THE NARRATIVE JOURNEY OF THE CONSCIOUS LEADER

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A Dissertation

Submitted to the Graduate College of Bowling Green State University in partial fulfillment of the requirements for the degree of

DOCTOR OF EDUCATION

May 2017

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ABSTRACT

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The purpose of this qualitative study was to investigate the developmental journeys of conscious leaders who were practicing the ethics-based philosophy of conscious capitalism. Emphasis was placed on investigating the turning points that occurred throughout leaders’ lives, and on outlining the developmental aspects used by these leaders to promote their internal development. Five senior executives in for-profit businesses, participated in two, one-on-one narrative interviews designed to identify details about their journeys to conscious leadership, and how they continuously developed as conscious leaders. Each of the participants took two assessments: one that tracked their career in life story and the major transition points, and a second that measured their emotional intelligence from a 360-degree perspective. Data from the interviews and assessments were used to answer two research questions designed to investigate why and how these leaders developed into conscious leaders and conscious capitalists. A delimitation of this study was that these leaders were practicing conscious leadership and conscious capitalism, thus it excluded executives who were conscious leaders but who were not practicing conscious capitalism. A limitation of this qualitative study was that the interviews consisted of self-reported memories of the participants’ experiences, therefore how the participants narrated those events may be different from what happened. Findings suggest that the participants are more likely to narrate their influential life turning points in a positive way, focusing on the meaning and lessons learned from those transitions, rather than on the difficulty of the transitional moment. Study findings also suggest that there is a framework of developmental perspectives, comprised of various behavioral aspects, that conscious leaders use to continually increase their levels of internal development: mindfulness (seeing), authenticity (presenting), and interpersonal ability (interacting). Further understanding of these leaders’ journeys, and how these mindsets and development perspectives might be replicated, adds value to
the discussion on why the emerging constructs of conscious leadership and conscious capitalism may provide preferable strategic frameworks for business leaders operating in chaotic environments. Results provided insight on conscious leaders’ identity development, and offers direction on how business leaders can practice these development perspectives to drive increased personal and professional development.

Keywords: Conscious Leadership, Conscious Capitalism, Leadership Development
This dissertation is dedicated to my family.

To my husband who was my sounding board and unwavering supporter,

to my daughters who can now see that anything is possible with hard work and perseverance,

    to my mom who inspired my love of human behavior,

to my dad who is my biggest fan and always told me that I could do anything,

    and to my brother who has always been my inspiration for greatness.

This work was only possible because of your love and encouragement!

    Thank you

#team

#givevoice
ACKNOWLEDGMENTS

It is my pleasure to acknowledge the contributions from a few individuals that made the completion of this research possible. First, I would like to express my sincere gratitude to my chair, Dr. Chris Willis, and to my committee members, Dr. Paul Johnson, and Dr. Joyce Litten. I enjoyed working with you during this journey, and I truly appreciate the time, ideas, guidance, and patience you provided to me during this process. I would also like to acknowledge my external member, Dr. Margaret Hopkins, for the critical questioning that helped to elevate this work, and for sticking with me through the many changes and iterations. Also, a special thank you to our senior secretary, Ms. Leslie Cookson, who always had an answer to my many questions, and did it with a smile every time.

Two individuals were vital to my success in this process, Dr. Deborah O’Neil and Dr. Irv Rubin. Dr. O’Neil saw value in me before I saw it in myself. She provided mentorship, support, and friendship from the application process to the final defense. Dr. O’Neil, you read my drafts when they were unfocused and confusing, you generously gave your time and expertise to assist in my development, and you always believed in me. Thank you. And, Dr. Irv Rubin, who serendipitously joined me as a friend and mentor half way through the process; thank you for being passionate about the work and for providing me with a steadfast source of inspiration, learning, and encouragement. This process brings many highs and lows, and Dr. O’Neil and Dr. Rubin were there to celebrate, and to pick me up when I needed it most. Your kindness and generosity did not go unnoticed, and I hope to pay it forward to other students in the future.

A big thank you to my EMOD family and doctoral friends who walked beside me during the journey and have remained great sources of feedback and encouragement. And finally, a very special acknowledgement goes to my first teacher, Ms. Carolyn Young, who has cheered me on since I was little, and now gets to see what her love and encouragement helped to accomplish.
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CHAPTER I. INTRODUCTION

Current business executives and organizations face several complex, global challenges. Remaining viable in the marketplace and generating returns for investors are still primary goals, but these aims only encompass two of these complex challenges. Now more than ever, business leaders must also consider how they will utilize and source their finite resources of human capital and raw materials, and how their organizations will interact with and are perceived by the global community. We are on the cusp of a transformational shift that asks our current business leaders to think on a systems level, thereby increasing their understanding of how leader styles, competencies, and decisions making processes affect people inside and outside of the organization (Fullan, 2005). This may require the leader to be more consciously aware of how the organization’s strategies and actions cause additional actions, interactions, and reactions within the global network. Reams (2005) suggests that many business leaders operate from current levels of consciousness that are inadequate for the complex challenges in front of them. This study assumes that leaders must increase their levels of internal development to achieve a critical shift in focus from surface-level leadership behaviors, to a much deeper level of consciousness and identity development (Ryder, 2010). This shift may be a necessary component in the progressive development of conscious leadership. Thus, the purpose of this study is to empirically investigate the developmental journeys of conscious leaders who are practicing the ethics-based business philosophy of conscious capitalism.

Background of the Study

To meet the demands of the current environment, business leaders must be prepared to handle complex change on a near daily basis. Although decades past required leaders to strategize and adapt to the changing business landscape, the proliferation of connection
technology in the last 15 years has added to those rapid changes, resulting in a business environment that is volatile, uncertain, complex, and ambiguous (VUCA) (Ryder, 2010). This uncertainty and instability add to the increasingly complicated nature of business leadership. Small and large-scale changes in the business environment are now happening so quickly that when leaders and organizations fail to adapt, it may signal their demise. When organizations experience high levels of environmental stress, coupled with high levels of leader/employee disillusionment and disengagement, leaders may find that their leadership methods, training, or decision making strategies are lacking in terms of choosing the next appropriate response or strategy (Ryder, 2010). Responding to complex change on a near-daily basis, and meeting the demands of the VUCA business environment, will require nothing less than effective, ethical, and conscious business leadership that proactively manages the impact that the organization has on its human capital, communities, and society at large (Reno, 2011). The default notion for business leaders has always been to make a profit and survive, but, what if steps could be taken by the business leader to make a profit and not only survive, but to thrive over the long term? The answer may lie in the internal development of leaders, and their ability to use the internal lens of conscious awareness to make intentional business decisions that can simultaneously produce successful outcomes for themselves and their organizations, and potentially, for the entire global network of relationships.

**Interconnectivity and the Global Business Market**

In addition to the VUCA business environment, we are all connected. Not only are we connected through the spread of information technology, we are also connected through our global economic markets; the global market is defined as the activity of buying or selling goods and services in all countries of the world. When a crisis occurs in one country’s economic
market, the effects are felt globally. As a single example, the global financial crisis of 2008 started with a rising bubble within the American housing market. When the American housing bubble burst, the financial crisis of 2008 began and investors, shareholders, stakeholders, and other suppliers felt those far-reaching effects throughout the global economic system. Through the means of individually-accessible technology platforms (Facebook, Twitter, Linked In, etc.), people are now more able to voice the personal effects that questionable business decisions have on them and their communities. Their voices can ripple throughout the entire system in mere moments and give us a glimpse into the systemic-effects that can occur when leaders do not consider the overall consequences (intended and unintended) of organizational actions. This one example demonstrates the intimacy of the global connections, and how the intended and unintended outcomes of business strategies and decisions can cause negative, large-scale reverberations throughout the global market. These reverberations can ultimately affect individuals and communities, and the long-term viability and profitability of the organization.

**Business leaders’ influence.** The global nature of today’s business environment has also expanded the reach and influence of many business leaders. Prior to the paradigm shift in connection technology, many organizations considered the location of its headquarters to be its main (if not only) area of influence. When the nature of the connected global market is considered, many more areas of influence can now be defined when the parameters include the locations to which products are shipped, how and where the organization obtains the necessary resources required to make its product, and who it recruits from where to lead and work in its facilities. This is all in conjunction with how the organization interacts with and exists in each of these communities. This basic example helps to demonstrate an organization’s ever-widening sphere of influence. It also serves to underscore Legault’s (2012) critique that corporations might
be the most influential institutions in society today. If we take Legault’s critique to be true, then business leaders have the opportunity to exert tremendous influence on the global economy, negative or positive. However, recent study results from the Gallup Organization suggest that only 15% of the American public rate business leaders as above average for their ethics and honesty (Jones, 2010). As influence has gone up, trust has gone down and this trust gap reveals that many Americans believe business leaders exert their tremendous influence in a negative way. Leeds (2003) argues that public trust of these influential leaders is a prerequisite to a smoothly functioning economy. If we are to increase the smooth functioning of the global economy and meet the challenges in the VUCA business environment, then more of today’s business leaders must begin to use this wide-sphere of influence to serve, rather than threaten the common good of society (Leeds, 2003; Simon, 2008).

One way for business leaders to begin to serve the common good of all society and to potentially improve these rankings, is to increase the number of business leaders with a world-centric perspective (Cook-Greuter, 2004). Leaders with a world-centric perspective are likely to have more integrated and complex thinking, and see themselves and the organization from a much broader and flexible perspective based on multiple contexts, as compared to those with an ego-centric worldview (Cook-Greuter, 2004). Cook-Grueter’s findings suggest that the world-centric leader has developed an internal shift from a simple worldview to one that is more complex, and this may help them see promising opportunities and connections in innovative places. Effectively, this development shifts the leader from the “me”, or ego-centric view (independent existence), to the “we”, or world-centric view (interdependent, connected existence) (Coates, 2011). Legault’s (2012) findings show that in the business leadership role, those with a world-centric perspective were more likely to think, feel, and act ethically, and they
accomplish this by using a broader sense of conscious awareness when they approach problems. Based on these findings, world-centric leaders may have a better understanding of the global interconnectivity, and they can use this perspective to set strategies and make business decisions that have a positive net impact.

As we begin to more fully understand how intimately connected we all are in the global economy, business leaders must become more concerned with this interdependent network of connections to have greater success. Garten (2001) believes that serious attention should be given to the relationships that exist between organizations and the societies in which they operate. He goes on to suggest that corporate citizenship and social responsibility are not just feel-good business practices, but that business leaders should consciously see them as an integral component of business leadership (Garten, 2001). Sachs (2008) adds to this by noting that one of the greatest challenges for our current business leaders is the admission that all of humanity shares a common fate, and that as a whole, we can either fight each other, or work together to elevate our common wealth.

If business leaders understand and accept their highly-influential role in our economic system, then more work needs to be done to understand, develop, and expand their internal consciousness, thought-processes, and intentional decision making schemas. These internal components may contribute to the expansion of leaders’ worldview and the amount of attention they pay to the interconnected relationships in the global market; this may result in business leaders achieving more positive outcomes. These positive outcomes may include greater long-term viability for the organization, increased positive presence in the community, and better working relationships in the global market (Mackey & Sisodia, 2014; Sosik, 2005). If business leaders are to achieve this internal shift, then it may contribute positively to the long-term
sustainability of the organization, and the overall common fate that Sachs (2008) suggests is our greatest challenge.

**Statement of the Problem**

Even though the economy in the United States is often regarded as a capitalist system, the present-day application is a mix of capitalistic elements (private ownership and individual freedom), in addition to government control and regulation. Although regulation is necessary to protect the rights of private citizens, it may become static or outmoded. In comparison to a set law or regulation, capitalism can allow the space for business leaders and organizations to creatively solve present consumer or market problems with the ultimate incentive of making a profit. Profit in this sense then becomes the vehicle by which the organization can continue to reinvest in the business and the communities in which they exist. The space for this creativity may result in the realization of additional benefits and wealth creation over other centrally-planned or non-market economic systems. Thus, to realize these additional benefits, capitalism must continue its development from an immature, sole focus on profits alone, to a more mature stage where capitalism is more often used as a vehicle for elevating the common good of society.

To remain the preferred American economic system, it was an assumption of this study that capitalism must continue to develop from a focus on profits as the ultimate measure of success, to one that understands and accounts for the interdependent position of the business leader and organization in the global network of relationships, and how strategies that are mutually beneficial for those relationships may result in better outcomes. Capitalism practiced within legal and moral guidelines may result in fewer negative outcomes for people, communities, and the environment, which are ultimately all affected by the business leaders’ decisions. If business leaders take the necessary steps to practice capitalism inside of a healthy,
humane culture, it may then continue to develop into a more ethically-grounded version where the positive outcomes for all stakeholders can be increased.

**Capitalism: Self-Interest and Morality**

In a pure capitalist economy, “private actors own and control property in accord with their interests, and supply and demand freely set prices in a way that can serve the best interests of society” (Jahan & Mahmud, 2015, p. 44). The 18th century philosopher Adam Smith, who many consider to be the founding father of capitalism, defines the basic pillars of capitalism in his iconic book, *Inquiry into the Nature and Causes of the Wealth of Nations* (1776). These pillars include the ability to own and control private property, the ability for people to act on their own self-interest in the pursuit of their own good, the ability for competition to freely enter and exit markets, the ability of market mechanisms (i.e. supply and demand) to determine prices in a decentralized manner, the ability for people to freely choose if they will consume, produce, or invest in a product, and the limited role of government, which is to protect the rights of private citizens and to maintain an orderly market environment (Jahan & Mahmud, 2015). An essential feature of capitalism is an individual’s self-interested motive to make a profit through voluntary transactions with others. Essentially, capitalism provides a market framework for entrepreneurs to convert ideas into products and services that fulfill a need or solve a problem (Hanauer & Beinhocker, 2014); the profit is the entrepreneur’s incentive to pursue these solutions through their own creative trial and error.

Over time, authors have written about the positives and negatives of capitalism—some champion it as an economic system (Hayek, 1944), and others criticize its inequities (Chomsky, 2002). Kristol (1978) admitted that the system, by design, is imperfect, but that it can have many advantages over a centrally planned economy. Hannauer and Beinhocker (2014) conclude that
there are now centuries of evidence that a properly functioning capitalist economy is a more effective way to increase people’s standard of living, and that it may provide more economic opportunity and class mobility. The key to rectifying these two conflicting viewpoints may lie in Adam Smith’s earlier work, *A Theory of Moral Sentiments* (1759). Smith (1759) argues that in true capitalism, “a moral value [is] inherently present.” Rather than separate the functional pillars of capitalism from this moral sentiment, Smith intends the two works to be read as companions. This underscores the fact that capitalism, at its finest, is a combination of self-interest and morality—neither alone is as effective. To increase the advantages inherent in capitalism’s original design, business leaders must attempt to achieve this suggested equilibrium between self-interest and morality. Although this may be difficult to accomplish, each one needs the other to temper and balance its influence in the capitalist economic framework; this balance may lead to better overall outcomes that can contribute to the common good of society.

**Current business leadership.** If business leaders are to contribute to the development of capitalism and its ability to serve the common good of society, then they must undertake the internal identity work required to shift their thinking and mindset in regards to Smith’s (1759, 1776) suggested equilibrium of self-interest and morality. One reason that may prevent us from achieving this equilibrium is the fact that many individuals have not developed internally into the higher stages of cognitive, socio-emotional, and moral thinking and decision making capabilities (Erikson, 1968; Kohlberg, 1984; Loevinger, 1976; Piaget, 1967). For some business leaders, the bottom-line remains the essential—if not only, indicator of success or failure for an organization. Certainly, the short and long-term financial projections of a company are critical measures of organizational health. But, a sole-focus on profits that is coupled with a leader’s less-developed, ego-centric/independent worldview and moral development, does not allow the
leader to maximize the full potential within the organization and its resources. Nor does it allow the leaders to maximize the full potential and possibilities that exist within the network of global relationships. Specifically in the capitalist economic framework, many of these less developed leaders operate from a fear-based, short-term profit mindset. When you consider the aforementioned lack of development to an “interdependent” worldview, it can be assumed that many leadership decisions will be made based only on what is good for the organization and its internal components. This view fails to consider the many relationships that exist between the organization and the global network. Essentially, this is leading from the shareholder perspective. This perspective may not allow the leader to see beyond the borders of the organization, and it lacks a clear focus on the network of global relationships, which may ultimately be detrimental to an organization’s bottom-line over the long term.

**Shareholder and stakeholder perspectives.** Leading from a shareholder perspective has existed since capitalism emerged as an economic framework. Although not specifically defined until 1970, the shareholder perspective proposes that the only responsibility of an organization is to increase wealth for its shareholders. Friedman (1970) proposes that there is only one “social” responsibility of business—to increase profits for shareholders by engaging in free and open competition without fraud or deception. Although Friedman specifically explains that the engagement should be done without fraud or deception, the shareholder perspective has unfortunately been used to justify many legal, yet unethical organizational decisions. At a minimum, these actions may add to the public perception that some business leaders lack ethics, compassion, sensitivity, or responsibility toward their various stakeholders (Diener & Seligman, 2004; Fineman, 2006). At a maximum, it has resulted in several large-scale scandals (e.g. Enron, Tyco, WorldCom, Adelphia, and Nortel) that had far-reaching effects and serve as prime
examples of executive ethics gone wrong (Clement, 2005; Streeck, 2012). Although there are too many reasons behind the failures of these organizations to discuss in this study, some of those reasons may be a sole-focus on the bottom-line, less-developed, ego-centric leadership in the executive role, and the application of a deficient moral framework.

As the seemingly dominant paradigm for understanding the purpose, role, and conduct of business, shareholder wealth maximization has become synonymous with market capitalism (Karns, 2011). In the shareholder perspective, the business’ sole purpose is to maximize shareholder wealth by creating capital through making a profit (Friedman, 1970). However, it is argued that an overly-strong orientation towards profit maximization may ultimately destroy the ability of the organization to make profits (Bentley University, 2015). When an organization defines its main objective as profit maximization, it may cause all stakeholders to seek that same objective. This may result in all stakeholders giving as little as possible, to take as much as possible, and the effects of this behavior can be felt system-wide; the organization may then deteriorate, with the evaporation of all profits not far behind (Bentley University, 2015). Thus, based on the potential effects of this egocentric perspective, shareholder maximization has been labeled a morally deficient perspective, and it may be a factor that has contributed to recent corporate ethics scandals (Karns, 2011).

The shareholder perspective’s moral framework can be described as egoistic hedonism. English philosopher Henry Sidgwick (1838-1900) proposes that in egoistic hedonism, “You ought to sacrifice any amount of happiness in others if you will thereby increase your own total happiness to the slightest degree more than any other course of action open to you” (Broad, 1930, p. 240). Karns (2011) notes that when applied in business, this moral framework may encourage short-term thinking, the exploitation of vulnerabilities, and the avoidance of long-term
consequences. As an applied moral framework, egoistic hedonism fails to consider how this type of thinking can affect others in the global network of relationships- or if it does, it fails to care that this type of thinking can cause negative effects in the global network of relationships.

As an alternative viewpoint to the shareholder perspective, the stakeholder perspective seeks to understand how business decisions may impact other entities that are connected to the business in the global network of relationships (Freeman, 1984, 1994; Freeman & Phillips, 2002). Stakeholders are defined as the groups in and outside of the organization that have a “stake” in the organization’s success. These groups may include customers, employees, investors, suppliers, and sometimes even competitors; the stakeholder perspective seeks to bring the interests of these groups into the business planning and decision making process. Strategizing from the stakeholder perspective allows the business leader the opportunity to create business plans and solutions that may lessen the conflicts between the varying interests of these stakeholder groups.

The moral framework of the stakeholder perspective is described by Sidgwick (1838-1900) as altruistic hedonism, which says that “You ought to sacrifice any amount of happiness in yourself if you will thereby increase the total happiness of others to the slightest degree more than you could by any other course of action open to you” (Broad, 1930, p. 240). Sidgwick’s take on altruism reflects that of the stakeholder perspective; that certain amounts of happiness can be sacrificed for the greater common good. Business leaders who have developed beyond this egoistic moral framework to one that is more altruistic, may practice capitalism with a broader, interdependent worldview of all stakeholders; this may result in greater prosperity for business leaders’ organizations and the surrounding communities in the global network of relationships.
**Competence and integrity in leadership.** Leadership remains an integral component in the daily operation of an organization. Rost (1991) argues “that leadership has more to do with who we are than with what we do” (p. 119). Building on this statement, several authors have examined the personality of the leader, and how that personality may have influence on relationships in the entire organization (Giberson, Resick, & Dickson, 2005; Mayer, Kuenzi, Greenbaum, Bardes, & Salvador, 2009). Particularly when the leader is also the founder, these authors’ findings show that a leader’s influence can cascade throughout the organization. This may include the vision and strategy, the value placed on employees, how the organization obtains resources, and how the organization acts within the relationships it holds with internal and external stakeholders. Succinctly put, the individuals in business leadership positions set the standards of competence and integrity, which influence the daily operations and relationships within and outside of the organization (Reno, 2011).

If the internal development of the business leader can have a strong effect on an organization, then more leaders must begin to consider their own levels of personal development and how they may contribute to good leadership in the global network of relationships. This is reflected in Rost’s (1991) definition of leadership that concludes that, “Leadership is an influence relationship among leaders and followers who intend real changes that reflect their mutual purposes” (p. 102). By removing references to the individual and moving towards the formed relationship between leader and follower, it becomes even more important that the leaders operate with competence and integrity; not only with followers, but also in the global network of relationships. Ciulla (1999) argues that leader competence and integrity, or good leadership, requires leaders to be morally and technically good. She goes on to explain that if the leader does not show competence and integrity in the role, that then they are no longer relevant,
because they are usually removed from the leadership position (Ciulla, 1999). Historians tend to omit the leader who was technically ineffective, but had high moral and ethical conduct in their follower relationships. Examining and promoting leadership that is morally and technically good is important because study results suggest that it may have a positive influence on the internal and external organizational relationships, and on the long-term profitability of the organization (Sosik, 2005).

**Using Leadership Influence to Create Positive Reactions in the Global Network**

When we consider the potential negative effects (intended and unintended) that correlate with the actions of some business leaders, it demonstrates the influence that they can have on the global network of relationships. But we can also take the converse to be true. Conscious business leaders can use their highly influential position to create positive reactions in the global network of relationships. As one way to contribute to the development of capitalism and its ability to serve the common good of society, business leaders must begin to more fully understand and apply an altruistic moral framework. Two concepts that may increase this understanding are “doing well by doing good,” and the theory of open systems.

**Doing well by doing good.** A phrase many times attributed to Benjamin Franklin, the philosophy of “doing well by doing good” is becoming more prevalent in the academic business literature (Cooperrider & Fry, 2012; Heaton & Harung, 1999, O’Toole & Vogel, 2011). Simply defined as the ability to achieve financial or social success when one behaves in a benevolent or charitable manner, organizations and leaders who adhere to this mantra believe that the “well-being of the business is dependent on the well-being of society” (Heath, 2013, p. 208). Over half a century ago, Drucker (1954) suggested that it was management’s responsibility to make whatever is in the public good become the organization’s self-interest. Critics of this viewpoint
have argued that its effects are notoriously difficult to prove or measure, but advocates believe that “doing well by doing good” can generate the positive media coverage needed to improve an organization’s reputation, which may lead to increases in customers, employee satisfaction, and new investment capital that can all help sustain the business over the long-term (Heath, 2013). Despite the critics, leaders and organizations who adhere to this philosophy believe that they can use their influential ability to make a profit while also making the world a better place (Falck & Heblich, 2007).

Open systems theory. Proponents of “doing well by doing good” believe that the interconnectivity of the global market allows leaders to have a positive influence on all the relationships and the connections inherent in the whole system. This belief is based on Open Systems Theory (OST), or the open systems approach to organizations (Katz & Kahn, 1966). Based on an adaptation of von Bertalanffy’s (1956) general systems theory work in biology and the physical sciences, this approach identifies and maps the repeated cycles of input, transformation, output, and renewed input that comprise the organization (Katz & Kahn, 1966). This theory proposes that an organization is defined as an open system when it exchanges wealth, resources, human capital, energy, and information with its environment (Cummings & Worley, 2009). In the social sciences, OST posits that no organization is a closed system. If we take this to be true, then business leaders who strategize using the underlying philosophy of “doing well by doing good,” know that the organizations they lead have permeable borders, and they are optimistic about the total potential embedded in their organizations and employees. These leaders encourage virtuous and ethical action in and outside of their organizations, which allows people to maximize their individual potential, and the potential of the organization (Bright & Fry, 2013). Therefore, when business leaders understand the relationships that exist inside and
outside the organization’s physical boundaries, it provides the leaders with an opportunity to be a positive influence in the global network of connections.

**Purpose of the Study**

The purpose of this study is to empirically investigate the developmental journeys of conscious leaders who are practicing the ethics-based business philosophy of conscious capitalism. To accomplish this purpose, more needs to be done to understand how and why leaders embark on this journey, and how these leaders continually attend to their internal development. Accomplishing this purpose is vital so that other leaders in the future might be able to replicate and scale these practices as one way to increase capitalism’s use as a means for achieving greater social good in the global network of relationships.

**Conscious Capitalism**

Over the last few decades, the practice of capitalism has included increasing and decreasing attention to its application for social good. This is seen through the trial and error of various forms of a kinder capitalism (e.g. Creative Capitalism- Kinsley, 2008; Humanistic Capitalism- Harman, 1974; Natural Capitalism- Hawken, Lovins, & Lovins, 1999; Stakeholder Capitalism- Freeman, Martin, & Parmar, 2007); but none of these measures or forms could effectively strike the equilibrium between self-interest and morality needed to maximize the full potential in capitalism. Some business leaders saw these variations as bolt-on additions to business as usual; a packaging change if you will, but the single measure of the organization’s success and survival is still driven primarily by the bottom line. None of these measures or forms worked to change the internal view held by the leader, nor did they change the internal fabric or culture of the organizations. To come closer to Smith’s (1759, 1776) suggested equilibrium of self-interest and morality and/or ethics in capitalism, capitalism must continue to develop by
addressing these two components: the leader’s internal development, and how that development may affect the culture and operations of the organization. Only then may we see a new version that can fully maximize capitalism’s potential, while also mitigating the potential negative outcomes.

When we consider the network of global relationships and the VUCA business environment as part of the business leadership role, what more can be done to attain greater equilibrium between self-interest and ethics in capitalism, while also increasing competence and integrity in the business leadership role? Recently, there have been several academics and business leaders who have been promoting and practicing an additional variation of capitalism; one that attempts to achieve this equilibrium while concurrently calling for competence and integrity in the role of business leadership. Conscious capitalism (CC) is emerging as one ethics-based business philosophy that attempts to combine the two perspectives of free market capitalism and ethical leadership, which is applied in and outside of the organization.

The CC philosophy was developed by John Mackey, the founder of Whole Foods, and Raj Sisodia, a Franklin Olin Distinguished Professor of Global Business at Babson College. Both of CC’s founders believe in and are reverent supporters of a more thoughtful, or ethically-based version of capitalism to increase its ability to serve the common good as an economic system. When CC was first emerging, Mackey (2007) shared his beliefs that 1) capitalism is inherently good and is responsible for lifting humanity (citing the increase in quality of life measures with the expansion of free markets); but 2) that capitalism has lost its ethical foundation (citing numerous negative examples in business). If we are to take Mackey’s critique to be true, then CC may offer business leaders an alternative way of attending to the global network of relationships by conducting business within a legal and ethical framework in the capitalist economy.
A legal and ethical approach to capitalism. There are two basic premises behind CC: unapologetic free market advocacy and that business within the free market can be conducted more consciously by adhering to CC’s four philosophical tenets: higher purpose, stakeholder integration, conscious culture, and conscious leadership. As a mutually reinforcing foundation for setting business strategy, CC firms embed the four tenets into the actual processes and policies, or the fabric of the organization; this may include the strategies, priorities, supply chain commitments, cultures, and operational realities of the organization (Cooperrider & Fry, 2012). By design, embedding the four tenets into the operational realities of the organization may allow the business leader and organization to retreat to a foundational core of purpose, ethics, and relationships when internal or external crises occur.

From the perspectives of free market principles, ethical market conduct, and relationships, conscious leaders and organizations practicing CC seek to maximize free market principles, but try to do so in a legal and ethical manner. The pursuit for profits is not done at all costs; strategies and actions undertaken by conscious business leaders must serve the organization’s higher purpose, while simultaneously considering the overall short and long-term effects on the relationships with the stakeholders involved (internal and external), and the impact on the global community’s finite resources. Organizational profit is then the natural outcome of ethical business conduct, not the only goal and focus of all organizational activities. CC proponents believe that if the impact to the four tenets is considered and attended to prior to acting, that it will have a positive net impact on the long-term financial health of the organization and the communities in which it is located.

As one way to practice capitalism within an altruistic moral framework, CC combines leading with ethics-based principles and Elkington’s (1997) triple-bottom-line model of
organizational performance measurement. In Elkington’s (1997) model, organizational success is measured by not only profit, but also by the impact that the organization’s decisions and strategies have on the relationships with its people and resources—resulting in a triple-bottom-line of people, planet, and profit. As one way to meet the challenges and achieve success in the VUCA environment, Bernal (2011) suggests that business leaders must consciously embrace the triple-bottom-line concept, and hold themselves and their teams accountable to a foundation of core purpose, ethics, and principles. Building on these authors’ model and suggestion, Mackey and Sisodia (2014) describe CC as a new way of thinking for business leaders. Adherence to this philosophy may elevate the consciousness of business leaders, the organization, and all others involved by considering the firms’ overall purpose, the impact of its strategies on resources, and the relationships it forms with other stakeholders—ultimately, redefining why the business exists (Mackey & Sisodia, 2014).

Lately, CC has been gaining attention in the academic literature and in the lay-press because it is promoted and practiced by conscious leaders of well-recognized, high-performing brands (e.g. Costco, Patagonia, Starbucks, Whole Foods, and Zappos). Leaders and organizations practicing the CC philosophy show that it can be the foundation for a successful business strategy. Initial outcomes suggest that CC firms may have greater profits, greater worker retention, greater customer loyalty, and better overall reputations in the global market (Mackey & Sisodia, 2014). An analysis of 28 CC-leaning organizations shows that they perform better financially in a 10:1 ratio over other companies in the S&P 500, over a 15-year period (1996-2011) (Simpson, Fischer, & Rohde, 2013). Although Wang (2013) discusses the idea that this statistic may be skewed because of the inclusion of Amazon and its extremely rapid growth, it begins to show that a more conscious approach to leading and capitalism can result in financial
success, which is ultimately the goal for most organizations. With financial returns of this nature, it can be assumed that CC is at least as good as Friedman’s (1970) view of a capitalist organization’s single responsibility as being only to its shareholders’ financial gain. If CC remains a viable business philosophy through varying market conditions over the next decade, and during that time it is extensively validated and empirically investigated, CC may then emerge as a better alternative to the shareholders-first model of capitalism.

Conscious capitalism: The four tenets. CC is an evolving business philosophy that attempts to create multiple kinds of value and well-being for all stakeholders (Mackey & Sisodia, 2014). As an operating philosophy, CC is a much more holistic approach to capitalism than the shareholder perspective. Mackey and Sisodia (2014) note that the four tenets of higher purpose, stakeholder integration, conscious culture, and conscious leadership are not tactics or strategies, but that they are essential elements of the CC business philosophy, and that to be effectively manifested, that they must be holistically understood. What follows is a brief description of each tenet, which will be further elaborated on in Chapter Two.

To create value across an organization’s triple-bottom-line of people, planet, and profit (Elkington, 1997), the four tenets of CC attempt to capture the essence of our evolving thoughts on capitalism and the conduct of conscious business leaders in the global market. An organization’s higher purpose is the reason that the business exists beyond the bottom line, and it serves as one way to bind organizational members together to reach a common goal (e.g. Green Mountain Coffee- to leave the world a better place; Tom’s Shoes- to give away one pair of shoes for every one sold). Stakeholder integration is when the business leaders attempt to find acceptable strategies that consider the impact of those decisions on all parties involved; this may include internal and external stakeholders, and the overall global network of relationships. A
conscious culture is defined by the ethos – or “the embodied values, principles, and practices underlying the social fabric of a business, which permeates its actions and connects the stakeholders to each other and to the company’s purpose, people and processes” (Conscious Capitalism.org, 2015, para. 2). Essentially, the culture is the way that an organization “feels” and is run; this may include tolerance for new ideas, worker treatment, and the relationships that exist within the layers of the organization. Each of the first three tenets attempts to harness the creative energy that exists within the relationships of empowered human beings. When embedded into the fabric of an organization’s policies and processes, operationalizing these tenets may have a profoundly positive net impact on the organization, which in turn may create a positive net impact in the global market (Makey & Sisodia, 2014).

The final tenet of the CC philosophy is conscious leadership. The conscious leader believes that business in the capitalistic framework can be conducted in a legal and ethical manner. They consider the far-reaching effects of their business decisions on internal and external stakeholder relationships, and how they can make a positive net impact in their organization and beyond. The conscious leader understands that competitiveness in the global market can be ethically achieved, and thus, ethics and leader effectiveness are not mutually incompatible, rather they are inseparable and highly synergistic (Reno, 2011). Although the philosophy of CC holds each tenet to be of equal importance, this study assumes that without a conscious leader, the implementation of the three other tenets, and subsequently the success of CC as a business philosophy, will be considerably less effective. Chapter Two contains a basic review of the literature on the CC tenets of higher purpose, stakeholder integration, and conscious culture. However, the main focus of this study is on the developmental journeys of conscious leaders, and on the developmental practices these leaders use to continue their internal
development in the role of conscious leaders practicing the ethics-based business philosophy of CC.

**Conscious leadership.** The success of the business leaders and brands that practice CC have again, reinvigorated the discussion on character and ethics in the business leadership role (Bennis, 1989; Chakraborty, 1995; Kaplan, 1990). Potentially emerging as the most important tenet in the ethics-based business philosophy of CC (Mackey & Sisodia, 2014), conscious leadership is one theory that focuses on both the technical and ethical aspects of the leader role. With origins in human development research, conscious leadership focuses on the internal development of leaders, and the level of psychological maturity that they may bring to the leadership position.

Although there is no one, wide-spread, agreed upon definition of conscious leadership, several authors have sought to define its meaning (cf. Bozasan, 2009; Brown, 2013; Harung, Heaton, & Alexander, 1995; Hayden, 2011; Hofman, 2007; Jones, 2012; Secretan, 2006; and van Niekerk & van Niekerk, 2013). These researchers come from many different industries ranging from business and executive coaching to education. For this study, the starting point for a working definition of conscious leadership comes from one of the original theorists, John Renesch (2002), who explains the practice of conscious leadership as an internal conscious awareness, which is then followed by taking intentional action. Conscious leaders use their fully developed egos, and psychologically mature cognitive thought to understand the moral and social nuances of a situation, and then they use this awareness to take intentional action that altruistically serves to benefit most, if not all involved in the situation. Secretan (2006) notes that this internal development is not to be confused with narcissism, which is focused solely on the development of the ego self. A greater understanding of the practice of conscious leadership may
help leaders achieve Rost’s (1991) view of leadership as a relationship, and Ciulla’s (1999) requirement that good leadership equates to competence and integrity in the leadership role.

**Anti-conscious and unconscious leadership.** Although it may be said that the previously referenced business leaders whose ethical lapses led to the failure of their organizations and to large-scale negative effects in the global network of relationships were consciously aware of what they were doing when they made those unethical decisions—that is not conscious leadership. These executives consciously chose to ignore the ethical component and the long-term effects that these decisions and actions had on the organization and on the global network of relationships. Thus, being consciously aware and intentionally acting on an illegal or highly unethical business practice would be an example of anti-conscious leadership. Anti-conscious leadership is defined as leaders who are aware and knowing of the internal driving thoughts, the causes, and the consequences of actions, but are uncaring about those effects; they actively work against the system for their own gain and are primarily attainment and sensation oriented (Bowman, 2008). An example of anti-conscious leadership would be those leaders who care little for ethics or the interconnectedness of the global system when their sole pursuit is profit at any cost (Clement, 2005; Parmar et al., 2010).

