

Pursuing triple bottom line sustainability through conscious corporate governance

by BAF Sukhdeo* and CA Arnolds**

Abstract

The role of leaders in the pursuit of business sustainability has grown in relevance since the reported corporate scandals and the global financial crisis of 2008. This study suggests that conscious leadership, which differs from current leadership styles, is needed in order to achieve business sustainability. Using a sample of 371 directors and senior managers from 167 JSE-listed and 54 unlisted companies, the study investigated the role of conscious leadership in the achievement of sustainable business practices. Regression analyses and Pearson correlation coefficients, as well as Cohen's d effect sizes, were calculated in order to analyse the data.

The empirical results revealed that the respondents regarded conscious leadership as an important part of corporate governance, which led the present study to coin the phrase "conscious corporate governance". The results also showed that conscious corporate governance is positively related to healthy employee relations, and to the achievement of equal opportunities and workforce diversity, but that this kind of governance is negatively related to company profitability. The study explores the implications of these results.

Key words: *consciousness, corporate governance, profitability, workforce, diversity*

1 Introduction

Business sustainability has become an important concept among executive managers in recent times since it is imperative that business finds an environmentally and socially sustainable path into the 21st century (Fyke & Buzzanell 2013; Gibson 2012). This focus on sustainable business practices owes its origin to the perceived contribution of businesses to undesirable conditions, such as environmental degradation – including global warming and the global financial crises (Renesch 2010; Carter 2009; Scharmer 2009). Businesses, like many other institutions, are perceived to have failed to eliminate or reduce poverty, political instability, violence, HIV-AIDS and food shortages – due to their "single-minded pursuit of economic competitiveness and development at any price" (Hargreaves 2007).

Hargreaves (2007:232) also argues that the "Anglo-Saxon strategies of soulless standardisation, measurement-driven improvement, and forceful intervention" that underpin this economic thinking have resulted in widespread poverty and inequity.

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There has, therefore, been an increased realisation that economic benefits, more specifically financial performances alone, do not determine the sustainability of businesses.

In order to achieve the sustainability of businesses, the impact they have on the environment and on society must be considered; hence, the need for businesses to report on their triple bottom line (Wiek, Withycombe, Redman & Mills 2011; Fry & Slocum 2008). The triple bottom line refers to the financial output (profit), the environmental (planet) impact, and the social (people) impact of businesses.

In addition, leaders' role in the pursuit of the triple bottom line in companies continues to grow in relevance: given the corporate scandals, organisational crises and accounting irregularities such as Citigroup, BP oil spill, Enron and Arthur Andersen (Fyke & Buzzanell 2013). Appropriate leadership is essential for ensuring that the issue of sustainability is an important underlying principle of business practice (Gibson 2012).

The present study argues that the non-achievement of sustainable business practices is caused by inadequate leadership. The literature, however, indicates that very little research has been done on the interaction between leadership and sustainable business practices; and where studies have been conducted, the sample sizes were so small that the results require further validation (Brown 2011).

The present study suggests that managers should move away from – or at least reduce their dependence on – traditional leadership styles that seem to be associated with unsustainable business practices, which caused the 2008 global financial crisis and the corporate scandals mentioned above. The study explores a new type of leadership, called conscious leadership, and it investigates the role this plays in the achievement of sustainable business practices.

2 Conscious leadership

Conscious leadership has not been conclusively defined. According to the Merriam-Webster Dictionary, consciousness could simply be defined as “the normal state of being awake, and being able to understand what is happening around you”. The seminal work of Jean Piaget (1948, 1954) argued that consciousness develops right through a person's life – from birth, through adulthood until death. This development involves cognitive, affective and operative meaning-making systems, which enable people to understand and function within their environment (Boiral, Baron & Gunnlaugson 2014).

Complex challenges in a person's life require higher levels of consciousness. Weick (1979 in Bartunek, Gordon & Weathersby 1983) recognised that managers need “complicated understanding” if they are to successfully operate in business firms and their surrounding environments. By bringing together into a coherent whole “the different levels of meaning-making structures developed or assimilated throughout [their] lives”, consciousness is developed in managers (Boiral et al 2014:366).

These meaning-making structures, according to the present study, include wisdom, maturity, authenticity, honesty, service to others and mastery (see Table 1). The present study argues that these higher meaning-making abilities, in other words: conscious leadership, are needed to successfully pursue sustainable business practices in firms. Rooke and Torbert (2005) label the highest level of consciousness development the post-conventional level, which includes the individualist, strategist and alchemist stages of consciousness development.

The post-conventional stage refers to the level where individuals are “motivated by more salient altruistic and existential needs, such as self-actualization and generativity”

(Baron & Cayer 2011:347). Post-conventional leaders are also motivated by a "systematic, long-term vision of organizational development"; and they "are effective agents of organizational learning and change" (Baron & Cayer 2011:347).

According to Rooke and Torbert (2005), managers who do not progress to the post-conventional stage of consciousness development remain at the pre-conventional and conventional stages. Managers in the pre-conventional stage (the opportunists) are motivated by the need for survival and safety; while those in the conventional stage (the diplomats, experts and achievers) are motivated by a desire to satisfy their need for affiliation through obedience and compromise.

Pre-conventional managers often lack affective maturity; they also exhibit insufficient ability to handle cognitive complexities (Baron & Cayer 2011). Conventional managers, on the other hand, often find it difficult to achieve a critical distance from the points of view of established authorities and experts (Baron & Cayer 2011). These characteristics could lead to a resistance to change, and therefore the maintenance of the *status quo*.

Most managers are currently operating in the pre-conventional and conventional stages (about 71% in total); while only about four percent (4%) reach the alchemist stage (Baron & Cayer 2011:346). The characteristics exhibited by managers in the pre-conventional and conventional stages are congruent with those leadership styles, which view organisations as machines. In other words, they hold a mechanistic view of organisations (Carter 2009).

These leadership styles are often referred to as traditional leadership styles, which are characterised by behaviours such as fragmentation, focus on structure and tasks, power and control, top-down decision-making, competition, linear thinking and finding the right answer to a problem. Renesch (2010:5) views traditional leaders as those who use traditional means for resolving conflict in the world, and by extension, in business organisations.

By combining two of Carter's (2009:9) characteristics of conscious leadership, the present study defines conscious leadership as an "inside-out whole-person leadership orientation", through which such leaders "demonstrate awareness of personal impact and accountability through actions that are good for self, others, their organisations, the environment and the world around them". Renesch (2010) compares traditional leadership with conscious leadership, as follows (see Table 1 below).

