Ethical Entrepreneurship Is Redefining Marketing-Driven Organizations

Myles Bassell and Hershey H. Friedman

ABSTRACT
Ethical entrepreneurship is redefining marketing-driven organizations. Maximizing shareholder value and/or profit maximization make for a bad combination in marketing-driven organizations that strive to be socially responsible. Instead, marketing-driven organizations are guided by professional ethical norms and values. In addition, approximately 75 percent of senior executives surveyed in 2014 reported that innovation is “among the top three priorities for their companies. Despite this, 70 percent of executives feel that their companies’ innovativeness is only average; 13 percent of executives say it is weak. Antoine van Agtmael, asserts that “The last 25 years was all about who could make things cheapest, and the next 25 years will be about who can make things smartest.” This paper shows how critical concepts such as spiritual workplace, employee engagement, learning organization, diversity, corporate social responsibility, triple bottom line, and servant leadership can work together to create a marketing organization that has values and uses those values as the basis for marketing decisions. Moreover, such an organization will have a workplace that is conducive to collaboration, creativity, and innovation.

Keywords: marketing-driven organizations, American Marketing Association, creativity, collaboration, spiritual workplace, employee satisfaction, employee engagement, corporate social responsibility, triple bottom line, learning organization, servant leadership

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INTRODUCTION

It is becoming more and more clear that the old rules of building a business based on philosophies such as maximizing shareholder value and/or profit maximization are a recipe for disaster in marketing-driven organizations. Instead many marketing-driven organizations are being guided by professional ethical norms and values.

For example, the American Marketing Association “commits itself to promoting the highest standard of professional ethical norms and values” and has stated that:

As marketers, we recognize that we not only serve our organizations, but also act as stewards of society in creating, facilitating and executing the transactions that are part of the greater economy. In this role, marketers are expected to embrace the highest professional ethical norms and the ethical values implied by our responsibility toward multiple stakeholders (e.g., customers, employees, investors, peers, channel members, regulators and the host community. (American Marketing Association, 2015)

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<th>American Marketing Association's Ethical Values</th>
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The American Marketing Association identifies six ethical values: honesty, responsibility, fairness, respect, transparency, and citizenship. The American Marketing Association believes it is important to deal honestly with customers and stakeholders; accept the consequences of marketing decisions and strategies; fairly balance the needs of the buyer with the interests of the seller; recognize the human dignity of all stakeholders; create a spirit of openness in marketing operations; and fulfill the economic, legal, philanthropic, and societal responsibilities that serve stakeholders. (American Marketing Association, 2015)

In addition to professional values we must all consider the impact and needs of millennials (usually defined as those born between the early 1980s and early 2000s). The needs of millennials are quite different from their parents and grandparents. Friedman and Lewis (2014) state that the effective corporate marketing leader of today will have to be one who understands that the rules in a knowledge-based economy are quite different from the past. This is because the key asset of a marketing-driven corporation today is the abilities and creativity of its employees. Leaders who do not have the ability to tap into this creativity are of little value to the marketing-driven organization of today.
Without creativity, a firm, especially a startup, will find it difficult to compete in the global Internet age. Marketing-driven firms with a reputation for integrity, creativity, and corporate social responsibility attract the best employees.

| 60% | The percentage of millennials who are leaving their companies within three years. |

Figure 1.

Taylor (2013) believes that there are three major reasons that 60% of millennials are leaving their companies within three years. They are concerned with workplace flexibility; working at purposeful, meaningful jobs; and economic security. Taylor (2013) predicts that “The 9 to 5 job may soon be a relic of the past, if millennials have their way.” After all, 45% of millennials prefer workplace flexibility over pay. Flexibility is especially important in tech jobs. Many women find that tech companies are not sensitive to their needs to raise a family and pursue their careers. This is why Katharine Zaleski and Milena Berry cofounded a company, PowerToFly, which is a job site that connects employers with women – primarily in tech fields – seeking jobs that allow them to work remotely from home (Lapowsky, 2015). This is from the PowerToFly website: “Work when you’re the most productive; take a break when you’re not. We don’t care whether you log a 9-5 (or 9-9) day — we care about results, quality, passion and the commitment you show to projects.” “You are encouraged to have a life and a family (if you want one). Working from a virtual office means you can adjust your schedule around what needs to get done at home.”

| 72% | The percentage of students today who want to work at "a job where I can make an impact."