There is no cure for anti-conscious leadership, but some leaders do not fully understand that their actions can create interactions and reactions throughout the global network of stakeholder relationships. Unconscious leadership is defined as unaware and unknowing of the internal driving thoughts, the causes, and the consequences of actions; they may be inflexible in their thinking and are primarily survival and rule oriented (Bowman, 2008). Unconscious leaders may be reactionary, and those reactions are many times driven by a fear of the unknown; the full effects of those fearful reactions may not be thought out beyond the next quarter or fiscal year.
For capitalism to continue to develop, more business leaders need to make the shift from unconscious to conscious leadership. The journey to and practice of conscious leadership may serve to awaken unconscious leaders by helping them shift from unaware to aware as they experience epiphanies or “turning points” (Denzin, 1989). These turning points can broaden their thinking, shift their moral frameworks, and expand their worldview to encompass the ability of capitalism to better serve the common societal good. If more leaders are to take the steps necessary to expand their thinking, moral frameworks, and worldviews, and they become fully committed to the internal development of their level of psychological maturity or consciousness, then it may be one way to shift the dominant understanding of a business leader’s role in the practice of capitalism by moving from an egoistic mindset to a mindset that is more altruistic.

The Leadership Shift: From Unconscious to Conscious Leadership

Historically, academics and business leaders have argued the reasons for (Drucker, 1954) and against (Friedman, 1970) businesses’ social obligations. Depending on the author, there have been well-cited reasons for both perspectives. But if we take a deeper look at Friedman’s (1970) proposition that there is only one “social” responsibility of business, which is to increase profits for shareholders, what he is describing is the free will of choice. Developed leaders have a choice in regards to their moral framework, and that framework guides how they will act and engage with the internal and external stakeholders of their organizations. In the same article where he describes the shareholder perspective, Friedman (1970) also argues that businesses have no inherent values or “social” responsibilities in any sense, but that the collections of individuals who make up the firm do. The shared ethics and responsibilities of these leaders and individuals determine the strategies undertaken by the firm. O’Conner (2005) describes this as self-mastery, or the ignored side of free will, which is the ability to freely control one’s impulses and appetites.
by reliably directing significant actions towards a larger altruistic goal. Self-mastered individuals have a great deal of self-knowledge and can imagine future courses of action, understand why or why not they would choose a course of action, and then use their free will to stay the course in the face of competing desires (Nahmias, 2011). Thus, self-mastery and free will denote that leaders have a choice by which to act consciously, and to operate and engage with others in a positive, sustainable manner.

If we are to evolve from Friedman’s (1970) shareholder view of capitalism to a more wide-spread, ethically-grounded version like CC, then more leaders must begin to shift from an unconscious to a conscious mindset. This mindset shift may be significant if more leaders can harness the power of increased consciousness as one way to practice a more ethically-grounded version of capitalism. Studying the development and practice of conscious leadership is important since integrating the economic success in the capitalistic marketplace, along with contributing to the common societal good, necessitates a shared understanding of how these leaders begin and progress on their developmental journeys to greater conscious awareness in the practice of conscious leadership (Reno, 2011).

**Significance of the Study**

If capitalism is to continue its development from a sole focus on profits, to one where it is more often used as a vehicle for elevating the common good of society, then more must be done to understand when, why and how certain business leaders consciously change their mindsets to follow ethics-based philosophies like CC. Chandler (2014) argues that CC and conscious leadership should not be taken as normative doctrine, but that researchers must do the important qualitative work to adequately define and test these philosophies and leadership practices. Although there are limited empirical research studies available on the emerging theory of
conscious leadership in the context of CC, the need and logic for this approach show that it may positively serve to meet the leadership challenges in the VUCA business environment.

In the context of CC, most of the literature assumes the leader to be conscious. But, other than the application of general human development theories to the theoretical construct, very little research addresses the business leader’s journey to conscious leadership. The significance of this study is that to this date, no existing research draws upon the narratives of conscious business leaders to understand how life experiences influenced their development to conscious leadership, or what developmental aspects are practiced by these leaders to continue their internal development; both may be potential contributors to the effective practice of CC. This is the only empirical study that examines the narrative life journeys of conscious business leaders practicing conscious capitalism. The extant literature to be discussed in Chapter Two suggests that the path to conscious leadership is developmental and progressive, and internally driven. Therefore, more must be done to examine the narrative journey of the conscious leader so that we may begin to understand how to replicate and scale these leadership practices. This study attempts to meet Chandler’s (2014) call for empirical studies that comprehensively measure the CC philosophy by examining one integral component- conscious leadership development.

**Conceptual Framework**

For this study, a recently published theoretical concept model of conscious leadership was used a guide. Authors van Niekerk and van Niekerk (2013) provide a framework that outlines conscious leadership as a combination of several validated leadership theories. Although the framework provided by van Niekerk and van Niekerk is a thorough examination of the characteristics of the leader, the followers, and the situation, and how each contributes to the practice of conscious leadership, they note that it may not be a complete theory and it is open to
interpretation. After a thorough review of the constructs pertaining to the leader, it is my assessment that this framework does not include any reference to the psychological development or maturity theories that may explain how the individual develops into a conscious leader. To address these potentially missing components in the leader portion of the framework, this study examined whether psychological development and maturity theories were factors in these individuals’ development into conscious leaders.

**Research Questions**

The intended outcome of this study is to more fully understand the journey to conscious leadership, so that it may serve as a guide for future leaders practicing conscious leadership and the ethics-based philosophy of CC. Two open-ended research questions were developed to aid the inquiry process. The research questions are as follows:

1. How is the developmental journey to conscious leadership influenced by turning point(s) in the leader’s life?
2. What development aspects of conscious leadership are practiced by those who consider themselves to be conscious leaders?

The qualitative study design attempted to answer these research questions by using data collected from two narrative interviews and two assessments: The Career in Life Story Survey (O’Neil, 2003) and the Bar-On EQ-360 (Bar-On, 2014).

**Delimitations of the Study**

A delimitation of this study is that the emphasis was placed on conscious leaders who were practicing the ethics-based business philosophy of CC in a for-profit setting. This delimitation omits leaders who self-define as conscious leaders, but who are not practicing the ethics-based philosophy of CC, and are not leading in for-profit organizations. A second
delimitation was that the leader must self-identify as a conscious leader. This delimitation omits leaders who are unfamiliar with the terminologies of conscious leadership and/or CC, but who might be leading using similar leadership processes.

**Limitations of the Study**

A limitation of this qualitative study is that the interviews consist of self-reported memories of the participants’ lives and experiences. Thus, how the participants remember those experiences and which details they choose to share, may be different from what happened. A second limitation of this qualitative study is the ability to generalize these results to a larger population. A third limitation is that the participants selected the co-workers who assessed their leadership actions with the Bar-On EQ-360 scale. It is highly unlikely that the participants chose co-workers who had strong negative opinions of their workplace behaviors. A final limitation is that the interviews were conducted in the Midwest region of the United States; therefore, this limited the reported perspectives to the dominant Western culture often found in this region.

**Organization of the Study**

This chapter reviewed the background, statement of the problem, purpose of the study, significance of the study, conceptual framework and research questions, followed by the delimitations and limitations of the study. Chapter Two will provide a basic literature review on capitalism for social good, conscious capitalism, and the three tenets of higher purpose, stakeholder integration, and conscious cultures. Following this basic review will be an in-depth review of the literature on the human development theories associated with consciousness expansion as a means of developing psychological maturity, and the current literature on conscious leadership and its individual components of conscious awareness and intentional action. Chapter Three outlines the research design and methods by identifying the specific
methodological approach and participants, along with the data collection and analysis procedures. Chapter Four will present the results and findings of the study. Chapter Five will provide a discussion on these results, which includes implications for practice, suggestions for future research, and conclusions.
CHAPTER II. LITERATURE REVIEW

This chapter will begin with an outline of capitalism’s philosophical underpinnings and a brief review of the literature on the use of capitalism for social good. As one ethics-based philosophy that promotes capitalism for social good, the literature on conscious capitalism (CC) and the three tenets of higher purpose, stakeholder integration, and conscious culture will be concisely defined and outlined. The chapter will then look at the tenet of conscious leadership in-depth, with a review of human development and maturity theories, leadership and psychological development, the varying definitions of conscious leadership and the current research, and finally, an examination of conscious leadership’s individual components. This chapter will conclude with a summary of the current literature gaps and how this study aims to address the missing theoretical components.

A Brief History of Capitalism, and its Use for Social Good

One reason that capitalism has remained a preferred economic framework over many centuries is its ability to evolve to meet the changing needs of people and society. From its inception, capitalism has offered a workable economic alternative to systems such as feudalism, mercantilism or colonialism, which were economic systems that were designed to keep the wealth in the hands of a powerful few. Adam Smith believed that the application of these economic systems was regressive, and that they contributed to an overall lack of economic advancement (Bassiry & Jones, 1993). As outlined in Chapter One, Smith (1776) defined the basic operating pillars of capitalism, and the economic framework that came from these pillars gave individuals the ability to freely trade goods and services in a manner that served their self-interest. The ideas for a free market system were timed perfectly to coincide with the changes to come in the industrial revolution.
During the industrial revolution, industry became more mechanized, technology jumped ahead, and for the first time in history, a common person could amass wealth without being born into a noble family. Industrial capitalism, as it was called at the time, was the first time that an economic system benefited all levels of society, rather than just the ruling class. Beginning with Smith’s (1776) original ideas, capitalism has helped to increase worker wages and raise the standard of living for common people. As an economic system, capitalism contributed to the emergence of the middle class, and it began to lift people out of poverty as it pushed wealth from the ruling class into the hands of regular workers. From this initial shift from individual merchants to industries located in city centers, capitalism has been implemented in various forms in many regions, and some argue that it is “the greatest engine of prosperity ever devised,” as it relates to job creation and wealth generation (Barton, 2011, p. 86).

**Capitalism’s Philosophical Underpinnings**

Even as capitalism continues to develop to meet the needs of present day society, like Smith notes in his original texts, the basic principles remain the same. Smith’s (1776) seminal work, *Inquiry into the Nature and Causes of the Wealth of Nations*, is still referenced today as the discussion continues that in a civil society, individuals can guarantee their own well-being by focusing on the satisfaction of their own vital interests (Bonnafo-Boucher & Porcher, 2010). Smith argues:

> It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own self-interest. We address ourselves, not to their humanity but to their self-love, and never talk to them of our own necessities but of their advantages. (Smith, 1776)
Smith’s ideas for a free market were originally intended to create win-win relationships between the buyers and sellers. One person gets a service or a product, and the second person gets a financial incentive to provide that service or product. The self-interested motives of the receipt of goods or services in trade for a financial incentive remain powerful motivators for both buyers and sellers in the capitalist economy.

Despite the long-standing admiration for Smith’s thoughts on motivating individuals through self-interest, this phrase has also been cited as one of the inherent problems with capitalism. If people are only motivated by their own needs, then this phrase can and has been used to justify both the shareholder perspective and the deficient egoistic moral framework that can be found in business. However, it was not Smith’s intention for the phrase to be applied on its own. As outlined in Chapter One, the thoughts on the power of self-interest were written as a companion text to Smith’s (1759) earlier work, *A Theory of Moral Sentiments*; the two approaches were meant to complement each other (Schneider, 1948). This earlier publication provides the ethical, philosophical, and psychological frameworks on which Smith bases his later work. In this book, Smith proposes that in true capitalism, “a moral value [is] inherently present.” Smith argues that morals are a fundamental element of the win-win, voluntary exchange that takes place between two or more individuals in the capitalistic equation. In a historical review of Smith’s text, Schneider (1948) notes that self-interest may operationally be the “social art of self-command,” and as a theory of motivation, that it must be balanced with a moral judgement that focuses on benevolence, justice, and prudence (p. xxii). Without the sympathetic response that one feels in response to others’ misery and to others’ joy, the moral element cannot serve to balance the interests of the individuals. Without a moral judgment, the
self-interested motives of one person may then upset Smith’s suggested balance between the two elements.

The discussion on how to reach a balance is one that has taken place over many years in business and in academia; unfortunately, we have yet to achieve this equilibrium. Several publications have argued that one of the goals in the practice of capitalism is achieving Smith’s intended balance of self-interest and morality (cf. Brown, 1997; Dore, 1983; Fulton, 1963; Mansbridge, 1990; Morrow, 1923; O’Brien, 1973; Schneider, 1948; White, 2010). Ordering society and our economic markets in a way that combines competition and moral sensibility remains one of our greatest challenges (Willetts, 2008). Chandler (2014) argues that this robust and lengthy discussion does not diminish Smith’s concepts; rather it enhances the importance of morality in business, and how empathy and conscience must be part of the capitalistic equation.

Although many authors have written about morality as an integral component of the free market system, it would be remiss to omit the sometimes unethical, reactionary, or self-interested behavior that can occur when people feel that their wealth, power, or organizational existence is threatened. The current VUCA business environment can create a climate of fear; psychologically-based reactions to fear may increase the occurrence of anti-conscious leadership behaviors, and it may also increase self-interested reactions and behaviors on the part of unconscious leaders. Fear and uncertainty elicit the natural human response of pure self-interest, since this type of base, instinctual response is necessary for survival in life-threatening situations. Despite this natural human response to fear and uncertainty, it is not always the appropriate response in a business setting. If business leaders take the necessary steps to lessen these fearful reactions, then Smith’s suggested equilibrium may become an attainable goal.
Smith’s (1759, 1776) original texts provide us with the foundation for true capitalism. That at its finest, capitalism should be practiced with a combination of self-interest and morality. Achieving greater equilibrium between these two components is essential if capitalism is to continue as a preferred economic framework. Today’s business leaders must begin to more fully understand the interconnected nature of our global fate, and take steps to reduce these fear-based responses and behaviors. The practice of CC, and thus conscious leadership, serves as one way to reduce these fears by providing a business-driven, altruistic moral framework for leaders to use when planning organizational actions. If business leaders can use the CC philosophy as a means to come closer to Smith’s suggested equilibrium, then the evolving practice of capitalism by the way of CC may contribute to a number of shifts— the further shift from the shareholder to stakeholder perspective, the further shift from an egoistic moral framework to one that is more altruistic, and finally, the shift of mindset from that of individual gain, to one of greater social good and capitalism’s use as a powerful vehicle that can contribute to the overall good of society.

**A Brief History of Capitalism for Social Good**

If we examine varying time points in history, it becomes clear that using capitalism as one way to achieve overall societal good is an idea that has been previously promoted—it is not a new phenomenon. James O’Toole (1995) outlines one of the earliest examples in his book, *Overcoming the Ideology of Comfort and the Tyranny of Custom*. O’Toole describes what may be the first example of a business leader who used her or his organization to benefit the good of the overall community. He speaks of a virtuous British mill owner, Robert Owen, who operated sometime between 1800 and 1825. Prior to anything we would consider to be the advancement of workers’ rights, he set normal working hours, processes to file worker complaints, a guarantee
of employment through economic changes, and the development of disability and retirement plans. In addition to changing work processes in the factory, Owen also applied this thinking to the living situations of his workers. He provided clean housing, removed the children from the factory, and promoted various types of mental well-being through preschool, daycare, and night school for the employees. The essential business question is, was this good for the bottom line? Unequivocally, yes it was. His company in New Lanark, Scotland went on to become the World’s most profitable and productive textile mill during the time. As a single example, Owen’s combination of self-interest (profit) and morality (worker treatment) produced a superior result.

Since this first example, the attention given to capitalism as a vehicle for social good has risen and fallen over the last two centuries (Abend, 2013; McQuaid, 1978; Streeck, 2012). These authors examine the practice of capitalism during different periods, and each identifies a few influential business owners who held greater commitments to contributing to the overall societal good. Each of the periods reviewed also reveal elements that can be considered precursors to present day ethics-based business philosophies like CC. Abend concludes that historical facts support the idea that ethics-based business philosophies are not new, and that attention to business ethics and ethical market conduct were viewed as important public problems in the first decades of the twentieth century. Between 1900 and 1936, several discussions among influential and socially prestigious people appeared in print, which spurred debate about the importance of businesses’ role in the advancement of moral and social objectives, and how business leaders might decrease unethical business practices (Abend, 2013).

McQuaid (1978) cites Filene’s writings from the 1930s; Filene was a business owner who was describing the changing environment that came with the labor movement and the rise of the American car companies. Filene (1930) explains that the quickest way to overall prosperity is to
convince the business minds that the best way to increase their own prosperity, was to elevate and bring prosperity to other legitimate businesses and groups who comprise the overall network in which the business resides. Abend (2013) outlines similar statements from other influential business owners, who also agreed that a firm’s moral view and responsible behavior made good business sense, and could result in higher returns (Dubrul, 1926; Gary, 1922; Klein, 1930).

What can be considered the modern era of business social responsibility began in the 1950s (Carroll, 1999). The landmark publication of Howard R. Bowen’s (1953) book, *Social Responsibilities of the Businessman*, reopened the discussion on the powerful position of business leaders and their ability to contribute to the overall societal good. It must be noted that business leaders were referred to as “businessmen,” since this was written before women as leaders were acknowledged in formal writing. As an initial definition, Bowen concludes that social responsibility “refers to the obligations of businessmen to pursue policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society (p. 6). Bowen’s publication came after an interesting *Fortune* magazine survey, where business leaders were asked about their “social consciousness,” and if they were responsible for actions in a sphere that was larger than their organization’s bottom lines (1946, as cited in Bowen 1953, p. 44). At the time, 93.5% of the businessmen who responded agreed with *Fortune* magazine’s statement on the importance of, and an obligation to a larger social consciousness (Carroll, 1999).

In the decades that followed, there was an increased interest in the topic of businesses’ obligation to the overall social good. Keith Davis (1960) added to the discussion by linking the business leader’s social power and social responsibility. Davis set forth the now-famous “Iron Law of Responsibility,” which held that the “social responsibilities of businessmen need to be
commensurate with their social power” (Davis, 1960, p. 71). Davis defined social responsibility as “businessmen’s decisions and actions taken for reasons at least partially beyond the firm’s direct economic or technical interest” (Davis, 1960, p. 70). Although Davis notes that the measureable effects of these decisions can be somewhat nebulous to quantify, that there was a good chance that the firm would be paid back for its socially responsible outlook through long-term economic gain. In his law, Davis also postulates that if the business leader avoids the social responsibility component of organizational decisions, that then it would gradually lead to the erosion of the leader’s social power—making the leader and the organization irrelevant in the economic market.

Johnson (1971) added to Davis’s law by introducing the idea of business’ “multiplicity of interests,” or the stakeholder perspective. Johnson defines this multiplicity by stating that a “socially responsible firm is one whose managerial staff balances a multiplicity of interests. Instead of only striving only for larger profits for its shareholders, a responsible enterprise also considers employees, suppliers, dealers, local communities, and the nation” (Johnson, 1971, p. 50). Carroll (1999) notes that Davis’ and Johnson’s viewpoints became commonly accepted in the late 1970s and 1980s. These two decades brought the proliferation of definitions and varying terminology in regards to a firm’s obligations towards social good and stakeholders (e.g. Humanistic Capitalism- Harman, 1974; Public Responsibility- Preston & Post, 1975; Stakeholder Theory- Freeman, 1984; Corporate Social Performance- Wartick & Cochran, 1985). As antecedents to present day ethics-based business philosophies, each of these variations is built on the basic pillars of capitalism, and use Davis and Blomstrom’s (1966) organizational decision making criteria as a foundation, which argues that business leaders have an “obligation to
consider the effects of [the organization’s] decisions and actions on the whole social system” (p. 12).

In the 1990s and beyond, the field expanded to include many alternative themes. These included business ethics theory, positive business scholarship, and Elkington’s (1997) model of the triple-bottom-line concept. In Elkington’s model, success is measured by not only profit, but also by the organization’s impact on its people and its resources, resulting in a triple-bottom-line of people, planet, and profit. This model reflects the changing social attitudes of the time, which brought greater attention to the ecological impacts of a firm’s actions. It should be noted that these variations added to the body of literature, but did not change the basic premise of the argument. Leaders fully operating from any of these philosophies believe that when smart business decisions are weighed against the effects that might be created in the whole system, and when those decisions are made from a positive and ethical core, that the traditional measures of business success (increased customers, organizational reputation, and profits) tend to follow suit (Mackey & Sisodia, 2014).

Streeck’s (2012) review echoes the historical writing of those who came before, noting that when discussing the ability of capitalism to contribute to the societal good, that the focus must include both the moral and economic components. Abend (2013) argues that history must serve as a guide if capitalism is to continue developing as a means to achieve overall societal good. He notes the striking parallels between the discussions of the past and present day, and proposes that the economic system of capitalism can be used to achieve higher levels of social good; but that it will only happen if today’s business leaders learn from the successes and mistakes of those who came before them.
Although it can be said that each historical period has its own unique set of problems, the idea of capitalism as a vehicle for social good rests on principles that remain consistent. Successful implementation requires business leaders to be attuned to the broader economic and ethical implications of their business decisions. It also requires that business leaders begin to understand the interconnected nature of their organization’s prosperity within a network of other legitimate relationships and groups of stakeholders. When the single example of the 2008 global financial crisis is examined, it must be noted that the crisis was worsened by the fear-driven reactions of anti-conscious and unconscious business leaders. These unethical actions were primarily driven by self-interested motives, and further offset Smith’s intended equilibrium. While the historical literature might be calling for the use of capitalism for social good, that is not always reflected in the activity of all business leaders. Like was previously argued, there is no cure for anti-conscious leadership; but if more business leaders become consciously aware of how their conduct may affect others in the global network of relationships, then it may produce the forward motion necessary to elevate capitalism to a preferred means to achieve social good. To better understand these concepts, business leaders need to fully grasp how the VUCA environment may elicit self-interested reactions, and that they have a conscious choice as to how they will proceed in the face of this environment. They must also understand that as business leaders, they hold highly influential positions, and that they can use those positions to have a positive effect on the overall societal good. This may require increased internal development on the part the business leader. If business leaders succeed in making this internal change, then this mindset shift from unconscious to conscious thinking may contribute to capitalism’s next stage of development that will ensure it continues to meet the ever-changing needs of people and society. The next section will address the VUCA business environment and how leaders may use
the ethics-based business philosophy of CC to decrease the self-interested reactions that can be induced by this complex landscape.

**VUCA Business Environment**

History may serve as a guide, but the current business environment presents business leaders with some unique challenges. Even though past decades have always included levels of uncertainty and turmoil, the pace and magnitude of change that business leaders and organizations must respond to in today’s business environment remains a serious challenge. The proliferation of connection technology and the interconnectivity of the global market have contributed to a business environment that is nothing short of constant turbulence. The acronym VUCA (volatility, uncertainty, complexity, and ambiguity) can be used to describe the state that many believe we are in now (Bennett & Lemoine, 2014).

The application of the military-derived acronym VUCA began in the late 1990’s, and it is used by some strategic business leaders to describe the chaotic, turbulent, and rapidly changing business landscape that has arguably become the new normal (Lawrence, 2014). Volatility is described as the magnitude, volume, nature, and speed of change that occurs in an unpredictable pattern; uncertainty is described as a lack of predictability; complexity refers to the intricate, multifaceted approach that is needed to strategically plan and make decisions; and ambiguity refers to the lack of clarity in meaning as applied to a particular event—meaning that leaders might not be able to accurately define threats or opportunities until it is too late (Lawrence, 2014). This unstable business environment presents unique challenges for leaders who must think nimbly and adapt quickly since the situation is constantly changing. Lawrence (2014) notes that volatility can be countered with visioning, uncertainty can be countered with greater understanding, complexity can be countered with clarity, and ambiguity can be countered with
agility, but if it was that simple, more organizations would be seeing greater success in this environment. These broad techniques may be available to all leaders, but their ability to use them appropriately and at the right time, varies from leader to leader. Achieving success in the VUCA environment may require the leader to shift their focus from surface-level leadership behaviors, to a much deeper level of consciousness and identity development (Ryder, 2010).

When situations are uncertain and unstable, leaders and followers may have emotional and visceral responses to the situation. VUCA business environments can make people fearful; fear can decrease creativity and innovation since natural reactions to fear are hypervigilance, defensiveness, and pure self-interest (Mackey & Sisodia, 2014). Gitlow (1992) notes that a climate of fear can have a profoundly negative impact on the people (physical and psychological), and on the overall functioning of the organization. This can create an immeasurable economic loss for the company (Gitlow, 1992). Many times, it is an unconscious reaction to fear of the unknown that may cause some business leaders in this environment to focus solely on their own short-term gains; this may be done to the detriment of themselves, their organizations, other stakeholders in the internal and external organizational environment, and the global community. In this sense, an unconscious reaction to fear is usually accompanied by a lack of awareness of the consequences of the leader’s or firm’s actions (Thiessen, 2015). An expansion in leader consciousness may provide one way for leaders to decrease fearful, unconscious reactions by improving their awareness of consequences, which may ultimately increase the type of leadership ability needed to counteract the fear brought on by the VUCA business environment.

The implementation of an ethics-based business philosophy may work to shift these unconscious and reactionary mindsets, while also leading to greater success in this challenging
environment. Many of these philosophies ask the leader to strategize and make decisions from a center of core purpose, ethics, and principles. One of these philosophies is Conscious Capitalism (CC), which assumes that psychologically mature, or conscious, leaders hold the key leadership positions in the organization. As defined in Chapter One, conscious leaders are those leaders who bring a more fully developed conscious awareness to the role; they then use this awareness to take intentional action (Renesch, 2010). Leaders who have fully-developed cognitive thought and greater levels of conscious awareness, may be more adept at leading from a center of core purpose, ethics, and principles. CC, and thus, conscious leadership, explicitly imply that the leader and organization operate with core principles and ethics in mind that will help them to achieve the best the capitalist economic model has to offer (Bernal, 2011).

Although there is no one set of universal core principles and ethics that every organization can agree on, the ethics-based philosophy of CC and the theoretical construct of conscious leadership assume that the organization’s leadership cares as much about the economic well-being of the organization, as it cares about environmental impact of its policies and practices, and the internal and external social implications of the firm’s actions (Bernal, 2011). If organizations and leaders are to be successful in the VUCA business environment, Bernal argues that they must embrace a definition of success that goes beyond the bottom line, while also holding themselves and their teams accountable to foundation of core purpose, ethics, and principles.

Einstein (1946) once said that “a new type of thinking is essential if mankind is to survive and move toward higher levels.” Although this quote has been reinterpreted in several ways, one of the more prominent variations is, ‘no problem can be solved from the same level of consciousness that created it.’ If we assume this variation is accurate, then it can be presumed
that future leaders must develop their levels of consciousness in order to solve the present challenges in the VUCA business environment. Reams (2005) suggests that many leaders operate from levels of consciousness inadequate for the situation in front of them. If our current business leaders want to prepare their organizations to succeed and flourish in the VUCA environment, then they may need to embark on the personal journey of consciousness development to conscious leadership. The CC philosophy that is implemented by a conscious leader may offer a workable business strategy that rests on an altruistic moral framework, lending to the organization’s ability to increase the use of capitalism as one way to serve the common good and to reduce the fear-based reactions that can occur in the VUCA business environment.

**Conscious Capitalism**

CC is one ethics-based business philosophy that has recently emerged from the capitalist economic system. The CC philosophy assumes that the leader’s thoughts and actions are based on an altruistic moral framework, and this has reinvigorated the discussion on character and ethics in business leadership (Bennis, 1989; Chakraborty, 1995; Kaplan, 1990). Over the last decade, CC has been gaining attention in the press because it is promoted and practiced by many business leaders who are more altruistic and who run well-recognized and high-performing brands (e.g. W. Craig Jelinek- Costco, and Kip Tindell- The Container Store; Indra Nooyi- PepsiCo; Howard Schultz- Starbucks). These business leaders practice and believe in the two basic premises behind CC: unapologetic free market advocacy and that business within the free market can be conducted more consciously by adhering to CC’s four philosophical tenets. The four tenets—having a higher purpose, seeking inclusive stakeholder integration, developing a conscious culture, and applying conscious leadership in and on all levels of the organization—
serve as a way for leaders to think and act from an altruistic moral framework, and can provide a way to consider the overall effects of their actions on the entire network of relationships that comprise the organization’s environment.

The CC philosophy was developed by John Mackey, the founder of Whole Foods, and Raj Sisodia, a Franklin Olin Distinguished Professor of Global Business at Babson College. Both of CC’s founders believe in and are reverent supporters of a more thoughtful, or ethically-based version of capitalism to increase its usefulness as an economic system. During an interview with Forbes.com, Mackey remarked that “free enterprise capitalism has been the most powerful creative system of social cooperation and human progress ever conceived” (Schawbel, 2013, para. 6). Mackey bases his argument on the essential qualities of capitalism that have helped to make it successful. In a separate interview with Harvard Business Review, Mackey notes three of these qualities—the concept of individual property rights, the ability to freely trade property, and an equally applied ‘rule of law’ as the key components for successful capitalistic enterprise (Fox, 2011). Based primarily on the foundational pillars of capitalism, Sisodia (2011) believes that CC “seeks to synthesize the broad ideological roots of capitalism with the personal depth of the world’s great wisdom traditions” (p. 106). In this sense, the conscious in CC is about recognizing the difference between legality and ethicality; organizations practicing CC understand this key difference and act accordingly (Thigpen, 2011). This is in stark contrast to ‘Cowboy Capitalism’ or ‘Crony Capitalism,’ which can both be defined as shareholder-first versions of capitalism (Collins & Porras, 1994; George, 2014). These versions may have contributed to a number of large-scale scandals and the global economic meltdown of 2008 (George, 2014). By leading consciously and injecting ethics and principles back into the capitalist system, CC offers a
workable alternative to these other legal, but sometimes unethical, shareholder versions of capitalism.

Organizations and leaders practicing CC seek to maximize free market principles, but try to do so in a legal and ethical manner. The pursuit for profits is not done at all costs; strategies undertaken by CC organizations must serve the organization’s higher purpose, while simultaneously considering the overall short and long-term effects on the internal and external people involved, and the impact on the global community’s finite resources. As a guide to achieving these overall goals, the CC philosophy asks the organization to strategize and act from the perspective that considers the four, mutually reinforcing tenets; the impact to each of these tenets must be considered when setting the business strategy. Using the tenets as a foundation, the practice of this philosophy holds that capitalism is not a zero-sum game; that it is not about ‘I win, you lose;’ rather, Mackey argues that it is about consciously working to expand the overall economic pie so that there is the potential that everyone can get a larger piece (Fox, 2011). Using Elkington’s (1997) triple-bottom-line model as a starting point, CC proponents set their strategies, which include all decisions and actions of the organization, against the four tenets with the goal being to find some type of win-win for all of those involved; this includes the overall organization, internal and external stakeholders, and the global community. Although some note that this win-win may be hard to achieve because varying stakeholder needs and interests might not always be in alignment (O’Toole & Vogel, 2011), proponents of the CC philosophy believe that a mutually beneficial option should be explored before resorting to trade-offs or less acceptable courses of action (Strong, 2011). The next section provides a basic review of the foundational tenets of CC.
Tenet One: Higher Purpose

A higher purpose is the reason that the company exists beyond generating profits and shareholder value. Gonzalez (2012) believes that this sensitivity to something beyond the profit margin is one of the biggest trends in the American workforce today. Kempster, Jackson, and Conroy (2011) define higher purpose as an overall objective that guides organizational and individual actions. Having a higher purpose then creates the opportunity for the organization to have a much broader, positive impact on the world. A higher purpose is based on core principles that can unite all the organization’s stakeholders (Mackey & Sisodia, 2014). Fry and Slocum (2008) contend that companies with a higher purpose, emphasized through people-centered core principles and a high-commitment model of attachment, perform better financially. They go on to say that when the employees feel that they are working towards a higher purpose, it creates a more committed, productive, and motivated workforce, which can give the organization a sustainable, competitive advantage (Fry & Slocum, 2008).

Promoting a higher purpose in an organization can drive individuals’ deep desires to make life better for other people, ultimately unifying all stakeholders toward one larger goal (Karns, 2011; Mackey & Sisodia, 2014). Organizations practicing CC succinctly identify their reason for existing beyond profit generation, and this higher purpose is used to drive conscious decision making in the organization. This purpose-driven decision making exists in and on all levels of the organization. From the strategic decision making of top management, to the daily decision making of the individual employee, a higher purpose can encourage self-management and drive the accountability needed to reach these purposeful objectives (Karns, 2011). When each employee is aligned with the purpose and understands that there is an organizational objective that goes beyond the traditional bottom line, they may be less likely to care only about
their immediate needs or narrowly defined self-interests (Mackey & Sisodia, 2014). The tenet of higher purpose reflects to Johnson’s (1971) Iron Law- that the social power of business should be balanced with a similar level of social responsibility. A higher purpose can be used to unify the organization and to drive thoughts and actions in the organization towards these higher levels of social responsibility.

**Tenet Two: Stakeholder Integration**

The second tenet of the CC philosophy is stakeholder integration. Originating from Johnson’s (1971) multiplicity of interests, R. Edward Freeman (1984) was the first management writer to define the broad stakeholder approach, which includes “Any group or individual who can affect or is affected by the achievement of the firm’s objectives” (p. 25). The CC philosophy requires leaders to understand that there are varying stakeholders in the internal and external organizational environments and that regardless of the role, that they are all vital to value creation and to the long-term success of the company (Mackey & Sisodia, 2014). The tenet of stakeholder integration is a stark contrast to the shareholder perspective, where leaders set their strategy and make decisions based primarily on what is most advantageous to the investor stakeholders than to other internal and external stakeholders of the organization. The shareholder perspective may be a chief cause for concern, ultimately driving the negative reputation of business and capitalism in general, which was noted previously by the trust gap in the Gallup poll results (Jones, 2010). Stakeholder integration requires the leaders to look for synergies across all stakeholders, rather than using “trade-off” or zero-sum thinking (Freeman, Harrison, & Wicks, 2007). Freeman et al., (2007) note that rather than trade-off thinking, the goal should be to use innovation and entrepreneurship to elevate the interests of all stakeholders, by simultaneously moving everyone’s interests forward in the same direction. One way to drive this
movement is through the first tenet of higher purpose, which can serve to align the interests of all major stakeholders with the purpose of the organization, and with each other (Mackey & Sisodia, 2014).

As represented by the acronym SPICE, Society, Partners, Investors, Customers, and Employees, the CC tenet of stakeholder integration proposes that the organization is explicitly managed for the simultaneous value-creation and benefit of each of these groups (Sisodia, 2011). Parmar et al. (2010) argue that the stakeholder perspective is essential to understanding why ethics must be at the core of firm operations, which echoes back to the espoused principle of “doing well by doing good.” Leading and managing then become ethically driven activities rather than ones purely for economic gains. Sison (2011) reinforced the interconnected nature of today’s business world, stating that corporations are a collection of individual citizens, or interlocking groups, which serve to achieve ends that they would not be able to reach alone. To that effect, Bonnafous-Boucher and Porcher (2010) remind us that each stakeholder’s interest must be considered, and those collective interests can culminate together to reach one higher purpose goal. Parmar et al. (2010) go on to explain that integration through the stakeholder perspective aims to connect the process of an organization’s value creation with a concern for ethical business conduct, and how that conduct can have a positive net impact on society (Sisodia, 2011).

The above researchers highlight many reasons why an organization can benefit from the CC tenet of stakeholder integration. Each stakeholder has a valuable place in the organization’s environment, and these stakeholders serve varying key roles in the organization’s value creation, not shareholders alone. Post, Preston, and Sachs (2002) further define this value by noting that the creation that can stem from mutually beneficial stakeholder relationships can potentially
increase the wealth-creating capability of the organization. This underscores the fact that
business can be conducted in an ethical manner, and that it is not necessary to elevate one group
above another to achieve organizational goals. Padmar et al. (2010) argue that there is empirical
research to highlight the concept that it is financially beneficial to serve the interests of many
stakeholders. Padmar, et al. go on to say that it can also have positive effects on an
organization’s reputation, and its overall performance in the marketplace.

Tenet Three: Conscious Culture and Management

Culture is a direct reflection of the organization’s personality, which is many times
heavily influenced by top management; it is a learned way of coping with survival and growth in
the organization. Organizational culture can work to make daily operations predictable and may
provide meaning to the work. Learned through mutual collaboration and group experience
(Schein, 2012), culture is what goes on behaviorally inside the company; this can include rules,
 norms, and basic behavioral assumptions about how individuals act and react in the organization.
The culture of an organization serves as a guideline that can influence and drive the activities
within the firm; this includes individual actions, group actions, and the overall strategic direction
and decisions of top management and the organization. Authors note that the ethics of leadership
can work to develop an overall moral culture, shaping people’s behavior and ethical choices in
the workplace (Gini, 1998; Pollard, 2005). As a management process, leader behavior is
powerful, as followers tend to emulate the actions and attitudes of the organizational role models
(Fyke & Buzzanell, 2013); this may be true regardless of whether the leader decisions and
actions are conscious or fear-based. This notion is confirmed in a few studies that examine the
trickle-down effect of leader ethics on culture (Mayer et al., 2009), leader ethics and employee
commitment (Hansen, Alge, Brown, Jackson, & Dunford, 2013), and trait homogeneity in organizations and how it can be driven by leader decisions and actions (Giberson et al., 2005).