Traditional leadership tends to achieve organisational objectives through the use of force, intimidation, manipulation and political-power relationships; while conscious leaders employ inspiration, evocation of greatness, mutual trust and truth-telling to achieve the same objectives (Renesch 2010). It is also suggested that traditional leaders primarily manage their firms through their authority structures and relationships; while conscious leaders manage via trust in themselves and their followers (Renesch 2010).

The preceding summary coincides with that of Carter (2009), who suggested that traditional leadership practice favours structure and tasks over relationships and process; power and control over shared leadership; top-down decision-making over shared meaning and consensus; competition over collaboration and community; self-mastery over collective mastery and leveraging diversity; linear thinking over systems thinking; one right answer over many right answers; and fragmentation over holism.

Table 1
Traditional leadership compared to Conscious leadership

Traditional leadership	Conscious leadership
Intimidates or manipulates	Inspires and evokes greatness
Relies on form and structure	Trusts in self and others
Outer-directed	Inner-directed
Often stagnates and eventually becomes incompetent	Continues to grow and learn
Adolescent (even if highly functional)	Wiser and mature
Often has a strong <i>persona</i> who maintains his/her image, and that of the company	Authentic
Political	Truth-telling
Leads by force	Leads with presence
Tends to be dominating	Possesses dominion, mastery
Focuses on protecting his/her own image	Serves those who follow

Source: Adapted from Renesch (2010).

Brown (2011) is of the view that traditional leadership originated from an industrial paradigm; and that it focuses on delivering individual and corporate goals and economic performance, while neglecting global challenges and economic and social performance. Conscious leadership, on the other hand, is believed to better achieve the objectives of holism, creativity and inspiration that are required to transform firms into sustainable enterprises (Crews 2010).

Compelling evidence has been provided of business leaders pursuing economic (monetary) objectives at the expense of the environment and people's health and livelihoods. The International Panel on Climate Change (Hargreaves 2007:223), for instance, suggests that the world has "less than a decade, to address the destructive effects of economically self-interested activity that is creating massive global climate change". Secondly, the BP oil spills and the Enron scandal are examples of where profits were chosen over the welfare of people and the environment. The investigating company, EMI Consulting, found that BP had been involved in excessive cost-cutting, excessive risk-taking, and contradicting public relations messages and actions.

Professors of Management at the University of Illinois, who studied the Enron demise, concluded that among the factors that caused this implosion were the lack of ethical leadership, the withholding of information by Enron management from the board and the public, Enron's colluding with large banks to structure questionable transactions, and an auditing company signing off Enron's questionable financial statements. The Global Financial Crisis of 2008 was another testament to leadership that focused on short-term profits, rather than on longer term ethical strategies (Metcalf & Benn 2013).

According to Bozesan (2009), higher levels of consciousness are required to derive sustainable solutions that consider all life forms. Bozesan (2009) argued that more conscious leadership would promote business sustainability by promoting long-term thinking focused on the greater good, rather than on short-term benefits, create different social and funding mechanisms, have a greater spiritual focus, dismantle the culture of rampant consumerism, create social justice, and seek appropriate political leadership.

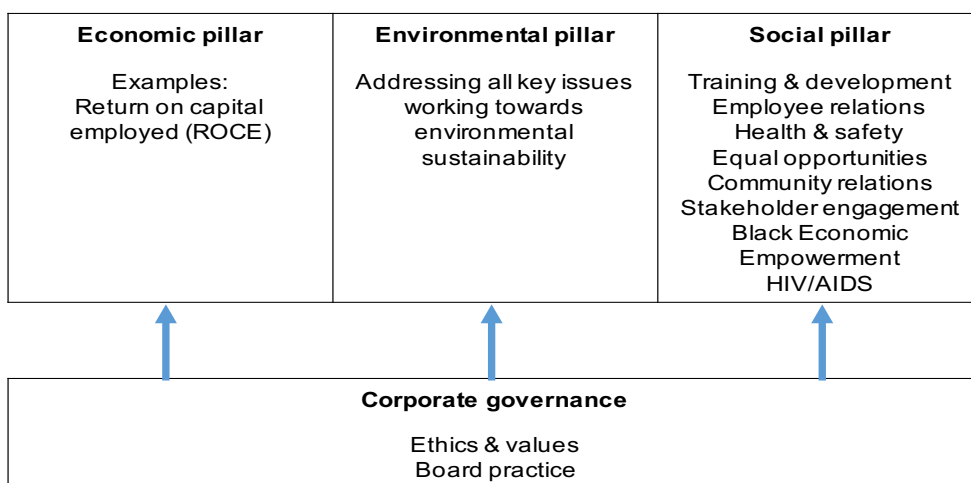
Against this background, the present study explores the extent to which conscious leadership is prevalent in South African firms, and the role it plays in achieving sustainable business practices.

3 Sustainable business practices

As yet no one has come up with a consistent definition for sustainability. This has resulted in a wide range of concepts falling within the sustainability framework (Closs, Speier & Meacham 2011; Brown 2011; Blackburn 2012). The most frequently quoted definition of sustainability, sourced from the World Commission on Environment and Development (Brundtland 1987:37), involves meeting “the needs of the present without compromising the ability of future generations to meet their own needs”. Dyllick and Hockerts (2002:131) extended this definition of sustainability to business, viz. “...meeting the needs of the firm’s direct and indirect stakeholders (such as shareholders, employees, clients, pressure groups, communities, etc.), without compromising its ability to meet future stakeholder needs as well”.

Despite the complexity and ambiguity surrounding the concept of sustainability, it appears that there is consensus that the concept includes at least three elements: The pursuit of profit or economic growth, while caring for the environment and people (United Nations General Assembly 2005). This is referred to as triple bottom line sustainability, also known as the People, Planet and Profit imperatives. Sustainable business practices (SBPs) should be grounded in the three principles of the protection of the environment, economic prosperity, and social equity; and SBPs are therefore a measure of organisational success and responsibility (Hahn & Figge 2011; Sherman & DiGuilio 2010).

Figure 1
The JSE pillars of the triple bottom line



Source: Adapted from JSE Limited (2014) document

The assertion that triple bottom line sustainability has become the minimum definition of sustainability in business is further supported by the way the Johannesburg Stock Exchange (JSE) measures socially responsible investment in companies. In response to the growing interest in responsible investment around the world, the Johannesburg Stock Exchange (JSE) launched the Socially Responsible Investment (SRI) Index in 2004.

Since the JSE already has comprehensive measures in place to establish economic performance, the SRI criteria were introduced to measure sustainable business

practices across the environment, society and governance (ESG) in keeping with the framework promoted by the UN Principles for Responsible Investment. The SRI assesses sustainable business practices in companies by the extent to which they perform on their triple bottom line (economy, environment and society), as well as the extent to which good corporate governance principles underpin each of the triple bottom line pillars (see Figure 1 above).

