious Leadership:** Human social organizations are created and guided by leaders, people who see a path and inspire others to travel along the path. Conscious Leaders understand and embrace the Higher Purpose of business and focus on creating value for and harmonizing the interests of the business stakeholders. The leader is one who has the ability to lead towards the ultimate goal. To evaluate this element a scale was designed named Conscious Leadership Scale, evaluation was done on 2 point scale by taking into consideration 4 variables i.e. awards, long term association with the company (5 years or more), innovation and personal contribution towards society, a score was assigned to each company out of four. Equal weights were assigned to each of the four variables and scoring was done on the basis of presence of a particular variable. Thus, the score of a company reflected number of variables reflected in its leader.

**Conscious Culture:** This is the ethos – the values, principles, practices – underlying the social fabric of a business, which permeates the atmosphere of a business and connects the stakeholders to each other and to the purpose, people and processes that comprise the company. To evaluate company's culture the study has defined two parameters, vision statement analysis and governance. To

evaluate first parameter the study has taken into consideration corporate governance rating of the companies. CRISIL, rating agency of India, gives Governance and Value Creation (GVC) rating to companies on the basis of their governance. The companies were assigned score on 3-point scale, 3 = Company got GVC rating as Level 1; 2 = Company got GVC rating as Level 2; 1 = Company who did not apply for GVC.

To evaluate second parameter, vision statement, the study has defined 10 variables namely company's purpose of existence, direction where organisation is heading, guidance for decision making, clarity and easily understandable, relevant and exist within the current reality, purpose specific, based upon the organisation's core values, uniqueness, enough challenging to motivate employees, vivid mental image of the future organisation. A qualitative analysis of the vision statement was done using wordle and a score was assigned to each company out of ten. The company who did not have vision statement,

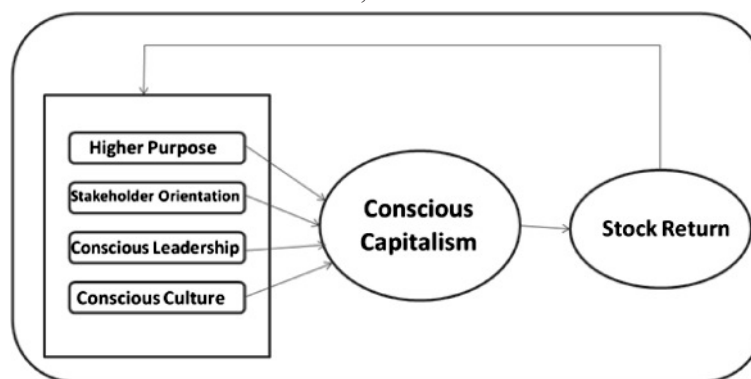
mission statement was taken into consideration. Equal weights were assigned to each of the ten variables and scoring was done on the basis of presence of a particular variable. Thus, the score of a company reflected number of variables reflected in its vision statement.

The total score of conscious culture is the sum of score of GVC rating and vision statement analysis.

This is how the study evaluated companies on the basis of all the four dimensions of conscious capitalism. After evaluating score of each dimension, overall score of conscious capitalism was obtained by adding the individual scores.

### Conceptual Framework

After defining the variables and measurement scales, the basic relationships between dimensions of conscious capitalism, overall conscious capitalism and stock market returns were identified.



### Relationship between CC scales and Stock Market Returns:

To check whether there is any correlation between individual dimensions of conscious capitalism, overall conscious capitalism and stock market return of the companies. Pearson's correlation was calculated and its significance level was checked.

Following pairs of correlation were estimated:-

Correlation 1 - Higher purpose and Stock Return

Correlation 2 - Stakeholder orientation and Stock Return

Correlation 3 – Conscious leadership and Stock Return

Correlation 4 – Conscious culture and Stock Return

Correlation 5 – Conscious capitalism and Stock Return

### Sample and Data

The sample of the study comprises of 15 Indian companies. The study has taken into consideration 5 different popular

industries from the point of view of Indian scenario and has taken 3 companies from each industry.

Data required to evaluate the conscious capitalism framework were extracted from the annual reports of the companies for the year 2016. Brand trust ranking was taken from the website of Trust Ranking Advisory. Governance and Value Creation rating was taken from the website of CRISIL.

For every dimension of conscious capitalism the study has defined different variables and scales. Scoring was done on the basis of the defined scale.

The stock returns of BSE index were taken for last 5 years and yearly returns were taken into consideration. Out of 15 companies 1 company was not listed on BSE, so the samples of 14 were used for testing the relationship between conscious capitalism, its dimensions and stock returns. Cross section data was taken into consideration for 2016 with total data points for the study were 610, [(36\*15) + (5\*14)].