In the CC philosophy, a conscious culture is defined by the ethos – or “the embodied values, principles, and practices underlying the social fabric of a business, which permeates its actions and connects the stakeholders to each other and to the company’s purpose, people and processes” (Conscious Capitalism.org, 2015, para. 2). Oftentimes described in the CC philosophy with the acronym TACTILE (Trust, Accountability, Caring, Transparency, Integrity, Loyalty, and Egalitarianism), a conscious and open culture may also work to bind organizational members to the first tenet of higher purpose, and increase the ability to maintain harmony across stakeholder groups (Mackey & Sisodia, 2014). TACTILE, meaning tangible or perceptible by touch, suggests that stakeholders and outside observers can “feel” the conscious nature of the organizational culture when they encounter it through business or community relations (Sisodia, 2011).

Mackey and Sisodia (2014) suggest that a conscious culture can work to simultaneously facilitate growth in the individuals and for the organization. A conscious culture, in combination with a purpose driven strategy, can be a source of strength and a sustainable competitive advantage for an organization. On the converse, the best-designed, purpose-driven strategy may not be as successful if it is incompatible with the culture, or if the organization is infused with hostility, fear, and distrust (Mackey & Sisodia, 2014). In a phrase often credited to Peter Drucker, “culture eats strategy for breakfast,” and this phrase reflects how important it is for an organization’s culture to be in line with a purposeful strategy. In the CC philosophy, a trust-infused, conscious culture goes beyond what can be described as a “great place to work.” While great places to work may reward their employees with extrinsic perks like gyms or free dry
cleaning, conscious cultures are built on unifying sense of purpose and a caring orientation towards all stakeholders; these intrinsic motivators are more likely to encourage an employee’s best effort than the more traditional extrinsic motivators. Conscious cultures are complements to purpose-driven strategies, and may serve to motivate the individual to achieve more than what is outlined in the specific job description.

**Tenet Four: Conscious Leadership**

Within the CC literature, a conscious leader is defined as a transformational leader who inspires, fosters, and brings out the best in the people around them; their role is to serve the organization’s higher purpose, while supporting those within the organization, with the goal of creating value for all stakeholders; they recognize the importance of culture, and they purposefully cultivate a conscious culture of trust and care (Mackey & Sisodia, 2014). Unlike reactionary or unconscious leaders that may lead from a place of fear, conscious leaders use their psychologically mature, cognitive thought to practice conscious awareness followed by intentional action, which can inspire and engender greater levels of trust that can motivate their followers to co-design the best possible strategy for achieving the desired goals. It is the assumption of CC proponents that the presence of actively conscious leadership will allow an organization to harness the best parts of capitalism to gain economic value through purpose-based, ethical market conduct.

Although the literature on CC argues that each tenet is of equal importance, this study assumes that no philosophy of this kind can be fully implemented unless there is a psychologically mature, conscious leader as the driving force behind the initiative. Without a conscious leader, philosophies like CC may only be a ‘soft’ aspiration, and are many times abandoned during times of economic downturns or major crises (Tench, 2010). Conscious
organizational leadership may be so important, that the best, most conscious organization can be led down a devastating path if it promotes or hires the wrong leader (Mackey & Sisodia, 2014). When CC and conscious leadership are truly part of the organizational fabric, the leader ensures that each of the four tenets are deeply embedded into their strategies, priorities, supply chain commitments, cultures, and operational realities (Cooperrider & Fry, 2012). By design, this deep commitment to the four tenets allows the leader and organization to retreat to a foundational core of purpose, ethics, and principles when an internal or external crisis occurs.

To more fully understand the fourth tenet of conscious leadership, more needs to be done to outline the theoretical foundations of consciousness development, leader consciousness, and the theory of conscious leadership. The remainder of this chapter will explore the literature and research on human development theories and the concept of psychological maturity, the literature on leadership as a relationship and how it can be affected by psychological development, the origins of conscious leadership as a stand-alone theory and an assessment of the current definition, the current research on conscious leadership, and finally an examination of its individual components. Chapter Two will conclude with a summary of the literature gaps and how this study attempts to address the missing components.

**Human Development Theories**

Drawing on developmental psychology, anthropology, and philosophy, Graves (1981) and other researchers argue that human development and mental complexity progressively develop in stages (Kohlberg, 1984; Loevinger, 1976; Maslow, 1968; Piaget, 1967). For this study, the focus of the research will be mostly in the realm of developmental psychology, which Baltes, Reese, and Lipsitt (1980) conclude to have three goals: to describe, explain, and optimize human development. Many of these theories study development in children, but recent research
shows that progressive development can continue into late-stage adulthood (McLeod, 2012).

Most of these theories have been validated and widely-accepted, but there are continuing
discussions on the permanence of developmental achievement and if people can return to
previous developmental levels in times of crisis or stress (Erikson, 1968).

Also included in the line of human development research, are maturity theories. In
psychology, maturity refers to the individual’s ability to respond in the appropriate manner to a
given environment (Wechsler, 1950). Generally, maturity is a learned response that can be grown
and developed, rather than one that is instinctive. Mature responses can encompass one’s ability
to discern the correct time and place to behave in certain ways, and knowing how and when to
act in accordance with the situation or culture of a society (Wechsler, 1950). Maturity theories
also include the purpose in life concept (Frankl, 1967). Here, maturity may assist in the clear
comprehension of an individual’s life purpose, which includes one’s life direction and intentions,
which may lend to the feeling that one’s life is meaningful.

Psychological maturity is defined by Hersey and Blanchard (1969) as the degree to which
a person acts independently, is willing and able to take responsibility for those actions, and has a
genuine desire to achieve more. It should be noted that Hersey and Blanchard’s contribution was
mostly in reference to followers, but this definition may also be applicable to leaders. Depending
on how fully developed one’s psychological maturity is, it can be used as an information
processing tool to assess a situation to understand the motivations and relational intricacies of the
people, organization, or communities that may be involved in the situation. As a tool for
processing information, psychological maturity may assist the person in taking the next
appropriate step or action based on a thorough understanding of the situation.
Most these human development and maturity theories track an individual through several ages or stages where development is achieved by mastering one level and moving on to the next, where it is then suggested that the individual retains the learning of the previous level while continually developing into the new stage. In most of these theories, “the process of development is one of fusion or identification with one level, a differentiation from or transcendence of that level, and an integration and inclusion of the new level” (Reams, 2005, p. 121). Although this is a fluid process, the stages are usually marked by a period of stabilization and are clearly recognizable. While there may be differences in the number of stages in each model, or differences in what is being developed (cognitive, ego, moral, etc.), there are many similarities in the overall patterns discerned by the researchers, showing that the individual progresses from more concrete or simple stages, to ones that are more abstract and complex. The following literature outlines how increasing and expanding mental complexity is a fundamental necessity for gaining personal insight, making and sustaining personal change, and it is a starting point for developing higher levels of maturity and consciousness, and thus, a necessary component of the theory of conscious leadership.

**Early Theorists**

There are a few early theorists whose work on formal cognitive thinking and the process of mature ego development must be included as precursors to the concept of psychological maturity. The theorists Piaget (1967), Erikson (1968), and Loevinger (1976) each made important contributions to the literature on how humans develop increasing mental complexity as it relates to maturity theories and conscious, intentional thoughts and actions (for a full review of this literature, see Lee & Snarey, 1988). This may be important to the theory of conscious leadership since it is assumed that these leaders practice conscious awareness with fully
developed cognitive thought, and that they use fully developed ego maturity when deciding on their intentional course(s) of action.

It is generally agreed upon that Piaget’s (1967) work on formal logical thinking is a prerequisite for meaningful growth in other lines of human development. As one’s thinking and processing abilities increase, these greater cognitive capacities may contribute to increased social ability, ego development, moral development, and emotional intelligence as that person moves from egocentric thinking towards greater socio-centric thinking. Erikson’s (1968) work shows that the shift from ego-centric thinking towards full ego maturation can continue into adulthood. Erikson argues that an individual can experience tension between the desires of the ego and various socio-cultural forces; Erikson argues that each time a tension occurs it contributes to the development of core-ego strength. Loevinger (1976) continued Erikson’s work, which includes her self-awareness stage (also known as Conscientious-Conformist), and theorizes that this stage allows the individual the ability to imagine multiple possibilities or outcomes to situations. She also notes that this stage may bring an increased interest in interpersonal relationships; this can translate into increased emotional intelligence. Although she finds that many adults become static and may not mature beyond this stage, it may be in this stage that the conscious leader experiences her or his first major turning point; this self-awareness may occur as she or he experiences discrepancies between societal conventions and her or his own behavior.

The works of these early theorists serve as a foundation for the human development constructs required for increasing mental complexity as it relates to conscious awareness and intentional action. The processes of cognitive thought development and ego maturation may also contribute to the development of personal identity, emotional intelligence, moral development, and consciousness expansion. Understanding these early contributions to the literature will be
important if we are to further understand the concept of psychological maturity and how it may contribute to the effective practice of conscious leadership and thus, CC. The following subsections will address the theorists whose works are thought to be most influential to the theory of conscious leadership, when it is defined as the process of using full conscious awareness to take mature intentional action (Renesch, 2002).

**Kegan’s Levels of Subject/Object Development**

Robert Kegan (1982) developed a widely accepted, hierarchical, developmental model that provides a good description of how one’s sense of self develops. Kegan theorizes that we each possess two basic personality structures that relate to each other as development occurs. One structure is our sense of self as an object, meaning that it is something we can consciously observe and study, suspend, or relate to. The second structure is our sense of self as a subject, or the structure which we use to construct order and meaning from our everyday experiences. It is Kegan’s belief that the examination of the self through the two personality structures may help individuals make sense of their experiences. Although this subject/object relationship is dynamic and ever-evolving, there are periods of relative stability where the self can identify with each level, or order of consciousness (Reams, 2005). Kegan notes that there are qualitative differentiations between the self from the world, and that these distinct qualities allow for and can be recognized as gains in each level. The more objective one’s sense of self can become from the world, the better that individual becomes in her or his relational capacity, and in her or his capacity for acting in the world. When one’s believed capacity for acting in the world is increased, then he or she may be driven by greater objectives than winning in the business setting. A fully developed sense of self may contribute to one’s psychological maturity and the clear comprehension of one’s direction and life purpose.
Kegan (1994) furthers his theory by proposing a second model that outlines the marked stages of human consciousness development. In this model, he argues that developing self-awareness is the first step in consciousness development. Being aware of the self, situation, and surroundings allows the leader to transition to the expanded levels of “transpersonal” consciousness, noting that until the person is consciously aware of an aspect of being, she or he remains consciously or unconsciously subject to it (driven by it). When individuals are unaware that they are being driven by the object, it can lead to feelings of fate, or that they are subject to forces beyond their control. This relates to personal identity development as the individual moves from an external to internal locus of control (Rotter, 1966). An internal locus of control may contribute to more autonomy and self-regulation, ultimately broadening the perspective on one’s thoughts and actions (Kegan, 1994). This model begins to explain the key component of self-awareness in consciousness development, and how it may serve to assist the leader in building conscious awareness.

**Maslow’s Hierarchy of Needs**

In his well-known hierarchy of needs model, developmental theorist Maslow (1968) argues that people possess a strong desire to realize and reach their full potential, which he describes as self-actualization. In defining the term self-actualization, Maslow explains that those who reach this peak level experience “increased acceptance of self, of others and of nature; increased spontaneity; superior perception of reality; greatly increased creativeness” (Maslow, 1968, p. 26)." Described as moments of clarity, self-actualized individuals might experience a deep inspiration that transcends their ordinary thoughts and feelings. The lasting effects of these experiences can restructure the leader’s perception and knowledge of her or himself, effectively changing her or his relation to the self, others, and the world (Harung et al., 1995). Maslow notes
that this restructuring may also drive a shift in thinking from deficiency motives (lacking as an individual), towards “being” motives (higher values such as truth, beauty, and justice) (Harung et al., 1995).

Rather than taking the traditional deficit perspective, Maslow’s (1968) theory is based on the idea that healthy individuals are usually moving in a positive direction by trying to accomplish something greater through their own self-awareness and development. Maslow’s findings show that people who are self-actualized share many similar traits, including but not limited to: a clear picture of reality, greater insight, and a deep acceptance of themselves. However, Maslow also acknowledges that this transformation can be difficult because self-knowledge and self-improvement can be a long process that requires great courage and personal struggle (Ryder, 2010). People who are willing to undertake this journey of discovery through the expansion of conscious awareness find that exploring and questioning certain beliefs and mindsets and their associated formation and triggers, may expand the possibilities available to them that were at one time limited (Ryder, 2010). Maslow’s findings demonstrate the link between thoughts, beliefs, and feelings, suggesting that individuals who are interested in becoming more consciously aware must be willing to tolerate possible short term discomfort on their journey of self-discovery (Ryder, 2010). Individuals, who are more self-aware and are driven by these higher order motivations, may be more likely to see the potential in philosophies like CC, since they have developed past some of the individualist motivations that may be a factor in unconscious business decisions.

Kohlberg and Gilligan’s Moral and Ethical Development

Kohlberg’s (1984) staged model of moral development outlines the qualitative moral reasoning that individuals may apply when making decisions and choosing courses of action.
Like other stage theorists, he defines three stages that people move through on the path to being fully, morally developed. Kohlberg’s model argues that humans are capable of reason, and possess a strong desire to understand others’ actions and the world around them. As the individual develops from morality as external rules to morality as internalized principles, the individual becomes more aware that thoughts and actions are driven by an internal moral framework that outlines how to behave as a fair and just member of society. To progress through the stages, Kohlberg cites Piaget’s (1967) work on formal logical thinking. If one cannot think logically by examining a system and all the relationships in the system, then form hypotheses, and finally deduce outcomes from those hypotheses that can be tested against one’s internal level of morality, then full moral development is not possible.

Justice is of utmost importance to Kohlberg (1984), arguing that it is the essential characteristic necessary for moral reasoning. Individuals who develop to the post-conventional level may live by their own ethical principles, such as life, liberty, and justice. However, as with many stage theorists, Kohlberg’s findings show that it is difficult to identify individuals who consistently operate at his highest levels. Individuals consistently operating from the post-conventional moral level see rules as a way to maintain social order, but since they consider themselves to be separate entities from society, they also know that rules are not absolute dictates and that their own moral perspective may take precedence over society’s view. As in the deontological ethical perspective of Immanuel Kant (1964), decisions are not made in a conditional way; they are made in an absolute way, and the action taken is an end unto itself—actions are taken because they are right—not because they avoid punishment or because it is a perceived or expected action. Kohlberg also cites the work of Mead (1934), arguing the importance of the person experiencing role-taking opportunities. A person who is developed into
the post-conventional moral level can imagine what they would do if they were to find themselves in another person’s position, and what that person may perceive as a just outcome to the situation. This echoes back to the argument that CC proponents act legally and ethically—they consider the effects of the organization’s actions from both perspectives and understand that other stakeholders may hold a differing perspective. When people seek to understand others’ viewpoints and perceptions, then a moral decision that brings about a just outcome may be made.

Building on Kohlberg’s work, was that of Gilligan’s (1987) and her addition of the ethic of care to Kohlberg’s ethic of justice. As a research assistant under Kohlberg, Gilligan noticed that the stages of moral development were male-oriented, with women as a category continually being assessed into a lower level. This gender bias limited the generalizability of the stages to assess women’s moral development. Gilligan’s research proposes two kinds of moral voices: the masculine, which is logical and individualistic, it ensures that justice is upheld and people’s rights are protected; and the feminine, which emphasizes the protection of interpersonal relationships and the care for other people in the individual’s network of relationships. Gilligan theorizes that the justice and care moral orientations are not opposites, but are simply cognitive differences in organizing the basic elements of a moral judgment, which are the self, others, and the relationship between them. While Kohlberg saw the self against a backdrop of relationships, Gilligan brought the relationships to the forefront, arguing that they are the central figure, not the self. Here, the basis of moral decision making is not what action is just, but it is how to respond based on needs of the individual and his or her relationship to the self. Gilligan’s work adds feminine values like caring, compassion, and cooperation to the concept of moral development, yet she still stresses that an androgynous balance that integrates both gender perspectives is the
best way to achieve our potential as humans. In the CC philosophy, feminine values play a large role, when the ideas of cooperation, win-wins, and relationships are considered.

As these theorists’ works outline, human developmental psychology is essential to understanding how humans learn, mature and adapt. As human beings grow and change in their mental capacities, they become more capable, diversified, and competent in their reactions to stimuli in an environment. Different lines of human development factor into whether one is inclined to live passively, or if she or he can undertake the internal development required to live a deliberate and conscious life. Lessons gleaned from the researchers above may provide the necessary insight for achieving the full human potential, and for achieving the potential inherent in the systems that humans design, like economic systems and business philosophies. Fully developed and mature human beings may be more autonomous and reflective, both necessary qualities for leading and for enacting philosophies like CC. When the leader processes of self-awareness, strategizing, relational ability, and communication ability are considered, it can be theorized that they are only as functional as the point to which that individual is developed in the theories summarized above. A better understanding of the leader’s internal development may provide one way to assist in the successful implementation of philosophies like CC in the VUCA business environment.

**Leadership**

In the 1990s, the initial technology boom was coupled with the emergence of the VUCA business environment. During that time, authors began to predict that leaders would need to be prepared for sophisticated knowledge work versus the manual labor required of them in the past (Harung et al., 1995). Carnevalle (1990) concludes that this emerging economy demands new leadership abilities, including viewing, planning, and taking responsibility for the organizational
whole, the ability to correctly set short and long-term goals, and the ability to influence and motivate diverse groups of people. If we take Carnevalle’s conclusion to be true, then it echoes the previous argument from prominent authors that effective leadership is more than a set of born traits (Bass, 1985; Drucker, 1967). Bass and Drucker both explain that effective leadership requires a set of behavioral skills, which can be learned and developed. Chakraborty (1995) predicts that a simple behavioral change may not be enough to fully meet the demands of the emerging economy. Kaplan (1990) also concludes that while behavioral skills are important, often some type of internal character or identity change will also be required of the leader. Warren Bennis identifies this gap in leadership training when he concludes that the current training only teaches behavioral skills. “They can’t teach character or vision and indeed don’t even try.” (Bennis, as quoted in Chakraborty, 1995, p. 155). It is important to understand that these authors were foreshadowing the internal changes that would be required of future leaders to counteract the effects of the VUCA business environment. To meet this need, they call for leadership training that focuses on the internal development of the person, effectively shifting leadership training from a sole-focus on surface-level behaviors, to a deeper focus on the person’s internal levels that are reflective of her or his leadership identity and character development (Ryder, 2010).

Although there have been numerous additions to the leadership literature in the last few decades, Bennis and Nanus’s (1985) argument that leadership remains the most studied, yet least understood social sciences topic still rings true. Harung et al. (1995) quote Bennis and Nanus (1985) by adding that there is no single, agreed upon, unequivocal understanding of how leaders might be distinguished from non-leaders, and potentially more important, what abilities or traits
distinguish ineffective leaders from effective ones. Thus, leadership remains a complex, 
dynamic, evolving field of research (Bass, 2008).

As Bass (1960) suggests, the appropriate definition for the study of leadership depends on 
the purpose of the study. Many authors still define leadership as the process of intentional 
influence of one person upon others to meet a common goal (Cowan, 2013; Kleon & Rinehart, 
1998; van Niekerk & van Niekerk, 2013). But, this leadership definition fails to consider the 
relationships as they exist between the leader and internal and external stakeholders. For this 
study, leadership will be examined from the perspective of relationships to understand the leader 
and organization enmeshed in a global network of stakeholder relationships, as per the CC 
philosophy. After examining 221 leadership definitions in 587 publications, Rost (1993) devised 
a definition that describes leadership as a relational process. “Leadership is an influence 
relationship among leaders and followers who intend real changes that reflect their mutual 
purposes” (Rost, 1993, p. 102). Rost’s work is influenced by Maslow (1968), and since Maslow 
argues that humans are continually striving towards self-actualization, he postulates that 
leadership is a process, not an end result. Rost’s view holds that the distinction between leader 
and follower is somewhat unnecessary, since he believes that whoever has the right expertise and 
motivation in a group, should temporarily be able to be the source of influence that encourages 
the group to meet a common objective (Bass, 2008). Rost’s view on the concept of leadership as 
a relationship is the applicable definition to use for the study of CC, since one of the main 
features of the philosophy is ethical conduct of the leader and organization in the relationships it 
holds with internal and external stakeholders.

If leadership is defined as a relationship between leaders and followers, then the 
development of psychological maturity of both parties will play a role in that relationship. As
was noted previously, much of this research focuses on the psychological maturity of followers and the implications of that maturity for those who are leading. However, Gitlow (1992) named psychological maturity as an important leadership characteristic that would be necessary for effective leadership in times with high rates of change. Gitlow describes this leader characteristic as emotionally secure and mature, and he notes that these individuals may be more likely to lead with a horizontal, diffused, or participative style (Kaminski, 2000).

Blank, Weitzel, Blau, & Green (1988) examine three areas of importance that may be affected by the level of follower psychological maturity, but these findings may also be applicable to the leader self, as psychological maturity is said to drive thoughts and actions. These areas are leader behavior based on follower development, socialization tactics used on followers, and whether individuals are capable of meeting individual performance outcomes. When these areas are also considered from the perspective of the leader, it becomes clear that Blank et al. assumes a certain level of psychological maturity on the part of the leader. Without a higher level of maturity development, the leader may be less effective at reading the follower’s developmental level, and then adjusting their leadership style based on the situational context. Leaders who model higher levels of psychological maturity, may inspire greater levels of self-discipline and self-motivation in followers, which may help followers perform at the peak of their ability (Gitlow, 1992). Much of the literature on the CC philosophy also assumes the leader has a certain level of psychological maturity, but little has been done to understand what that development looks like. Gaining a greater understanding of the leader’s development process may be integral to achieving the socially responsible outcomes promoted in the CC philosophy.

John Renesch (1994) begins to bridge the gap in the application of psychological maturity to leaders when he proposes that an essential quality of leadership is the willingness and
ability to see oneself as an element of the system that needs to change. Here, Renesch applies the lens of psychological maturity to describe the internal change the leader needs to undertake. He goes on to conclude that “Leaders of tomorrow must be willing to undergo deep personal, psychological, emotional, and even spiritual change if they expect their followers to be open to change. Leaders can no longer ask everyone to change except themselves” (Renesch, 1994, p. 3). This conclusion reinforces the idea that the theory of psychological maturity is applicable to the leader and followers, as it may play a key role in driving thoughts and actions.

**Transformational Leadership**

The concept of increased leader psychological maturity through the means of leader and follower consciousness development emerged from the leadership literature in the early 1980s; this was in conjunction with the theory of transformational leadership. During this period, business and researchers alike were looking for a means to transform organizations and leaders to meet the new demands of the changing business landscape. Downton (1973) first mentions transformational leadership when he suggests that it differs from the typical transactional leadership style. Bass (2008) notes that a leader is considered transactional when she or he works within the current framework and uses self-interest (the leader’s self-interest and/or the follower’s) to motivate and engage her or his followers to reach a stated goal. Building on Burns’ (1978) explanation that transactional leaders “approach followers with an eye to exchanging one thing for another” (p. 3), Bass argues that transactional leadership is the carrot/stick approach; rewards (carrots) are given when stated goals and targets are met, punishments (sticks) are used for failing in the set tasks. Although the transactional leadership style is appropriate in some situational contexts, as early as 1922, Freud recognized that the essence of leadership is more than a transactional exchange. Leading using only this type of extrinsic reward system fails to
address the follower’s self-worth, and her or his desire for intrinsic rewards (Bass, 2008). By transforming the followers’ level of consciousness about the value of outcomes and the many ways that goals can be reached, a transformational leadership style may motivate followers to achieve more than they originally intended or thought was possible (Bass, 2008; Burns, 1978). In fact, the addition of transformational leadership theory to the literature represents a seminal shift in the field of leadership study (Bass, 1993).

Burns (1978) defined a transforming leader as one who 1) raises the followers’ level of consciousness about the importance and value of designated outcomes and ways of reaching them; 2) gets the followers to transcend their own self-interests for the sake of the team, organization, or larger polity, and 3) raises the followers’ level of need on Maslow’s (1954) hierarchy from lower-level concerns for safety and security to higher-level needs for achievement and self-actualization. (Bass, 2008, p. 619)

Burns’ theory was followed by Bass’ (1985) empirical research on transformational leadership. Bass’ findings reveal a positive correlation between transformational and transactional leadership, showing that transformational leadership adds to the effects of transactional leadership. Further research on transformational leadership indicates that it may raise followers’ psychological maturity level and concern for the well-being of others in society (Bass, 2008), that transformational leadership is more optimistic (Berson, Shamir, Avolio, & Popper, 2001), and that it is less about leading with power and more about finding a mutual interest between the leader and followers who are engaged using moral leadership (Bass, 2008). Truly
transformational leadership represents a paradigm shift in the leadership literature and serves to transform individuals, organizations, and communities. This paradigm shift is also reflected in Rost’s (1993) definition that leadership is about influence toward real changes that reflect the group’s mutual purposes. The introduction of the theory and the discussions surrounding transformational leadership reflect a growing interest in leader psychological development and how it can contribute to effective leadership.

Meeting the challenges in the VUCA business environment will require nothing less than a transformational change in the way we lead and conduct business. Dunphy (2010) explains that the leader’s internal capacity to consciously manage this type of transformational change, and the resulting impact, rests on the leader’s ability to be more proactive, wiser, and more critically aware of what needs to occur when to drive and sustain the change. When leaders take responsibility, and use an internal locus of control, it may eliminate the concept of fate or forces beyond their control and that can create a more empowered response (Ryder, 2010). Leaders who are navigating this complexity more effectively are using higher levels of consciousness and awareness to more wisely manage their own development, their stakeholder relationships, and their organizations in more sustainable and ethical ways. This conscious approach to leadership allows the individual to develop personal abilities and attributes that were not previously associated with business leaders. Conscious leadership may make significant contributions toward tackling the challenges of the new era by creating more sustainable outcomes for the leaders and organizations internally, while also serving to highlight the importance of and connections to external stakeholders and the global community (Ryder, 2010).
Leadership and Psychological Development

As one line of inquiry in human development research, studies examining leaders’ psychological development have been present in the academic literature for many years (Bass, 1985; Kegan, 1994; Kuhnert & Russell, 1990). This important research emerged during the initial examinations of transformational leadership theory. Contributions from several different authors outline many of the individual skills and psychological traits that may be possessed by effective leaders (Boyatzis, 1982; Bray, Campbell, & Grant, 1974; Leavitt, 1986; McClelland, 1985; Stodgill, 1974). The results from these studies generally point to the following characteristics: “social power motivation, communication skills, critical and creative thinking, self-efficacy and inner locus of control, decisiveness, vision, and interpersonal competencies to resolve conflicts in a constructive manner, and to build team spirit and collaboration” (Harung et al., 1995, p. 46). A common element among these characteristics is that they may also be reflective of individuals who are more fully developed psychologically. Researchers observing these leaders conclude that higher levels of maturity are seen more often in leaders with higher stages of psychological development (Kegan, 1994; Loevinger, 1976; Maslow, 1968). As leaders progress and mature into these higher stages, their emotions and intellect are more integrated, they have greater autonomy and are better able to handle stressful situations, they adhere to strong personal principles, are purpose-driven, and they are less likely to be self-centered in their perceptions and interactions (Harung et al., 1995).

The core of this literature is modern developmental psychology that recognizes the human personality’s extensive potential for growth. As noted previously, most theorists agree that individual personality growth takes place in hierarchical stages. As one moves through each stage and into the next stage of development, how one sees and constructs her or his identity in
relation to the self, the world, and others, is done from a much broader vantage point. Referred to by Loevinger (1976) as stages of ego or self-development, these constructs include “character development, moral development, social development, impulse control, cognitive complexity, and self-concept” (cited in Harung et al., 1995, p. 46).

Building on Loevinger’s (1976) work, Kegan (1994) demonstrates that the progressive developmental stages of the individual self are fundamentally important to the experience and performance a leader brings to work roles and personal relationships. The stage of maturation, or the evolution from dependence on the expectation of others to a more internalized locus of control, is part of what allows the leader to be self-initiating, self-evaluating, and able to see the big picture or the “whole” of the organization. These researchers and others find that very few adults progress into the final stages of development in their models (Cook-Greuter, 1994; Kegan, 1994; Loevinger, 1976). Kegan points out that the current expectations of organizational leaders are in stark contrast with the levels of psychological development most commonly seen in adults. This noted lack of development in many leaders may begin to explain why they so often fail to meet the expectations of the organization, their followers, and possibly society at large. However, leaders who can use self-development techniques to increase their maturity level, may also see corresponding increases in their leadership effectiveness as they progress towards the final developmental stages. The journey to conscious leadership may provide one way for leaders to focus on their maturity development, and this may help leaders better meet the current organizational environment demands.

In organizations, researchers suggest that developmental stage assessment can be useful for assessing leadership potential (Drath, 1990; Kuhnert & Russell, 1990). Although these assessments may only offer a snapshot of the leader in a contextual moment, these tools may
provide insight to areas where the leader may need additional personal development. Kuhnert and Russell argue that a leader’s ability to quickly and correctly assess an organizational situation is then reflected through the leader’s behaviors and chosen outcomes. Stage assessment may also provide a more thorough understanding of how leaders perceive their own personal perspectives and characteristics, and how they may be applied in a situational context. Drath notes that when leaders lack stage development in Kegan’s (1982) subject/object typology, that it may explain the phenomena of leaders who sincerely commit to participative and empowering practices with their subordinates, but then do not follow through on their commitment. In Drath’s research, he argues that true leadership is about the leader realizing and achieving a higher, more interdependent stage of thinking. This type of thinking may be a competitive advantage for organizations operating in the VUCA business environment. However, stage assessment must be coupled with leader learning and development, or organizations may miss a key opportunity.

Many of the traits and descriptions authors use to describe effective leadership are reflective of psychological development terminology. Harung et al.’s (1995) study on “World Class Leadership,” attempts to show a relationship between how leaders are described and their psychological development levels. The findings of this study suggest that the descriptive characteristics of leaders are dependent on the leader’s stage of psychological development. Leaders classified as “World Class,” shared many characteristics, including but not limited to, moving from seeing the part to the whole, from resistance to innovation, from path-following to path-finding, reactive to proactive, and win-lose to win-win (Harung et al., 1995). Previous literature confirms these findings. Garfield’s (1986) results show that peak business performers use an internal source to find direction, apply principles, manage themselves, and to correct the course of action when it is not moving the group toward the common goal. Bray et al. (1974) and
Boyatzis (1982) also find this higher level of thinking in leaders, noting that effective leaders exhibit elevated cognitive and interpersonal competencies that are many times only available to mature individuals with higher stages of psychological development. The traits described by these authors are certainly laudable characteristics for any leader, but they may be particularly useful for the business leader who is operating in an unstable or unpredictable environment.

The implication of this research on leadership and developmental psychology is that effective leadership is also influenced by the individual’s stage of psychological development, and that it is not just the product of extensive leadership training. Thus, we can surmise that beyond the traditional leadership competency training, effective leaders will also need to attend to the abilities and skills required to drive the internal growth and development of self, ego, maturity, and critical thinking capabilities. Although this assessment of leadership and human developmental theories is far from all-inclusive, these authors show the benefits of increased psychological development in effective leaders. The next section will apply these human development concepts to the theory of conscious leadership to situate the theory within the body of literature, offer a working definition of the theory for this study, and to outline the current research on conscious leadership.

**Conscious Leadership**

As an evolving leadership construct, conscious leadership as a stand-alone theory has emerged from the academic literature on leadership and psychological development. As was noted in the previous sections, the internal development, or expansion, of consciousness is an important leadership ability and may contribute to overall effective leadership. Conscious leaders use a higher level of psychological maturity to practice conscious awareness, which is then followed by intentional action (Renesch, 2002). One reason this may be important is that
organizations are essentially webs of human social interactions (Klein, 2011). The leader of the organization is responsible for setting the tone, goals, direction, and the overall culture of these human social interactions (Klein, 2011). The development of leader psychological maturity, and thus, the practice of conscious awareness of the self and others, may be an important factor in fully understanding these interactions.

In the conscious leader, a heightened sense of self-awareness may allow for a sufficient examination of her or his strengths and weaknesses, personal tendencies, fears, and shadow sides. They are not only more consciously aware of themselves, but they are also more consciously aware of others and the complex social systems that are reflected in the behavior of people that they are leading. For conscious leaders, the expansion of conscious awareness may allow them to draw on an internal capability and processing tool that lends to handling more complex challenges in the VUCA business environments. This is different from many of the recently emerging leadership theories, which Yukl and Becker (2006) note to be narrowly limited to specific hierarchical levels of management, certain contexts, particular behavioral constellations, precise trait repertoires, or certain philosophies and styles. In contrast, the literature suggests that the journey to conscious leadership is progressive and developmental, allowing the leader to draw on this processing ability in several different leadership situations. Rather than developing specific leadership competencies that may quickly become obsolete, the practice of conscious leadership may help to transform leaders by building the cognitive ability required to expand their internal and external capacities for conscious awareness and intentional action.

Studying the development and practice of conscious leadership is important because the integration of economic success in the capitalistic marketplace, along with contributing to the
common societal good, necessitates a shared understanding of how these leaders begin and progress on their journeys to greater conscious awareness in the practice of conscious leadership. To achieve this understanding, more needs to be done to outline the varying definitions, the current research, and the individual components of the conscious leadership theory. The review of definitions contained herein attempts to draw from the meaningful contributions to the literature that come from the human development perspective; this review is not all-inclusive, but is purposefully selected from several readings to fit the purpose of this study, which is to explain the journey of the conscious leader who is practicing CC. This selection may assist in our understanding of how conscious leaders and ethics-based philosophies like CC can contribute to the common good of society.

**Conscious Leadership Defined**

Inspired by the concept of transformational leadership, John Renesch claims to be the first researcher among his peers to use the term “conscious leadership” (J. Renesch, personal communication, September, 17th, 2015). Renesch (1994) believes that business is like the locomotive on the train of society; since business can pull society worldwide, business must then be responsible for the impact it has on society. Other researchers since have also echoed this call, explaining that business leaders must take responsibility for the effects they create in the global system (Garten, 2001; Leeds, 2003; Legault, 2012; Simon, 2008). To accomplish this, Renesch suggests that a higher level of leader consciousness will be required to lead people, organizations, and society through the transformational change necessary to meet and solve the challenges in the economic and social landscapes.

Renesch (1994) argues that it is essential for the leader see her or himself as one element in the system that needs to change, and that they must have the courage to change in a
transformational way. He deliberately chose the word “conscious” because he felt that the economic and social challenges called for leaders with “higher state of consciousness [or] a state of mind that includes a heightened awareness of what is needed for the whole of humanity” (Renesch, 2010, para. 11). From the result of this higher conscious awareness, the leader must then take responsible, intentional action for the greater good of the whole (Farr, 1998; Pavlovich, 2010; Secretan, 2006). Since his first mention of conscious leadership in the early 1980’s, Renesch’s research has informed others’ research in the leadership field (cf. Chatterjee, 1998; Farr, 1998; Harung et al., 1995; McLerren, 2004; Ryder, 2010).

Renesch (2002) suggests that the conscious leader can be best defined as a person who brings a greater sense of self-awareness and a deeper sense of reality into a given leadership situation. He goes on to explain that this may result in a more transformational or transcendent perspective on the process of leading people. Consciousness levels can then be assumed to be an important component of leaders’ development and their ability to respond appropriately in a situational context. Thus, if consciousness is a mental acuity that allows a person to be aware of both internal and external sensory forms (Cowan, 2013), and “leadership is an influence relationship among leaders and followers who intend real changes that reflect their mutual purposes” (Rost, 1993, p. 102), then it can be surmised that the development and progression of conscious leadership is leadership based on being aware of the individual psyche or self in its relation to others and the achievement of said purpose(s) (Fry & Kriger, 2009).

