

THE NEW NORMAL  
CHALLENGES OF MANAGING BUSINESS,  
SOCIAL AND ECOLOGICAL SYSTEMS  
IN THE POST COVID-19 ERA

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# COVID-19: Acid Test for Stakeholder Capitalism

Ashok K Malhotra\*<sup>1</sup> and Poonam Narang<sup>2</sup>

***Abstract:** Stakeholder capitalism being an economic model and systems thinking being a strategy, the dominated economic power players or governments may get convinced to step forward to create a resilient world, collectively through active stakeholder analysis and engagement. The article describes two widely divergent scenarios that have seemingly activated a compelling story for the corporate world as well as healthcare project sponsors to engage with stakeholders in a new, more positive way that results in stakeholder capitalism. If these shifts become permanent post COVID-19, there is a great potential to thoroughly recalibrate the contemporary systems including corporate organizations, and to engage with other stakeholders to improve the state of the world in which they are operating, which is the ultimate aim of universal stakeholder capitalism.*

***Keywords:** Engagement, Stakeholder Analysis, Stakeholder Capitalism, Systems Thinking, Value Capturing, Value Creation*

## Introduction

We need to introspect whether it is justified to draw an analogy of ‘capital market’ or ‘shareholder capitalism’ to the ‘alcohol dependence syndrome’. Normally, in real life, we debate as to whether alcohol dependence is an addiction or an obsessive compulsion. On the same lines, it is required to question whether the present economy is dependent on ‘shareholder capitalism’ or is it a compulsion in the light of today’s Environment, Corporate Social Responsibility, and Governance challenges (ECSR) alertness? The current ‘Shareholder capitalism’ dependent economy gained ground over the last five decades in the USA and gradually permeated to other parts of the world. No doubt that hundreds of millions of people around the world prospered with the promotion of the shareholder capitalism model; value capturing companies unlocked new markets and created new jobs. Only financial metrics, mainly profit maximisation or value capturing form of

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