## Findings and Discussions

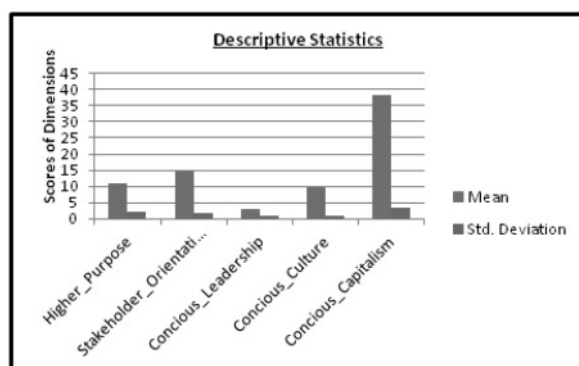
The present study is carried out to establish a framework for conscious capitalism and to test whether there is any relationship between dimensions of conscious capitalism, overall conscious capitalism and the stock market returns of the companies.

For this purpose the study established a framework based

on the dimensions of the conscious capitalism and find out the total conscious capitalism score for the taken sample of the companies. Then on the basis of the mean and standard deviation we decided the range for the low, average and high conscious capitalism.

Various findings of the study are as follows:

### • Descriptive Statistics:



### • Reliability of the Scales –

Cronbach's alpha is a measure of internal consistency, the study found that Cronbach's alpha for higher purpose was 0.614, stakeholder orientation was 0.621, conscious leadership was 0.676 and conscious culture was 0.592. Cronbach's alpha's for higher purpose, stakeholder orientation and conscious leadership was high which showed high level reliability whereas Cronbach's alpha of conscious culture was bit low so other tests of reliability were applied.

To check the reliability of developed scales Spearman-Brown Coefficient test was applied. The score of Spearman-Brown Coefficient test was 0.920 which showed high level reliability of scales. The score of Guttman Split-Half Coefficient was 0.881 which also showed high level reliability of scales developed.

### Interpretation of the scores of CC:

Table 1: Total Conscious Capitalism			
S.No.	Particular	Number of Variables	Range of the Score
1.	Higher Purpose	15	1 to 15
2.	Stakeholder Orientation	18	1 to 18
3.	Conscious Leadership	4	1 to 4
4.	Conscious Culture	13	1 to 13
	<b>Conscious Capitalism</b>	<b>50</b>	<b>1 to 50</b>
Interpretation of the CC Score			
When the score of company was		Less than 38	Low CC
		Between 38 to 41	Average CC
		More than 41	High CC

➤ CC: Conscious Capitalism

After evaluating all the dimensions, the total score for conscious capitalism was calculated. The score ranges from 1 to 50, higher the score higher the conscious capitalism of the company. In table 1, range of conscious capitalism was defined based upon the mean and standard deviation of the outcome.

### First dimension: Higher Purpose

The companies whose score of higher purpose is below 11 ( $M = 11.0000$ ,  $SD = 2.1380$ ) are consider having low 'higher purpose', the companies whose score is from 11 to 13 are consider having average 'higher purpose' and the companies whose score are above 13 is consider having

high 'higher purpose'. There are 7 companies in the sample who are having low 'higher purpose', 6 companies are having average 'higher purpose' and 2 companies are having high 'higher purpose'.

### Second Dimension: Stakeholder Orientation

The companies whose score of stakeholder orientation is below 14 ( $M = 14.6000$ ,  $SD = 1.7647$ ) are consider having low stakeholder orientation, the companies whose score is either 14 or 15 are consider having average stakeholder orientation and the companies whose score is above 15 are consider having high stakeholder orientation. There are 4 companies in the sample who are having low stakeholder orientation, 7 companies are having average stakeholder orientation and 4 companies are having high stakeholder orientation.

### Third Dimension: Conscious Leadership

The companies whose score of conscious leadership is either ( $M = 2.9333$ ,  $SD = 1.0997$ ) 1 or 2 are consider having low conscious leadership, the companies whose score is 3 are consider having average conscious leadership and the companies whose score is 4 are consider having high conscious leadership. There are 5 companies in the sample who are having low conscious leadership, 4 companies are having average conscious leadership and 6 companies are having high conscious leadership.

### Fourth Dimension: Conscious Culture

The companies whose score of conscious culture is below 10 ( $M = 9.8667$ ,  $SD = 1.1254$ ) are consider having low conscious culture, the companies whose score is either 10 or 11 are consider having average conscious culture and the

companies whose score is above 11 are consider having high conscious culture. There are 5 companies in the sample who are having low conscious culture, 10 companies are having average conscious culture and 0 company is having high conscious culture.

- Conscious Capitalism: After finding score for every dimension we add the score to get the overall score for the conscious capitalism. The companies whose score of conscious capitalism is below 38 ( $M = 38.4000$ ,  $SD = 3.2689$ ) are consider having low conscious capitalism, the companies whose score is between 38 to 41 are consider having average conscious capitalism and the companies whose score is above 41 are consider having high conscious capitalism. There are 7 companies in the sample who are having low conscious capitalism, 7 companies are having average conscious capitalism and 1 company is having high conscious capitalism. Out of 15 companies, Axis Bank Limited has the highest conscious capitalism.

### Relationship between dimensions of conscious capitalism, overall conscious capitalism and stock market return:

The correlations were established between dimensions and stock return. From table 2, we observe the following:

- There is a positively significant relationship between higher purpose and share returns.
- There is positive relationship between stakeholder orientation, conscious leadership, conscious culture and overall conscious capitalism with share returns. But all these relationships were not statistically significant.