Conscious leadership is defined as the third of five developmental stages in the spiritual leadership literature (Fry & Kriger, 2009); (for a comprehensive review of this literature, see Reave, 2005). It is important to mention that in many cases, spirituality in the leadership literature does not necessarily refer to a structured, religious practice; it is often referred to as any
sort of higher power, or a connectivity and relationship to a fate or plan that is bigger than the self (Burke, 2006). To explain their perception of conscious leadership, Fry and Kriger (2009) draw on Tolle’s (1999) definition of consciousness, which is defined as the capacity to be aware from moment to moment of the true experience, and how that experience is shaped by thoughts, feelings, body sensations, or the person’s mind. In this sense, the leader can use higher states of consciousness to assist in breaking through the lower or less developed levels of egocentric leadership.

Fry and Kriger (2009) describe the process of conscious leadership as leading by using the soul as an internal locus of control; when leaders do not draw from their internal locus of felt experience, their thinking can be trapped in the past or the future, which can create a hindrance to thinking in the present. When leaders are not thinking fully in the present moment they can become stuck in an ego-centered experience where they are thinking of themselves as the ‘experiencer’ separate from what is being ‘experienced’ (Osborne, 1970; Tolle, 2005). Fry and Krieger (2009) contend that conscious awareness is essential for leaders to perceive and understand the subtle feelings and intuitions that will help them grasp the context of a situation, especially the ever-present needs of their followers. Overall, the authors contend that conscious leadership involves the continual, developmental process of heightening one’s awareness, beyond the egocentric view of the leader’s own thoughts, emotions, and experiences (Fry and Kriger, 2009).

Renesch (2010) also refers to moving beyond the ego self when he explains that conscious leaders’ heightened sense of self-awareness can assist them in achieving a level of mastery over their egos so that they do not think of themselves as better, smarter, worse, or against anyone or anything. Conscious leaders operate on a parallel level to their followers and
are open to all the ideas and possibilities in the given leadership context. In this view, it can be presumed that conscious leaders consider continuous internal development to be one of the primary tasks that they are committed to in their lives (Bozesan, 2009). Chadalavada (2015) argues that this internal level of awareness, coupled with the practice that the leader puts toward raising it, directly affects how the leader views her or himself in the leadership role, and it affects the dynamics between the leader and any other being (follower, team, organization, etc.). Secretan (2006) notes that this internal development is not to be confused with narcissism, which is solely focused on the development of the ego self; in contrast, conscious leaders are fully committed to the internal development of their level of psychological maturity or consciousness, which encompasses many personality factors, including socio-emotional intelligence and moral maturity, among others.

A focus on the personal, internal development of leaders and their goal of moving beyond the ego self is called vertical learning (Kegan & Lahey, 2009; McGuire & Rhodes, 2009). In comparison to horizontal learning, or competency development, where leaders gain knowledge and skills to assist them in the leadership role (Brown, 2013), vertical learning is a transformational shift in mindset that changes how the leader thinks, feels, and makes sense of the world (Petrie, 2011). Cook-Greuter (2004) highlights the importance of vertical learning by suggesting that a change in one’s view of reality, or the transformation of human consciousness, may be more powerful than any type or amount of horizontal learning, or skill development. Increased vertical development in the leadership role, which includes a concerted effort to raise one’s conscious awareness and mental complexity (Brown, 2013), may help the leader transition from the individual, egocentric ‘me’ to focus more on the ‘we,’ or the perspective of the whole, with the goal of achieving the greatest, collective good in the overall system.
Although there is no one, wide-spread, agreed upon definition of conscious leadership, several authors have sought to define its meaning (e.g. Bozasan, 2009; Brown, 2013; Harung et al., 1995; Hayden, 2011; Hofman, 2007; Jones, 2012; Renesch, 2002; Secretan, 2006; and van Niekerk & van Niekerk, 2013); these researchers come from many different industries ranging from business and executive coaching to education. One of the most recent additions is van Niekerk and van Niekerk (2013), who propose that conscious leadership is “the deliberate process whereby a leader takes the essential elements of both the short-term and long-term dimensions of leadership into account in the exercise of leadership” (p. 283). Meaning that the leader must correctly assess the situation and followers so that she or he might be able to motivate others in the short-term to reach a long-term vision, or set of organizational goals. Their recent addition of a conscious leadership framework adds to the current body of literature by defining the theory as a combination of several validated leadership theories. Although the framework provided by van Niekerk and van Niekerk (2013) is a thorough examination of the characteristics of the leader, the followers, and the situation, and how each contributes to the practice of conscious leadership, they note that it may not be a complete theory and it is open to interpretation. After a thorough review of their theory constructs, it is my assessment that this definition does not include any reference to the psychological development or maturity theories that may explain how well the leader sees or understands the “essential elements,” or the intentionality that may factor into the “exercise of leadership.” For this study, Renesch’s (2002) definition of heightened states of conscious awareness that are used to drive intentional action will be used as a starting point. Achieving these higher levels of conscious awareness may take an internal change on the part of the leader.
Consciousness and Conscious Awareness

Researchers propose that a person’s consciousness is a state of mind (Hayden, 2011; Renesch, 2010), but what is meant by the term consciousness? Consciousness is described as a level of mental acuity that allows a person to be aware of both internal and external sensory forms (Cowan, 2013). From this perspective, personal levels of consciousness may allow individuals to better understand and respond to different cues that arise from the contextual internal and external environments. As a means of individual comprehension, Rossi (1993) proposes that personal “consciousness or awareness is a process of self-reflective information transduction” (p. 38-39). An individual’s consciousness may serve as an internal filter that can be used to gather, interpret, and respond to information that considers the view of self, the view of the situation, and the reactions or consequences that may occur based on the total systemic view. Simply put, an individual’s consciousness level is a personal lens that can be used to gain a greater awareness of the present situation and environment, one’s own existence, sensations, and thoughts (de Beer, 2013). Here, consciousness can become a framework that is used to deduce meaning from that information, allowing the individual to respond appropriately in context.

Jaworski (1996) suggests that “consciousness is a delicate mechanism…it is a flowing process which goes outward and inward and makes communication possible” (p. 14). Sandra and Nandram (2013) define the outward and inward layers of consciousness as actions (outward) and the underlying forces that drive each of our decisions (inward). The outer layers represent our ego-level ambition, intellectual, emotional, and physical needs; the inner consciousness layers represent a connection to our inner drive, personal values and ethics, and our pursuit of higher goals in life (Sandra & Nandram, 2013). The combination of these inner and outer layers of consciousness is what encompasses an individual’s integrated consciousness level. Whether the
perspective is individual, social, or collective, consciousness is "a pool of resources, concepts, symbols, codes, and frames" that are used to interpret situational context prior to acting (Sztompka, 1993, p. 222-223). How well it serves as an information filter for the individual is based on the current developmental level of the individual’s consciousness. For this study, it is assumed that consciousness is a personal lens that is based on the development of one’s psychological maturity level, which forms a frame of reference that is used by the individual to see, gather, interpret, and respond to varying stimuli in the environment.

It is assumed that the greater the level of one’s psychological maturity, the more likely that the person will more fully understand what is happening and will respond appropriately to the many socio-emotional and moral nuances of a given situation. Responding appropriately, or acting consciously, is described by Pavlovich (2010) as acting with more intention, behaving with more self-regulation, and exhibiting a deeper awareness of the causes and consequences of actions in the overall system. One way this deep awareness can be gained is through critical self-reflection. As a means of learning, critical self-reflection can be used to transcend current thinking capabilities, allowing one to act more consciously (Irby, 2001). This deep awareness may also assist in lessening fear-based reactions. Ultimately, one’s level of consciousness is a learned frame of reference that influences how one thinks, acts, interacts, and responds to a given situation.

As was noted previously, one of the earliest human development models referring to the expansion of human consciousness is Robert Kegan’s (1994) staged orders of consciousness model. Based on his earlier hierarchical, subject/object relationship theory, he extends the work to define orders of consciousness aligned with stages of cognitive development, interpersonal development, and intrapersonal development. In this work, he notes that self-awareness is the
first step in consciousness awareness. In this context, it can be assumed that as people develop higher levels of self-awareness, they then become more adept at recognizing when they are consciously responding or are having an unconscious reaction to others and the situation, thus, resulting in higher levels of consciousness. Irby (2001) describes these developmental levels of consciousness by stating that the current level either keeps you blind to the potential roadblocks and opportunities, or it allows a person to truly see all possibilities. “One's level of consciousness either supplies inadequate tools for grasping reality or allows one the possibility of debunking illusions by offering sharp, critical notions: either of these possibilities is a natural condition” (Irby, 2001, p. 25). Kegan’s findings note that being aware of the self, situation, and surroundings may allow the individual to expand her or his levels of consciousness by broadening one’s sense of self and worldview of systems to construct meaning out of everyday experiences. In this view, the meaning-making that takes place at higher levels of consciousness are “marked by the subordination of lower-order systems to progressively more subtle, higher-order systems, where a higher level of being becomes salient as an individual’s overall being evolves” (Fry & Kriger, 2009, p. 1670). Like other human development models, as people expand their consciousness, they become more adept at seeing the nuances of situations, and are then able to construct meaning out of those situations from a broader vantage point.

From the human development perspective, it can then be assumed that higher consciousness can be gained by increasing internal awareness; being consciously aware allows us to “change, modify, correct, improve, stop, etc., whatever we happen to catch ourselves thinking, feeling, imagining, saying, and doing” (Dawes, 2013, p. 25). Conscious awareness is defined as “a process of recognizing what is going on inside and out, the effects of decisions and actions, and the interaction between a complex array of factors and forces” (Klein, 2011, para.
2). Klein describes conscious awareness as a powerful tool that can help the leader transcend unconscious behavioral patterns by fostering greater perspective and an openness to new possibilities. An increase in conscious awareness may assist in the individual’s understanding that she or he is but a piece in a greater whole or larger system of interconnected pieces and relationships (Pavlovich, 2010; Secretan, 2006). Therefore, our levels of development (cognitive, ego, socio-emotional, and moral) make up our personality, and become the lens through which we see the world; these lenses form the foundation as to how one acts (de Beer, 2013). Partially shaped by life experiences and socialization, an individual’s foresight, discernment, and priorities are expressions of this personality, and Irby (2001) argues that they are synonymous with consciousness. These assumptions show how one’s level of developmental consciousness and the practice of conscious awareness may play key roles in how a leader operates and responds, and how they may understand others’ perceptions of those actions and responses.

**Consciousness in the workplace.** As the complexity of the VUCA business environment continues to increase, researchers have attempted to address this complexity while questioning the gaps between existing theories and real-world experience. This research comes from the need to respond to the changing environment while also exploring the advanced levels of human development required to think in ways that will meet these challenges. Two studies, Kellet, Humphrey, and Sleeth (2002) and Yukl (1999), examine leaders’ higher orders of consciousness in the workplace setting. Results from both studies show that higher orders of consciousness contribute to valuable capacities of successful leaders by informing their personal integrity and self-management, their relationships with followers and the overall organization, and their general internal and external relationships with the world.
In an examination on the expansion of leader consciousness in the workplace, Reave (2005) confirms Kellet et al. (2002) and Yukl’s (1999) findings by establishing a connection between spiritual consciousness and leadership practice. Reave’s findings show that higher levels of spiritual consciousness (not to be confused with religious beliefs) contributed to leadership through greater levels of integrity, respect for others, fair treatment, compassion, responsive listening, recognizing others’ contributions, and engaging in reflective practice— all significant contributors to effective leadership. Harung et al.’s (1995) earlier work also supports Reave’s findings as contributors to leadership development. Because Harung et al. notes that there are not enough capable leaders to go around, leadership should be a development of consciousness rather than a teachable set of behaviors or traits. Using heightened levels of awareness as a starting point in their study of “World Class” leaders, Harung et al.’s results show that these leaders more commonly have higher states of consciousness as compared to the general population, and thus, the unfolding of leadership potential is related to the “growth of consciousness.” Harung et al. and Reave both suggest that higher levels of consciousness can be developed and cultivated through practice and experience. If leader thoughts are driven by conscious awareness, then the development of this awareness also factors into the leader’s ability to take intentional action.

**Intentional Action**

Although increased consciousness may allow the leader to be aware of situational intricacies, acting based on the leader’s understanding is the second key step for conscious leaders (Simpson et al., 2013). Renesch (2010) paraphrases an old Japanese proverb by saying that awareness without action is a waste of time. In the business literature, Hayden (2011) describes conscious leadership as a way of living—“awake, aware of oneself in one’s
circumstances, and choiceful” (p. 5) when it comes to the leader acting. In this view of the leadership role, psychologically mature cognitive thought, is nothing if it is not followed by intentional action. Renesch (2010) is very specific about the fact that the conscious leadership approach involves more than psychologically mature cognitive thought, it also requires explicit intentionality. In his opinion, “The act of doing is the result of intention to do; this is what it means to be conscious” (Renesch, 2005, as quoted in Hofman, 2007, p. 12). Conscious leadership is not synonymous with awareness alone; it involves awareness followed by responsible action considering the new information (Renesch, 2010).

To use the developmental psychology language, conscious leaders seek continuous growth through vertical learning, which allows them to evolve past the ego-driven, ‘adolescent’ stages of thought and behavior. Conscious leaders make a concerted effort to think and act at the fully-developed ‘adult’ stages of psychological maturity, and they help others around them think and act at the same level (Renesch, 2010). After thinking about and deducing meaning from this information, conscious leaders also work to take intentional action to help themselves and others break through dysfunctional thinking and systems to co-create a more functional system, work environment, or thought process that will be beneficial to most, if not all of those involved.

Mele (2005) describes intentional action as action that is taken for a reason. Simply defined, intentional action is action that is taken by an individual who has the desire to achieve a specific goal. It is usually based on that individual’s belief that her or his course of action will satisfy the desire of achieving the intended goal. Arlington (1993) outlines the connection of thoughts, or a person’s mental states (desires, beliefs, and intentions), and the actions that are chosen by that individual to reach the stated goal. The connections between those thoughts and actions are referred to as the Intentional Chain. Arlington proposes that the connections in the
chain are that desire causes intention, intention causes action, and action causes outcome. Arlington’s work on the intentional chain links the desire to satisfy a goal, by the means of intention. Intentional action is important to the theory of conscious leadership and the philosophy of CC because the leader must be deliberate and purposeful in the actions they take, which are derived from their consciously aware assessment of the situation. Intentional actions may be gauged by the level of socio-emotional intelligence the leader applies when considering and implementing these actions. Intentional actions undertaken with high levels of socio-emotional intelligence may lead to less reactionary behavior and actions in the VUCA business environment. This may be attributed to heightened states of conscious awareness, which may give the leader more clarity into the intended and unintended outcomes of organizational actions. This is important if leaders are to gain a better understanding of the interconnectivity and relationships in the global market.

**Literature Gaps**

Based on the assessment contained in this chapter, it becomes clear that there is no widely-validated, specific theoretical definition of conscious leadership. Cowan (2013) concludes that the field of conscious leadership seems a bit confused at this point, with others noting that it may be impossible to pin conscious leadership down to a scientifically-examinable set of theoretical constructs, since the very nature of consciousness may be diluted if it becomes static and is no longer a matter of pure conviction. Adding to this, Legault (2012) notes that there are a limited number of validated leadership theories that feature an interior perspective on the leader’s development. Few theories make the link between inner and outer perspectives, and even fewer consider the impact of the leader’s environment on her or his development and behaviors (Legault, 2012). Pushing for an integration of all elements that may constitute
leadership when examining theories, Avolio (2007) articulates that it is necessary to include “the relevant actors, context (immediate, direct, indirect, etc.), time, history, and how all these interact with each other to create what is eventually labeled leadership” (p. 25). This study attempted to address this gap by examining the narrative journey of the conscious leader who is practicing CC, and how turning points in that journey may lead to the internal development of conscious awareness, and how that awareness can be used to take socio-emotionally intelligent, intentional action in the external environment.

Although there are limited empirical research studies available on the emerging theory of conscious leadership, the need, benefit, logic, and reasoning for this approach show that it may positively serve to meet the leadership challenges in the VUCA business environment. The research examined herein shows that higher levels of consciousness and conscious awareness can play integral roles in the development of and progression to conscious leadership. While it is difficult to argue against the need for developing these leadership capacities, very little research or literature provides acceptable, recognized, professional methods or frameworks to assist leaders in their development. To this date, no existing research draws upon the narratives of conscious business leaders to understand how life experiences influenced their development to conscious leadership, or what developmental aspects are practiced by these leaders to continue their internal development; both may be potential contributors to the effective practice of CC. The extant literature suggests that the path to consciousness expansion and conscious leadership is developmental and progressive, and internally driven. Therefore, more must be done to examine the narrative journey of the conscious leader so that we may begin to understand how to replicate and scale these leadership practices.
Chapter II Summary

This chapter began with an outline of capitalism’s philosophical underpinnings and a brief review of the literature on the use of capitalism for social good. As one ethics-based philosophy that promotes capitalism for social good, the literature on conscious capitalism and the three tenets of higher purpose, stakeholder integration, and conscious culture was concisely defined and outlined. The chapter then examined the tenet of conscious leadership in-depth, with a review of human development and maturity theories, leadership and psychological development, the varying definitions of conscious leadership and the current research, and finally, it examined conscious leadership’s individual components. This chapter concluded with a summary of the current literature gaps and how this study aimed to address the missing theoretical components. Chapter Three will outline the methodology and study processes used to answer the research questions. Chapter Four will present the results and findings of the study. Chapter Five will provide a discussion of these results, which includes implications for practice, suggestions for future research, and conclusions.
CHAPTER III. METHODOLOGY

The purpose of this study was to empirically investigate the developmental journeys of conscious leaders who were practicing the ethics-based business philosophy of conscious capitalism (CC). As defined in Chapter Two, the conscious leader is thought to use their higher levels of psychological maturity to practice conscious awareness, which is then followed by intentional action in the leadership role (Renesch, 2002). Emphasis was placed on 1) investigating the turning points that occurred throughout the leaders’ lives that contributed to their developmental journeys; and emphasis was also placed on 2) the development aspects used by the leaders to promote their continuous internal development for the practice of conscious leadership. The investigative emphases were chosen based on the literature, and on the assumption that certain life events created the opportunity for increased maturation in the leaders, and that this increased maturation was fostered by the continual practice of focusing on their internal development. The intended outcome of this study was to better understand the journey to conscious leadership, so that it could serve as a guide for future leaders practicing conscious leadership and the ethics-based philosophy of CC. This chapter describes the methodology of the study, including the detailed research design, sample population, data collection process, and the method of data analysis.

Research Questions

Two open-ended research questions were developed to aid the inquiry process. The research questions were derived from the literature gaps outlined in Chapter Two. The research questions are as follows:

1. How is the developmental journey to conscious leadership influenced by turning point(s) in the leader’s life?
2. What development aspects of conscious leadership are practiced by those who consider themselves to be conscious leaders?

The qualitative study design that follows attempted to answer these research questions by collecting and analyzing the following data sources: 1) a narrative-based, semi-structured interview containing 16 questions; 2) the administration of the Career in Life Story Survey (O’Neil, 2003); 3) the administration of the Bar-On EQ-360 (2014) assessment; and finally, 4) a second narrative-based, semi-structured interview containing 13 questions. A full version of the interview questions can be found in Appendix D, and a sample copy of the Career in Life Story Survey can be found in Appendix E. The intention of this in-depth study protocol was to better understand the developmental life journey and developmental practices of conscious leaders practicing CC in the workplace setting.

**Research Design**

Previous research on the definition of and the journey to conscious leadership within the CC philosophy has yet to be firmly established. Limited empirical information is available on how life events influence the journey to conscious leadership, and how that developmental journey continues in the leadership role. Although there are a few empirical investigations on conscious leadership, the authors examine the concept in areas outside of business (post-secondary education- Jones, 2012), under a slightly different name (conscious-authentic leadership- Hofman, 2007; consciousness leader- Bozesan, 2009), or for a purpose other than in the practice of the CC philosophy (conscious leadership for executive coaching- Moreton, 2006). To this date, no existing research draws upon the narratives of conscious business leaders to understand how life experiences influenced their development to conscious leadership, or what developmental aspects are practiced by these leaders to continue their internal development; both
may be potential contributors to the effective practice of CC. Given that the practices of CC and conscious leadership are emerging and exploratory fields, the traditional route of using quantitative research to study the practices of business leaders would not necessarily yield the in-depth perspective required to assist in building meaning, and in gaining a better understanding of conscious leadership development. Based on the availability of relevant literature, taking a quantitative approach was premature.

To gain insight on the developmental journey of conscious leaders, a qualitative research method was more appropriate because it provided a better opportunity to understand the subtleties and nuances that were involved in this emerging leadership paradigm. To further understand the lives of these unique business leaders (Connelly & Clandinin, 1990), this study used a qualitative approach. It was assumed that the life of a conscious leader practicing CC is a storied one, and that the meaning of those stories could be uncovered through personal narratives (Kramp, 2004). This made narrative inquiry the fitting method to capture the meanings that conscious leaders gained from their experiences, and how those meanings informed the developmental process of becoming a conscious leader as it contributed to the effective practice of CC. Therefore, due to its exploratory nature, the qualitative method of narrative inquiry was the most appropriate for this investigative study (Creswell, 2013).

**General Perspective on Qualitative Research**

Qualitative research methods were used to guide and design the execution of this study (Creswell, 2009; Daiute & Lightfoot, 2004; Lieblich, Tuval-Machliach, & Zilber, 1998; Merriam, 1998, Yin, 2011). As one way to explore the process of human development, qualitative research may provide the information necessary to gain insight on the experiences of individuals, and how those experiences translate into meaning (Creswell, 2009). Qualitative research methods allow
the researcher to capture the unanticipated or unexpected contributions that can arise from semi-structured questioning, which results in rich and descriptive data that comes directly from the participant’s perspective on personal development. One feature of qualitative research is that it does not seek to describe the norm, but rather it seeks to gain insight and knowledge on an issue, while also potentially gaining understanding and meaning for those who may vary from the norm. As was established in previous chapters, it is assumed that the conscious leader who is practicing CC leads from a stakeholder perspective, which is outside the perceived business norm of leading from a shareholder perspective. An attempt to answer the research questions contained herein through this study design meet Yin’s (2011) prescribed features of qualitative research. As Yin notes, if the study seeks to gain insight and meaning from people’s lives, is conducted in real-world conditions and represents the perspectives of the study participants, is considerate of the participant’s contextual lived experience, works to contribute to existing or emerging knowledge concerning human social behavior, and uses multiple evidential sources to gather information, then the study would be better executed as a qualitative process.

This study design attempted to capture the emerging paradigm of conscious leadership in its natural context. Using the in-depth study protocol, this research study sought to increase the theoretical understanding of conscious leaders’ developmental journeys and how those leaders continue to develop in the leadership role. Data gathered in this study are representative of the participants’ perspectives, and it contributes to the further understanding and meaning behind the development of conscious leadership within the business setting. For this qualitative study, I intentionally inserted myself into the study. Purposeful study insertion assisted in building trusting relationships with the participants, and it helped to collect valuable and authentic study data. Because life stories can be very personal in nature, importance was placed on building
research relationships where the participants felt comfortable enough to share their stories and experiences in an authentic way.

**Narrative Research**

Originating in the humanities as a distinct form of qualitative research, narrative research is a mode of inquiry designed to study the lives of individuals by providing stories about their lives and how they have made meaning out of those experiences (Creswell, 2007; Kramp, 2004; Riessman, 2008). Narrative is understood as a spoken or written account of one or more individual’s life experiences in which she or he recounts actions or events (Czarniawska, 2004). Narrative research is defined as any study that uses or analyzes narrative materials, either as the object of the research or to explore a certain social phenomenon (Lieblich, Tuval-Machiach, & Zilber, 1998). Gathering the participant’s personal experiences, and the perceived connections drawn from the causes and effects of those experiences, becomes a way to organize a life journey (Plummer, 1983). Significantly different from its positivistic counterparts, narrative research is based on the underlying assumptions that there is no single, absolute truth in human reality, nor is there one correct reading or interpretation of text (Lieblich, Tuval-Machiach, & Zilber, 1998).

Narrative research attempts to construct meaning through interviews, observations, and various other accompanying sources. Levinson (1986) explains that as a process, narrative research is a broad approach that can include many variations in research design, techniques, and outcome goals. The research designs can range from a deep dive into the history and artifacts of one individual, to a broad gathering of stories from similar individuals to make an interpretive analysis. As a validated method of research, narratives can be particularly useful for holistically examining a participant’s life (Daiute & Lightfoot, 2004; Lieblich, Tuval-Machiach, & Zilber, 1998). This holistic perspective examines the combination of culture, the individual, and the
change that occurs to them and around them in a way that few other methods can produce (Daiute & Lightfoot, 2004). The telling of narrative stories takes place in specific situations and places (Creswell, 2013). This puts the participants’ thoughts on the causes and effects of actions into context, which may also contribute to the holistic nature of narrative research.

For data analysis on narrative materials from multiple individuals, Riessman (2008) notes that the researcher can analyze the data by examining the performance of the stories, how the stories are structured, or the themes and perspectives that emerge from participants’ statements. The narrative dimensions of place, sociality, and temporality can assist in the analysis of the participant’s stories. Analyzing the data from the lens of all three dimensions is part of what distinguishes narrative inquiry from other methodologies (Clandinin & Huber, 2010). The dimensions can be used to highlight ethical matters and may also help to shape new theoretical understandings of people’s experiences (Clandinin & Huber, 2010).

Using the dimensions as lenses while the participants are recounting their stories, Sarbin (2004) suggests that the researcher look for an essential element: “the presence of a moral issue” (p. 6). The presence of a moral issue and how the conscious leader decides to proceed, may act as triggers or “turning points” in the stories (Denzin, 1989). Turning points may serve as learning opportunities that can increase the leaders’ levels of internal development, and may contribute to their practice of conscious leadership, and thus, the practice of CC. To better understand these turning points, Connelly and Clandinin (2006) note that the researcher must examine the place, meaning the “specific, concrete, physical, and topological boundaries,” the sociality, meaning the surrounding factors that “form the individual’s context,” and the temporality, meaning the past, present and future, not just things as they are now (p. 380). Using all three dimensions as a guide
allowed me to gain additional context surrounding the events in the participants’ stories, and was important for the holistic analysis (Creswell, 2013).

The main limitation of narrative research is its reliance on memory and reconstruction, so it may not be ideal for all purposes (Levinson, 1986). However, for the study of life structure and development, there is no other comparable method (Levinson, 1986). By gaining a more concrete sense of the individual’s life course, narrative research may prove to be a key method for generating new concepts, variables, or hypotheses that are based in theory and are relevant to life as it develops and unfolds (Levinson, 1986). This was the intention of this study: to gain a better understanding of the developmental journeys of the conscious leaders who are practicing CC. By gaining a better understanding of the conscious leader’s journey, I found new concepts and hypotheses that may contribute to the validation of the conscious leadership theory, and may also provide additional areas for investigation.

Narrative Research: Developmental

As outlined in Chapter Two, the literature supports the view that conscious leadership is a human development construct that is focused on the leader using psychologically mature cognitive thought to expand her or his conscious awareness, which is then used to take intentional action (Renesch, 2002). Irby (2001) explains that consciousness may be synonymous with personality; one’s personality is partially shaped by life experiences and socialization. Daiute and Lightfoot (2004) argue that development is a narrative process that charts the journey through life, and that narrative discourse and metaphor are excellent contexts for examining the individual’s social history that influences progressive development and identity formation. The co-creation of the narrative between the researcher and participant is a social process that
embodies the places, events, people, motivations, and moralities of life, making the various forms of narrative ideal for developmental inquiry (Daiute & Lightfoot, 2004).

Sarbin (2004) explains that, “Human beings are active, exploring, manipulating, inventing, doing creatures” (p. 11). The telling of a narrative can begin to show the construction of that individual’s reality, and their ability to operate and function at various levels of hypotheticalness (Sarbin, 2004). Sarbin goes on to explain that the individual’s level of hypothesis-making ability may be what liberates the individual from the constraints of the immediate situation, thus, making him or her more capable of seeing new paths and options. As the individual reconstructs the narrative, it becomes about interpretation and self-interpretation (Freeman, 2004). Freeman notes that there is a link between self-interpretation or self-construction, and human development. Development may occur as the individual interprets the past in a way that reconfigures who they were at that time, or how they may have previously existed, and how they situate themselves in and interact with the outside world (Freeman, 2004). Sarbin notes that the reconstruction of the narrative can influence beliefs and action, and that additional identity change may occur through the recounting of the stories. Essentially, Freeman and Sarbin both posit that the recreation of one’s development journey through narrative discourse may also serve to further develop the individual and the researcher, since both may be changed after the interaction (Pinnegar & Daynes, 2007).

**Narrative Research: Purposeful**

Creswell (2013) argues that there must be a reason behind the researcher’s need to study these individuals. For this study, it was assumed that conscious leaders practicing CC were unique since they do not lead from the typical short-term profit, unconscious, shareholders-first vantage point. The premise of this empirical investigation was that by delving into the life
journey of the conscious leader, that we could learn more about the internal development of the leader self, how this development could be encouraged or replicated as a contributor to the effective use of conscious leadership in the ethics-based philosophy of CC. Daiute and Lightfoot (2004) argue that a narrative discourse can organize a life; this may include the participants’ interpretations of the past, and how they apply the lessons learned from those interpretations in future planning. “The way people tell stories influences how they perceive, remember, and prepare for future events” (Daiute & Lightfoot, 2004, p. xi). This may be one way for business leaders to better prepare for future events in the VUCA environment. By gaining a better understanding of how the development of conscious leadership contributed to the leader’s ability to correctly scan the situation, see all the potential possibilities, and then take the appropriate action, conscious leadership development can serve as an additional tool to counteract the fear-based reactions that can occur in the VUCA business environment.

**Narrative Research: Analysis Process**

Daiute and Lightfoot (2004) suggest that narrative analysis provides a way to conceptualize and analyze the themes that emerge from stories of personal development. This contrasts with quantitative methods that ask participants for short or predetermined answers; narrative analysis seeks to reveal complex patterns of themes through the participants’ descriptions of knowledge, identity development, and social relationships from a certain cultural perspective (Daiute & Lightfoot, 2004). The inherent reflective nature of narrative analysis may reveal an ethical dimension to the stories, and this dimension is typically absent or unexamined in standard social science research (Daiute & Lightfoot, 2004). This reflective component may assist in the holistic examination of the storied lives of participants. Freeman (2004) suggests that this work that takes place in the very fabric of human existence, may allow the researcher to
effectively bridge the gap between the academic realm and lived nature of the narrative. Freeman goes on to argue that this process supports the customary scientific aim of increasing knowledge and understanding of human behavioral actions, while also supporting a sense of connection to others through the telling of their stories.

**Sample Population**

**Sampling Strategy**

A purposeful and non-random sampling strategy was used to identify candidates for this study, which Miles and Huberman (1994) note to be typical in qualitative research. The process of purposeful sampling assumes that the researcher is trying to discover, understand, and gain insight on an issue, and thus, the goal is to select a sample of participants from whom the most can be learned (Merriam, 1998). The study purpose, which was to empirically investigate the developmental journeys of conscious leaders who are practicing the ethics-based business philosophy of CC, was used to carefully define the participant type (Miles & Huberman, 1994). Although Creswell (2013) notes that narrative research is typically in-depth with one or two individuals, for this study, I sought out four accessible and willing, self-identified conscious leaders, who were also currently practicing some form of the CC philosophy. As some authors note (Merriam, 1998; Patton, 1990), qualitative sample sizes are flexible and may increase or decrease based on the diversity of the sample population or if the data reaches the point of saturation.

The process of finding study volunteers was based on a pragmatic approach (Plummer, 1983). In the spring of 2015, I registered for a conscious leadership conference that was hosted by the Conscious Capitalism of North East Ohio (CCNEO) group. The choice to register for and attend this conference created chance encounters (Plummer, 1983) with people who self-
identified as conscious leaders, and who were also involved with the CCNEO group. From this conference, I elicited two personal connections, Andrew Powell and Jon Berghoff, and they were my first points of contact to solicit study volunteers. This type of specific, purposeful sampling is referred to as networking and snowballing. Merriam (1998) describes this strategy as one where the researcher asks each participant to refer her to another potential participant.

**Participant Description**

For this study, I secured five study volunteers who were business executives in the Midwest region of the United States. The final sample size in this study was increased from four to five participants to account for additional diversity in the demographic categories of age, gender, and time commitment to the philosophy. The initial selection criteria that was used to solicit potential participants was:

1. The participants self-identified as conscious leaders
2. The participants were actively practicing some form of the ethics-based business philosophy of conscious capitalism
3. The participants practiced leadership in a for-profit organization
4. The participants were in their leadership role for 12-18 months
5. The participants were over 18 years of age

Participants were contacted by email and phone to arrange study participation. All documents, including consent forms, were delivered electronically prior to the first interview to allow the participant time to read them thoroughly and to decide if they were interested in participating.

**Consent Procedures**

Institutional research approval was obtained through the Bowling Green State University Human Subjects Review Board (HSRB) prior to starting any recruitment activities. I completed
the web-based HSRB training and submitted the necessary paperwork required to conduct research with human subjects. A HSRB approved consent letter on university letterhead was given to each participant when they agreed to be interviewed for the project; a copy of this approved consent letter can be found in Appendix F. The consent form outlined my background, the study purpose, interviewing and recording procedures, information on both the Career in Life Story Survey and the Bar-On EQ-360, potential participant discomfort, how their confidentiality would be protected, and that they could withdraw consent at any time with no penalty. Each participant physically signed a hard copy of the consent form, and was given a copy to keep for their records. This took place in-person, prior to beginning the initial interview; for the entirely virtual participant, this document was signed, scanned, and returned by email prior to the initial interview. These forms were filed and stored in the appropriate manner as outlined by the university, and will continue to be appropriately stored up until as many as three years post-project completion.

**Data Collection**

The data collection protocol for this study consisted of 1) a narrative-based, semi-structured interview containing 16 questions; 2) the administration of the Career in Life Story Survey (O’Neil, 2003); 3) the administration of the Bar-On EQ-360 (2014) assessment; and finally, 4) a second narrative-based, semi-structured interview containing 13 questions. The intention of this in-depth protocol was to better understand the developmental life journey and leadership practices of conscious leaders practicing CC in the workplace setting. For the first interview, questions were shaped and formulated by the primary development dimensions of conscious leadership as outlined in Chapter Two; for the second interview, the questions were shaped by the Career in Life Story Survey (O’Neil, 2003) as it pertained to the primary
development dimensions. Following the first interview, study participants were asked to complete the Career in Life Story Survey, and they were also asked to self-assess their emotional intelligence using the Bar-On EQ-360. The Bar-On EQ-360 concludes with the participants selecting three workplace peers, superiors, or subordinates to also assess their emotional intelligence in the workplace setting. The administration of the Career in Life Story Survey was meant to complement the narrative journeys as told in the interviews, and the Bar-On EQ-360 was used to measure emotional intelligence, which represented one facet of the external expression of psychological maturity. The purpose of gathering this extensive data was to answer the research questions in a convincing manner (Creswell, 2009; Merriam, 1998).

**Interview Process**

Information was gathered for this study by conducting two, in-depth interviews ranging from 60-90 minutes in duration. Czaniawska (2004) notes that stories elicited through interviews are an effective way to collect narrative research. The intention of conducting two interviews with the leaders was to increase the depth of information I collected, and to gain descriptive and detailed information about their journey to and the practice of conscious leadership development in the CC business philosophy. The interview process, as Creswell (2013) suggests, consisted of semi-structured, open-ended questions that were designed to elicit views and opinions from the study participants. As the participants moved through the interview questions, the process of telling stories about their developmental journeys allowed us to co-construct a personal narrative of events, and revealed the meaning that the individual participant attributed to those events (Kramp, 2004). Every effort was made to collect extensive information about the participants that allowed me to fully understand the context of the participants’ personal experiences (job/home), culture (racial/ethnic), and the historical context (place/time) (Creswell, 2013).
additional goal of the interviews was to establish a collaborative relationship between myself and study participants so that both parties learned and were changed from the encounter (Pinnegar & Daynes, 2007).

Career in Life Story Survey and The Bar-On EQ-360 Descriptions

Clandinin and Connelly (2000) suggest that narrative researchers collect field texts through a wide-array of sources. In the week following the first interview, participants were asked to take two assessments: The Career in Life Story Survey (O’Neil, 2003), and the Bar-On EQ-360 (2014). The Career in Life Story Survey is a paper survey where participants are asked to creatively represent their life events over a historical timeline. Participants are instructed to include personal and professional roles and the ages/years associated with them; then they are asked to highlight the transitions and choice points that they experienced during those roles. Essentially, this survey allowed the participants to outline their life events and decide which events held the most meaning for them when they reflected. The purpose of the survey was twofold: 1) it prepared the participant for the second interview where questions were formulated around the survey, and 2) it provided a written account from the participants’ perspectives to assist me in building meaning from the narrative materials.