Following the SRI, the present study defines sustainable business practices as the extent to which companies perform on their triple bottom line (economy, environment and society). More specifically, the study uses return on capital employed (ROCE) and other profitability indicators as measures of the economic pillar. Employee relations, human-resource development and equal opportunities, as well as workforce diversity, are used as measures of the social pillar; while the extent to which a firm safeguards biodiversity, reduces greenhouse-gas emissions, increases the use of renewable energy, commits to independent environmental certification systems, conforms to the best environmental practice and legislation, and beneficiates waste streams is used as a measure of the sustainability of the environmental pillar.

4 The conceptual framework to achieve sustainable business practices

The determinants of sustainable business practices have been the topic of many recent studies. Divecha and Brown (2013), for example, investigated the approach and worldview of 30 reputable senior managers to sustainable business practice, as well as 13 leaders who were regarded as exhibiting high levels of consciousness. Structured interviews with the participants point to a relationship between the individual's sustainability viewpoint and their indicated approach to sustainable business practice.

Although Divecha and Brown (2013) had identified favourable response bias and the small sample as weaknesses of their study, they concluded that a less self-centred and a more conscious leadership approach was required to build sustainability in firms.

Bansal, Bertels, Ewart, MacConnachie and O'Brien (2012) investigated ways of creating an organisational culture in which sustainability might be embedded. They suggested that a portfolio of practices that would support such a culture would include communication, product life cycle and design, training and development, senior management responsibility, talent management, and the alignment of policies. Their study collated the best practices described by various researchers for establishing a culture of sustainability, but it did not indicate what type of leader would be best suited to establish this culture, nor give any indication of the sustainability competencies required.

A study by Boiral et al (2014) focused on the environmental commitment of managers and their stage of consciousness development. According to Rooke and Torbert (2005), managers can be divided into the following categories: those in the higher stages of consciousness development (individualists, strategists and alchemists), those in the middle stages of consciousness development (achievers, diplomats and experts) and those in the lower stages of consciousness development (opportunists).

They reported that managers who are in the higher stages of consciousness development are better able to achieve environmental sustainability than those in the lower stages of consciousness development. The study also demonstrated that it is possible to achieve environmental goals that enhance sustainable business practice without compromising economic performance because leaders with a high level of consciousness are better able to manage complex and often conflicting requirements.

The Boiral et al (2014) study did not consider the social component of the triple bottom line. The sample of 15 small-to-medium enterprises (SMEs) militates against the generalisation of its findings. In addition, the study highlighted the difficulty associated with using questionnaires to capture the complexity of abilities, the values and practices associated with leadership that would achieve sustainability goals.

The present study has attempted to improve on these weaknesses by using a bigger sample of more than 300 participants, and constructing valid and reliable instruments to measure leadership abilities, values and the practices relevant to the study.

Wiek et al (2011) identified five sustainability competencies, namely: systems-thinking competency; anticipatory competency; normative competency; strategic-thinking competency; and interpersonal relations competency. These should proactively drive sustainability in any organisations, including companies. However, their study provided insufficient empirical evidence that these competencies *do* in fact achieve successful sustainability practices in organisations. Redman (2013), however, showed that a sustainable future for all organisations is dependent on the sustainability behaviours of individuals, and that these behaviours are the result of individual competencies and individual knowledge.

In a study on Indian business firms, Sharma and Khanna (2014) investigated the importance of integrating corporate governance with sustainability in the pursuit of the continued functioning of companies. They reported an insignificant positive correlation between corporate governance and sustainability but they attributed this to measurement shortcomings in their study.

Klettner, Clarke and Boersma (2014) conducted a study on sustainability reporting in the annual reports of 50 large listed Australian firms, in order to understand the governance of sustainability, rather than just the ethics of governance. The study revealed that some firms indicated that they were practising good corporate governance without any evidence of understanding of the concept, or of its contribution to sustainable business practices. The study concluded that governance structures and processes in firms have to evolve, so that in time they are able to create the climate needed to direct and control a sustainability strategy, and that more research is required to understand how to lead and govern sustainably. The present study has attempted to address this research gap.

To summarise, the preceding literature review points to the following determinants of sustainability:

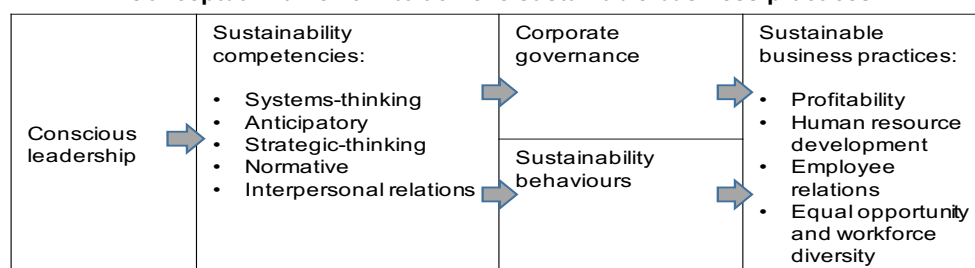
- Consciousness (and therefore, conscious leadership), which should influence the environmental and economic sustainability of firms (Boiral et al 2014).
- Sustainability competencies, which should influence sustainability behaviours (Redman 2013).
- Sustainability competencies, which should drive sustainability outcomes (Wiek et al 2011).
- Corporate governance, which should influence sustainability outcomes (Sharma & Khanna 2014).
- Corporate governance and leadership, which should influence sustainability outcomes (Klettner et al 2014).

Following this summary, the present study has proposed the following conceptual framework to achieve sustainable business practices in firms. In this framework, the study argued that sustainable business practices (SBPs) could only be achieved if certain sustainability behaviours were enacted in firms; that SBPs would also only be

achieved if proper sustainability-related corporate governance was implemented in these firms; that both sustainability behaviours and sustainability-related corporate governance would only be driven effectively when managers possessed the necessary sustainability competencies; and that conscious leadership would be a strong driver of sustainability competencies.

The conceptual framework is graphically depicted in Figure 2.

Figure 2
Conceptual framework to achieve sustainable business practices



5 The hypothesised relationships

On the basis of the above-mentioned conceptual framework, the following hypotheses were formulated:

5.1 *The relationship between conscious leadership and sustainability competencies*

Students of leadership seem to suggest that some, if not all, the traditional leadership practices provide the reasons why sustainable business practices are not achieved. For example, Pillay and Sisodia (2011) suggest that traditional leadership practices often do not incorporate the ethical and transformational leadership needed to achieve sustainable business practices. Fyke and Buzzanell (2013) believe that ethical business issues are best solved through increased consciousness. Crews (2010) argues that conscious leadership provides the holism, creativity and inspiration required to transform firms into sustainable enterprises; while Brown (2011) suggests that traditional leadership practices often pursue economic goals at the expense of economic and social imperatives.