Table: 2 Correlations							
		H_P	S_O	C_L	C_C	CC	S_R
Higher Purpose (H_P)	Pearson Correlation	1	-.019	-.152	.059	.613*	.599*
	Sig. (2-tailed)		.947	.589	.834	.015	.024
	N	15	15	15	15	15	14
Stakeholder Orientation (S_O)	Pearson Correlation	-.019	1	-.125	.187	.550*	.081
	Sig. (2-tailed)	.947		.657	.505	.034	.784
	N	15	15	15	15	15	14
Conscious Leadership (C_L)	Pearson Correlation	-.152	-.125	1	.339	.286	-.021
	Sig. (2-tailed)	.589	.657		.217	.301	.944
	N	15	15	15	15	15	14
Conscious Culture (C_C)	Pearson Correlation	.059	.187	.339	1	.598*	-.042
	Sig. (2-tailed)	.834	.505	.217		.019	.886
	N	15	15	15	15	15	14



<b>Conscious Capitalism (CC)</b>	Pearson Correlation	.613*	.550*	.286	.598*	1	.425
	Sig. (2-tailed)	.015	.034	.301	.019		.130
	N	15	15	15	15	15	14
<b>Share Return (S_R)</b>	Pearson Correlation	.599*	.081	-.021	-.042	.425	1
	Sig. (2-tailed)	.024	.784	.944	.886	.130	
	N	14	14	14	14	14	14

? Correlation is significant at the 0.05 level (2-tailed).

### Conclusion and Recommendations

The present research was undertaken to establish the conceptual framework for the conscious capitalism, to explore the level of conscious capitalism in Indian companies and to check whether there is any relationship between dimensions of conscious capitalism, overall conscious capitalism and share returns. We have successfully established the variables and scaling criteria for every dimension of the conscious capitalism. All the scales developed for different dimensions are highly reliable. In the framework we have also defined the range for low, average and high category companies.

The results revealed that there is significant relationship between higher purpose and share returns of the companies. Higher purpose and share returns have positive relation with each other. It means that the companies who have higher purpose as compare to other companies would give higher share returns to its shareholders. Other dimensions don't have significant relationship with share returns might be because our sample size is small but they have positive impact on share returns which implies that all the dimensions of conscious capitalism and overall conscious capitalism somewhere positively affect stock market returns of the companies.

### Scope for the Further Study

The study was done by taking into consideration only 5 major sectors (Telecommunication, Banking, IT & ITeS, Automobile, FMCG) from the point of view of Indian scenario. More researches should be done covering other industrial sectors. In this study we have taken only 3 companies for every sector. More researches should be done by taking more than 3 companies in every sector and then see whether the outcome of study will be same or not. The period of study was confined from 2012 to 2016 for stock market returns. More researches should be done by taking into consideration the longer period. New scaling should be designed for scoring the variables. Various other variables should also be defined for the scoring purpose. Variables are scored on the basis of previous year data only; more researches should be conducted by taking the average of data for last few years.

### Reference

- Chatterjee, D. (2008), *Leadership Sutras*, Elsevier, Chennai.
- Hamel, G. (2007), *The Future of Management*, Harvard Business School, Boston, MA.
- Kofman, F. (2006), *Conscious Business: How to Build Value Through Values*, Sounds True, Boulder, CO.
- Sisodia, R.S., Wolfe, D.B. and Sheth, J.N. (2007), *Firms of Endearment: How Word Class Companies Profit from Passion and Purpose*, Wharton School Publishing, Wharton, TX.
- Sisodia, R.S. (2009), *Doing Business in the Age of Conscious Capitalism*, *Journal of Indian Business Research*, Vol. 1, Nos. 2/3, pp 188-192.
- Frandsen, F., Johansen, W., (2015), *Organizations, Stakeholders, and Intermediaries: Towards a General Theory*, *International Journal of Strategic Communication*, Vol. 9, pp 253-271.
- Ajide, Folorunsho Monsurul, Aderemi, Adetunji Abdulazeed (2014), *The effects of corporate social responsibility activity disclosure on corporate profitability: Empirical evidence from Nigerian commercial banks*, *IOSR Journal of Economics and Finance (IOSR-JEF)*, Volume 2, Issue 6 (Feb. 2014), PP 17-25.
- Cramer, J., (2003), *Corporate Social Responsibility: Lessons Learned*, *Environmental Quality Management* 13(2), 59-66.
- Holmes, S.L., (1976), *Executive perceptions of corporate social responsibility*, *Business Horizons* 19(3), 34-40.
- Robins R. (May, 2011), *Does corporate social responsibility increase profits?*, *Business Ethics - The magazine of corporate social responsibility*. Available online at [www.business-ethics.com](http://www.business-ethics.com). Accessed on 23th October, 2013.
- Van Dijken, F., (2007), *Corporate social responsibility: market regulation and the evidence*, *Managerial Law* 49(4), 141-184.