The Bar-On EQ-360 is a 360 degree, multi-rater assessment that examines the leader on various components of socio-emotionally intelligent constructs, such as emotional self-awareness, empathy, problem-solving, and self-actualization, among others. The assessment is comprised of 133 items in the form of short sentences and employs a 5-point response format ranging from “very seldom or not true of him/her (1)” to “very often true or true of him/her (5)”. The Bar-On EQ-360 possesses a factor structure identical to the Bar-On EQ-i, which is based on the Bar-On model of emotional-social intelligence. The assessment starts with the leader self-
assessing, and then ends with them inviting others from the workplace to rate their behaviors. The Bar-On EQ-360 took approximately 30 minutes to complete and it was completed entirely online. The raters’ responses were averaged to create a total EQ score. The test is designed to deal with possible inaccuracy of self-reporting by having four validity indicators: “omission rate, inconsistency index, positive impression, and negative impression” (Bar-On, 2014). These indicators can uncover biases in the participants’ responses. These assessments were included in the study protocol to increase the accuracy and depth of data collected on each participant.

Data Analysis

Merriam (1998) notes that when a researcher chooses a qualitative research design, that it assumes a certain worldview, and that worldview influences how the researcher selects the study sample, analyzes the data, and approaches the issues of ethics and validity in the research study. Data analysis is how the researcher interprets the collected information, and that interpretation begins during the first interview. Merriam explains that ongoing analysis is essential, or the researcher may be overwhelmed and unfocused based on the sheer volume of materials that need to be processed. It is important that the researcher objectively analyzes data and information with the expectation that any findings or recommendations made will come directly from the data or information as presented (Creswell, 2009).

Riessman (2008) suggests that narrative stories can be analyzed in various ways. As described in Creswell (2013), this study used Nvivo qualitative analysis software to conduct Tesch’s (1990) eight-step data coding process, in conjunction with Lieblich, Tuval-Machliach, & Zilber’s (1998) holistic-content perspective as the main methods of analysis. What follows is a brief description of each analysis technique. Tesch’s process begins with the researcher reading all the transcripts carefully to get a sense of the whole, jotting down ideas. The next step is to
look at each participant’s interview and take notes, while considering the underlying meaning of
the stories. Topics found during these readings will then serve as the initial codes. The researcher
will then find the most descriptive words relating to the topics, and these will then be turned into
categories. The data will then be assembled per these categories and codes and will be used to
perform a preliminary analysis.

Lieblich, Tuval-Machlach, & Zilber’s process is similar, but is designed to examine the
data holistically rather than in statements separated from context. The first step is to read the
content many times until a pattern emerges; this must be done with an empathetic and open
mind. Second, the initial impression of the case is put into writing. Third, decide on the special
foci of the content of themes to be followed from beginning to end; this can be decided by the
amount of references in the text, or by omission or a brief mention in the text based on
interpretation. Next, mark the themes as they occur throughout the case, and finally, keep track
of your results in several ways. This includes noting transitions, contradictions, and changes in
the mood of the participant. The final step in the data analysis for this study was the researcher’s
interpretation of the study results and findings, essentially asking, what lessons were learned by
conducting this research (Lincoln & Guba, 1985)? This interpretation may result in conformation
or divergence from the findings of previous literature, or it may result in additional questions for
study inquiry. Passages from the narrative interviews and results from the assessments were used
to convey the findings of the analysis.

**Trustworthiness**

In a qualitative study, validity is the process undertaken by the researcher to check for the
accuracy of the study’s findings and is accomplished by employing certain procedures (Creswell,
2013). Also known as trustworthiness, authenticity, and credibility, validity means that the
study’s findings are accurate from three standpoints: the researcher, the participant, and/or the
readers of the account (Creswell & Miller, 2000). The credibility of the study will be verified in
a several ways; see Table 1 for the strategies to ensure trustworthiness.

Table 1. Strategies used to ensure trustworthiness.

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Criterion</th>
<th>Application</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credibility</td>
<td>Member checking</td>
<td>• Accurate description of business leaders' experiences</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Data verification with participants to ensure the data was collected properly</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Use of digital recordings and field notes</td>
</tr>
<tr>
<td>Prolonged</td>
<td>engagement</td>
<td>• In-depth interviews with follow up questions and probing to ensure longer contact</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Rapport established with participants and the use of participants' language to ensure an extended period of engagement</td>
</tr>
<tr>
<td>Reflexivity</td>
<td></td>
<td>• Field journal kept throughout, reflecting on daily schedule, frustrations, and researcher's thoughts</td>
</tr>
<tr>
<td>Data triangulation</td>
<td></td>
<td>• Researcher used different data collection methods and compared them for consistency (Interviews, Career in Life Story Survey, and Bar-On EQ-360)</td>
</tr>
<tr>
<td>Peer Review</td>
<td></td>
<td>• Research process discussed with supervisor and colleagues</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Researcher trained in qualitative data collection methods</td>
</tr>
<tr>
<td>Transferability</td>
<td>Thick description of participants and content</td>
<td>• Dense description of background information on participants, research context, and technique used to select participants</td>
</tr>
<tr>
<td>Dependability</td>
<td>Thick description of methodology</td>
<td>• Research methods accurately described</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Code and recoding done</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Methodology assessed by supervisor</td>
</tr>
<tr>
<td>Neutrality</td>
<td>Prolonged engagement</td>
<td>• Use of in-depth interviews and two assessments</td>
</tr>
</tbody>
</table>
Table 3.1 outlines the ways that I assured the validity of the study findings. Each of these steps ensured that the study findings were replicable and reliable. Since the study findings of this qualitative project are specific to a small number of individuals in a particular environment, it will be impossible to demonstrate that the findings and conclusions are applicable to other populations or other environments (Shenton, 2004). However, Yin (2011) suggests that the results may be generalized to some broader theories, such as similar cases or environments, when qualitative procedures and protocols are thoroughly documented in a way that allows for study replication.

**Chapter III Summary**

This chapter provided a summary of the qualitative research design and methods used to answer the research questions regarding the developmental journeys of conscious leaders practicing the ethics-based business philosophy of conscious capitalism. This chapter described the methodology of the study, including the detailed research design, sample population, data collection methods, and the methods of data analysis. As Silverman (2000) suggests, the results will be related and compared to the existing body of literature that was presented in Chapter Two that outlined the definition of conscious leadership. The procedures, analysis, and results from the interviews and assessments will be reported in Chapter Four, and Chapter Five will provide a discussion of these results, which includes implications for practice, suggestions for future research, and conclusions.
CHAPTER IV. RESULTS

The purpose of this study was to investigate the developmental journeys of conscious leaders who were practicing the ethics-based business philosophy of conscious capitalism. Emphasis was placed on 1) investigating the turning points that occurred throughout leaders’ lives that contributed to their developmental journeys; and emphasis was also placed on 2) outlining the development aspects used by conscious leaders to promote their continuous internal development for the practice of conscious leadership. This chapter describes the data collection process, the participant characteristics, procedures for the assessments, the process of data analysis, and the results based on the interviews and assessments. Results from the narrative interviews and assessments are presented in a holistic-content form, with evidence of the participants’ responses documented throughout. The data gathered from this investigation were used to answer the following research questions:

1. How is the developmental journey to conscious leadership influenced by turning point(s) in the leader’s life?
2. What development aspects of conscious leadership are practiced by those who consider themselves to be conscious leaders?

Data Collection Process

The process began by contacting the two people who had previously agreed to help me recruit study volunteers, Andrew Powell, who is involved with the CCNEO group, and Jon Berghoff, who is the Co-Founder and Managing Partner at the Flourishing Business Leadership Institute in Cleveland, Ohio. Both contacts agreed to help after hearing about the study at a CC conference. These contacts began compiling a list of potential participants who they felt they
were conscious leaders, and met the additional recruitment criteria. They provided me with a
short list of leader names who they would be willing to contact directly by email or phone.

Networking and snowballing began with one of my initial contacts making the first
connection through email to ask the leader if she or he would like to hear more about
participating. Upon receiving the affirmative from the leader, we were connected by email. The
email served as a personal introduction and to inform the potential participants of the study
purpose and protocol. After discussing the protocol and time commitments, they received and
email confirmation of intent to participate. This confirmation contained detailed information
about the study purpose, consent and confidentiality procedures, and a list of potential dates for
interviews. All attempts were made to conduct the interviews in person, but as was necessary, a
face-to-face digital format (Skype) was used as a second choice. Additional participant diversity
was attained by conducting one participant protocol in an entirely virtual format.

From this first list of names, I gained two study participants. From these first two names,
I also gained access to other conscious leaders through their network of connections. This added
an additional peer recommendation process into the second round of recruitment. Combining the
names from my initial contacts and the recommendations from my first two participants, I
compiled a list of 19 business leaders from diverse backgrounds and industries who fit the study
criteria. From this list, I connected directly with eight leaders who were interested in learning
more about the study. Leaders declined to participate for various reasons including not self-
identifying as conscious leaders, the study protocol being too in-depth, and not having enough
time based on the state of their organization. To achieve diversity in such a small sample size, I
also asked some willing leaders to serve as alternates in the study since I already had
representation from leaders with similar demographics. From these networked connections, I
gained three additional volunteers, resulting in a total of five study participants. The process of finding, communicating with, and gaining commitment from these five volunteers took approximately 5 months (February-July 2016).

Data collection took place over an approximate period of 6 months (April-September 2016). Once consent was obtained, participants were systematically moved through the in-depth study protocol. The leaders were inspired by the opportunity to contribute to this emerging leadership construct, but moving them through the in-depth protocol was a time-consuming and difficult task due to the leaders’ schedules and commitments. On average, it took participants approximately 13 weeks to complete the protocol, from the first contact to the final interview, or the return of the final 360-degree review, whichever was last. Time to protocol completion ranged from 8-18 weeks. The next section describes the participant demographic and characteristic information.

**Participant Characteristics**

<table>
<thead>
<tr>
<th>Table 2. Participant demographic characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age Mean = 50; range = 36-59</td>
</tr>
<tr>
<td>Gender identification</td>
</tr>
<tr>
<td>2 = female</td>
</tr>
<tr>
<td>3 = male</td>
</tr>
<tr>
<td>Time commitment to CL &amp;/or CC</td>
</tr>
<tr>
<td>2 - less than 5 years</td>
</tr>
<tr>
<td>2 - 5-15 years</td>
</tr>
<tr>
<td>1 - greater than 15 years</td>
</tr>
<tr>
<td>Organizational level</td>
</tr>
<tr>
<td>4 - CEO or president</td>
</tr>
<tr>
<td>1 - director level</td>
</tr>
<tr>
<td>Organizational tenure</td>
</tr>
<tr>
<td>Approximate mean = 11; range = 2-33 years</td>
</tr>
<tr>
<td>Professional tenure</td>
</tr>
<tr>
<td>Approximate mean = 28; range = 16-37 years</td>
</tr>
<tr>
<td>Industry examples</td>
</tr>
<tr>
<td>Marketing, Manufacturing, Automotive, Finance-Mergers &amp; Acquisitions</td>
</tr>
</tbody>
</table>
In total, five business executives from for-profit organizations were identified as participants. The following demographics provide a general description, while protecting each participant’s identity: a) age range, b) gender identification, c) time commitment to conscious leadership and/or CC, d) organizational level, e) organizational tenure, f) professional tenure, and g) industry examples. Demographic information on the five study participants can be found in Table 2. This information demonstrates the diversity of the study sample, and some demographic elements were thought to be linked to the leaders’ development levels. This information will be fully discussed in Chapter Five.

**Career in Life Story Survey and The Bar-On EQ-360 Processes**

In addition to the two semi-structured interviews, additional participant information was gathered using two assessments that were administered in between the first and second interviews. The additional data points collected in this study revealed information that supported and deepened the interview responses. The Career in Life Story Survey allowed the participants the opportunity to reflect on their personal and professional events in private, and to decide which events held the most meaning in their journeys. Participants responded in a few creative ways including power point slides, handwritten timelines, or the use of typed text to represent their journeys. The historical timelines provided the me with additional information on the participants’ development, with two leaders tracking events back to early childhood. The purpose of collecting the information was to help the participants formulate answers to the questions posed in the second interview; it also provided a historical perspective on the order of events in their lives, and the ages of the participants when the events occurred. This timeline assisted in the interpretive holistic analysis of the data.
The Bar-On EQ-360 was also administered to all five study participants. The assessment ended with participants nominating three peers, superiors, or subordinates to assess their behavior in the workplace setting. Since all the participants were at the executive level in their organizations, most of those nominated were peers and subordinates. One participant needed to nominate a rater from a previous organization. This participant recently started a new business venture and did not have enough employees in the current organization to meet the minimum of three nominations. It was determined that this alternate had worked with the participant for several years, so this exception was approved by principle investigator and supervisor. This measurement was included in this study for a few reasons: 1) it measured the leaders’ own awareness regarding their behaviors, 2) it measured others’ awareness regarding the leaders’ behaviors, which added trustworthiness to the study findings, and finally 3) it is believed that higher levels of emotional intelligence may be linked to higher levels of maturity development; therefore, it served as one measure of the exterior expression of psychological maturity. The results from the Bar-On EQ-360’s also assisted in the interpretive holistic analysis. See Table 3 for descriptions of the measurement’s emotional intelligence constructs.

**Facilitation of the Interview Process**

Four of the interviews were conducted in locations convenient to the participants, and one interview was conducted over Skype video conference. The in-depth interviews began with small talk and the offer to answer any additional questions prior to beginning the process. This was by design and it was my intention to build rapport and increase the participants’ comfort level. The interviews then began by prompting responses to the questions. Behavioral-based probing questions were used during the interviews to encourage additional sharing on the part of the participants. The interviews were digitally recorded using the Voice Memos for iPad App, and
then stored in five separate digital folders on a locked computer. The interviews were transcribed by an outside source immediately following each interview. I listened to the digital recordings, reviewed field notes, and read the transcripts several times, seeking additional insight and understanding. Essentially, data analysis began after the first interview; data analysis on the full data set took place over a 3 month period (September – November 2016). The next section describes the data analysis process.

Table 3.

<table>
<thead>
<tr>
<th>SCALE</th>
<th>DESCRIPTION OF THE SCALE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total EI</td>
<td>Total EI provides a general indication of your emotional and social skills, and how these skills influence the way you perceive and express yourself, maintain social relationships, cope with challenges, and use emotional information in a meaningful way.</td>
</tr>
<tr>
<td>Self-Perception Composite</td>
<td>Subscales in this composite address the 'inner-self' and assess your feelings of inner strength, confidence, and pursuit of meaningful goals, as well as your understanding of what, when, why, and how different emotions impact your thoughts and actions.</td>
</tr>
<tr>
<td>Self-Expression Composite</td>
<td>Subscales in this composite are an extension of Self-Perception as they assess the outward expression or the action part of your internal perception. Such skills as openly expressing thoughts and feelings in a constructive way and remaining self-directed are included in this composite.</td>
</tr>
<tr>
<td>Interpersonal Composite</td>
<td>The interpersonal composite includes subscales which measure your ability to develop and maintain relationships based on trust and compassion, articulate an understanding of another's perspective, and act responsibly, showing concern for others, your team or your greater community/organization.</td>
</tr>
<tr>
<td>Decision Making Composite</td>
<td>Subscales in this composite address the way in which one uses emotional information by understanding the impact emotions have on decision-making, including the ability to resist or delay impulses and remain objective so to avoid rash behaviors and ineffective problem solving.</td>
</tr>
<tr>
<td>Stress Management Composite</td>
<td>This composite contains subscales which address how well one can cope with the emotions associated with change and unpredictable circumstances, while remaining hopeful about the future and resilient in the face of setbacks and obstacles.</td>
</tr>
</tbody>
</table>

Emotional Intelligence Model by Bar-On (2014)
Data Analysis Process

During the data analysis phase, I sought to answer research question one by identifying influential turning points in the participant’s lives, and to answer research question two by discovering the ways in which the participants continuously developed into conscious leaders. The interview data and the Career in Life Story Surveys were examined at two interpretive levels: descriptive analysis (e.g. the actual events, objects, and experiences), and conceptual analysis (e.g. thoughts on cause and effect, deeper meanings, and reflections on influence). Analysis began during the first interview as I noted important time points in the story, and highlighted important statements or life lessons. While the interviews were being transcribed, I listened to the recordings and reviewed the field notes while waiting for the return of the assessments and transcriptions. As each transcription was returned, I then began a deeper level of analysis for each participant. This included Lieblich, Tuval-Machia, and Zilber’s (1998) holistic content analysis process where I drafted chronological life histories that incorporated all data sources.

Tesch’s (1990) eight step data coding process, was modified slightly and served as the coding protocol for this study. The process was modified due to the extensive time required to collect the data, thus, participants were examined as individuals prior to the data being analyzed as a whole. Once all data was gathered, transcribed, and received, it was read as a whole and then winnowed; I focused in on some parts of the story and disregarded other parts (Creswell, 2013). Focusing in on certain parts of the interviews and assessments enabled me to aggregate and deduce several themes from the data during the coding process (Creswell, 2013). The qualitative data analysis software, NVIVO, was used to assist me in this process. The Bar-On EQ-360
results were used as a triangulation method to confirm and/or deny the inductive coding and interpretive analysis applied to the data from the interviews and the Career in Life Story Surveys.

Based on the extensive amount of material collected for this study, I followed this iterative approach. While listening to the participants’ interviews, insights and themes began to emerge, and they served as the foundation for the overall patterns that provided clarity and meaning to the answers for the research questions. This type of systematic, iterative, and flexible analysis process assisted me in building the complex findings typically found in narrative analysis. Using the processes described above and concepts from the literature, I used inductive open-coding to discover the initial themes. The 17 open codes and 48 sub codes were then reduced to 20 focused codes, which were then used to re-code the data. From the focused codes, three themes, or development perspectives emerged from the data. The next section describes the emergence of the development perspectives.

**Emergence of the Development Perspectives**

Data from the interviews and assessments were developed into focused codes from the initial rounds of inductive, open coding. Data analysis was comprised of eight steps: 1) transcribed data was printed; 2) read and made notes; 3) developed the open codes; 4) drafted narrative chronologies; 5) open codes were combined and reduced into focused codes; 6) focused codes were applied to the data; 7) focused codes were then combined and reduced to core themes; and finally, 8) the data was interpreted. From this analysis process, three major themes, or development perspectives emerged.

Three notable trends emerged and were developed into core themes, or development perspectives: 1) mindfulness, 2) authenticity, and 3) interpersonal ability. The term, *development perspective*, was used as one way to acknowledge the ongoing journey to conscious leadership,
and that these leaders were continually practicing and developing—being conscious is not an end-state, nor is it permanent. An iterative process assisted in identifying the emerging development perspectives and patterns as the data were analyzed and interpreted for meaning. The development aspects that comprise the individual perspectives are meant to be representative of how these participants enact and practice mindfulness, authenticity, and interpersonal ability; the aspects are not the only ways to practice these perspectives, they are simply the ways that these specific participants attend to their internal development within the context of each perspective. All data were analyzed initially using inductive open coding, and then coded again using the Bar-On EQ-360 results and the literature from Chapter Two as guides. A subset of focused codes representing each development perspective emerged from the rounds of analysis, and they were used to build a development model as part of the holistic, in-depth analysis, and understanding of the development of conscious leadership practices. This model can be found in Figure 2. The next section will describe the results from the interviews and assessments, based on the research questions.

**Results**

This section is organized by the research questions. It begins with data from the interviews and Career in Life Story Surveys that highlights the turning points that held the most meaning for each participant. Then for the second research question, data was organized by the development perspectives and the subsets of developmental aspects that comprise each perspective. The development perspectives and their respective aspects were used to interpret the data. The responses of the participants were not changed for grammatical purposes, so the data remained in its original form; as an exception, affirmative researcher responses (i.e. mmm-hmm, ok, right, yeah) were eliminated to preserve the flow of the participants’ responses. It is
important to note that keywords and phrases used by the participants are contextual and thus, were interpreted within the context of how the words and phrases were intended by the participant. Response lengths vary based on how the stories were presented. Also, great care has been taken to avoid pronouns and specifics that may identify participants.

**Research Question One**

This portion of the results discusses research question one: How is the developmental journey to conscious leadership influenced by turning point(s) in the leader’s life? The presentation of these results will focus on the turning points in each leader’s journey that they felt were of the most importance for their overall life story. The results for each participant are presented in a holistic-content form, using interview excerpts that have been combined to construct a story that is representative of that turning point and life lesson.

For the first leader, the turning point that held the deepest meaning and was most influential in the journey was the lesson of letting others in, asking for help, and admitting that it was impossible for one to have all the answers.

I try to remind myself that the lessons along the way are, are few, not many. I used to think I had to know a thousand things to be an effective leader. But when I look back and I reflect, there's a handful of things that I've just been presented with time and time again. You know? And so, things like, fundamental ideas like the obstacle is the way. Like, every challenge in my life is a gift.

When I look back, every single challenge was a gift. And the only - the times where it was difficult to repeat is because I didn't get the memo. You know, I kept - like, I didn't get the memo. Like, okay, this still isn't working, this still isn't working, this still isn't working.
And you go through that phase of self-doubt, and you go through that phase of going back to my old character defects of, "Okay, I'm going to go figure this out all by myself." And you go into that mode of, "Well, I don't know how to figure this out, so I'll just procrastinate for a week or two or three, and just kind of hide," to finally going, "Hmm, maybe I oughta talk to some of my mentors and say I don't know what's going on. If there's confusion, we're about to have a new insight. If there's frustration, we're about to have a breakthrough. If there's, like, massive frustration and fear and complexity, we're gonna have a big breakthrough. It's just what happens, you know? And again, that's life, that's relationships, that's business. It's like we can't escape it…

I made some really big steps in being able to do that, to realizing that when the really sticky stuff shows up, that that's important too.

So, I look back now over the last 6 months, and I'm like, "Oh my God, what a gift." I found another edge of me going into my pride of "I've gotta figure it out," to “inviting the team.” And when I finally invited the team, it was amazing. First of all, they stepped right up. And I do have an amazing team. I mean, really exceptional. They stepped right up, and people like [co-worker] totally blossomed.

For this leader, realizing that relationships are the foundation of life and that they are also the best way to succeed has now become the basis of his entire leadership philosophy.

For the second leader, the turning point that held the deepest meaning and was most influential on the journey occurred while searching for purpose and personal meaning after many years in an unforgiving industry. The lesson embedded in the turning point is that the participant’s knowledge, abilities, and business acumen could be used to help others. The lesson
was brought to light when the participant was searching for professional meaning and personal purpose after becoming increasingly dissatisfied with the way the industry operated.

So, like, 98 percent of [industry] is not conscious. It's all about money, it's about what's in it for me…A big part of our business was doing restructuring work, which is helping troubled companies—which is a little like a bunch of vultures descending on a carcass. The people that are - that operate in that environment are largely not happy people, and it's very back-stabbing, conniving, you know, it's getting a company through bankruptcy, get what you can.

So I kinda had this ‘Road to Damascus’ experience… I was doing an Internet search on consciousness. I was reading all kinds of books on the subject -from all kinds of different authors. And I literally stumbled on an article that John Mackey, the founder – cofounder of Whole Foods, wrote about 15 years ago...called Conscious Capitalism. 16-page article. And I read that and I was transformed. So, I - I thought, "This is it. This is - this is the alchemy that, you know, brings about a greater harmony of all parties, interests, and better results." And so, that happened to be, I was in Boston for a family christening one Easter. I think it was Easter 2009. And when I read that article, and I just said, "I have no idea how I'm going to this, but this is going to be the cornerstone of the rest of my career." We've been stumbling along since...trying to figure out how exactly to manifest that.

When I decided that I was personally not going to do what everybody wanted to do. That - you know, sort of realized that the way we're running companies is wrong. That movement and the kind of a calling to do something in conscious capitalism, that was really a leap for me. Because now I was going to step out and do something that all
of my associates thought was really crazy. I can remember selectively targeting people in our network, and sitting down over lunch and sort of telling them about this. And you either got people who like erupted and said, "Wow! That's really cool!" in like ten seconds - or you had a thirty-minute conversation where you knew they thought you had gone off the deep end.

This participant experienced immediate and profound impact after reading this article. By finding this article and joining the community, it revealed a new network of people who had the same feelings and purpose. This was the head and heart combination that was lacking in the industry, and the CC framework provided a justification for the balance of the two.

For the third leader, the turning point that held the deepest meaning and was most influential on the journey was becoming a parent. During this time, there were many personal challenges for this participant, but becoming a parent provided the impetus needed to act-effectively changing the trajectory of the life.

From a personal standpoint, really having my daughter. I - I'd like to say I probably would have gotten on the clue bus at some point, but she really for me was a turning point as far as I can't sit on the sidelines in my life anymore. I can't accept being in a bad marriage that's toxic, and - and... Because I think part of that I was very much like don't rock the boat.

So that's pretty much how I was running my life. "Well, if I just keep explaining why this is okay..." And then I had my daughter, and I really wanted more for her. And I realized that the only way to get more for her was to expect more from myself.

So that for me was really a turning point, where I just looked at her and felt this huge responsibility to just, I guess, be more. Or... and I - this word is so overused, but just be
authentic. Be just, you know, I - like I said, I didn't want to go through life and say, "You know, you could do this," or, "You can be anything." I just need to live my life, what I always to her is joyfully. I always say to her "the best revenge is a life well-lived."

And so - so that - from just a personal standpoint, which then had the domino effect on the personal life where I [remarried], and [bought] the business. That all - that all - everything that came after was because of that one decision.”

Even though the biggest turning point for this participant was a very personal one, the desire to be a good parent and role model became an essential part of the enacted leadership style in the executive role. The decisions and actions taken hold more personal meaning, since the measurement applied is, “Will my daughter be proud of me in this moment?”

For the fourth leader, the turning point that held the deepest meaning and was most influential on the journey was the realization that leading with an unconstructive attitude and lack of purpose was contributing to an overall negative work environment.

I didn't know myself. Even just work-wise, the stuff I was chasing, it was for the wrong reasons, and I feel like I was doing that in a lot of my life. Relationships and work. And that all kind of imploded… That's when I started to realize, “hey, there's a whole 'nother part of me or other parts of me that I've just thrown away because I thought I had to be a certain way.” I thought I had to dress a certain way, look a certain way, hang out with certain people, date certain people, all that.

And when those two guys died, just the funerals - I think I was looking for something, and so I heard things in the funerals that were, like, okay. These guys had an impact on human beings, like, on a personal level. It didn't matter how much money they made. It
was all the stuff, the anti of what I - what I didn't like about what I was doing. It just
kinda confirmed it.

But then I had this attitude conversation and realized that... Okay, it's been - the only
common element about all these different companies, all these different leaders, all these
different people is me. And so that's... that obviously has something to do with it.

[laughs] Regardless of what tough area I choose to work in.

I also viewed it as a chance to - alright, if I really believe any of what the negative stuff I
thought was true before, I - maybe I should go back and actually try to be positive and be
a positive influence. And actually make some changes, or at least be a good example.

Even if I can't change anything, I can at least change how my attitude is and how I
behave.

This confluence of events helped the leader to see that a deep personal change was necessary to
have a greater positive effect on himself, on others, and on the work environment. This personal
change became part of the leader’s approach in the executive role- the personal development of
self and others- and it is now the fundamental basis for the leader’s style.

For the fifth and final executive in the study, the turning point that held the deepest
meaning and was most influential on the journey was learning how to develop and listen to gut-
sense and intuition. This turning point came early in the leader’s career, and it was noted in the
interview that the wrong choice in this moment could have left a lasting financial impact on the
organization.

I remember meeting with my accountant because I wanted to make our equipment
purchase. It was a sheet metal laser machine. It was roughly $500,000. I would have to
finance the entire purchase.
That was probably a big one for me personally because my advisors were telling me not to do it but I knew we had to do it and it was really pushing the limits on debt to equity ratios and things like that. Our tax accountant told me I could not afford it and not to do it.

I knew in my gut it was the right thing to do. I made the move and never looked back. I have listened to my gut ever since. It was then that I really started to notice how much I believed in myself.

This single event where intuition on the “right thing to do” held more weight in the decision-making process than the balance sheet is still how this leader approaches decision making in the executive role. It must also be noted that the participant defines this event as the very first time the executive felt like a leader- when the chosen path went against the recommendations of others and it turned out to be successful.

The excerpts contained herein are representative of how the participants narrated these life events. The turning points that held the most importance for this sample population were: becoming a parent, death of a mentor, choosing one’s health over certain death, overcoming workaholism, industry and market crashes, intuition-driven risk taking, divorce, and the sudden clear recognition of one’s own fallacies. For some of the leaders, the most influential turning point included these events in combination. The actual events were many times negative, but for these leaders, the meaning they assigned to these events was positive. In each narrative, the leader noted the strong, positive influence these events had on their lives, and in turn, on their leadership philosophy. The meaning making gained from experiencing the event had a transformational effect on the leader. A full discussion on these results will be presented in Chapter Five.
Research Question Two

This portion of the results discusses research question two: What development aspects of conscious leadership are practiced by those who consider themselves to be conscious leaders? The presentation of findings for this research question will begin with scores from the Bar-On EQ 360 assessment. It will show the overall scores, and scores for each of the composite scales as defined in Table 4. It will also include scores on subscales of note in Table 5. The Bar-On EQ 360 scores will be followed by a visual data diagram (Figure 1) that can be used as a supporting guide for the findings inferred from this data. After the diagram, this chapter will move into a limited discussion on the findings for the three development perspectives; this section will be supported with quotes from the interview data that are representative of the three development perspectives and their respective developmental aspects. A full discussion on the findings from these results will be presented in Chapter Five.

Bar-On EQ-360 results. When examining the Bar-On results in Table 4, it should be noted that the low score range is <90, the mid score range is 90-109, and the high score range is >109. The results from this assessment showed that three of the five leaders scored at the midline (100) or above for Total Emotional Intelligence (EI). In comparison to how they were rated by others, all five leaders were assessed by others to have a Total EI score above the midline (100). Although two of the leaders have lower total scores, it must be noted that the scores from others around them were statistically significantly higher for most of the composite scores. The one leader who scored in the low-range (<90), had the highest scores based on the opinions of the 360s; for this leader, the aggregated 360 scores rated this leader in the high-range (>109) for all five composite scores. This statistically significant difference shows that despite the leader’s
opinions of self, others around this leader believed that the leader consistently acted and made
decisions from a place of emotional intelligence. The two leaders with the lower scores also

 showed higher levels of self-doubt, which was noted as a potential leadership derailer in the Bar-
On results. These two leaders had been practicing the conscious leadership philosophy for the
least amount of time (< 5 years); this may indicate that practicing this philosophy over the long-
term can have a positive effect on levels of leader confidence. These results suggest that although
it is probable that leaders practicing the conscious leadership philosophy will have higher than
average EI scores, high EI scores cannot be exclusively used to predict an effective conscious
leader.

 Each EQ-360 was examined for validity concerns, and no leaders showed inconsistency in
their answers, overly positive or negative responses, or a skewed response distribution. Since
this measurement was used to determine the presence of one exterior expression of psychological
maturity, most of these scores showed that the conscious leaders in this sample were sufficiently
self-aware and capable of behaving in mature ways. Following this overview of the Bar-On
results, the next table (Table 5) will outline a notable subscale for each composite. As a guide,

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<th>Total EI</th>
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<th>Self-Perception</th>
<th></th>
<th>Self-Expression</th>
<th></th>
<th>Interpersonal</th>
<th></th>
<th>Decision Making</th>
<th></th>
<th>Stress Management</th>
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<td>Self</td>
<td>Others</td>
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<td>98*</td>
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<td>114*</td>
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<td>122*</td>
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<td>P4</td>
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<td>102</td>
<td>112*</td>
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<td>110</td>
<td>116</td>
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* indicates that there is a significant difference between this rater group's score and the SELF score; A
full version of these findings can be found in Appendix A.
the columns in Table 5 read 1) parent composite scale in bold, 2) the subscale is underlined, and 3) the subscale’s description is in italics, followed by the scores.

Table 5. Participant scores on notable subscales from the Bar-On EQ-360

<table>
<thead>
<tr>
<th></th>
<th>Self-Perception Emotional Self-Awareness</th>
<th>Self-Expression Assertiveness-Communicating feelings, beliefs; Non-offensive</th>
<th>Interpersonal Empathy-Understanding, appreciating how others feel</th>
<th>Decision Making Reality Testing-Objective; See things how they really are</th>
<th>Stress Management Optimism-Positive attitude and outlook on life</th>
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<td></td>
<td>Self-Perception Understanding own emotions</td>
<td>Self</td>
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<td>100*</td>
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* indicates that there is a significant difference between this rater group's score and the SELF score

Each of the parent composite scores outlined in Table 4 is comprised of three subscales that are measured as part of this assessment. These five subscales in Table 5 were chosen for further investigation based on the literature review, the participant scores, and for the element of emotional intelligence that each measured; they helped to organize and interpret the extensive amount of data collected from the participants. These subscales were also used as a triangulation method during the development of the focused codes. The data was then organized from focused codes into the three development perspectives, with each perspective containing elements of these subscales. Based on the Bar-On’s (2014) definition of leadership potential, in combination with the participant narratives, emotional self-awareness and reality testing informed the mindfulness development perspective, assertiveness and optimism informed the authenticity perspective, and empathy informed the interpersonal perspective.

One of the more substantial findings to come out of this data was the high-range scores observed on the Optimism subscale (>109). High levels of optimism were observed in the stories
told by these conscious leaders, and in the high-range optimism scores noted in Table 5. Out of the five leaders, optimism was ranked as one of the highest three subscales for three of them. Optimism is used by these conscious leaders as a form of positive emotional contagion. Based on these leaders’ ability to see the good in a bad life situation as shown in the results from research question one, they use this optimistic approach to help inspire team innovation. Further thoughts on optimism will be addressed later in this chapter, and then again in Chapter Five.

Visual data representation. This chapter will now present a visual data diagram that was created to show the stages of the coding process; it will be used as a reference point for the remainder of the chapter.

Figure 1. Summary of open codes, focused codes, and development perspectives

Figure 1. This figure provides an anchor for the results pertaining to research question two. For each perspective, the figure shows examples of the open-coded statements, and visually represents how the open codes moved into focused codes, and finally, into the development perspectives. A full-page version of this diagram can be found in Appendix B.
Development perspective one: Mindfulness. Results from this study suggest that each participant engages in the leadership development perspective of mindfulness. This perspective contains the developmental aspects of self-awareness, intuition, curiosity, observation, reflection, systems thinking, and consciousness. This group of developmental aspects can be used to “see” and “perceive” the true reality going on around the leader; this includes the content of the message and the context of the situation. As can be seen in Figure 1, data gathered from the participants suggest that conscious leaders are highly attuned to their own mental and physical states, that they are continuous learners, and that they think of themselves as embedded in a larger system—be that system physical or metaphysical.

Self-awareness and intuition. In the mindfulness perspective, the data suggest that conscious leaders possess higher levels of self-awareness; through this self-awareness they have also learned to trust their intuition. These developmental aspects included statements ranging from how their life experiences affected their role as leader, how their mental and physical cues factor into the quality of their decision-making, how their own emotions can complicate or help situations, and the deep trust or sense of knowing that their put in their abilities to effectively see what is happening in a situation.

In the context of conscious leadership, self-awareness is an attentiveness to the self in a quest to know how the human ego, personal mental models, and life experiences may affect one’s reactions to certain situations, and how these reactions might affect the decisions and actions in the leader role. This includes a leader’s physical reactions and emotions, and it also includes the leader’s recognition of her or his individual strengths and weaknesses. In the workplace, this includes emotional and/or reactionary responses on the part of the leader; self-awareness allows the leader to recognize when this is happening and take steps to mitigate the
interference of reactionary responses to situations. Self-awareness on the part of the leader is important since there is scientific evidence that documents the speed at which emotions are transmitted from the leader to other team members (emotional contagion) (Boyatzis, Smith, & Blaize, 2006). If the leader is not aware of their own emotions or how they may affect others around them, it can cause unnecessary and unproductive reactions in others.

Conscious leaders are on a never-ending journey towards self-awareness. They are always reading, learning, practicing and working to improve their self-awareness. As P5 said, “I’m constantly feeding my brain to remind me and learn new ways for me of staying conscious, but its work to stay conscious.” The iterative learning necessary to increase self-awareness can be modeled to followers through the leader’s actions and the communication of clear behavioral expectations in the organization; this may signal to others how to self-regulate. With time, the leader and the organization’s focus on personal development may then become part of the work culture. As P1 stated, “I have to put the oxygen mask on me so that I can serve the team, so that we can serve the teams, so that we can serve the community.” When a leader refuses or fails to see the need for change on a personal level, it is near impossible to gain buy-in from the employees on their own need to make a personal change.