Chart 1.

Millennials also prefer working in meaningful jobs. In fact, 72 percent of students today want to work at “a job where I can make an impact” (Taylor, 2013). Job security is also very important to millennials since many entered the job market during the Great Recession of 2008. In any case, the successful entrepreneur has to understand how to work with millennials and keep them happy.

Laszlo Block, HR executive at Google, states that most firms do not know how to hang onto the key people in their organization. Google, on the other hand, has the ability to retain its employees for two reasons: (1) Google is careful in its hires and makes sure that every candidate is carefully screened by many different people. The goal is to make sure that people will all be able to work well together. (2) Google
ensures that employees feel that the work they do is meaningful and important. People want to feel appreciated and that they work at meaningful jobs that make a difference. Bock cites research by Adam Grant, Professor at Wharton, which asserts “when people are able to connect their jobs to something meaningful, their productivity increases as much as five times” (Goudreau, 2015).

It is not only employees that are changing; consumers are also evolving. This is not surprising given that employees are also consumers. One company that is in trouble is McDonald’s, which is starting to appear like a dinosaur. We should recall that dinosaurs did not disappear because they were weak, they disappeared because they could not adapt to changing conditions. McDonald’s looks like a company that is half-heartedly “trying to play catch-up” with its more nimble competitors (Bittman, 2015). McDonald’s competitors were much faster in not using meat tainted with antibiotics. They were also paying workers higher wages; McDonald’s only recently announced that it will provide its workers with a small wage boost. (Of course, they are also claiming that they cannot dictate what franchisees will pay their employees). McDonald’s is perceived as providing unhealthy, not fresh, tasteless food. The company may feel that it is a “modern, progressive burger company” but no one else feels that way. Needless to say, profits are shrinking (Bittman, 2015). McDonald’s is testing daylong breakfast because its breakfast foods are quite popular and are seen as tasty and fresh (Griswold, 2015).

The purpose of this paper is to demonstrate why organizations have to ensure that their firms make values a significant part of their mission statement - and develop a soul. Back in 1998, Marchand (1998) was describing how big corporations were using public relations to create “souls” for their companies in order to assure Americans that big business was a force for good, in tune with American values. Batstone (2003) came up with eight principles to “save the corporate soul.” He felt that companies had to stress values and integrity in order to strengthen their organizations. This paper posits that companies that will thrive in the future are those with souls, i.e., have real values. This is more than public relations and involves creating a new kind of organization. Workers demonstrating at McDonald’s were chanting: “Hey McDonald’s, let’s be blunt; this is just a P.R. stunt” in response to the news that wages would be going up (Bittman, 2015).

An organization built on values is more likely to have employees who work well together. The ability of employees to work together, communicate and collaborate across the boundaries of cultures, disciplines, and functional areas is crucial in the knowledge economy. One major asset of an organization is the collective knowledge of its employees; thus, what matters is the collective intelligence of the group. A firm that consists of several brilliant employees working on their own may not succeed if there is no collaboration and teamwork. A nasty, abrasive boss can destroy morale and hurt productivity. Johan Karlstrom, CEO of Skanska, a multinational construction and development company, believes that diversity and ethics are the keys to corporate success (Brzezinski, 2014). His company focuses on
the “five zeros: zero accidents, zero ethical breaches, zero environmental incidents, zero losing projects, and zero defects.” It is not only about shareholder value but also about making the world a little bit better (Brzezinski, 2014).