Against this background, the present study argues that high-conscious leaders would exhibit better sustainability competencies than their low-conscious counterparts. It is, therefore, hypothesised that:

H1: Conscious leadership is positively related to systems-thinking competency (H1a), anticipatory competency (H1b), normative competency (H1c), strategic-thinking competency (H1d) and interpersonal relations competency (H1e).

5.2 *The relationship between sustainability competencies, corporate governance and sustainability behaviours*

Arnim Wiek of the School of Sustainability at the Arizona State University identified five competencies (systems-thinking competency, anticipatory competency, normative competency, strategic-thinking competency and interpersonal relations competency) that proactively drive sustainability (Wiek et al 2011). Systems-thinking competency

refers to the ability to collectively analyse complex systems across different domains (society, environment, economy, etc.) and across different scales (local to global), thereby considering cascading effects, inertia, feedback loops and other systemic features related to sustainability issues and sustainability problem-solving frameworks.

Anticipatory competency refers to the ability to collectively analyse, evaluate and craft rich pictures of the future, as it is related to sustainability issues and sustainability problem-solving frameworks. Strategic-thinking competency is the ability to collectively design and implement interventions, transitions and transformative governance strategies towards sustainability. Normative competency is the ability to collectively map, specify, apply, reconcile and negotiate sustainability values, principles, goals and targets. Interpersonal relations competence is the ability to collectively design and implement interventions, transitions and transformative governance strategies towards sustainability.

Wiek et al (2011) suggest that managers should exhibit these competencies to govern and implement the appropriate sustainability behaviours, in order to achieve sustainable business practices. It is therefore hypothesised that:

H2: Systems-thinking competency (H2a), anticipatory competency (H2b), normative competency (H2c), strategic-thinking competency (H2d) and interpersonal relations competency (H2e) are positively related to corporate governance.

H3: Systems-thinking competency (H3a), anticipatory competency (H3b), normative competency (H3c), strategic-thinking competency (H3d) and interpersonal relations competency (H3e) are positively related to sustainability behaviours.

5.3 The relationship between corporate governance and sustainable business practices

In the absence of ethics as a key ingredient of corporate governance, self-interest would threaten sustainability in firms (Chekwa, Ouhirra, Thomas & Chukwuanu 2014). The Association of Certified Fraud Examiners (2012) revealed that companies lose an estimated 5% of their annual revenues to fraud, which translates into an estimated global fraud loss of more than \$3.5 trillion per year. The Global Financial Crisis (GFC), which started in the United States of America (USA), was a consequence of poor corporate governance – in the form of misleading accounting practices and reckless behaviour by business leaders and financial institutions (Blaga 2013).

The governance requirements associated with the Sarbanes-Oxley Act (SOX) in the USA and with King III in South Africa were designed to reduce fraudulent financial reporting, and to foster sustainable business practices in firms, i.e. higher profitability, healthy employee relations, and the provision of equal opportunities and workforce diversity in the workplace (Willits & Nicholls 2014).

For the above-mentioned reasons, it was hypothesised that:

H4: There is a positive relationship between corporate governance and sustainable business practices, as measured by increased profitability (H4a), effective human resource development (H4b), healthy employee relations (H4c) and the provision of equal opportunities and workforce diversity (H4d).

5.4 The relationship between sustainability behaviours and sustainable business practices

The literature points to a number of behaviours that should be implemented to foster sustainable business practices in firms. These behaviours include the following:

- making sustainability a critical strategic goal (Legault 2012; Lubin & Esty 2010);
- continuously communicating the need, vision and strategies for achieving sustainability, while aligning systems, structures, policies and procedures to achieve SBPs (Brown 2011; Crews 2010);
- moving away from a tactical, *ad hoc*, silo approach to a strategic, systemic, integrated approach, where there is shared accountability through integrated objectives and performance evaluation (Brown 2011; Crews 2010);
- developing sustainability scorecards that support benchmarking and best-practice comparisons (Lubin & Esty 2010);
- focusing more on how to increase awareness, and on changing thought processes, assumptions and behaviours instead of an overemphasis on policy and sustainability tools (Brown 2011; Roxas & Coetzer 2012); and
- pursuing a culture of continuous improvement (Joule 2011; Crews 2010).

Xiao, Faff, Gharghori and Lee (2013:308) found that sustainability firms had “no significant impact on global equity returns”. In other words, at the individual firm level, a focus on sustainability behaviours does not exert any significant influence on a firm’s financial performance. Ameer and Othman (2012:73), however, produced empirical findings indicating that “companies which place [the] emphasis on sustainability practices have higher financial performance”.

Against the background of the preceding literature review, the present study argues that sustainability behaviours should have a positive influence on achieving sustainable business practices. It was therefore hypothesised that:

H5: There is a positive relationship between sustainability behaviours and sustainable business practices, as measured by increased profitability (H5a), effective human resource development (H5b), healthy employee relations (H5c) and the provision of equal opportunities and workforce diversity (H5d).

6 Research objective

The primary research objective of the study was to contribute to the achievement of sustainable business practices in firms by investigating the roles that conscious leadership, sustainability competencies, corporate governance and sustainability behaviours play in achieving these practices.

7 The methodology of the study

7.1 The sample

Convenience sampling was used to select a sample of 371 senior managers and directors from 167 JSE-listed and 35 unlisted companies. A total of 317 (85.4%) respondents from listed companies and 54 (14.6%) respondents from unlisted companies eventually participated in the study (see Table 2). The selection of managers was based on the criterion that they were in a position to provide valid answers to the questionnaire statements on sustainability behaviours and practices in their businesses. Where contact persons in companies were known to the researcher, they were telephonically contacted to request them to complete or circulate the questionnaires to not more than 10 senior managers and directors who met the selection criteria.

The questionnaire was made available through the SurveyMonkey link (<https://www.surveymonkey.com/s/TMMVHMX>), or as an attachment to an e-mail to the

participant. Where contact persons were unknown to the researcher, questionnaires or the SurveyMonkey link were e-mailed to those participants whose email addresses were made available by their respective administrators. Table 2 shows the demographic composition of the sample.

Table 2 shows that the sample consisted of four times as many males as females, namely: 80.1% males and 19.9% females. This is an accurate reflection of gender occupancy in middle- and top-management positions in South African firms, where males are still in the majority in these posts.