For these conscious leaders, intuition can be thought of as a feeling of knowing, or an instinctive sense that something is the right decision or path forward. Intuition is coupled with self-awareness since many of the study participants describe it as “gut-sense,” or a physical feeling they get based on the information in their field of awareness. If the leader is not self-aware, they may miss these physical cues. The conscious leaders in this study spoke about listening to and developing their sense of intuition. For each of these participants, their gut-sense was directly tied to their personal ethical framework. Each leader gave examples of a sense of
knowing that were primarily driven by the feelings they got from their intuition; as examples: P5- “I knew it was the right thing for the company even though it was uncomfortable;” P3- “It's now or never. We just gotta believe that we're smart enough, and I just have a good - good feeling about this;” P2- “I was going to step out and do something that all of my associates thought was really crazy.” The conscious leaders gave multiple examples where intuition was part of the information they took into consideration before acting. This included hiring decisions, promotions, demotions, personal relationships, business ventures, etc., where they did not have all the facts, but they felt that it was the right thing to do.

In this study, the length of time the leader was practicing the philosophy seemed to be linked with a higher level of trust in this physical mechanism. During the examination of the narratives, it was clear that they used it often, and it was an additional piece of information to inform their decisions. As examples of a leaders at different stages of the development journey, P4 said, “I am learning to trust it more;” and P5 called it “gut-work,” which this leader used to get a “feeling” as to whether daily actions and decisions were reflective of the leader’s values and ethics. Conscious leaders mindfully listen to their intuition and have one more resource at their disposal to determine the next appropriate course of action. As additional evidence of the presence of these developmental aspects, what follows are examples of participant responses that embody these aspects.

*Examples of self-awareness and intuition.* P1- It's like my desire to be my humble self doesn't want to think that I can have that kind of influence, but I do. And if I'm goofy, and I'm not right, it doesn't matter what kind of pretty face I'm putting on. It affects the team. I just - I can't deny that. And I know that if I don't take care of my state and my spiritual condition, I undermine all the great work that's going on.
P5- [Leaders need to be] really self aware of how they impact the people around them. We need to be aware of how they behave, how they speak, their body language. Everything about them exudes either trust or fear in the people that work with them.

P5- It really is almost a spiritual journey to be your higher self, to be your best self, to be the best leader you can be. Understanding it, in that you are impacting people's lives for real. You can make them happy or make them not happy.

P1- I just had a sense that the culture piece was going to be – the emotional health of the organization was going to be the thing.

P3- I operate a lot on intuition…From a people standpoint, I'm probably 80 percent intuition, as far as - like, if something doesn't feel right with somebody or something, I very much tune into that.

P4- I'm wondering if - if a lot of things are done on intuition, honestly. Because you really don't know the outcome -of most things, so there's always some level of intuition.

Curiosity, observation, and reflection. As part of the mindfulness development perspective, Figure 1 shows that this group of aspects reflect the conscious leaders’ genuine interest in new ideas, deep listening, and the evaluation of past events and actions. These three development aspects assist the conscious leader in their learning efforts. Conscious leaders have a strong desire to learn and know more; they are seemingly never satisfied with the knowledge they possess. They are infinitely curious and that intellectual curiosity spreads to all facets of their work and life. They are curious about themselves, curious about the situation, and curious about how people act, react, and interact in a system of relationships. Being curiously open to new ideas and information assists the conscious leader in achieving their goal of correctly defining the content and context of a situation. This ability to meet challenges and opportunities
with curiosity rather than fear is part of what keeps them nimble and responsive in the challenging business environment.

Observation and reflection together are bookends of learning for the conscious leader. Observation is paying attention to all the cues and clues in each environment. This type of observation can be accomplished by using a mindful presence to sit back and watch what may be happening in each moment. During this observation, the conscious leader is not solving problems or judging; they are only watching to clearly see what is happening. Observation can be affected by the leader’s personal ego or mental models so it is important that the conscious leader takes in the information as it is, without interpretation or judgment. Reflection is specific time the leader takes to look back and examine what could have been done differently or what could be learned as a resource for future situations. Curiosity, when combined with observation and reflection, keeps the conscious leader continuously learning about themselves, their employees, and their processes. This learning cycle can help the conscious leader correctly process all the information in their field of awareness. The following participant responses are provided as evidence of how conscious leaders used these developmental aspects.

*Examples of curiosity, observation, and reflection.*

**P1** - We talk about “be curious” and somebody says something that initially your mind says, “that’s stupid;” don’t say “that’s stupid,” say “tell me more about that.”

**P3** - I'm always kind of listening, and then I make the decision.

**P4** - No one's perfect, so there are times when I would love to go back and change my decision, or change the way I handled something, the way I talked to someone… "Okay, I'm in a stressful situation." I handle it this way. Next time maybe I handle it a little bit better, handle it a little bit better, and over the years I get better and better and better.
P5- [Reflection] helps me tremendously because in my role and in my personality traits. I'm more of a visionary person looking forward and what happens sometimes is I become impatient because I can see where we could be and not appreciate where we are.

**Systems thinking and consciousness.** Systems thinking and consciousness are the final elements of the mindfulness development perspective. As Figure 1 shows, these developmental aspects are reflective of participant statements about being part of a network greater than the self’s immediate surroundings, understanding that actions can create interactions or unintended consequences in that network, working to stay fully awake or conscious, and connecting with an internal feeling of heart that is used to inform decisions.

Systems thinking allows the leader to see all the potential connections and interactions in an environment—essentially, if A happens, then B, C, or D could happen. They can better gauge how actions create interactions and reactions in a system. These interactions and reactions can be immediate or long term. As P2 said, “If you believe that life is not causal— that, you know, A then B, and... A then B, but what we don't know is B is causing C, and C takes a week or two weeks or two years to develop, and it negates B.” This type of systems-level thinking is part of how the leader finds connections in the information they are receiving. Conscious leaders are looking for patterns and potential outcomes or reactions in the system. This can include the small system of a department, the larger system of the organization and community, all the way up to the largest system of the global marketplace. No leader can see every interaction or unintended consequence that can happen when making business decisions, but systems thinking allows the leader to certainly see more of them. Systems thinking may also help with course correction if a business decision does not produce the desired results. P2 described this process as, “life is not linear. And so you make a decision, you take some action, and then you learn what was good and bad
about that, and make more decisions.” As the system gives the leader feedback, they may be able to see more quickly what needs to change.

The final developmental aspect in this perspective is personal and collective consciousness. As was defined in Chapter Two, consciousness is a lens through which to see the world. It can be thought of as “waking up” and how awake that leader is at any given moment. Being fully conscious is not a permanent state. It is one the leader must work at to stay in. Situations may trigger old feelings or mental models for the leader and it may cause emotional reactions. During times of these emotional reactions, the leader is usually having an inordinate reaction to a situation that can be driven by their personal state, past experiences, or fear around what has happened or could happen. Leaders may notice when they are triggered, or others may give them a gentle reminder. We are all triggered emotionally at various times, but conscious leaders understand how important it is to get back to a state of wakefulness where they are being objective about the situation. The following participant responses are offered as additional evidence to describe these developmental aspects.

Examples of systems thinking and consciousness. **P1**- It goes back to it's a system and all aspects of the system need to be attended to because if one aspect of the system is challenged, it affects the whole system. You can spend too much time focusing on the people and purpose side and not attend to "are we achieving? are we performing? **P1**- The good news is, there’s a correlation between if [employees] feel valued and invested in and supported, then they’re probably going to bring more energy and creativity that creates better relationships with our clients, better outcomes for our clients, more new ideas and innovations and things like that. Our clients are happier, they stay,
they grow, they refer other people, gives us the opportunity to continue to invest in our culture, our people; it’s a virtuous cycle.

P2- I believe in allowing time. We always say, "Let's sleep on it." So whether you want to call that a meditation or allowing for, you know, that your sort of greater self to sort of connect -with... And I believe it's connecting with the collective consciousness and a sort of trying to define what is the best path. You know, I do strongly believe in the collective consciousness.

P2- That you have to use - employ your heart and your head. You've been given both capacities. Most of us, in the [industry] were only trained to use our head. So you have to sort of listen to the heart.

P5- It's hard work. I'm not conscious 100% of the time. I got triggered once last year and behaved badly and was apologizing later. It's like I have my card to remind me. I'm constantly feeding my brain to remind me and learn new ways for me of staying conscious, but it's work to stay conscious.

Development perspective two: Authenticity. Results from this study also suggest that each study participant engages in the leadership development perspective of authenticity. This perspective contains the developmental aspects of integrity, purpose, optimism, courage, resilience, confidence, and self-knowledge. The development of this perspective allows the leader to “present” themselves, their ideas, and strategies as accurately as possible in the true reality. This development perspective complements the mindfulness perspective by allowing the leader to effectively respond to a situation based on the content and context of the information they are receiving. The examination of Figure 1 shows that this perspective is comprised of developmental aspects that reflect the conscious leaders’ congruency between espoused values
and actions, leadership and life purposes, learning from adversity, presenting as ‘best-self,’ and regrouping efforts to try again after failure.

**Integrity and purpose.** Conscious leaders in this study have high levels of integrity, and they practice that integrity by ensuring that most statements and actions are in congruence with their values, ethical frameworks, and the personal purposes they live by in the leader role. Very simply put- do the leader’s words match her or his actions? Ensuring that leaders’ words and actions match is an integral component of successfully modeling ethical behavior, reducing fear, and creating trust in the organizational environment. The conscious leaders in this study describe integrity by using references to wholeness, or the ability to lead one life- there is no difference between their work personalities and home personalities. Using this concept, conscious leaders can lead and live in a way that honors their personal ethics frameworks and values sets. Each leader used one set of ethics and values, and the organization or department’s ethics and values were in congruency with those; their ethics and values were used to guide all decisions and behaviors for these leaders. When there is congruency with words and actions, employees’ levels of fear may be reduced since the leader behavior becomes more predictable.

This perspective also helps the leader to live their purpose in life. Each leader shared personal purposes, leadership purposes, and for some, their purpose on earth. Living and leading with integrity and wholeness that was shared and modeled for others, allowed them to fulfill a sense of purpose in terms of their contributions to others, the community, and to society. For these leaders, purpose was a concept that evolved as they matured through different stages of development. For the male leaders in this study, it started with wanting to be personally successful, including the ability to provide for a family; this was loosely based on achievement equaling the immature aspirations of personal wealth and significance, and can be thought of as a
stereotypical expectation for males in Western culture. However, each male leader went through an experience that helped them to see the bigger picture and how they could have a much greater effect on a larger number of people if they focused on sharing their knowledge and developing others.

Although the female leaders in this study also had experiences that helped them to see the potential for greater influence, there was an additional maturation regarding their life purpose that happened when they became mothers. Since there are no female participants in this study who do not have children, it is impossible to speculate on whether this is a specific gender difference. In fact, all participants in this sample were parents, but having children held more weight in the women’s narratives; for one leader, it was her most pivotal turning point. Having children has been shown to increase levels of generativity. Generative behaviors denote a concern for guiding the next generation and can be expressed in many ways. In the parenting context, generativity is expressed when an adult’s attention turns to providing for, protecting, teaching and guiding that new life. This concept will be discussed further in the theoretical section of Chapter Five. The developmental aspects of integrity and purpose can be further seen in the following participant responses.

*Examples of integrity and purpose.* P3- What's that saying? If a tree falls in the forest and nobody's around, does anyone hear it? And I always say to my daughter, "Yes. The universe hears it. And karma..." I do think there's an energy…Your good, or your bad, or whatever. I'm a big believer in karma.

P5- Really, it's just so easy…because you're just doing the right thing. Sometimes people might be confused on what the right thing is. I think in my younger years I would, too, in
some of those tough situations. I still just went with my heart and with what I felt the right thing to do was.

P2- I've always sort of had these feelings - but, you know, the mindset of "it's just business," you sort of shelve that. So I'd say, if anything, I get to be more authentically me. That I don't live two lives. I don't live the life, you know, at home, and the life at work. It's one life, it's one belief system, instead of actions. We don't have the term "it's just business." "That's why I'm stepping on your throat."

P1- So we try to talk about that, and say, "You know, look, this is not like some compartmentalized part of reality where the rules don't apply. This isn't like, I have my life and I have my work; it's like, no, you're you and you're human and you're here." It's like, it's all here. It's like, let's recognize that. So here better matter, because this is it.

P4- I feel like our industry is changing… I think we need to kind of rethink about what - how we run the business, how we treat people, how we just think about the whole thing.

P1- How can I make the biggest possible positive impact on the people I touch, directly or indirectly? … Am I contributing to their growth, their expansion as a human being?... And the more positive influence I’m making, the more I’m living out my opportunity and my responsibility as a leader.

P2- I think there was a period of time where I was sort of really getting to understand what purpose means. Not just words on a paper, but how it's - it's a heartfelt understanding, not a head --felt thing.

P5- I really do believe that God ... I have four siblings, but this company landed in my lap. I believe that's because God wanted me. He's like, "Here's your lab. What are you going to do with it, [leader]? How are you going to handle this, [leader]? It's really for
you to ... Let's show me what your purpose here is on earth," as opposed to just my purpose at work. It's my purpose on earth.

**Optimism, courage, and resilience.** Optimism, courage and resilience are also important development aspects in the practice of authenticity perspective. As discussed in Table 5, all five leaders self-scored near or above the midline on the optimism subscale, and the 360s showed that others rated their behaviors in the high-range. High levels of optimism are defined in the Bar-On (2014) as possessing an outlook on life that is contagious and it can inspire others to see grand possibilities; this inspiration translates into others believing that they can achieve lofty goals and weather through any problems in the turbulent business environment. Each of the conscious leaders in this study tended to narrative their experiences in with positive words and imagery. Regardless of how difficult the situation was, the narratives always ended with a lesson learned or something positive the leader gleaned from the experience. Thus, optimism was a mindset that permeated these conscious leaders’ outlook on life, and this mindset was used as a lens to view the past, present, and future.

For conscious leaders, courage in the leadership role can be expressed in many forms. In fact, based on the dominant mindsets often found in business as outlined in Chapter One, it is courageous for these leaders to be optimistic in the face of the challenging business environment. Courage and optimism are factors in these leaders’ tolerance for calculated risk-taking and positivity for the future. The conscious leader must have the courage to try new things, new ideas, and new ways- or they may risk not responding quickly enough to the meet the demands of the complex environment. Courage and optimism are also linked to the levels of trust conscious leaders are willing to put in others. The conscious leaders in this study put a great deal of trust in their teams and employees. High levels of trust may also add to their levels of courage
when it comes to believing that the team will come up with a viable solution to meet the market demands. P5 described a time when the organization was struggling due to major market disruptions and how trust was placed in the viable idea of an employee:

    In 2001, our company revenues dropped significantly…Then 9/11 hit and the faucet really turned off. In the fall of that year, I sent an employee to a “Lean Mfg.” seminar and he came back on fire. We put a team together and investigated…hired a consultant and started our lean journey. At the time we were losing $5,000 per day. It was fairly worrisome to spend money at this time. It was the right thing to do and it paid off in the long run.

This quote embodies the two developmental aspects of optimism and courage. The leader continued to try new ideas and remained optimistic that team members would find a solution to the environmental challenges.

    Resilience is the is the final piece to this group of development aspects. Resilience is the ability to return to full functioning after a period of adversity. The conscious leaders in this study provided stories of resilience after these adverse periods, and those stories usually concluded with a lesson learned or opportunity for personal growth. Growing from adversity was best represented by P1’s statement: “Every challenge is a gift.” The capacity to quickly recover from difficulties or toughness is key for these conscious leaders. The leaders shared many instances where decisions were not quite right or something did not work out. Following these events, the leaders’ ability to get back up and keep going is what made the difference. Each leader spoke of personal and professional setbacks that could have derailed them permanently. However, each gave examples of how they got back up, used their abilities to redefine reality, and then tried again. When dealing with complex change in the business environment, leader resilience is a
highly desirable trait. The subsequent portion provides additional participant responses that reflect these aspects.

*Examples of optimism, courage, and resilience.* **P2** - We believe that we are enabling a lot of really powerful companies to change the lives of their employees and to make the world a better place.

**P1** - How do I lay down the challenge and say the answers are in this room, or we don't have the right people in the room?... But I believe that the answers are in the room because we've gotten through this stuff before… I said, "Maybe I don't know, but we do."

**P2** - My whole introduction to conscious capitalism was really an awakening of whatever leadership skills I have. Because then, that was the point when I said I'm not gonna do what everybody else is doing. I don't any longer believe that that's the best path, you know?

*Self-knowledge and confidence.* The final two developmental aspects of this perspective are self-knowledge and confidence. As Figure 1 shows, these aspects reflect statements that show how these conscious leaders consider their own physical and mental needs, and the amount of confidence they place in themselves and their teams. Supported by information gained from increased self-awareness, the self-knowledge aspect represents the ways in which these leaders keep their instrument—their brains and bodies, operationally optimized. Statements defining this aspect contained elements that demonstrated how these leaders care for and attend to their individual physical and mental needs. In the workplace, this includes knowing what is needed to show up as one’s best self, and recognizing when those personal needs are not being met. They have taken the time (through the mindfulness piece) to learn what they need to best perform. This varied from leader to leader, but each leader had an idea of what they needed to maximize
their mental and physical potentials. They admitted that they were not always able to give themselves 100% of what they needed all the time, but they strove to hit those needs daily.

Particularly under times of stress, all five leaders spoke of health habits, sleep, workouts, faith, meditations, time away from the organization, etc, that helped them achieve peak performance. When the leaders were more effective at meeting these needs, they noted increased confidence in their actions and decisions.

In the study, there were two leaders who had practiced conscious leadership for less than five years; defined as “newest to the philosophy,” this is not merely an age distinction. Although the leaders who were newest to the philosophy exhibited higher levels of self-doubt (which was confirmed with the Bar-On EQ-360 results), all five of the leaders noted that the more time they took to take care of their physical and mental needs, that their levels of self-doubt decreased. For the two leaders newest to the philosophy, the results from the 360-degree portion of the Bar-On show that others in the workplace see them as more confident than they see themselves. In contrast, the three leaders who have practiced the philosophy for the longest time (2 = 5-15 years; 1 = 15+ years) had a clearer picture of how they present from other people’s perspectives. Their self-scores on the Bar-On were closer to the scores of other people, showing that practicing this philosophy over the long term may increase the leaders’ ability to see themselves more clearly- effectively being more adept at presenting in the true reality. The following quotes are offered as further representation of these aspects.

*Examples of self-knowledge and confidence.* **P4**- I'm a bit - I like to - my alone time, I like to work alone. I'm a bit introverted. But that's not how you help people.
P4- Assuming [I] get enough sleep and that - that's - that's the only thing that I think - one of the few things that can make me spiral is... Sometimes I'm so tired and overwhelmed that I - I have - even my thoughts, like, I can't break through that.

P3- I'm like in a fish bowl at this moment, because everybody is like, "What's going on? And now how's [leader] going to react?" And so that was the first moment where I was like, "You know, [leader], you can do this."

P3- I don't have to always know. I just have to conduct myself in a way that they're confident that we'll get to the place we need to get to.

Development perspective three: Interpersonal ability. Finally, results from this study suggest that each participant engages with others in the true reality by exercising and growing their capacity for the development perspective of interpersonal ability. This perspective contains the developmental aspects of relationships (building and terminating), empathy, inclusivity, trust-building, developing others, and social responsibility. Further development of this perspective allows the leader to “interact” more effectively with others in the true reality. The interpersonal ability perspective complements the mindfulness and authenticity perspectives by allowing the leader to relate to others in a personal and positive way, and to communicate the content and context of the information to others more effectively.

Relationships (building and terminating). Relationships are extremely important to these conscious leaders, but they must be healthy ones. The leaders in this study focused on building relationships with everyone; P1 shared a statement learned from a mentor, “[treat] every relationship as a long-term relationship.” Each person they encountered presented an opportunity to learn, an opportunity to help, or an opportunity to share their knowledge with a new person. Conscious leaders invest heavily in the development of others, and diligently work to bring
others into the situation. As an example, P1 described their review process: “We have a monthly performance review, and a separate space, we have a monthly learning plan review. And the learning plan is in the context of “what are your biggest dreams...?” Each of these plans received equal time in the monthly reviews. For this leader, this is the most effective way to deal with complexity in the environment- develop and use each and every personal and professional ability of the staff to come to the best co-created solution.

However, there are times when the leader has done everything they can to help a person or client and it is now time to terminate that relationship. From the examples in this study, conscious leaders do not shy away from these critical conversations because they know they have done everything they can to foster the relationship, but that it is no longer a good fit. Each leader shared a story about the termination of a relationship- whether employee or client. For the cases of the employees, it was clear that the person had reached their capacity in the current role, or that they did not want to attend to whatever personal matter was holding them back. In these cases, it was easier for the leader to terminate the relationship; by letting their personal ethics guide them, these leaders knew they had done all they could to develop and help that person. Interestingly, some of the leaders shared stories where when the conversations with the employees took place, the employees admitted that they were not doing their part, and the separation was easier than expected.

In the case of clients, this was often a situation of values and culture misalignment. When it happened that clients or customers were such bad culture-fits that the business relationship needed to be terminated to protect the employees and the integrity of the organization, the leaders in this study recognized this need and took steps to terminate the relationship. Each of
these decisions had some type of effect on the bottom line of the organization, but integrity and adherence to values and ethics were of more importance. As P5 shared,

I fired one of our largest accounts because their payment terms were so bad and they were somewhat abusive to myself and people here. I've done that a couple times over the years where the cultures fit is so bad that even though you are small, and you need the money and you think you can't live without the account, you live without the account really easily.

This is another example of the leader balancing the consideration for the bottom line against the ethics and integrity of the organization. Additional participant responses reflecting this aspect can be found below.

*Examples of relationships (building and terminating).* P1- At the end of the day the whole life experience is really the quality of the relationships that I have, and whether it's with my children, or with a significant other, or with the people I work with, it's relationships, and it's people...and the rules are the same. And, hmmm, maybe this thing I've been avoiding is thing I need to embrace.

P4- In some people's minds, all clients are good because they pay money. In my mind, I don't - I would rather not do it that way, right? Because I just don't think if our client's values aren't aligned with what I would like to be, how I would like to be.

P1- If I’m not adding to the stream of life – and I view life as relationships, period. And my life is my relationships, and the quality of my life is the quality of the contribution I’m making to those relationships … So that’s just sort of the fundamental, kind of guiding light, if you will, in terms of how I operate.
P5- There's so many companies and my customers are like this too. They fire and lay
people off at a whim and they try to help by throwing money at somebody, but it really,
the impact it has on people. I'm not saying we never lay people off. If our sales dropped
through the floor, which they have from time to time, we have to.

P1- I’ve had to step and get involved in those situations and let high-performing people
go. I’ve done that three times, where they were doing great from a performance metrics
standpoint, but they weren’t investing in other people. They weren’t bringing the team
along, they weren’t appreciating the support that they were getting, they were alienating
people and creating negativity in our environment.

**Empathy, inclusivity, and trust-building.** This group of development aspects are
descriptive of how it feels to work for these conscious leaders, and the types of statements
associated with this grouping can be found in Figure 1. Conscious leaders understand others’
needs and emotions, and can put themselves in another person’s position. Simply put, this is
about understanding and sharing feelings with another person. They are inclusive with their
teams, and they welcome differences since it is a chance to learn something new or see things
from a new perspective. This is not “touchy-feely” as much as it is the recognition that human
beings have emotions. Especially in times of crisis, emotions can run high and people can be
triggered into acting inappropriately. The leader must model how best to respond in those
situations. We all get emotionally high-jacked by our brain’s limbic system from time to time
(Boyatzis et al., 2006), but how is that dealt with in the workplace? Conscious leaders know that
it is important to talk about emotional situations before they happen, and then talk about it again
when they do happen- because they will happen. As P5 said, “I got triggered last year and was
apologizing all over the place for my behavior.” When these situations occur, not only is the
leader responsible for modeling the empathetic and inclusive behavior, they are also responsible for modeling the response to this behavior in the moment, and the response after this behavior occurs.

In terms of defining true reality, these emotionally hijacked situations are usually driven by something else going on in a life, a past experience, or an old mental model. When the leader or others are reminded of this fact, they may be able to see the situation for what it is, and how that situation was compounded or complicated by the emotionally hijacked response. For instance, P5 shared the statement they use among the leadership team to remind each other:

I listened until he was vented out, and then I just looked at him and said, "You know how mistakes are handled here in this environment is really, really important." That was the nudge to remind him, and he went. "Oh." He remembered.

This is where empathy and inclusivity come in. Conscious leaders understand that employees are human beings, and they make room for these types of human reactions since they are natural. In addition to this understanding, conscious leaders in this study take training and development time to educate their employees on emotional intelligence and triggered responses so that there are fewer or them, or fewer that are triggered by the actual working environment.

This perspective and its aspects are rooted in the ability to develop trust and reduce fear in the environment. There is enough fear in the VUCA environment without having more in the organization or being generated by the leader. Everything the leader does either invokes fear or trust in the employees. This includes words, body language, and how their own actions look to other people. Also, building trust is not something that happens quickly. Multiple leaders talked about having patience- either developing it or using it in the leader role- to wait for people to realize that these organizations ARE different, and that the people can trust the leader and the
organization to behave or act in defined ways. The development perspectives of mindfulness and authenticity complement this goal of reducing fear. The more the leader is able to develop these two internal perspectives, the more they can bring them to bear on the leadership role, and use them to have a positive effect on the others around them. Conscious leaders can see the situation for what it is and how their own personal egos and reactions may be a factor in their responses. They act and present as an authentic person, so people begin to trust that their responses and actions will be congruent with their values and the set expectations. Therefore, consistency is key; when the leader’s actions are not consistent, explaining and taking responsibility for the inconsistency can work to earn the trust back again. When people truly feel cared for, like the leader is being transparent with information and providing stable employment in a healthy environment, trust can increase, organizational bonds can become stronger, and people can begin to flourish. Responses that exemplify these aspects can be found in the next section.

*Examples of empathy, inclusivity, and trust-building.*

**P3**- The heart and soul of this organization are those people that show up every day. The leadership's important…But it's the people that show up every day when the factory's a hundred and thirty degrees, or their kids are sick, or their parents are sick, or, you know, it's snowed six inches in [Southern State], and they don't have a plow.

**P5**- Creating a culture where people feel psychologically safe is everyday hard work. That's why people don't do it. It's easier to not give a crap and just send an email to let someone get fired or change their job, right? There's less CEOs that do it because you got to look at your own self, which people don't like to do. It's not easy.

**P4**- It's just a reminder of giving people a chance, I think. So, if they make a mistake, you know, not - there are so many ways you can handle a mistake, right? Like, you can fly off
the handle, you can write them off permanently, you can help them get better. 's my job to know their strengths and weaknesses, to actually listen.

**P1**- People who have no title or authority technically in our company have made massive influences on the direction of the company, and we encourage that and celebrate that whenever it happens.

**Developing others and social responsibility.** The final component of this perspective are the aspects of developing others, and social responsibility. A reference to Figure 1 shows that these aspects contains statements involving putting others’ needs first, educating and training employees, contributions to the community, and the ability to have a greater impact than on the employees themselves. Developing others and social responsibility can also be assumed to have connections with maturity and generativity. These developmental aspects allow the leaders to use their talents for the betterment of others, and to increase the range of their impact to include as many people as possible. The narratives reveal an internal to external flow where the leader began by developing themselves, ultimately maturing into a position where they could develop others and the community around them. Although concern for social responsibility was modeled for these leaders by others, none of them work in industries that are inherently focused on social responsibility. Each is carving their own path by leading this way, and they are being rewarded with exceptional performance in their organizations. A focus on the development of others has helped them to weather external market conditions, and they are fully committed, meaning that they do not abandon this philosophy when market conditions change. The leaders in this study show elements of servant leadership (Greenleaf, 1977) where their concern is on putting the needs of the followers first, and meeting those needs by doing all they can to remove roadblocks to the stated goal.
For these leaders, developing others is achieved through modeling and training. When the leader acts this way, and sets the expectation that others will act this way, it spreads throughout the organization and out into the community. However, two leaders in the study noted that they had initially assumed that treating middle leaders with respect would then, in turn, teach them to treat other followers with respect. These leaders’ experiences show that modeling respectful treatment may not enough to drive it through all levels of the organization. As P5 said, “Then I realized we have to train leaders to be trusting, conscious leaders.” Modeling must be accompanied with training to educate other leaders on how to lead this way and why it matters. Modeling and training, in combination with explicit expectations that the development and support of others will come first is the pattern most of the leaders used to teach this to others in their organizations. Each of these leaders takes substantial time and resources to invest in the training and development of others. What this looked like varied from leader to leader—book clubs, coaching, internal promotion opportunities, helping behaviors, etc.; conscious leaders are actively working to develop others much in the same way that they continually work to develop themselves.

Social responsibility in this context is about seeing the relationships in the bigger picture. How does the organization fit into the community and with other organizations around the leader? These leaders had a strong desire to make a difference in society- For P1, it is running a people-centered company and inspiring entrepreneurship in others; for P2, it is to change capitalism and reinvigorate the regional economy; for P3, it is to bring manufacturing back to America, and reinvigorate the regional economy; for P4, it is to change industry practices by putting people first; and for P5 it is the creation of a psychologically healthy workplace culture where people can thrive. These leaders gave examples of being involved in their communities
and acting as contributing members on many regional reinvigoration efforts. They also encouraged others in the organizations to do the same. This goes beyond the traditional model of organizational volunteering; these leaders are using their knowledge and abilities to teach others, as one way to spread the knowledge and ability to others in the community. Some of the leaders believe that they are changing generations since these abilities can help people become better employees, community members, parents, and partners. As P1 said:

I was like, "Oh, wow, that's great, that would actually help me with my colleagues. That would help my colleagues with our clients. That would help us with our partners. That would" - So we teach that at work, and then, "Hey! What we're learning at work, that actually helped me with my girlfriend. Or that helped with my wife. And my kids. Whoa, this is crazy, like the same thing." And so we're like, that's cool. So that kinda fulfills part of our mission where we want to grow as an organization, because that creates fuel to invest in what we want to value just as much as company growth, which is personal growth. How cool is it that the same skills we need to grow in our personal life are the same skills we need to grow in our business? That's kind of fun.

The knowledge and abilities these leaders are teaching people are invaluable to not only the work, but also the lives of their followers. This allowed the leaders to create ripple effects, where they could increase the impact they were having on other people. This final section of participant responses provides additional evidence affirming the presence of these aspects.

*Examples of developing others and social responsibility.* P4- I think giving people the opportunity to develop and just fulfill their potential…I do believe that that's the role of the leader -to serve and just create the environment so other people can deliver and achieve what they want and succeed.
P1- ‘Cause at the end of the day, when I die, I don’t care – it’s not gonna really matter how financially successful [company] was. What’s going to matter is, are there a bunch of people who are like, “You know, when I was at [company], I grew. I learned. I created more opportunities, I became a better person, I learned some life skills that helped me be a better husband or friend or parent.” That’s the kind of stuff that matters.

P3- One of the things I love about our culture, we're very flat, and we're very much about finding the diamond in the rough. So [employee], who runs our - who's now our Director of [Department] - he started out as I think in plating, as an assembly-worker. Just like off-came in off the street, $10 an hour. He doesn't have a formal education but just got a lot of heart, willing to learn, smart, just nobody ever kind of harnessed that - and believed in him and drove him. He's phenomenal.

P3- There's two main goals: It's bringing manufacturing back to the U.S., and it's creating the kind of organization where people can bring their whole selves to work. And be who they are, and have fun, and realize that we can have fun.

P2- You know - I mean - I'm trying to change capitalism. That's the larger picture for me, and believe that conscious capitalism is a better model. So that's the North Star.

P3- The impact will be if I change their lives for the better. And what does that mean for me? I really want profit-sharing. I really want the people that show up every day to get - to just have more than their $15 an hour. You know, for them to be able to put their kids through college, and to - I want their families to be impacted. So I think the story's yet to be written in the next five to ten years. That'll be the impact.

P1- It’s just at the end of the day, when I look back, I think that my biggest opportunity to feel like I did something that matters will be the result of the approach that I’m taking
to business and entrepreneurship. This isn’t about, “hey, I’m going to do well in business so I can go do good later,” this is the way I do good. Every day. What I’m doing, the people that I’m mentoring…The ripple effect will hopefully be beyond measure.

Chapter IV Summary

This chapter described the data collections process, the participant characteristics, procedures for the assessments, the process of data analysis, and the results based on the research questions. Results from the narrative interviews and assessments were presented in a holistic-content form, with thick, rich participant descriptions used as examples throughout. Findings related to the conscious leader model of development were also outlined. Chapter Five contains a visual representation of the development model, a discussion on the findings from these results and how they address the literature gaps, how the results relate back to the literature, implications for practice, and recommendations for future research.
CHAPTER V. DISCUSSION

In this qualitative study, I investigated the developmental journeys of five business executives who self-identified as conscious leaders practicing some form of conscious capitalism. I explored their narrative journeys to conscious leadership, and how they continued their internal development in the workplace. The participants were recruited from the regional business community using the snowballing and networking technique; the selected participants were executive leaders who work in for-profit industries in the Midwestern region of the United States. The narrative interviews took place over a 6 month period in 2016. The study protocol was designed to elicit in-depth data from each participant, and it consisted of an initial one-on-one interview, two assessments, and finally, a second one-on-one interview. All five participants completed the entire study protocol. Data gathered in this study was analyzed using multiple analysis techniques to interpret the findings. These techniques included: open and focused coding of the interview responses and Career in Life Story Surveys in Nvivo, the reduction of interview answers to outline form for contrast and comparison based on the self-report scores from the Bar-On EQ-360 assessment, and finally, I used stories and events from the interviews and Career in Life Story Surveys to construct a chronological narrative life history for the participants. To arrive at these findings, a complex process of interpretive holistic analysis was demonstrated. Internal consistency, member checking, and peer review were used as the main validation methods to check the accuracy of the study findings.

**Literature Gaps**

To address the literature gaps outlined in Chapter Two, this study contributed to the emerging body of literature on conscious leadership in a meaningful way by exploring the role of leader psychological maturity in the development and practice of the behaviors associated with
this theory. By exploring the impact of the leaders’ experiences on their internal development and behaviors, these findings contribute to an emerging area of leadership research that meets Avolio’s (2007) call for an examination of the relevant elements (actors, context, time, history) and how they interact to form what is labeled, leadership. This research has implications for leadership development and the emerging theory of conscious leadership as they relate to the implementation of the ethics-based business philosophy of CC. Learning how leaders’ developmental life journeys influence their psychological maturity levels and inform their practice of conscious leadership, contributes to a greater understanding of consciousness development in the business leader and how that increased maturity may support the successful implementation of CC. To date, this is the only empirical study that examines the narrative life journeys of conscious business leaders practicing conscious capitalism.

In this study, I link the interior and exterior perspectives of the leader with her or his developmental journey; this linkage meets the need suggested by Legault (2012) outlined in the literature gaps. Findings from this study offer insights on how experiences can affect the internal development of the leader, and how those internal developments can inform behavior in the leadership role. Exploring the specific linkage between personal experiences and internal leader development, reveals an additional area of consideration for training and development programs. A greater understanding of how one’s developmental journey influences leadership practices may allow us to replicate and scale similar experiences and self-aware practices that could serve to expand the number of leaders practicing these behaviors. This unified and iterative approach to leader development may serve to cultivate leaders who are capable of behaving in ways that can counteract the fear in the VUCA business environment, which can assist in the successful
implementation of the CC philosophy. Leaders who model and promote these behaviors, may create the organizational culture necessary to thrive amid complex change.

The findings from this study build on and add to the limited empirical research that attempts to further delineate and solidify a common definition of conscious leadership, particularly in the context of CC. For this study, the definition starting point comes from Renesch (2002) who theorizes that conscious leadership is conscious awareness, followed by intentional action. However, results from this study showed that the conscious leader uses a highly-developed ethical lens to evaluate the information gained from this awareness, and that clearly, this process takes place within a network of relationships. After investigating the results of this study, I argue that the definition should include references to ethics and relationships, potentially reading: “conscious leadership is the process of using conscious awareness, evaluated with an ethical lens, followed by intentional action within a larger system of relationships.” This distinction is an important contribution since the findings in Chapter Four support the idea that ethics and relationships are key factors in the successful practice of the conscious leadership theory, and thus, the successful implementation of the CC philosophy.