A firm that has a soul abides by the following principles: creating a spiritual workplace, encouraging employee engagement, creating a learning organization, being socially responsible, belief in the triple bottom line, and practicing servant leadership. These concepts are strongly interrelated and not mutually exclusive. In fact, it is difficult to imagine a spiritual workplace where the firm is engaged in ripping off consumers or destroying the environment. It takes long-term thinking to have the desire to transform an organization. Many companies are more concerned about the short term than long-term growth. Lawrence D. Fink, CEO of BlackRock, the world’s largest asset manager, sent a letter to the CEO’s of the 500 largest companies telling them to stop focusing on the short-term needs of investors by buying back stock and paying out dividends (last year, $1 trillion was spent by American companies on this) and focus on the long term. Satisfying investors by buying back stock and paying out dividends is done “at the expense of investing in innovation, skilled work forces or essential capital expenditures necessary to sustain long-term growth” (Sorkin, 2015).

THE SPIRITUAL WORKPLACE

A firm with a soul would understand the importance of building a spiritual workplace. In distinguishing between spirituality and religion, Karakas (2010) notes that spirituality “... is characterized as a private, inclusive, non-denominational, universal human feeling; rather than an adherence to the beliefs, rituals, or practices of a specific organized religious institution or tradition.” Interestingly, one third of Americans describe themselves as spiritual but not religious (SBNR). SBNR has become the new way of describing oneself (Shakespeare, 2014).

Fogel (2000), a 1993 Nobel laureate in economics, stresses the importance of spirituality in the new economy. He identifies 15 vital spiritual resources that include such concepts as “a

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<th>Table 2. Fogels 15 Spiritual Values</th>
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<td>1 Sense of purpose</td>
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<td>2 Vision of opportunity</td>
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<td>3 Sense of the mainstream of work and life</td>
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<td>4 Strong family ethic</td>
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<td>5 Sense of community</td>
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<td>6 Capacity to engage with diverse groups</td>
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<td>7 Sense of benevolence</td>
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<td>8 Sense of discipline</td>
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<td>9 Capacity to focus</td>
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<td>10 Capacity to concentrate one’s efforts</td>
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<td>11 Capacity to resist the lure of hedonism</td>
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<td>12 Capacity for self-education</td>
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<td>14 Appreciation for quality</td>
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<td>15 Self-esteem</td>
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sense of purpose, a sense of opportunity, a sense of community, a strong family ethic, a strong work ethic, and high self-esteem.” The implication of his view is that firms should take spiritual values into account in order to survive in the knowledge economy.

Table 3. Three Major Consequences of Spirituality

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<th>Spirituality enhances employee well-being and quality of life</th>
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<td>2</td>
<td>Spirituality provides employees a sense of purpose and meaning at work</td>
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<td>3</td>
<td>Spirituality provides employees a sense of interconnectedness and community</td>
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A spiritual workplace respects the abilities of its employees and, therefore, creativity is important. Rhodes (2006) maintains: “A spiritual workplace provides resources to help people uncover their creative potential and to practice creativity within the organization.” Spiritual people want their lives and jobs to have purpose and meaning and thus would benefit working for a firm that does not exploit its employees in order to maximize profits and pay exorbitant salaries to executives. They are concerned with making a difference and desire to make the world a better place. Karakas (2010) reviews 140 papers dealing with spirituality and concluded that spirituality has three major consequences.

What do employees want? A meaningful life, a meaningful job, a work environment filled with compassion and love, and a sense of connection to a higher purpose (Friedman & Friedman, 2014; Karakas, 2010; McGhee & Grant, 2008; Rhodes, 2006; Fry, 2003). McGhee & Grant (2008) summarize the literature and conclude that there are seven ways spiritual employees improve the workplace.