Table 2
Demographic composition of the sample

Variable	N	%
JSE listing		
Respondents from listed companies	317	85.4
Respondents from unlisted companies	54	14.6
Total	371	100.0
Age in years		
20-29	0	0.0
30-39	36	9.7
40-49	173	46.6
50-59	160	43.1
60+	2	0.6
Total	371	100.0
Level of education		
Secondary/matriculation	3	0.8
Graduate	251	67.7
Master's/doctorate	117	31.5
Total	371	100.0
Tenure in years		
Less than 5	14	3.8
5-9 years	60	16.2
10-14 years	99	26.7
15-19 years	55	14.8
20+ years	143	38.5
Total	371	100.0
Job experience in years		
Less than 5 years	111	29.9
5-9 years	108	29.1
10-14 years	72	19.4
15-19 years	34	9.2
20+ years	46	12.4
Total	371	100.0

A large majority of the respondents (89.7%) were aged between 40 and 49 years (46.6%) and 50 and 59 years (43.1%). Again, this is a true reflection of the situation in these medium-to-large firms, with middle and top managers usually being above 40 years of age.

Most of the respondents (98.2%) held at least a bachelor's degree, with 31.5% holding a Master's degree or a doctorate. This is to be expected at these management levels. The basic qualification required at middle and top management levels is a bachelor's degree.

About twenty-seven per cent (26.7%) of the respondents had job tenures with their current employers ranging between 10 and 14 years. Fifteen per cent (14.8%) of the respondents had job tenures of between 15 and 19 years; while thirty-nine per cent (38.5%) had job tenures of more than twenty years. The long tenure of senior managers with the firms is typical of many South African firms.

About forty-one per cent (41.0%) of the respondents have had ten years' work experience or more in their current job, while thirty per cent (29.9%) of the respondents have had less than five years of experience in their current job, and twenty-nine per cent (29.1%) of the respondents have had between five and nine years of experience in their current job. The pressure on South African firms to increase the level of diversity, as defined in this study, particularly with regard to senior management, would probably have contributed to the shorter period of job experience in the current position.

The sample is a fair reflection of the executive-management profile in South Africa, which is largely male, middle-aged, well-qualified, with many years of service within the company, but with fewer years of experience in their current position. It is therefore argued that the sample provides a true representation of the views on sustainability in the majority of JSE-listed companies.

7.2 The measuring instruments

Existing measuring instruments were sought to measure the variables in the hypothesised model; but where no existing ones were found, new instruments were constructed, based on the information gained from the literature review on these variables. Advice was also sought from eight sustainability experts during the construction of the measuring instruments. These experts represented either manufacturing or service-related businesses that belonged to the JSE and subscribed to the Socially Responsible Investment (SRI) Index.

The instruments for measuring the five *sustainability competencies* (systems-thinking, anticipatory, normative, strategic-thinking and interpersonal relations competencies) were primarily derived from the research of Wiek et al (2011), whereas those measuring *sustainability behaviours* were based on the studies of Bozesan (2009), Lubin and Esty (2010) and Legault (2012). The nine-item instrument to measure *corporate governance* was constructed in accordance with the JSE SRI Index governance indicators (JSE Limited 2014).

The self-constructed instrument to measure *conscious leadership* was based on the work of Carter (2009), Scharmer (2009), Renesch (2010) and Brown (2011) and the instruments to measure *human resource development*, *employee relations* and *equal opportunities/workforce diversity*, respectively, were based on the JSE SRI Index's social and environmental indicators (JSE Limited 2014).

All questionnaire statements measuring the above-mentioned latent variables were anchored to a five-point scale – ranging from (1) strongly disagree to (5) strongly agree.

The *profitability* of firms was measured by requesting respondents to assess their firms with regard to the following for the preceding financial year: basic earning power (profit before interest and taxes as a percentage of total assets), rate of return on total assets (net profit after taxes as a percentage of total assets), net profit margin (net profit after taxes as a percentage of net sales income), and return on equity (net profit after taxes as a percentage of equity capital). Respondents were also required to indicate the average growth of their firms' share price over the preceding five years. All these responses were anchored to a 10-point scale ranging from nil to 100%.

Profitability was furthermore measured by requesting respondents to assess their firms' turnover speed of total assets (net sales income divided by total assets for the preceding year). The anchoring scale for this assessment consisted of two times per annum intervals ranging from 2-3 times per annum to 20-plus times per annum.

The data collected by these instruments were analysed using the STATISTICA Version 12 (StatSoft Inc. 2014) and the LISREL Version 9.1 (Jor eskog & S orbom 2013) computer software programs.

8 Data analysis

This section reports on the empirical results with regard to the reliability and validity of the data as well the multivariate analyses.

8.1 Reliability of the data

A pilot study with 20 prospective participants was conducted to identify any errors in the questionnaire. Cronbach's alpha coefficients were calculated to test the reliability of the data collected by these instruments. The pilot study produced acceptable initial Cronbach's alpha coefficients (greater than 0.70) for all the latent variables (see Table 3), except for conscious leadership (alpha = 0.53). As this was still the exploratory phase of the study, it was decided to retain and make improvements to the measuring items for this variable.

In view of the pilot participants' complaints about the length of the questionnaire (126 items, excluding the six profitability and six demographic-related measuring items) and because it was feared that questionnaire fatigue would result in a low response rate from the very busy managers in JSE-listed companies, it was decided to reduce the number of questionnaire items. In order to achieve this, the researcher consulted with members of the pilot sample and decided which items should be retained and which were not critical to retain. This resulted in the 126 questionnaire items being reduced to 95. Table 3 indicates the items that were deleted in the process.

Table 3
Empirical results – Reliability of instruments in pilot study

Variables	Initial Cronbach's alpha in pilot study	Items deleted	Final number of items
Conscious leadership (14)	0.53	CLEAD 2, 3, 6 and 7	10
Corporate governance (15)	0.94	COGOV 1, 2, 3, 6, 7, 9 and 10	8
Sustainability behaviours (17)	0.85	SBEH 3, 4, 6, 9, 10, 11, 14, 15 and 17	8
Anticipatory competency (6)	0.72	None	6
Interpersonal competency (8)	0.93	None	8
Normative competency (5)	0.71	None	5
Strategic-thinking competency (8)	0.83	None	8
Systems thinking competency (8)	0.87	None	8
Employee relations (11)	0.83	EMPRES 1, 2, 10 and 11	7
Equal opportunities and workforce diversity (11)	0.88	None	11
Human resource development (13)	0.90	HRD 1, 2, 4, 5 and 6	8
Environmental performance (10)	0.77	ENVIP 6 and 7	8

Note: the numbers in brackets indicate the original number of items used to measure the particular variable.

On completion of the final data collection for the study, exploratory factor analyses (EFAs) were conducted and Cronbach's alpha coefficients re-calculated. The results of these re-calculations are reported in Table 4.