The findings from this study also add to van Niekerk and van Niekerk’s (2013) recent framework that outlined the theoretical constructs of conscious leadership. They suggest that the framework is still open to interpretation. These findings add to the theoretical construct of conscious leadership by underscoring the importance of including psychological development and maturity in the model since the internal development of the leader was found to be an integral component. Finally, emerging from these study findings was a model for conscious leadership development. This model may be validated in the future as one example of an acceptable and recognized framework to assist conscious leaders in their development; a lack of
acceptable development frameworks was outlined as a gap in the relevant conscious leadership literature (Legault, 2012). This chapter will further discuss the results and findings of the study, and show why these changes and additions are necessary and important. Chapter Five is organized into four sections: 1) addressing the study findings 2) implications for practice; 3) recommendations for future research; and 4) conclusions.

**Addressing the Study Findings**

For the purposes of leadership development research, the reflective examination of life events, within a defined context, is especially important since it can inform the creation of meaning for an individual’s identity and contribute to that individual’s leadership philosophy. By examining the life journeys of conscious leaders practicing CC, this study sought to discover why these leaders came to practice conscious leadership within the context of CC. To achieve this goal, the investigation was based on two research questions that explored the development of conscious leadership, and how the leaders continued their internal development in the workplace setting. To answer these research questions, data were collected and analyzed from responses to 29 questions posed during two, one-on-one interviews. In between the first and second interviews, participants also completed two assessments. The assessments were: 1) The Career in Life Story Survey (O’Neil, 2003), that asked them to outline and reflect on their personal and professional roles; and 2) the Bar-On EQ-360 (2014) assessment that measured the participants’ emotional intelligence through self-report, and from the perspective of coworkers.

Based on the literature review, interview questions, and assessments, inductive, open coding was used to index the various stories as told by the participants. The open codes were compared between participants as I looked for similarities and differences in the developmental journeys. The stories were then combined with the results from the Career in Life Story Surveys
to create narrative chronologies that were analyzed using a holistic content perspective (Lieblich, Tuval-Machlach, & Zilber, 1998). The narrative chronologies were created as an aid to provide context and meaning for the data. The narratives were designed to show a developmental continuum towards greater consciousness and maturity development as they related to the emergence of a leadership philosophy. Thick, rich participant descriptions were arranged into a historical timeline which showed the emergence and development of the themes. Finally, the open codes and sub-codes were combined and reduced into focused codes, which were then used to recode the data.

Three major leadership development themes, or development perspectives, emerged from the data during the coding process; this included two internal development perspectives—mindfulness and authenticity, and one exterior behavioral perspective—interpersonal ability. The term, development perspective, was used as one way to acknowledge that these leaders were continually practicing and developing. Each perspective is comprised of a group of developmental aspects that these conscious leaders used to continue their personal and professional development; the aspect groups are represented by the perspectives of mindfulness, authenticity, and interpersonal ability. Thus, the directionality of the relationship between the perspectives and aspects is that the perspectives are the overarching category, with the aspects being representative of how these leaders achieve additional internal development through the perspectives. The development aspects contained herein are specific to this sample of conscious leaders who are also practicing CC; they represent the ways in which these leaders become more mindful, authentic, and become more adept in their interpersonal abilities. The aspects are not the only ways to practice these abilities, they are simply the ways that these specific participants attend to their internal development within the context of each perspective.
These three perspectives were supported by the results from the second assessment, the Bar-On EQ-360 (2014) measurement. This assessment provided insight on how the participants’ levels of emotional intelligence informed their leadership practices from two perspectives: the self-assessment provided insight on the participant’s own awareness, and the 360-degree assessment provided insight on how others experienced her or his leadership practices in the workplace. This assessment provided data on one type of external expression that represents certain facets of psychological maturity—the participants’ levels of emotional intelligence, and how their emotionally intelligent behaviors are perceived by others. Each of the leaders was very forthcoming in the answers to the interviews questions, and in the personal and professional events shared in the assessments. These honest reflections provided a level of internal consistency for each leader; the answers from the first interviews, Career in Life Story Surveys, and second interviews were consistent across the data sources, which provided an additional method of triangulation to increase the validity in the study findings.

The three development perspectives assisted in guiding further analysis and interpretation of the data. Moreover, the perspectives helped to organize and interpret various perceptions and knowledge streams that emerged from the large amount of narrative data collected. As concrete examples, using participant stories to construct the narrative chronologies allowed me to identify certain turning points in each leader’s journey that significantly contributed to her or his overall meaning making and leadership development. In each case, the leader shared one turning point, or crucible moment, that was of utmost importance and its occurrence left the leader truly transformed with a new sense of identity. Ultimately, the turning points and development perspectives that emerged from the data provided relevant answers to the research questions, and
showed that psychological development and maturity are significant components of the conscious leadership theoretical construct.

**Narrative Journeys: Turning Points**

This section will address the first research question: How is the developmental journey to conscious leadership influenced by turning point(s) in the leader’s life? For each leader, the development of conscious leadership was multifaceted and involved a variety of internal and external forces, many of which were not within the direct control of the leader. Kegan (1982) describes the process of meaning making as “the act of being a person” (p. 11); this is the daily activity of encountering problems, finding resolutions, and making sense out of those experiences. The data showed that during the journeys, the leaders practiced meaning making as it related to the self and identity development, in conjunction with meaning making that occurred because of relationships in the leader’s personal and professional spheres. Turning points (Denzin, 1989) in a life journey are specific experiences that serve as opportunities for leaders to exponentially increase their meaning making, by growing and expanding their thinking and worldview. Turning points can potentially result in the leader moving from an unconscious perspective on a given situation to one that is more conscious and in their field of awareness. Since it is generally assumed that maturity can be increased through experiential learning (Kolb, 1984), turning points may foster that growth and increase meaning making. In each leader’s journey, there were multiple turning points from which the leader drew meaning or lessons learned, and these lessons contributed to their overall identity and worldview.

The reflective process of looking back on a life journey allows the leader to draw inferences from how those experiences may shape their thinking, personality, and identity. Meaning making occurs when people try to make sense of life events and relationships in
relation to the self (Frankl, 2000; Kegan, 1982). As Kegan (1982) suggests, the way a human
develops is a progression of meaning-making systems, from simple to complex. In a life journey,
certain turning points may not reveal themselves as crucial until after additional time has passed,
and the leader has had the chance to critically reflect on the event and its meaning. The stories
that defined these turning points many times encompassed the actual event, the decisions the
participants made in the wake of those events, and the opportunities that followed because of the
decisions and actions resulting from those events. As these leaders reflected on the transitions in
their lives, they each shared a turning point (many times, a confluence of impactful events) to
which they personally assigned the most meaning in their journeys; these can be thought of as
crucible moments. Unlike typical turning points that may be recognizable in any life journey,
crucible moments are delineated by the individual and the complex meaning that she or he
assigns to that event. Bennis and Thomas (2002) argue that a crucible is a transformative
experience that results in a new or changed identity. The crucible moments this sample
population represented were: becoming a parent, death of a mentor, choosing one’s health over
certain death, overcoming workaholism, industry and market crashes, intuition-driven risk
taking, divorce, and the sudden clear recognition of one’s own fallacies. For some of the leaders,
the crucible moment included these events in combination. The actual events can be positive or
negative (i.e. getting hired or getting fired), but for these leaders, the meaning they assigned to
these events was positive. In each narrative, the leader noted the strong, positive influence these
events had on their lives, and in turn, on their leadership philosophy. The meaning making
gained from the experience had a transformational effect on the leader.

The crucible moment provided the leaders with the opportunity for transformation by
creating the fertile ground necessary for the leader to see a clear set of choices- yes or no, left or
right. Despite all the demands and obligations in the lives of these participants, in that moment it came down to a simple choice in a complicated situation. When reflecting on these events, the leaders assigned a positive meaning to their choices, and referred to their crucible moment stories multiple times in the interviews. Most of the leaders made it explicitly clear that their personal and professional lives would be much different if they had made another choice in that moment. Transformation occurred because the crucible moment provided the leader with a learning lesson, a new perspective on life, and/or the opportunity to use their abilities and talents in a new way. As the leader transforms, she or he may inspire others to transform as well, effectively creating a linked reaction of transformation. This reaction may look like transformation of the self, to transform others, to transform the business, to transform the community, to finally, transform the global community.

In this study, turning points and crucible moments served as awakenings for the leaders. But it is not just the occurrence of the event—these were big events in a person’s life, but they were in no way out of the ordinary. Events like these happen to people every day. What was different was that these leaders found a positive life lesson in these events. They could see the good in a bad situation and they could then reflect on that situation and assign it a positive meaning in their life story. McAdams and McLean (2013) argue that stories of this nature are defined as redemption sequences, and that they mark a transition in a narrative when a person more strongly identifies with the positive outcome or the positive self-attribute gained, rather than with the emotionally negative experiences. When adults conceptualize their experiences as stories of redemption, it may sustain their levels of hope and confidence and reinforce their commitments to improving others’ lives (McAdams & McLean, 2013; Walker & Frimer, 2007).
These events left deep, indelible marks on the leaders’ meaning-making systems and transformed their view of self and their perspectives on their relationships to a greater system.

This transformation may be influenced by the level of optimism found in this group of leaders as reported in Chapter Four, Table 5. As P1 said, “the challenge is a gift,” and even though breaking through that challenge does not happen without struggle, self-doubt, and/or hard work, these leaders could acknowledge this conceptual pattern and begin to find the positives in the situation. The leaders in this study took personal and professional setbacks (not without effect), and began to find positive meanings or lessons learned that could help them overcome the situation more quickly should it occur again in the future. This learning then became part of what they could share with others to help them grow and transform during times of challenge and struggle, whether personal or professional.

This pattern of iterative learning was reflected in these leaders’ relationships, and in how they led their organizations. As they are learning about themselves, they are encouraging others to learn about themselves. This creates a culture of transformation where most people are learning, growing, and effectively trying to reach their full potential. This is very different than an organization where people only show up for a paycheck. The leaders in this study noted that these ‘paycheck employees’ did exist; however, these leaders hire for this type of culture-fit and learning environment. Personal growth and development are important parts of the organizational cultures, and the employees who are not willing to undertake this personal learning and development are eventually weeded out through hiring decisions and attrition.

Approaching the business with a development mindset has additional effects. Studies show that organizations with healthy cultures that are focused on employee engagement are more likely to be profitable (Cooperrider & Fry, 2012; Heaton & Harung, 1999, O’Toole & Vogel,
2011; Simpson, et al., 2013); effectively, this is doing well by doing good. To achieve higher levels of employee engagement, Shirkani (2014) argues that it can be accomplished by using a combination of situational awareness and emotional connectedness. When the employees feel valued and safe, it can contribute to higher levels of employee engagement. This type of organizational bond is what keeps employees showing up day after day, believing in the mission, and giving more than the basic job requirements. Simply put- when people feel valued and cared for, they flourish. While the individuals flourish, the organization can too. It becomes a virtuous cycle that continues paying the benefits forward. As P1 said, “That's the way nature works. If we're not healthy and vibrant, we're not going to be producing any fruit.” Fruit in this sense is the organization’s profits that can then be used to reinvest in the business, the people, and the community. This is one more example where the bottom-line of the business is balanced against other considerations. As P5 said, “There is still the capitalism part, you still need to make a profit,” but the bottom-line is balanced as one area of consideration along with other factors that keep the organization operating as a healthy system.

During the examination of these leaders’ personal and professional histories, it was clear that their development into conscious leaders was heavily influenced by the crucible moments, but it was also influenced by other turning points in their lives. Additional influential factors in the journeys were serendipitous connections with people and mentors, a higher tolerance for risk and trying new opportunities, and the leaders’ increased ability to look inside themselves for areas improvement. As a key difference with these leaders, each had a propensity for self-awareness that they used to drive internal growth and development; this key differentiation may be the most prominent entry point in the development of the conscious leader. Leaders who possess the cognitive capacity required to be self-aware, and who are also interested in applying
what is learned from that self-awareness, may be more adept at using that learning to drive additional personal and professional development, particularly in the context of the three development perspectives—mindfulness, authenticity, and interpersonal ability. As P5 said, “There's less CEOs that do it because you got to look at your own self, which people don't like to do. It's not easy.” As part of a greater system, conscious leaders accept their influential role and understand that the system cannot change around them while they stay static. Conscious leaders know that they must use their self-awareness to continue to change and develop with the system, or their efficacy in the leadership role may be diminished. Following this discussion on the first research question, the chapter will transition into the discussion on the second research question.

Development Perspectives

As the participants answered questions regarding their personal and professional life journeys, they also revealed the ways in which they continued to develop into conscious leaders. This provided answers to the second research question: What developmental aspects of conscious leadership are practiced by those who consider themselves to be conscious leaders? A model emerged from these study findings and its purpose is two-fold—it serves as a framework for the practice of conscious leadership, and it also serves as a development model for leaders who would like to become more conscious leaders. The framework is made up of the three development perspectives—mindfulness, authenticity, and interpersonal ability; each of the development perspectives was comprised of a group of developmental aspects that were used by the participants in their ongoing development as conscious leaders within the context of practicing the CC philosophy. As is shown in the framework, the development perspectives are supported by specific competencies of emotional intelligence; mindfulness is supported by the self-awareness and reality testing competencies; authenticity is supported by the assertiveness
and optimism competencies; and interpersonal ability is supported by the empathy competency.

By no means is this list of development aspects meant to be all-inclusive; further investigation
with other conscious leaders may reveal that these developmental aspects could be expanded or
further collapsed based on future findings. With that in mind, the development perspective
framework of mindfulness, authenticity, and interpersonal ability provides one way for leaders to
increase their ability to define the content and context of true reality, before intentionally acting
with others to co-create a viable strategy or solution.

**Figure 2. Conscious leadership framework and model for development**

![Conscious Leadership Framework Diagram]

*Figure 2.* This model proposes the development perspectives and the representative
developmental aspects that comprise the psychological development and maturity components of
conscious leadership. A full-page version of this diagram can be found in Appendix C.

The mindfulness perspective provided the ways in which these leaders increased their accurate
perception of the true reality; the authenticity perspective provided ways in which these leaders
presented themselves genuinely in the true reality; and finally, the interpersonal ability perspective provided the ways in which these leaders increased the efficacy of their interactions with others in the true reality. The model suggests that leaders who would like to become more conscious can achieve increased internal development by practicing the three development perspectives, with an emphasis on receiving and incorporating trustworthy feedback in each of the three areas. What follows is a discussion of each perspective.

**Development perspective one: Mindfulness.** Findings from this study suggest that each participant engages in the leadership development perspective of mindfulness. The development perspective of mindfulness is supported through the participants’ stories that highlighted the exercise of self-awareness, intuition, curiosity, observation, reflection, systems thinking, and a connection to a personal and the collective consciousness. The group of developmental aspects that informed this perspective are used by these leaders to “see” and “perceive” the true reality going on around the leader; this includes the content of the message and the context of the situation. This is the information processing component of the conscious leadership model. At each level of development, the leader is more and more adept at using this perspective to understand the content and context of the information they are receiving. Development in this perspective can be used to gain greater levels of conscious awareness.

Recently, several scholars have been investigating the role of mindfulness and its relationship to leadership development (Baron, 2016; Drey, 2011; Snow, 2015; Williams & Seaman, 2016). For the conscious leaders in this study, mindfulness was a contemplative approach that was practiced formally and informally. While formal mindfulness is a more specific practice, informal mindfulness can be practiced by using reflection and questioning techniques to pay close attention to daily occurrences and interactions to further understand the
situational nuances. Ultimately, conscious leaders use mindfulness to purposefully pay attention in a particular way, in the present moment, in a state of non-judgment (Kabat-Zinn, 1994). This open mindset and purposeful listening can be indispensable tools for leaders who are operating in chaotic environments.

Both types of mindfulness practices may contribute to the conscious leader’s development in Kegan’s (1982) staged subject/object model. The conscious leaders in this study used mindfulness moments to gain additional objectivity about the facts at hand, and these moments assisted the leaders in putting some distance between their personal feelings and the situation. These moments are often called mindfulness pauses (Frankl, 2000), and this concept will be discussed further in the implications for practice section. Deliberately taking a moment to mindfully pause after receiving information, can give the leader an opportunity to become more objective about the situation; then, they may be less subject to the feelings that the situation can invoke internally. When leaders are completely unconscious and unaware, they may then be subject to the situation. This gained objectivity relates to the shift from an external to an internal locus of control (Rotter, 1966). An internal locus of control is used to describe individuals who believe they have greater control over the outcomes in their lives (Lefcourt, Martin, Fick, & Saleh, 1985). Although it is probabilistic that conscious leaders will have a strong internal locus of control, they can still be subject to external forces and stimuli at times. As they become more objective about situations, problems, and/or opportunities, then, they may become more adept at using their internal locus of control to intentionally guide their decisions and actions.

Mindfulness may also assist the conscious leader in the examination of their mental models and patterned ways of thinking. Senge (1990) reminds us of the fundamental truth of learning- that it is a combination of studying and constantly practicing. Learning occurs when
one takes time to study the event, and then purposefully tries to practice new or refined ways of acting. This learning cycle reflects how the conscious leaders in this study incorporated mindfulness into their leadership practices and internal development. Senge explains that mental models are deeply held, personal images that influence the leader’s belief of how things work in the world. Mental models can severely limit a leader’s thinking and acting by holding that leader to a set of familiar patterned responses. Although many leaders are not consciously aware of these models, Senge argues that these models directly influence a leader’s thoughts and behaviors. Turning points and crucible moments can act as triggering events that allow these models to surface in the leader’s conscious awareness. These moments provide the leader with an opportunity to acknowledge the existence of the mental model, and then mindfully question whether the model or patterned behavior is still useful. As the fundamental truth suggests, it is at this intersection where development and personal change can take hold. Clearly, the specific crucible moments mentioned here cannot be recreated for planned leadership development trainings, but Senge suggests using on-going, critical self-reflection as an additional way to learn and gain insight, potentially bringing about personal development. As Drey (2011) suggests, successful leadership in a complex environment requires a willingness to develop inner growth and awareness, and that this type of personal change can help leaders develop into higher states of conscious awareness.

Due to the ever-shifting nature of the current business environment, conscious leaders need both mental and emotional dexterity to make decisions quickly after mindfully assessing the situation. Mindfulness practices can contribute to the leader being fully awake and calm in the present moment. Snow (2015) argues that these calm mental and emotional states can promote the leaders’ ability to operate with increased dialectical complexity. Comfort with
dialectical complexity may be a sign of a mature ego development since it is observed when leaders can understand and empathetically respond to the perspectives of others, while also potentially holding and being comfortable with contradictory points of view (Snow, 2015). As these messages come into the conscious leader’s field of awareness, mindfulness can help them become increasingly more adept at aligning diverse points of view and conflicting information. This can also help the conscious leader deal with the complex business environment. The next portion of this section will discuss the findings from development perspective two: authenticity.

**Development perspective two: Authenticity.** Findings from this study also suggest that each study participant engages in the leadership development perspective of authenticity. The development perspective of authenticity is supported through participant stories that highlighted the exercise of integrity, purpose, optimism, courage, resilience, self-knowledge, and confidence. The group of developmental aspects that informed this perspective helps the leader to “present” themselves, their ideas, and strategies as accurately as possible in the true reality. This development perspective complements the mindfulness perspective by allowing the leader to effectively respond to a situation based on the content and context of the information that they received. For the conscious leaders in this study, authenticity is represented by living one truth where they are the same person at work and at home. This truth was defined by the leaders’ personal ethics frameworks, and these frameworks factor into all decisions and actions. Development in this perspective may build consistency in the leader’s behavior, which in turn, may reduce fear in the organization when the employees can generally predict leader responses based on past words and actions.

The concept of authenticity was of importance to humanistic psychologists, Rogers (1963), and Maslow (1968). The work of these psychologists focused on the development of
fully functioning, or self-actualized people. Simply described, authentic people are more aware of their basic needs and nature, and can more accurately see themselves and how their actions may be perceived by others. Avolio and Gardner (2005) suggest that those who are fully functioning, or authentic individuals, may make more sound personal choices since they are unencumbered by others’ expectations for them. This work has evolved into the research on Authentic Leadership Theory (Avolio, Luthans, & Walumbwa, 2004) and Authentic Leadership in organizations (Luthans & Avolio, 2003). The work of these authors outline authentic leader traits as knowing how they are perceived by others, knowing their own values, morals, and strengths, and displaying optimism and hope in their role. In organizations, this work draws from positive psychological capacities and self-regulated, positive behaviors that foster positive self-development. As highlighted in this select representation of the authenticity research, the conscious leaders in this study exhibited these traits as conveyed through their stories, and potentially of most importance- they adhered to leadership purposes that reflected the belief that they could have unlimited positive potential in the world.

Leaders who exhibit traits of authenticity ensure that their values, decisions, and actions are in alignment most the time. The conscious leaders interviewed here, used their stories to express this alignment with four out of five leaders stating that the organizations’ values were also in alignment with their value sets. This provided the leaders with the opportunity to lead and live one life, or the concept of wholeness (Heaton & Harung, 1999). In the conscious leadership development model, wholeness was represented by integrity, which Yukl and Van Fleet (1982) describe as congruence between a person’s behavior and her or his espoused values, and that the person is trustworthy and honest. This sample population gave many examples of situations where organizational values and actions were not in alignment, and as the leader, they took steps
to rectify the issue. As was outlined in Chapter Four, the leaders’ stories showed that rectifying these misalignments usually had some level of financial impact on the organization, but for these conscious leaders, the values and integrity of the organization were balanced against the effect on organizational profits. As Bass (2008) argues, those leading with elements of this authentic transformational perspective may be more likely to sacrifice their own interests (profits at any cost) for the common good (climate, culture, and/or values-alignment).

In this development perspective, what may be of most importance are the developmental aspects of optimism and resilience. Optimism can be described as a positive outlook on life and for the future, and it can be assumed that it has ties to positive psychology (Seligman, 2002) and Appreciative Inquiry (Cooperrider & Whitney, 2005). These fields of research focus on what is good and positive, highlighting and studying the finest of human capacities, experiences, intentions, virtuous acts, and outcomes that can be harnessed for noble individual and organizational ends (Cameron, Dutton, & Quinn, 2003; Seligman, 2002). High levels of optimism were observed in the stories told by these conscious leaders, and in the high-range optimism scores noted in Table 5. Conscious leaders using an optimistic mindset in their organizations experience two kinds of benefits: personal and organizational. As a personal benefit, Pillay and Sisodia (2011) suggest that leaders with an optimistic outlook may have more brain resources available to them because the brain is less occupied with looking for threats in the environment. They go on to note that threat-related brain activations can disrupt the regions of the brain responsible for carrying out plans and inhibiting distracting influences. As an organizational benefit, rather than being stuck in a deficit-based paradigm, conscious leaders use optimism to “flood the system with inspiration” (D. Cooperrider, personal communication,
February 6th, 2017) to create an environment based on the assumption of unlimited positive potential in and for the organization.

Optimism may also have ties to resilience, or the ability to recover quickly after a negative event. As was noted in the discussion on research question one, the conscious leaders in this study tended to narrate their life journeys in a positive way, finding the lesson or benefit in that negative event. Bass (2008) defines resilience as the ability to restore equilibrium after an event or period of stressful adversity, and people can vary greatly in their ability to return to a place of full-functioning. Those with greater levels of resilience learn to find the life lesson in the struggle, and they use that lesson to grow from the adversity (Bonnano, 2005). Resilience and optimism are also linked to the concept of Grit, which has been appearing widely in the press and academic literature (e.g. Duckworth & Quinn, 2009; Duckworth, Peterson, Matthews, & Kelly, 2007; January, 2016). Duckworth et al. (2007) define grit as passion and determination for long-term goals, and the concept has been linked to measures of psychological well-being. Thus, conscious leaders use their optimistic tendencies to take more calculated risks for the benefit of the long term, and if the risk does not go exactly as planned, they use their resiliency to regroup and try a new tactic. When conscious leaders model this authentic perspective and its developmental aspects, they may be able to help their followers also grow in these capacities.

The subsequent segment of this chapter will outline the final development perspective of interpersonal ability.

**Development perspective three: Interpersonal ability.** Lastly, findings from this study suggest that each participant engages with others in the true reality by exercising and growing their capacity for the development perspective of interpersonal ability. The development perspective of interpersonal ability is supported through participant stories that reflect an
attention to relationships with others, and includes the developmental aspects of empathy, inclusivity, trust-building, developing others, and social responsibility. Further development in this perspective may be increased by practicing this group of developmental aspects, which supports the leader’s growing ability to “interact” more effectively with others in the true reality. This development perspective complements the mindfulness and authenticity perspectives by allowing the leader to relate to others in a personal way, and to authentically communicate the content and context of the information to others more effectively. For the conscious leaders in this study, interacting with and relating to others in a healthy way was a cornerstone of their leadership philosophy. Development in this perspective may allow the leader to help others reach their full potential and create tight organizational bonds, ultimately increasing employee engagement.

For this development perspective, the term ‘interpersonal ability’ was best representative of this group of aspects. Interpersonal ability is reflective of how well the leaders relate to the followers, communicate with them effectively, and potentially encourage and nurture the development of others in the greater system. The leader/follower relationship, and how best to maximize its potential and meet the needs of followers, has long been the study of scholars (e.g. Blake & Mouton, 1964; Hersey & Blanchard, 1969; Tannenbaum & Schmidt, 1958). Yukl (1994) describes relation-oriented leadership as empathetically expressing concern for others, attempting to reduce emotional conflict, and the ability to create a harmonious environment among those affected. Leading with a relations-oriented leadership style may also contribute to further development in the followers, and lead to more mature relationships in the organization (Bass, 2008). The conscious leaders in this study took the time to cultivate deep, trusting relationships with their followers, their clients, and the communities in which the organizations
existed. This relates to the type of impact that conscious leaders wish to have on their followers and their environment (described as high power motive, McClelland, 1985). As McClelland’s work argues, when a high power motive is combined with a high affiliation motive, the combination can produce a strong desire in leaders to establish, maintain, and/or restore warm relationships with other people (Boyatzis, 1973). However, balancing the relationships against the need to achieve organizational goals is where maximum leadership effectiveness occurs (Blake & Mouton, 1964). As P3 mentioned, “I can work both ways. I can build consensus, or I can be the dictator.” There were many examples in the participants’ stories that reflected this need to balance the relationships against the operations of the organization. Conscious leaders work diligently to achieve this balance; for some of the study participants, the relationships and development of followers held equal weight to certain performance measures in the organization.

By cultivating relationships in the organization, the conscious leader may be able to positively influence others’ development. Ilies, Morgeson, & Nahrgang (2005) argue that when the leader fosters close, high-quality relationships with followers, that it may also foster greater value congruence in the followers and promote behaviors that are consistent with the leader’s values. This is an example of how influential the leader role is in setting the tone and expectations in the organization. Therefore, following the conscious leader’s example, followers may be more likely to develop high-quality relationships with each other, with the organization, and with clients and others in the community. One of the ways that the conscious leaders in this study attended to the relationships was in the form of communication. Specific stories revealed that these leaders put high levels of thought and intention into how they designed and delivered communications in the organizations. These conscious leaders took the time and effort to craft their messages knowing that the words and the delivery method can positively or negatively
influence the moods and effort levels of those affected by the message. In addition, this also serves to model the expected type of communication between others in the organization. By modeling transparency and compassion, and setting the expectation with training and accountability measures, communicating in this way may also increase others’ ability to speak with transparency and compassion when addressing those lower in the organizational hierarchy.

A focus on relationships, and on the amount and kind of communication in the organization, may serve to increase levels of trust. Trust in a leader is a follower’s belief and willingness to act based on the leader’s words, actions, and decisions (McAllister, 1995). It is assumed that this relationship works in both directions- employees trusting the leader, and leaders trusting the employees based on these items. Accordingly, trust and care are important components of creating a psychologically safe workplace. In psychologically safe environments, employees feel accepted and respected. These feelings of safety create an atmosphere where people feel safe to speak up with ideas or concerns without the fear of emotional or political repercussions. As P3 said, “We have created an environment where people are very comfortable. They'll pick up the phone and call me, they'll stop me in the plant…and they'll say, "Hey, you know, you're saying this, but did you know...?" This psychological safety may further support the employees’ motivation to strive towards further development and full-functioning, and towards the organization’s higher purpose.

Conscious leaders who place an emphasis on building empathetic and trusting relationships in the organization may be more likely to create a psychologically safe working environment. Edmondson (1999) defines psychological safety among organizational members as a shared belief that it is safe to engage in interpersonal risk-taking. Although high levels of interpersonal trust are part of psychological safety, it goes beyond trust to a place of mutual
respect—where people feel comfortable expressing their differences without fear of ramifications (Edmondson, 1999). Conscious leaders know that they must intentionally cultivate an environment where everyone feels safe enough to have a voice; this is one way they deal with the challenging external environment. When all organizational members have a voice, and are contributing, it can improve the likelihood that new initiatives will be successful since there may be more thoughtful risk-taking because people are not afraid to make mistakes. This reduction in the fear of making mistakes may boost employee engagement. As P2 said,

One of my boss's boss's boss told me, “You're allowed to put a hole in the boat. Don't be afraid. If you think the hole might be below the waterline, talk to somebody.” So, you know, you can make mistakes, just don't sink the ship.

A psychologically safe environment may make it easier to exist in the complex global system when all employees are using their voices and strengths to contribute to a common purpose or goal. When leaders have removed the constraints usually found on open communication in organizations, it can reduce the fear associated with pointing out problems or suggesting new ideas that are for the betterment of the whole. Noted as an opposite of burnout, increased employee engagement has been linked to work environments where there is more psychological safety (Kahn, 1990). Conscious leaders know that by creating a healthy work environment where trust and relationships are a focus, that they will have employees who are more engaged and are ready and willing to complete the tasks necessary to achieve the stated goals.

In summary of the three perspectives as one way to develop the behaviors required to enact the theory of conscious leadership, maturity and an attention to continuous learning are two components that can assist the leader in the pursuit of this development. However, these two
components are not alone sufficient. Conscious leaders use their increased cognitive capacity to practice self-awareness, which is then intentionally applied to their own internal development. This iterative personal development pattern then becomes the basis of their approach to learning and development in the organization. This makes the practice of conscious leadership a leader mindset that complements a set of development abilities. The self-aware mindset drives the leaders’ increasing ability to practice the three development perspectives of mindfulness, authenticity, and interpersonal ability. The conscious leaders in this study were specifically different from typical business leaders based on their increased attention to their own internal development, which assisted in broadening their worldviews and their ability to think systematically; this resulted in a foundationally positive intentionality that informed all their strategic organizational decisions. As the literature and study findings show, mindsets can be shifted with on-going critical self-reflection, and abilities can be developed through continuous learning and practice. Hence, this study argues that conscious leadership behaviors can be developed by placing an increased attention on self-awareness, combined with intentionally practicing the three developmental perspectives. When the leader applies greater levels of attention and intention, it may serve to foster this development. This concludes the discussion on the three development perspectives. The chapter will now move into a discussion on a selection of the human development theories outlined in Chapter Two.

Theoretical Perspectives

Generativity. The conscious leaders in this study provided examples of experiencing the generativity of others on their journeys, and exhibited signs of generativity in their desire to contribute to society, which they achieved by developing others and successful organizations. In Erikson’s (1968) theory, he describes the healthy progression of adults in to his seventh stage.
Generativity vs. Stagnation. Essentially, this stage can be described as, “Can I make my life count?” Generativity in the psychosocial sense refers to the concern for establishing and guiding the next generation and is said to stem from a sense of optimism about humanity. Each leader in this study experienced someone else’s generativity early on in their journeys. Someone else (mentors, parents, and/or peers) saw great value in them and took the time to encourage and intentionally cultivate their potential and value. The leaders spoke of these individuals in the narratives as specific people who sat down and worked with them early in their journeys. For some of the leaders, the others still saw value in them at their lowest points, or they saw the leaders’ potential despite stereotypical cultural expectations. Experiencing others’ generativity may be a factor in how these leaders approach the development of followers in their organizations.

Although this is a general theory of adult development, conscious leaders bring the behaviors that emulate this theory into their relationships in the workplace. The conscious leaders in this study are optimistic about what they and their teams can achieve, and they gave many examples of guiding others, reinvigorating local economies, and the desire to have a ripple effect of impact that far exceeds that which they can physically touch. Multiple leaders referenced their hopes for the future and how what they are doing in their organizations could have an impact on their employees’ roles as parents, partners, and members of the community. Erikson (1968) references the idea that generativity may help healthy adults see that they are part of a bigger picture; for these conscious leaders, the desire to operate generatively may stem from the increased ability to think on a systems level, or systems level thinking may promote these behaviors. More research is needed to determine the relationship between systems thinking and
generative behaviors. This potential relationship may be a factor in the successful implementation of the philosophy of CC.

**Self-actualization.** Each of the leaders in this study shared the ways in which they continually learn, grow, and keep moving in a positive direction to stay “conscious” in their leadership roles, and in their lives. The practices and stories shared by the leaders in this study showed elements of individuals who have progressed to the higher stages of Maslow’s (1968) hierarchy of needs. These conscious leaders were continually developing in the three developmental perspectives, which they achieved by practicing the developmental perspectives to strive towards self-actualization. Conscious leaders possess a strong desire to realize and reach their full potential; these leaders showed a similar desire that was seen in how they approach their personal and professional development. Like previous studies on the shared traits of self-actualized leaders (Harung et al., 1995; Shostrom, 1974), these conscious leaders demonstrated an increased acceptance of self, access to greater insight, and a superior perception of reality. As was also seen with these conscious leaders, these studies show that traits of self-actualization are linked to characteristics of psychological health and well-being, and that leaders with these traits possess a level of maturity that is higher than their own need for personal achievement. Through the stories in their life journeys, some leaders in the study spoke specifically about maturing beyond the need for personal wealth and significance, and others demonstrated it by living and leading through their leadership and life purposes. Practicing the three development perspectives allows the leaders to mature and transform, effectively bringing themselves and the followers that emulate their behaviors closer to self-actualization.

**The ethics of justice and care.** For ethical development, the effective practice of conscious leadership is the androgynous mix of both perspectives: the justice and care ethical
orientations, balanced against the network of relationships. The conscious leaders in this study continually practiced Mead’s (1934) theory of role-taking, or putting themselves into others’ roles to see how they might feel or be affected by certain decisions. The ability to see how organizational changes might affect other people, and then caring about those effects, is a key piece in this leadership philosophy. That does not mean that hard decisions do not have to be made; all five leaders had a story about experiencing a reduction in the workforce—either as the leader or as part of a management team. However, these conscious leaders intentionally cultivate deep relationships with their employees, and this is just one of the substantial resources they invest to develop these employees, on top of organizational training and development. This relations-orientation helps the leader to also see that employees are human beings with lives and families, and that organizational decisions and changes can have significant impact on their health and well-being.

Conscious leaders try to effectively balance the ethics of justice and care when making organizational decisions. Through the alignment of leader values, words, and actions, the leaders in this study established a sense of fairness and accountability that permeated through the organizational levels. They also provided stories that showed that they valued the employees’ time, effort, and future potential by considering the employees’ on-going relationship to the organization as one determining factor when making strategic decisions. Even though there were stories in the narratives that described situations when employees did not fit with the position or culture, the decision to move, demote, or fire an employee was not taken lightly. Conscious leaders put additional work into the front-end of the hiring process to ensure that new employees fit into the culture and team, and then they invest time and resources into developing them.
personally and professionally. As P2 stated, “Then they are like family, you don’t just
excommunicate them.”

Over time, new hires become more than employees; they become part of the network of
relationships in the organization that are contributing to the achievement of the vision, mission,
and goals. These networked relationships also increase accountability- as P5 stated, “There is
accountability within… We are all accountable for the bottom line results.” Conscious leaders
expect high levels of accountability from everyone in the organization. This applies to all levels
of the organization, especially the leaders. Accountability levels may increase when employees
are welcomed into the planning and strategy processes. When people feel like they are part of the
plan or solution, they may be more invested in accomplishing that plan. Employees may also
have a better understanding of how their individual role is important for the whole of operations.
As P1 stated, “We're inviting you to come into the conversation… that might feel a little
uncomfortable because that invitation comes with some responsibility.” Justice- and care-based
organizational relationships are foundations of conscious leadership. Investing in these
relationships may create additional buy-in and accountability towards the organizational goals.
The next section will discuss the implications for practice.