8.2 Validity of the data

In the present study, the proof of content validity of the data was established in the pilot study since practitioners in the field of sustainability also participated in this initial phase. Discriminant validity was assessed by conducting two sets of exploratory factor analyses (EFAs): one for the independent variables and one for the dependent variables. The STATISTICA Version 12 (StatSoft Inc. 2014) of the statistical software package was used to conduct the EFAs. Principal Component Analysis was specified as the method of factor extraction; and Varimax Raw Rotation of the original factor matrix was used in all instances. Table 4 shows the empirical factor structure that emerged from the EFAs, as well as the re-calculated Cronbach's alpha coefficients. The latter were all more than 0.80, which is indicative of very good reliability (Zikmund, Babin, Carr & Griffin 2013).

Table 4
The final empirical factor structure

Latent variable	Measurement items	Factor loading	Cronbach's alpha
Conscious governance	COGOV 1, 3, 4, 5, 6, 7, 8 CLEAD 1, 3, 6, 8 ANTIC 1 SBEH 1 STRAT 6 SYSTC 6	0.517 – 0.853	0.97
Systems-thinking competency	COGOV 2 STRAT 7 SYSTC 1, 2	0.703 – 0.775	0.83
Equal opportunity and workforce diversity	EQWD 1, 2, 3, 4	0.842 – 0.876	0.91
Profitability	BEARN (basic earning power) NPMAR (net profit margin) RETTO (rate of return on total assets)	0.847 – 0.869	0.80
Employee relations	EMPRES 5, 6 EQWD 10	0.705 – 0.818	0.82

The EFAs revealed an important finding to be noted at this stage, namely that the respondents did not view conscious leadership as a distinct and separate variable from corporate governance, sustainability competencies and sustainability behaviours variables, as was originally surmised. These respondents regarded the corporate governance that they exhibit on a daily basis as inclusive of conscious leadership and sustainable development competencies and behaviours. Conscious leadership, sustainability competencies (apart from systems-thinking) and sustainability behaviours collapsed into one variable in this study.

For the purposes of the present study, this new construct will be labelled as "conscious-corporate governance" (meaning governance with a higher consciousness). Furthermore, the three elements of the triple bottom line, namely: profitability, employee relations and equal opportunity and workforce diversity, emerged as separate variables. They are called sustainable business practices in the remainder of this paper. Table 4

shows how the measuring items loaded on the factors, with loadings that ranged from 0.517 to 0.876. This is indicative of good discriminant validity, as items with cross-loadings of below 0.517 were all deleted.

Additionally, in order to improve the construct validity of any latent variables, especially when structural-equation analysis (SEM) for the testing of the hypothesised model was considered, Malhotra, Lopes and Veiga (2014) recommend that manifest variables should correlate with the latent variable at least at $r = 0.60$. After scrutinising the Cronbach's alpha results, it was discovered that CLEAD9 and STRAT3 items in the corporate governance and the ENVIP3 item in the employee relations variable showed item-to-total correlations of below 0.60. There is no theoretical basis for the ENVIP3 items to be part of the employee-relations variable and deleting this item held the additional advantage of increasing the Cronbach's alpha of the variable to 0.82.

The CLEAD9, STRAT3 and ENVIP3 items were therefore omitted from any subsequent analyses. After these adjustments, the measuring items in Table 4 were regarded as the final manifest variables for their respective latent variables in subsequent analyses.

8.3 Structural equation modelling considered

As a first step, structural equation modelling (SEM) was considered as the statistical technique to analyse the data. SEM is an advanced and powerful statistical technique for simultaneously examining relationships among latent variables in a model representing a theory on an issue. The technique estimates the modelled parameters by analysing the covariance matrix of relationships among these variables with one administration. This is not possible when using other common approaches, such as multiple regression analysis. Unlike multiple regression analysis, SEM provides for the control of extraneous and confounding variables (Cooper & Schindler 2014).

In order to define the latent variables, SEM requires that a confirmatory factor analysis (CFA) be conducted to ascertain both the discriminant and the convergent validity of the constructs. These constructs are called variables in the hypothesised model (Hair, Black, Babin, Anderson & Tatham 2010). Two CFAs were, therefore, conducted in the present study – one for the independent and one for the dependent variables. The CFAs were conducted on the empirical factor structure that emerged from the exploratory factor analyses (see Table 4).

These CFAs produced RMSEA scores (root mean square of approximation) of 0.097 and 0.083 for the independent and dependent variables, respectively.

The RMSEA is a goodness-of-fit index – indicating how well the measurement model reflects the theorised (hypothesised) model (Hair et al 2010). According to MacCullum, Browne and Sugawara (1996), a RMSEA score of above 0.08 indicates a poor fit. With the CFAs of the present study producing RMSEAs exceeding this norm, SEM was no longer considered an appropriate technique for analysing the data further. The LISREL Version 9.1 software (Jöreskog & Sörbom 2013) that was used to conduct this analysis also indicated high levels of multicollinearity in the dataset (see also the very high factor loadings in Table 4), a condition that would make SEM very difficult.

According to Grewal, Cote and Baumgartner (2004), extreme levels of multicollinearity (exceeding 80%) cause high levels of Type II measurement error. The multicollinearity condition detected in the present study was 98.6%. Against this background, it was decided to use simple and multiple regression analyses in all subsequent investigations.

9 The empirical results

It must be noted that conscious leadership did not emerge as a separate variable during the EFA; but it did emerge as an element of corporate governance. It was then labelled as conscious corporate governance (CCOGOV). This is in line with assigning the attribute, conscious, to a phenomenon that has achieved high levels of consciousness. Examples are conscious capitalism and conscious business (Mackey 2011) and conscious knowing (Carter 2009). Further, the sustainability competencies, apart from systems-thinking and sustainability behaviours, did not emerge as distinct and separate variables.

Against this background, the regression analyses included only the following investigations: (a) The relationship between systems-thinking and conscious corporate governance; and (b) the relationship between conscious corporate governance and sustainability outcomes (profitability, employee relations and equal opportunities and workforce diversity). The empirical results of these investigations are reported next.

9.1 *The relationship between systems-thinking competency and conscious corporate governance*

The empirical results (See Table 5) show that systems-thinking competency is significantly positively ($r = 0.72$, $p < 0.001$) related to conscious corporate governance. The hypothesis (H2a) was therefore supported. This means that managers who have strong systems-thinking competency enhance the conscious corporate governance of their firms.

Table 5
Relationship between systems-thinking competence and conscious corporate governance – Empirical results

Dependent variable: Conscious corporate governance						
$r^2 = 0.521$						
$F(1,369) = 402.32$, $p < 0.001$						
	b*	Std. Err. - of b*	B	Std. Err. - of b	t(369)	p-value
Intercept			1.372567	0.142085	9.66015	0.00000
SYSTC	0.722217	0.036007	0.760510	0.037916	20.05787	0.00000*

Note: * indicates significance at $p < 0.001$

Table 5 also reveals that systems-thinking competency alone explains about 52.1% ($r^2 = 0.521$) of the variance of conscious corporate governance. This competency is therefore a strong determinant of conscious corporate governance.

9.2 *The relationship between conscious corporate governance and the profitability of firms*

Table 6 indicates that conscious corporate governance is negatively related ($r = -0.16$, $p < 0.01$) to profitability. The hypothesis H4a is not supported. This means that conscious corporate governance, as measured in the present study, has the potential to reduce profitability in the sampled firms. This influence is, however, very small (less than 29%), according to Gravetter and Wallnau (2009), which means that this influence is almost negligible.

Table 6
Relationship between conscious corporate governance and profitability – Empirical results

Dependent variable: Profitability $r^2 = 0.020$ $F(1,369) = 9.3382, p < 0.001$						
	b*	Std Err. - of b*	B	Std Err. - of b	t(368)	p-value
Intercept			2.999150	0.306030	9.80018	0.000000
CCOGOV	-0.15710	0.051411	-0.22058	0.072184	-3.05585	0.002408**

Note: ** indicates significance at $p < 0.01$

9.3 The relationship between conscious corporate governance and employee relations in firms

Table 7 indicates a significantly positive relationship ($r = 0.69, p < 0.001$) between conscious corporate governance and employee relations (support for hypothesis H4c). The regression coefficient of 0.69 indicates a strong relationship, according to Gravetter and Wallnau (2009), which means that conscious corporate governance is a strong antecedent to the improvement of employee relations in the sampled firms.

The r^2 statistics of 0.477 indicates that conscious corporate governance explains about 48% of the variance of employee relations. In other words, conscious corporate governance would play a moderate role (< 0.49 , Gravetter & Wallnau 2009) in enhancing employee relations in the sampled firms.

Table 7
Relationship between conscious corporate governance and employee relations – Empirical results

Dependent variable: Employee relations $r^2 = 0.477$ $F(1,369) = 336.72, p < 0.001$						
	b*	Std Err. - of b*	B	Std Err. - of b	t(368)	p-value
Intercept			0.269027	0.171063	1.57268	0.116650
CCOGOV	0.690745	0.037643	0.740401	0.040349	18.34989	0.000000*

Note: * indicates significance at $p < 0.001$

9.4 The relationship between conscious corporate governance and the achievement of equal opportunities and workforce diversity in firms

The empirical results (Table 8) reveal that conscious corporate governance is significantly positively related to ($r = 0.71, p < 0.001$) achieving equal opportunities and workforce diversity in firms. The hypothesis H4d is therefore supported. This strong relationship indicates that conscious corporate governance plays a big role in achieving equal opportunities and workforce diversity in firms. The r^2 statistic of 0.503 also indicates that conscious corporate governance explains about 50% of the movement in the achievement of equal opportunities and workforce diversity in the sampled firms.

Table 8
Relationship between conscious corporate governance and achieving equal opportunities and workforce diversity in firms – Empirical results

Dependent variable: Achieving equal opportunities and workforce diversity relations						
$r^2 = 0.503$						
$F(1,369) = 374.15, p < 0.001$						
	b*	Std Err. - of b*	B	Std Err. - of b	t(368)	p-value
Intercept			0.864194	0.157898	5.47313	0.000000
CCOGOV	0.709551	0.036683	0.720400	0.037244	19.34284	0.000000*

Note: * indicates significance at $p < 0.001$

To summarise, the empirical results revealed that conscious corporate governance exerts a negative influence on profitability, but a positive influence on employee relations and the achievement of equal opportunities and workforce diversity in firms. These results support the notion that managers should always try to find the right balance between sustainability outcomes, profit, people and planet. If conscious corporate governance is reduced – in an effort to increase profitability, as the empirical results suggest, employee relations and the achievement of equal opportunities and workforce diversity in the workplace would probably suffer.

9.5 High versus low levels of conscious leadership

Higher consciousness in leadership is a core issue in the present study. Although the variable, conscious leadership, did not emerge as a distinct and separate variable during the exploratory factor analyses, it featured strongly in the corporate governance variable. Five of the CLEAD measuring items loaded on the corporate governance factor with loadings exceeding 0.50. In the subsequent Cronbach's alpha calculations, four of these items produced item-to-total correlations of more than 0.80 and the fifth item, which was later deleted, produced an item-to-total correlation of 0.59 (see Table 4).

It may therefore be argued that higher consciousness is an important element of corporate governance, as measured in the present study, hence the new construct, conscious corporate governance (CCOGOV). Against this background, it was important to investigate in depth whether the empirical results were different for leaders or managers with high versus low levels of consciousness.

Table 9
Pearson correlations – comparison of high and lower levels of conscious corporate governance subsamples

	SUB-SAMPLE	CCOGOV
PPROF	High	-0.14
	Lower	-0.44

Note: The correlations in bold are significant at $p < 0.05$

In order to accomplish the above-mentioned objective, the total sample was divided into high and lower conscious corporate governance subsamples. High CCOGOV participants were defined as those who had obtained a mean score of 4.00 or more on the 5-point disagree-to-agree scale used to measure the CCOGOV items in the questionnaire. The data set indicated that 289 participants had CCOGOV mean scores

of more than 4.00 whereas 82 had mean scores of less than 4.00. The latter group was labelled as lower CCOGOV.

Pearson correlations were calculated for the relationships between CCOGOV and PPROF. The empirical results are reported in Table 9.

Table 9 shows that both high and lower CCOGOV respondents indicated a significantly negative relationship between conscious corporate governance and profitability, except that the correlation in the high CCOGOV subsample was significantly smaller than in the lower CCOGOV subsample. This result suggests that conscious corporate governance could be a growing phenomenon in management circles – in the same way that Piaget (1948, 1954) argued that consciousness develops from a person's birth to his or her death.

The above result is also congruent with Rooke and Torbert's (2005) proposition of consciousness development. The empirical results of the present study show that lower-level CCOGOV managers view corporate governance as having a significantly negative influence on profitability; and as they develop into higher-level CCOGOV managers, this view becomes less pronounced. Given the developing nature of the construct, as explained above, the results might indicate that CCOGOV could be cultivated in managers – to such an extent that CCOGOV could change to a positive relationship with profitability.

The CCOGOV subsamples were also compared in terms of their descriptive statistics – to further investigate whether this phenomenon influences the way in which the respondents rate themselves and their companies with regard to the variables investigated in this study. The empirical results of this analysis are reported in Table 10.

Cohen's *d* indicates how significant the differences are between the mean responses of the two CLEAD subsamples. Cohen's *d* is defined as the difference between two means divided by the standard deviation (SD) for the data. In the present study, the average means and standard deviations of the variables were calculated for the respective subsamples.