**Implications for Practice**

Now that more is known about the journeys of these conscious leaders, and how they
increase their ability to use the three development perspectives as one way to stay conscious, we
can do more to add the practice of the perspectives to leadership development and training
initiatives. As one way to promote internal development and maturation in leaders’ mindsets and
behaviors, conscious leaders use their heightened levels of self-awareness to increase the
cognitive ability required to intentionally practice mindfulness, authenticity, and interpersonal
ability, as they apply to the organization’s strategic and human capital decisions. Practicing the development perspectives, along with heightened levels of self-awareness, may drive the increased cognitive ability need to achieve this goal. These are not skills as much as it is an ability to focus on the components that can drive internal growth and maturation for the leader. As outlined in Chapter Two, developing the leaders’ internal components has been called vertical learning (Petrie, 2011), and it may be key to breaking through to the higher levels of consciousness that will be needed to solve problems and deal with change in the VUCA environment.

As a starting point in the journey, the leader who is looking to increase her or his ability to consciously lead, can accomplish this by increasing their levels of self-awareness, which is then used to intentionally practice the three development perspectives. Although these conscious leaders had a significant life event that served as a crucible moment, or an essential awakening, the seeds for the journey were planted along the way by gaining new knowledge, working with mentors and role models, and by learning to trust their intuition. As shown in P2’s journey, it can be as simple as reading an article and becoming more interested in the concept. Essentially, increased consciousness can be achieved by bringing as much information as possible into one’s awareness, and then acting on it with the intention of having a positive effect. A second entry point would be to focus on developing the components of emotional intelligence that support the three perspectives. Each of the development perspectives contain elements of emotional intelligence and regulation. Regulating one’s emotions is an essential part of maturity development, and it may give the conscious leader greater perspective on a situation prior to acting. The Bar-On results showed that high EI self-scores were not a prerequisite to effectively practicing the conscious leadership philosophy, but there are certainly many shared elements
between psychological maturity and emotional intelligence. More research may determine if developing the three perspectives, or if developing emotional intelligence is the most effective route to take when embarking on the practice of this leadership philosophy.

**Developing the Three Perspectives and Emotional Intelligence**

A key takeaway from these findings is that conscious leadership is something that can progressively be developed. As each participant’s journey showed, the leader began from her or his own starting point and learned to be more mindful, more authentic, and have better interpersonal ability by understanding human behavior and acting with emotional intelligence. The EI assessment used for this research contained subscales that addressed each of the development perspectives, as seen in Table 5 and Figure 2. Higher levels of EI are shown to be correlated with leaders who are believed to be highly effective (Goleman, 2004). Increasing one’s EI may be a first step towards an increased level of awareness that can then be used to take new actions.

Each of the development perspectives may also factor into increasing the leaders’ levels of psychological maturity. As the leader lives and acts with increasing mindfulness and authenticity, their ability for clear conscious awareness increases. They are fully thinking in the present moment considering all interactions and reactions in the system around them, and they are fully presenting in the present moment by living true to their ethics and life philosophy. The development of interpersonal ability complements the other perspectives, since this is the intentional action piece. This is where the leader interacts with others and the system in which the leader and organization exist- all the way up to the global community. The increasing ability for the leader to interact based on their conscious awareness allows them to model the behavior,
and work to develop others by creating a trusting environment. As the leader’s capacity grows in each development perspective, it may contribute to increased levels of psychological maturity.

Developing the three perspectives may also help the leader control their own core ego needs. EI is said to be an antidote to ego-based reactions (Shirkani, 2014). The development of these three perspectives can expand the leaders’ emotional intelligence and give them greater control over their responses. The core ego needs are security, approval, and control; however, in the VUCA environment, there is little predictability so leaders must increase their ability to act from a place of knowing, rather than reacting in the moment. Each of these leaders spoke of a mindfulness moment, a ‘pause’ if you will, for thinking prior to acting. This moment was reserved for laughing, breathing, praying, calling on the collective consciousness, mediation, even sleep as a longer pause, but it was a moment where the leaders defined true reality for themselves before they decided what to do next. During the pause, the leaders may consider their core ego wants to ensure they are consciously acting rather than unconsciously reacting in each situation. Conscious leaders know that in this moment lies their controlled ability to give a thoughtful, emotionally intelligent response. As Frankl (2000) theorizes, between stimulus and response, there is a moment when one can decide what she or he wants to do next. This is also an ability that can be practiced. In the context of Kegan’s (1982) subject/object development model, once leaders are aware of this option and they begin to exercise this ability to pause, they may become more adept at defining reality for themselves before they act. Conscious leaders can then become more objective about the situation, rather than being “driven” by their emotions and subject to the situation at hand. Practicing this pause may also factor into stress tolerance and the ability of the leader to handle working in turbulent environments.
Becoming and staying a conscious leader is not an easy thing to do. Leaders must be comfortable with the pain of learning, growing, failing, accepting feedback, and trying again. This is not for someone with a soft-ego; in fact, it is the ego’s desires for security, control, and approval that can be an impediment to full development for some leaders. One of the main lessons is that it is natural to have these egoic desires. They are part of the biological programming that has kept humans alive for millions of years, but, these desires do not necessarily serve leaders well in the new millennia. In the complex business environment, everything can look like a threat, and to the underdeveloped leader, some types (or all types) of feedback, questioning, or unknown forces can make the leaders shut down and begin unconsciously reacting to any and all stimuli. One benefit of practicing the conscious leadership philosophy is that with increased self-awareness, coupled with the intentional practice of the three development perspectives, the leader can begin to wake up at any time. In fact, each of these leaders spoke of situations where something happened that was beyond their control and for a short period they were caught in the unconscious reactions to the events. However, since this is an ability that can be practiced, with a gentle reminder, a pause, some space, they could see the situation more clearly, and then returned to operating with higher levels of conscious awareness. This has been referred to as the limbic system hijack and it happens to everyone at one point or another (Boyatzis et al., 2006). When leaders increase their ability to recognize emotional triggers in certain situations, they may be able to mitigate the unconscious reactions.

For these leaders and any leader looking to practice conscious leadership, increased self-awareness may be the essential prerequisite, but what is most important is what happens AFTER your awareness has been raised. The leader must be open to the mechanism that can raise awareness, and then intentionally act. The development perspectives used by this sample of
conscious leaders are like a simple cycle of personal development: intentionally increase your field of vision and/or conscious awareness through feedback, and then use that new awareness to take specific, positive actions within a network of relationships—whatever those actions may be. For example, a conscious leader may be responding to a personnel issue in the organization—“When there is X kind of personnel issue in the workplace, it makes me feel Y.” From here, the leader is raising her or his conscious awareness on why that situation invokes those feelings, and then she or he can take steps to respond in a new way or set a new course of action. Therefore, this underscores why Frankl’s (2000) pause is so important. It is in that moment that the leader has control over her or his behavior and can choose an action, rather than unconsciously responding because she or he is emotionally triggered. This is also a sign of maturity; since it is generally thought that maturity can be learned and practiced, it is an ability that can be practiced in small ways every day. This may then prepare the leader for a much bigger situation when there is a greater temptation to react or respond immediately. This is something that was observed with the leader in the study who had practiced the philosophy for the least amount of time. Still very early in the journey, P4 admitted that it is harder to take this pause in a moment of high tension. Using self-awareness and self-knowledge, this leader knows that it is important to take a few (10) minutes alone to think about the various thoughts and decisions that will inform the next actions. Yet, the leader also still feels the temptation to respond quickly.

**P4**- So if someone like really demanding, kind of that dictator-type, stormed into my office and like put me on the spot, I would have a very hard time saying, "Hey, give me, give me ten minutes, or..." Because I've - I like to be quick to respond, I think that's good in some ways, but at other times like I - I'm learning. I think that's one of the biggest things I'm learning about me is I need - sometimes I need the space, the time to just,
"Okay, let's think about this for a minute." And, and... Like I want to make sure that whatever I say, whatever I do is consistent with who I want to be, or what I think is right. This leader is beginning to understand how important the pause is in emotionally charged situations. The next section will address feedback as an implication for practice.

Feedback

An additional recommendation for leaders looking to practice this model is to increase the level of feedback they are receiving in all areas of life and work. When coupled with personal reflection, feedback can be used to increase self-awareness, and to further strengthen relationships with others (May & Kruger, 1988). Feedback can include everything from listening to the cues from one’s body, to making sure all voices are heard in the organization. Feedback, along with an increasing ability to practice the three development perspectives, can assist the leader in defining a true picture of the current reality. Without steady streams of accurate and trustworthy feedback, the conscious leader will be less likely to develop a full and true picture of reality. Feedback, in one form or another, comes at the leader from all directions, always. The conscious leader needs to learn how to manage, interpret, and apply this feedback to process-improve the control of their emotions and the reactions these emotions can invoke in certain situations. This is starkly different from a command and control environment where the leader speaks and others listen. Conscious leaders encourage collective input and respectful debate to rigorously evaluate the data at hand, including their own responses and actions. This process may lead to more holistic solutions, and the win-win outcomes that are the goal in the CC model.

Feedback in all forms comes to the leader by practicing the three development perspectives. There is the type of feedback they get by mindfully scanning the environment and being embedded in a system; there is the type that comes from presenting as an authentic person,
where words and actions are congruent most of the time- and if they are not there is an explicit explanation for the variance; and finally, there is the type they get from being part of the interpersonal network of relationships, and community of organizations. All this information helps to shape the picture of reality that the leader then presents to the organization and uses to set strategy and make decisions. Feedback helps to foster personal development, it can serve to expand one’s worldview, and it can also help to develop moral consciousness (Branson, 2007). These internal changes are highly important because they are not a skill that can become obsolete. It allows conscious leaders to develop into a new stage of being. This new stage (as with other human development theories) can be brought to bear on any given situation, problem, or opportunity. This factors into each of the theorists used to define the theoretical construct of conscious leadership. Feedback provides conscious leaders with the opportunity to become more objective about a situation, to optimize towards self-actualization, and it can serve to expand their moral consciousness to a level where win-win situations can more likely be found for all involved.

With increasing levels of feedback, more information comes into the conscious leader’s field of vision. Important feedback can come from any organizational member- a new idea, opinion, or observed market condition- and the process of hearing and evaluating this information then becomes part of the full picture of reality. However, these discussions may uncover conflicting viewpoints. When the leader remains open and curious to the feedback, and seeks to rectify these viewpoints through debate and collaboration, the leader may become more comfortable with dialectical complexity. In turn, by demonstrating this openness and transparency with employees, the leader may also be able to increase the employees’ tolerance and comfort for dialectical complexity.
An increased level of trust-worthy feedback is also a relevant factor in the current discussion on organizational transparency- as the conscious leader receives feedback from the people and the organizational system, it is then up to the leader to transmit that information to all parties involved so that they are also consciously aware of the true reality. For the leaders in this study, they each took the time to communicate a clear picture of the organization and the environmental landscape to the employees. This can involve transparent discussions on performance, competitors, financial health, or the current strategy. It is important to note that these are discussions with two-way dialogue, not speeches or announcements made by the leader. Regardless of what type of organizational information is being shared, these discussions create a constant source of learning and feedback. Although each leader was in a different part of the journey so what this looked like varied across participants, these transparent discussions are one way to raise the conscious awareness of all involved. The increased level of transparent feedback may serve to reduce fear in the work environment. Conscious leaders may experience less fear when they feel like they have a clear picture of reality; this may also be true for employees. Employees who are given clear and constructive feedback do not have to wonder about their performance or the health of the organization. The final section will discuss and its implications for practice.

**Culture**

The final recommendation for leaders looking to practice the conscious leadership philosophy is to work to embed these practices into the culture of the organization. Culture is defined as intentional collaboration that drives shared learning and mutual experience (Schein, 2012). Schein’s definition explains how culture forms and evolves. Note in this definition the key words of “shared,” and “mutual.” This is an important distinction, since individual learning
and behavioral change is far less effective if it does not start to impact the behavior of others (T. Kuppler, personal communication, January 10th, 2017). Driving this shared learning is not a simple task, since culture change has proven to be one of the hardest to implement in an organization. For successful culture change, it is argued that the leaders must effectively transmit the desired changes and values (Kouzes & Posner, 1987), and that competent leadership is the single most visible factor distinguishing successful culture changes from those that are not successful (Kotter & Heskett, 1992). As this research suggests, these conscious leaders are champions of the cultures in their own organizations; four out of five of the leaders interviewed are currently using these techniques to sustain and build healthy and high-performing cultures in their organizations. The fifth leader is using these practices as a foundation for the culture at a new firm. Leader patience is also an integral part of driving culture change for a few reasons—employees may be so used to the old way that they do not at first trust the changes; employees need time to recognize, interpret, and trust the new behavioral patterns; and they also need to understand why these culture changes will benefit them in more than a professional way.

An organization with a strong and vibrant culture can be more financially healthy than one where people just show up for the paycheck. A culture of learning, development, and feedback, with a clear strategy, can result in a successful business with highly engaged employees. There are many ways to make these changes in an organization. Some of the ones represented in this study population included personal employee development plans that had equal weight to professional metric goals, hierarchical boundary-crossing book clubs that provided a common space to share learning, resource allocations for coaches, EI training, collaborative value setting, defining specific behaviors that exemplify the values in the workplace, and the most important one— a leader who models these behaviors (Bass, 2008).
Conscious leaders who are mindful, authentic, and focused on relationships become one of the most effective tools for embedding these changes in the culture.

Without a conscious leader, the implementation of the CC philosophy will be much less effective. We routinely underestimate the influence the leader has on the entire organization. Even though the literature represented here shows that the leader sets the tone and expectations for behavior in the organization, it is difficult to grasp the full span and scope of the leaders’ influence and power. The argument in the beginning of this paper was that if leaders can be a tremendous negative force in the global economy, then by the converse, they can be a tremendous positive force as well. The leaders in these organizations are doing exactly that—working to be tremendous positive forces in their organizations and communities. Having the vision and ability to build and nurture healthy work environments where people can thrive is what drives them. It is a virtuous cycle whereby taking care of the people, the organization sees increases in effective functioning and profitability. As P1 stated, “We have to achieve because that's the way nature works. If we're not healthy and vibrant, we're not going to be producing any fruit.” The cultures created by these conscious leaders are based on collaboration and accountability—everyone is invited in. But as P1 also said, “But that is kind of scary, right? If you are invited in, then you are also part of the success or failure.”

**Recommendations for Future Research**

This research served as a pilot study for determining the value of examining the narrative journeys of conscious business leaders practicing conscious capitalism. The results from this study show that crucible moments in a conscious leader’s life contribute to the development and practice of that leader’s style in the workplace. The results also show that the continuous development of a leader’s internal components can be achieved by practicing the three
development perspectives. Given that the study was exploratory qualitative research, and that it produced in-depth, robust data, a few recommendations for future research are offered: a) expanding and diversifying the study sample to look for differences between conscious leaders; b) investigating the impact of conscious leaders on followers and/or others in the community; and c) further investigation into the potential links between the practice of conscious leadership and theoretical elements such as increased trust levels, increased generative behaviors, and the effects of emotional intelligence on the practice of the development perspectives.

**Expanding and Diversifying the Study Sample**

This type of in-depth, narrative research can be found as it pertains to adult identity development (McAdams & McLean, 2013), and marginalized populations (Ely, Ibarra, & Kolb, 2011), but our understanding of how life events shape conscious leaders, and how those experiences affect the practice of the development perspectives is lacking. If more leaders are to develop into the kinds of leaders who are interested in learning and leading from perspectives aligned with conscious leadership and CC, then we must continue to learn more about how and why these leaders develop. This additional research may provide insight on how these development opportunities can be recreated in the leadership training and development process. Suggestions for future research include recruiting a larger sample size, conducting a comparison by gender, administering the protocol throughout the levels of management in an organization, or examining the development and practices of conscious leaders in other regions or countries. Additional narrative research with conscious leaders or qualitative investigations into multiple levels of an organization may expand these results.
Investigating the Impact of Conscious Leaders

Based on the scores from the Bar-On 360 assessment, leaders practicing the behaviors associated with conscious leadership can have a great impact on others around them. Conscious leaders behave in ways that cultivate the environment for developmental growth, and encourage the practice of these self-aware behaviors in others throughout their organizations. This provides the opportunity to examine the impact of conscious leaders on others. Suggestions for future research include examining the effects that conscious leaders have on the development of those in the organization, investigating the impact of these leaders on those in the community, examining the impact of conscious leaders’ training and development programs in their organizations, and potentially measuring levels of trust and fear in the organization after a long-term commitment to this type of training and development. Case studies, qualitative investigations, and quantitative measurements may provide additional information on how conscious leadership behaviors may have additional short- and long-term impact on those who experience working for, with, or around the conscious leader.

Discovering Links Between Aspects of Conscious Leadership Development and Human Development Theories

The exploratory nature of this study produced a framework of three developmental perspectives that these leaders used to continue developing in their roles as conscious leaders. Each of the developmental perspectives was comprised of a group of developmental aspects. The development aspects that comprise the perspectives are representative of how these participants enact and practice mindfulness, authenticity, and increased interpersonal ability; the aspects are not the only ways to practice these abilities, they are simply the ways that these specific participants attended to their internal development within the context of each perspective. This
provides researchers with the opportunity to examine the links between certain aspects of conscious leadership development, and how they might relate to general human development theories from a leadership perspective; it may also include the validation of and exploration of additional aspects that could contribute to the practice of the development perspectives. Suggestions for future research include a further investigation into the potential links between the practice of conscious leadership and increased levels of emotional intelligence, the potential link between optimism and generative behaviors, the potential connections between systems thinking and generative behaviors, and the potential link between experiencing others’ generativity and whether it correlates with exhibiting generative behaviors in the workplace. Also, generative behaviors are thought to increase when healthy adults become parents. Since there were no participants in this study who were not parents, a comparison of conscious leaders with and without children could also provide additional information on the potential links between the practice of conscious leadership and generative behaviors. Measurements exist for many of these developmental aspects and they could be combined with generativity measurements to examine these potential links.

In this study, there was a demographic distinction between the participants based on the amount of time they had been practicing the conscious leadership philosophy (2 = < 5 years; 2 = 5-15 years; and 1 = 15+ years). As was explained in Chapter Four, this distinction had an age component, but it did not exclusively mean that the leader was younger. There were differences noted between these groups, and those differences deserve a deeper investigation. Suggestions for future research based on this distinction include investigations into the time practicing conscious leadership and a higher trust in one’s intuition, whether there is a relationship between time practicing and levels of leader confidence, or if additional time practicing the philosophy
can increase a leader’s self-awareness to the point where the self and others (360s) are in greater alignment on how that leader presents in the workplace. Based on the results of this study, and the minimal extant literature on conscious leaders who are practicing CC, there are many additional areas of investigation, and some of those are outlined here.

**Conclusion**

In summary, the investigation presented in this study examined the narrative journeys of conscious leaders who were practicing conscious capitalism. The results contained herein suggest that the path to conscious leadership development is progressive, and that it is influenced by crucible moments in the lives of these leaders, which they describe as positive learning opportunities. The results also suggest that in the leadership role, conscious leaders use an iterative learning cycle supported by the practice of the development perspectives to further refine their internal development. This iterative process of development is then modeled to followers, while also being supported by specific training and accountability measures in the organization. Finally, these results confirm that psychological development and maturity are integral components of the conscious leadership theory. This study adds to the extant literature by confirming and adding to the discussion on the definition of the theory, by arguing that conscious leadership is the process of using conscious awareness, evaluated with an ethical lens, followed by intentional action within a larger system of relationships.

The conscious leaders practicing CC in this study believe that their organizations and the employees that comprise them, have unlimited positive potential to not only achieve on business metrics, but to also achieve in their goal of having a positive net impact on their employees and the communities in which the organizations exist. This is not limited to providing employees
with the opportunity to grow in their professional positions. These conscious leaders provide space, time, and resources for employees to develop as people, with the belief that it will make them more effective workers and better human beings. In the cases of two leaders in the study, it is a substantial amount of time, with one leader devoting equal time to the employees’ development in their position and their development as a person outside of the organization. Conscious leaders believe that this gives them the opportunity to contribute to the stream of life in a positive and profound way. It is more than providing someone with employment and a paycheck. P1 shared an example that came from a mentor, of questions that the leadership team can use to gauge how they are treating their employees:

He talks about this transitional moment where he was at a wedding, and the dad was handing the daughter to the son-in-law, and they said the traditional, “Do you give this woman to be wed?” And really what they’re saying is, “Do you give this child that I brought into this world, who I’ve nurtured and cared for their entire life – do you take the responsibility for this life going forward?” Like, it’s a big deal. He says, you know, in him, wow. When somebody comes to work in my company, do I look at it at that level? Do I take that level of responsibility, that they’ve entrusted a significant portion of their life? And what am I doing? Am I adding to it? Are they a better person as a result of being part of my company, or am I draining them every day because I’m paying them? The leaders in this study express their desire to have an impact on society that is greater than the one-on-one relationships of leader to follower. When leaders help their employees optimize as human beings, they are contributing to a larger goal of creating healthier people who are then capable of contributing to society as better partners, parents, community members, volunteers, or even entrepreneurs, who can then spread these practices in new organizations,
creating a ripple effect in the business community. This may show a maturation process in how these leaders define achievement. The shift from defining success as personal achievement to defining success as helping others achieve continues the discussion on generativity and how these leaders might contribute to their eventual legacy. They are leaving something behind and touching lives by making an impact on their whole community. This same thinking may also apply to their interest in the CC philosophy; these conscious leaders are working to optimize how business is conducted in the capitalistic economic framework, which might create a much larger ripple effect across the global business community.

In the end, this starts with the development of one—the leader. As Renesch (1994) said, the leader can no longer sit back and ask everyone to change except her or himself. When the leader attends to their own personal development and health, it may become a signal for others in the organization to do so, too. If enough of these leaders make these changes, we may be able to shift the dominant moral perspective in business from ego-based (Karns, 2011), to one that is more altruistic. Conscious leaders who are effectively practicing CC, may serve as a signal to other business leaders, by showing that the practice of this philosophy is not only more psychologically healthy and mature, but that it can be more profitable for the organizations. If these healthy cultures are more profitable, then at a minimum, business leaders who are more conscious and who put more effort into their internal development may be able to harness the potential positive power in their organizations. As with anything, conscious leadership and CC are not cure-alls. Markets can still deliver disrupting blows, leaders can retire, or the organization’s product line may become obsolete. However, the point is that when the leaders’ ability to practice the three development perspectives increases—seeing, presenting, and interacting—that they may be more likely to see the need for these changes and course correct.
along the way. Effectively responding to the quick and never-ending changes in the VUCA business environment will take this type of attention, intention, and course correction. For many leaders, there is no more certainty; all we can be certain of is that things will change. This type of intentional internal development in the leaders and employees may better prepare people and organizations to not just survive, but thrive in this turbulent environment.
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Conscious Capitalism: http://www.consciouscapitalism.org/aboutus


doi:10.1177/000765037301400104


### APPENDIX A. FULL RESULTS OF THE BAR-ON (2014) LEADERSHIP EQ-360

#### Table A1

**Bar-On Leadership EQ-360 Results: Totals, Composite Scores, and Subscale Scores**

<table>
<thead>
<tr>
<th>Scale</th>
<th>P1 Self</th>
<th>P1 Others</th>
<th>P2 Self</th>
<th>P2 Others</th>
<th>P3 Self</th>
<th>P3 Others</th>
<th>P4 Self</th>
<th>P4 Others</th>
<th>P5 Self</th>
<th>P5 Others</th>
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<td>118</td>
<td>103*</td>
<td>87</td>
<td>118*</td>
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<td>109*</td>
<td>108</td>
<td>113</td>
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<td>114*</td>
<td>100</td>
<td>111*</td>
<td>103</td>
<td>115*</td>
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<td>104</td>
<td>91*</td>
<td>84</td>
<td>113*</td>
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<td>107*</td>
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<td>123*</td>
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<td>102*</td>
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<td>112*</td>
<td>114</td>
<td>114</td>
<td>105</td>
<td>117*</td>
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<tr>
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<td>98</td>
<td>85</td>
<td>116*</td>
<td>107</td>
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<td>122*</td>
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<td>100</td>
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<td>123*</td>
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<td>101*</td>
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<td>115*</td>
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<td>99</td>
<td>109*</td>
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<td>107*</td>
<td>110</td>
<td>108</td>
</tr>
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<td>111</td>
<td>72</td>
<td>108*</td>
<td>92</td>
<td>114*</td>
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<td>127</td>
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<td>98</td>
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<td>94</td>
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<td>102</td>
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</tr>
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<td>113*</td>
<td>117</td>
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</tr>
</tbody>
</table>

* indicates that there is a significant difference between the rater group's score and the SELF score
APPENDIX B. VISUAL QUALITATIVE DATA DIAGRAM

Source: Inspired by Fawcett et al., (2014)
APPENDIX C. CONSCIOUS LEADERSHIP DEVELOPMENT MODEL

**Mindfulness**

*Seeing*

- Development Aspects:
  - Self-Awareness, Intuition, Curiosity, Observation, Reflection, Systems Thinking, & Consciousness

- Supported by EI Components:
  - Emotional Self-Awareness & Reality Testing

**Authenticity**

*Presenting*

- Development Aspects:
  - Integrity, Purpose, Optimism, Courage, Resilience, Self-Knowledge, & Confidence

- Supported by EI Components:
  - Assertiveness & Optimism

**Interpersonal Ability**

*Interacting*

- Development Aspects:
  - Relationships (building & terminating), Empathy, Inclusivity, Trust-Building, Developing Others, & Social Responsibility

- Supported by EI Component: Empathy

**Conscious Leadership: Framework & Development Model**
APPENDIX D. INTERVIEW QUESTIONS

INTERVIEW 1:

1. Can you please tell me about your understanding and definition of conscious capitalism?

2. How and when did you become aware of the conscious capitalism philosophy?

3. Can you please tell me how you and/or your organization became members of the Conscious Capitalism of North East Ohio, the Flourishing Leadership Institute, or the Transformations Unlimited network?

4. Please describe for me, how your organization follows the conscious capitalism philosophy.

5. Can you please tell me about a time when leader behavior(s) in your organization were aligned with the conscious capitalism philosophy?

6. Can you reflect to a time when leader behavior(s) (either in this org or another) were not aligned with the philosophy?

7. Within the conscious capitalism philosophy, what do you believe is your role as a leader?

8. Can you please share your leadership philosophy with me?

9. What do you believe were the key influences in shaping that philosophy?

10. Please tell me about your own belief and/or ethics system.

11. The conscious capitalism philosophy promotes leadership that is aware, responsible and accountable. How does your belief system help you decide on what is right to do?

12. Can you please tell me about a time when you had to handle an ethical dilemma at work?

13. Can you tell me about a time when the conscious capitalism philosophy helped you to capitalize on your strengths, and/or manage your weaknesses?
14. How does the conscious capitalism philosophy help you to manage others’ strengths and weaknesses?

15. What kind of impact do you believe you have on your employees and staff as a leader?

16. What do you believe to be your purpose as a leader, and how does your leadership philosophy help you to be intentional in achieving that leadership purpose?

INTERVIEW 2:

1. Can you please take me through your career in life timeline?

2. In your timeline, what do you feel are the most important events?

3. Can you please tell me about the first time that you felt like a leader?

4. Can you please tell me how reflecting back on your career might contribute to your current leadership role?

5. How do you react to new situations?

6. Can you please tell me about a time when you had to analyze or assess a new situation?

7. Please describe the process that you go through to make decisions.

8. What process do you use to ensure that your belief or ethics system is part of making those difficult decisions?

9. How do you communicate those decisions to your employees?

10. What follows for you personally after you make difficult decisions?

11. Can you please describe a time after you made a difficult decision? What did you do?

12. Please tell me how think your thoughts influence your actions and the decisions that you make.

13. Please tell me about an experience when you acted off your intuition.
APPENDIX E. CAREER IN LIFE STORY SURVEY INSTRUMENT

Thank you for agreeing to participate in this research project on the narrative journey of the conscious leader. Please complete this Career-in-Life Story Survey prior to our second interview. The information contained here will be used as a basis for discussion during our second interview and a copy will be collected as part of this research. The results of this survey will remain strictly confidential. I hope you enjoy reflecting on your life as you complete this survey. I look forward to talking with you about your experiences.

There are three parts to this Survey:

- **Part 1 Demographics:** (page 2) asks you to provide demographic information
- **Part 2 Lifeline:** (pages 3-4 or as needed) asks you to graphically present your Career-in-Life Story by drawing a lifeline
- **Part 3 Transitions:** (page 5) asks you to describe important career and life transitions.

**Part 2 Instructions:**

Think of the lines on pages 3-4 as representative of your life—call it your “lifeline.” Please note on your lifeline the following from your life and career experience:

1) Your various personal and professional roles over time (e.g. spouse, parent, partner, friend, student, vice president, waitress, business owner, manager, volunteer, etc.)

2) The major transitions and choice points you have encountered in your life (e.g. job changes, promotions, physical or personal health events such as major surgery or a 40th birthday, marriage, partnership, divorce, birth of a child, death of a parent, etc.)

3) The years/ages associated with those roles and transitions (e.g. first management job in 1985 at age 26, first daughter born in 1992 at age 33, etc.)

Feel free to creatively build on this line in a way that best represents your experience. For example, you might draw peaks and valleys to represent high and low times, segment the line by decades or eras of your life, draw shapes that represent the various roles in your life, or use colored markers or pens to highlight specific items of importance, etc.

Please expand on this form as needed to best tell the story of your experience. Use as many or as few pages as you need to adequately represent your lifeline, feel free to copy the pages if you need more room, or start from scratch if you would like to represent your career-in-life story in a different manner.

Your lifeline should reflect the point as which you first felt like “a working person” until the present time. You may start from the present and move backward or start from the past and move forward, whichever way makes the most sense to you.

Instructions for completing Part 3 can be found on page 5. Please feel free to contact me if you have any questions as you complete the survey. Thanks again, your participation is very important to me!

Researcher: Corrie A. Voss
Department of Leadership Studies, College of Education, Bowling Green State University
Survey used with permission from Deborah O’Neil, Ph.D. (2003)
Part 1: Demographic Information

*Please answer the following questions as they relate to you.*

*All responses will be kept confidential.*

*Any question that you are uncomfortable answering may be left blank with no penalty*

| Name: | [ ] |
| Address: | [ ] |
| Phone: Cell- | [ ] |
| Work- | [ ] |
| Email: | [ ] |

| Age: | [ ] |
| Level of Education: | [ ] |

**Year(s) Graduated from Undergrad/Grad.**

| Relationship Status: | [ ] Single  | [ ] Married  | [ ] Living with Partner  | [ ] Divorced  | [ ] Widowed  |
| [ ] Other | [ ] (please indicate) |

| Number of Children: | [ ] |

| Ages of Children: | [ ] |

| Ethnicity: | [ ] African-American  | [ ] Asian  | [ ] Caucasian  | [ ] Hispanic  |
| [ ] Other | [ ] (please indicate) |

| Current Occupation: | [ ] |

| Current Place of Business: | [ ] |

| Current Position: | [ ] |
Part 2: Career Lifeline

Years/Ages
Part 3: Transitions and Contexts – Select any number of the transitions that have occurred in your life and/or career that have had the greatest impact and/or seem the most important to you. Briefly describe each transition and your environment at the time. What were the personal, organizational, and societal contexts in which that transition occurred? What factors contributed to any actions you might have taken at that time?

Transition:

Transition:

Transition:

Transition:

Transition:

Etc.
Dear Esteemed Leader,

My name is Corrie Voss and I am a doctoral candidate in the Bowling Green State University Leadership Studies program, with a concentration in Leadership Development and business. I would like to invite you to participate in a research study entitled, *The Narrative Journey of the Conscious Leader: A qualitative study of business leaders practicing conscious capitalism*. You have been identified as a potential participant for this study because you are considered a conscious leader, you are currently practicing or are familiar with the ethics-based business philosophy of Conscious Capitalism, you practice leadership within a for-profit organization, you have been in your current role for 12-18 months, and you are over 18 years of age. Your participation in this study is completely voluntary.

The purpose of this study is to examine the developmental journeys of business leaders who are currently practicing, or are familiar with, the ethics-based business philosophy of Conscious Capitalism. The study intent is to further understand what life experiences may have contributed to the personal development of your leadership mindset, which may then be used to take purposeful action within a relationship-focused business environment. You may not benefit directly from this study; however, the potential benefits of the study include the possibility to contribute to an emerging paradigm within its natural context that will describe and explain the intrapersonal and interpersonal competencies of individual leaders who are practicing Conscious Capitalism.

Your participation in this study is completely voluntary; a decision to participate or not to participate will in no way affect your relationship with Bowling Green State University, me, or with your organization. If you agree to participate, you will be interviewed in-person or by virtual means about your life experiences as they relate to the journey of personal development leading to conscious leadership practices.

- These experiences will be gathered during two, in-person or virtual, one-on-one, semi-structured interviews that will last approximately 60-90 minutes. The first interview will take place before the assessments, and the second will take place after completing the assessments; ideally, the second interview will occur two weeks after the first. Virtual interviews will be conducted using a secure video conferencing means to be agreed on by the participant and researcher. In person interviews will be conducted in a public, but private location to ensure your confidentiality and the researcher’s safety. The location for these interviews will be in a national-chain, hotel lobby, in the business conference area; this location will be agreed upon by you and the researcher, with the researcher traveling to meet you in a near-by business conference center that is convenient to your other obligations.
interviews will be digitally-recorded for the purposes of data collection and analysis, and all responses and results will be kept confidential.

- Following the first interview, you will be asked to 1) complete a career-in-life timeline survey, on paper, to outline your career trajectory, this will take approximately 60 minutes to complete; and 2) you will also be asked to take an online self-assessment that concludes with you nominating three workplace superiors, peers, or subordinates to rate your leadership practices in an online 360 degree feedback format to better understand how your leader actions are perceived by others; this will take approximately 30 minutes for you to complete. The 360 degree feedback will take others approximately 30 minutes to complete (completing the online assessment indicates the selected raters consent to participate). You will not be able to see the assessment responses of those you nominate to assess your workplace behaviors. After you complete these assessments, we will schedule the second interview; ideally it will take place within two weeks of the first interview.

- Finally, if you so desire, aggregated results and findings of this study can be debriefed over email or a conference call to ensure that my study findings are an accurate description of your life story; this may take approximately 60 minutes to complete.

The in-person or virtual, semi-structured interviews will be digitally-recorded and transcribed for data analysis and for writing reports of the findings in this study. At any point and time during the interview, you may choose not to answer a specific question or to stop the study completely with no penalty. To protect your confidentiality, the digital recording and transcript will be stored under password protection on my computer to prevent access by unauthorized personnel. The transcript will be maintained under password protection on my computer for up to three years after the end of the project. After that date, all recordings and transcripts will be destroyed.

- For the online assessment portion, it is important to note that:
  1. Some employers may use tracking software so raters may want to complete the survey on a personal computer
  2. Please do not leave the survey open if you are using a public computer or a computer others may have access to
  3. That raters clear the browser cache and page history after completing the survey

A pseudonym (for names and/or organizations) will be used in any publications that result from this study and any other identifying information you provide will be coded to further protect your confidentiality. The consent forms, demographic information, and code book for this study will be stored separately from the transcripts in a locked file cabinet in my office. Any identifiable information that is obtained from this study will remain confidential.

You may experience some discomfort while disclosing your past and present life experiences and leadership practices during the interview, and when others assess your actions in the online
assessment. Your interview will be digitally-recorded, which may create some anxiety or discomfort for you. If you feel uncomfortable for any reason, you may discontinue your participation either temporarily or permanently without any negative consequences.

If you have any questions about the research or participating in this study, please feel free to ask. You may contact me by email: cvoss@bgsu.edu (quickest way), or by phone: [redacted], or contact my advisor, Dr. Chris Willis by email: wchris@bgsu.edu or by phone: (419) 372-7401. If you have any additional questions about your rights as a research participant, you may contact the Human Subjects Review Board at (419) 372-7716, or email: hsrb@bgsu.edu.

Thank you for your consideration in participating in this study.

Sincerely,

Corrie Voss
 cvoss@bgsu.edu
 (419) 450-9388
 Doctoral Candidate
 Bowling Green State University, Leadership Studies Doctoral Program

I have been informed of the purposes, procedures, risks and benefits of this study. I have had the opportunity to have all my questions answered and I have been informed that my participation is completely voluntary. I may stop my participation at any time with no negative consequences. I agree to participate in this research.

________________________________________________________________________

Participant Signature