Table 10
Differences between conscious leadership subsamples – Descriptive statistics

Variable	Mean high CCOGOV	Std dev.	Mean lower CCOGOV	Std dev.	Diff. in means	Ave. Std. dev.	Cohen's <i>d</i>
Systems thinking competency	3.92	0.62	2.80	0.56	1.12	0.59	1.89
Equal opportunities and workforce diversity	4.14	0.67	2.89	0.44	1.25	0.55	2.27
Profitability	2.06	1.10	2.15	1.22	-0.09	1.16	-0.08
Employee relations	3.63	0.70	2.36	0.60	1.27	0.65	1.95

Cohen (1988) suggests that a *d* of 0.20 indicates a small effect size; whereas a *d* of 0.50 suggests a medium effect size; and a *d* of 0.80 or more suggests a large effect size. Against this background, Table 10 reveals large effect sizes for all the variables on which high- and lower-level CCOGOV respondents were compared, except for profitability. This means that the differences between the two subsamples were significant, except for profitability. The lower-level CCOGOV subsample rated them slightly higher on profitability than the higher-level CCOGOV subsample; but this difference was statistically insignificant.

Table 10 shows that high-level CCOGOV respondents generally rate themselves and their companies higher on the listed variables than lower-level CCOGOV respondents, except for profitability. In other words, high-level CCOGOV respondents are more favourably inclined towards the statements than lower-level CCOGOV respondents. This result seems to support the notion that higher consciousness among managers should be fostered in firms, in order to achieve more positive sustainability outcomes (possibly including profitability).

10 Discussion of the results

The first important finding of this study is that senior managers and directors of big companies, mostly JSE-listed companies, regard conscious leadership not as a separate construct but as an integral part of how they govern their companies. In other words, they believe their corporate governance includes leadership that inspires and evokes greatness in followers, in order to motivate them to do a proper job; leadership that is authentic and valid in dealings with followers; leadership which believes that to be effective, there must be an integration between head, heart and hand; and leadership that acknowledges that success is the result of collective effort – rather than isolated contributions by individual leaders.

Based on this higher level of consciousness exhibited in corporate governance among the respondents in this study, a new construct was born, namely conscious corporate governance. The empirical results revealed that conscious corporate governance was positively related to healthy employee relations and the achievement of equal opportunities and workforce diversity. This means that by cultivating conscious corporate governance, managers would be able to achieve the sustainability outcomes of healthy employee relations and equal opportunities and workforce diversity.

Conscious corporate governance includes managers doing the following:

- exhibiting the capacity to think systemically about the future of the firm;
 - actively supporting their firms' public commitment to complying with internationally accepted governance standards, such as King III;
 - actively supporting their firms' review procedures for both internal and external audit findings;
 - actively supporting their firms' code of ethical policies;
 - actively supporting their firms' efforts to hold senior staff responsible for ethical management;
 - actively supporting their firms' efforts to ensure that training and/or communication on the code of ethics takes place (e.g. as part of employee-induction programmes);
 - actively supporting their firms' efforts to ensure a secure communication channel for employees to seek advice or voice their concerns (e.g. a confidential fraud hotline);
 - actively supporting their firms' efforts to have compliance-monitoring and regular reviews of the implementation of the code of ethics in place;
 - actively creating an ethical environment in their firms, by using their own transformational influence;
 - understanding the potential of interventions to produce unintended consequences;
- and

- understanding that a fragmented approach to sustainability is unlikely to be successful – because of its integrated and complex nature.

If managers perform all these conscious corporate governance activities, they should succeed in achieving the sustainability outcomes of healthy employee relations as well as equal opportunities and workforce diversity. Firms should, therefore, encourage and empower their managers to implement these activities.

As far as employee relations are concerned, the empirical results indicated that, by implementing the above-mentioned conscious corporate governance activities, managers would be steered towards using appropriate rewards to achieve healthy employee relations. They would emphasise setting and achieving equal opportunity targets for all employees; and they would demonstrate public commitment to workforce diversity through their firms' policies and clearly stated targets.

The second important finding of this study was that the above-mentioned conscious corporate governance actions were negatively related to company profitability. This finding means that conscious corporate governance has a negative influence on profitability. However, this finding appears to be incongruent with the findings of Ameer and Othman (2012) that there is a strong correlation between companies where management was very focused on driving sustainability practices and the higher financial performance of those companies.

A finding that conscious corporate governance reduces profitability draws attention to the debate of profit maximisation at all costs. Should this kind of corporate governance be avoided in favour of increasing profitability? The present study answers the question in the negative. On the contrary, the study supports the notion that managers should strive to find and maintain the balance between the profit, people and planet dimensions of sustainability. The empirical results clearly showed that the pursuit of profitability – by reducing conscious corporate governance, as the questionnaire responses suggest – would impair healthy employee relations and the achievement of equal opportunities and workforce diversity. Conscious corporate governance should rather be encouraged, until higher levels of governance are achieved. This would increase healthy employee relations and the achievement of equal opportunities and workforce diversity, as well as profitability in the long run.

The empirical results also revealed that systems-thinking competency was positively related to conscious corporate governance. This means that this kind of corporate governance can be fostered by encouraging and training managers to serve on audit and remuneration committees that are independent from one another; to participate in the use of methods for designing, testing, implementing and evaluating the firm's strategies and plans; and to participate in the analysis of economic and environmental issues (external and internal to the firm) related to sustainability, in order to achieve sustainable business practices in the firm.

11 Recommendations for future research

The use of self-constructed instruments to measure the latent variables in this study seems to be a weakness of the study. This raises validity issues regarding the data. It is thus suggested that these instruments be improved in replications of this study.

It is also recommended that the study be replicated with middle managers, in order to investigate how the conscious corporate governance construct plays out on this management level.

In the present study, no differentiation was made between industries, for example manufacturing was not differentiated from trading or financial services. Testing the hypothesised model in different industries could yield interesting results in future studies.

12 Conclusion

The study has endeavoured to show that conscious leadership should be the driver of sustainability competencies, sustainability behaviours and corporate governance, in order to achieve sustainability outcomes (the triple bottom line). The study achieved this objective in an indirect way, by showing that conscious-corporate governance, which includes characteristics of conscious leadership, should be developed to higher levels in companies, so that healthy employee relations, equal opportunities and workforce diversity could be achieved.

The study has showed that managers' conscious corporate governance behaviours could be increased by enhancing their systems-thinking competencies. The study asserts, however, that the reduction of conscious corporate governance for short-term profitability gains, but at the expense of employee relations, and the achievement of equal opportunities and workforce diversity, is not a viable option in any firm, especially not in the South African context.

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