Table 4. Seven Ways Spiritual Employees Improve the Workplace

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<tr>
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<th>Demonstrate enhanced teamwork</th>
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<td>2</td>
<td>Show greater kindness and fairness</td>
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<td>3</td>
<td>Are more aware of the needs of colleagues</td>
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<tr>
<td>4</td>
<td>Exhibit greater honesty and trust</td>
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<td>5</td>
<td>Express more servant-leadership behavior</td>
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<td>6</td>
<td>Show a higher sensitivity to corporate performance</td>
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<td>7</td>
<td>Inclined to perceive the ethical nature of business issues</td>
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Employees that are engaged in work that makes a difference, i.e., benefits society, demonstrate much higher levels of job satisfaction than people who are not engaged in meaningful work (Barker, 2014). Barker (2014) affirms that “having meaning in your life increases life satisfaction twice as much as wealth.”
This is why it is important for managers to stress the value of what employees are doing. For engaged employees, money is not the only motivator. McGhee & Grant (2008) find that spiritual individuals in the workplace have values that include: respect, compassion, caring and concern, humility, appreciating others, love, and justice.

A survey by NetImpact found that 53 percent of employees indicated that working at “a job where I can make an impact” was “essential” as far as happiness. With students, the percentage shot up to 72 percent (Meister, 2012). Most young people are even willing to take a 15 percent pay cut to work for an organization with good values (Meister, 2012).

**Employee Engagement**

Spiritual organizations that have a soul make sure that employees are engaged. Engaged employees have a passion for the work they do. They are energetic, creative, enthusiastic, motivated and will do everything possible to make sure their organizations succeed (Gross and Holland, 2011). For engaged employees, a job is not just a way to make a living; they feel connected to their jobs. There is evidence that employee engagement is extremely low; one study found that 70 percent of employees and 50 percent of managers are disengaged (Gross and Holland, 2011). Another study found that only 29 percent of American employees were engaged in their jobs (Thottam, 2005). Among American workers, “job satisfaction is at its lowest level – 45 percent – since record-keeping began over two decades ago” (Barker, 2014).

Gallup has been measuring employee engagement using what they refer to as The Q12 Employee Engagement Survey. A meta-analysis done by Gallup shows the following:

- Work units in the top quartile in employee engagement outperformed bottom-quartile units by 10 percent on customer ratings, 22 percent in profitability, and 21 percent in productivity. Work units in the top quartile also saw significantly lower turnover (25 percent in high-turnover organizations, 65 percent in low-turnover organizations), shrinkage (28 percent), and absenteeism (37 percent) and fewer safety incidents (48 percent), patient safety incidents (41 percent), and quality defects (41 percent) (Sorenson, 2013).

- It comes as no surprise that there is a strong correlation between employee engagement and customer satisfaction, productivity, and profits (Gross and Holland, 2011; Thottam, 2005). As we will see, each of the paradigms discussed in the sections that follow has the capability to positively affect employee engagement and thus also achieve and enhance its benefits.

**Learning Organization**

According to Shenk (2014), creativity, rather than being in the domain of the “lone genius,” often comes when we work in pairs.
For centuries, the myth of the lone genius has towered over us like a colossus. We canonize stories of rare geniuses—the ones who made the Sistine Chapel or Hamlet, the lightbulb or the iPod. On closer inspection, however, the primary creative unit is actually the pair. Whether it’s Marie and Pierre Curie, or Tiger Woods and his caddy, a dyad is the most fluid and flexible of relationships—and it naturally arouses engagement, even intensity.

This is why it is so important to create an organization where knowledge is shared and teamwork and collaboration are the norm. Many organizations are aware of the fact that the major asset of an organization is the collective knowledge of its employees but find it difficult to change the culture. Peter M. Senge popularized the concept of “learning organization” in his 1990 book The Fifth Discipline (Senge 1990). This book sold more than one million copies and was identified as a seminal management book by Harvard Business Review; Senge earned the title of ‘Strategist of the Century’ and was acknowledged by the Journal of Business Strategy as one of 24 individuals who have “had the greatest impact on the way we conduct business today” (Smith 2001).

Firms that wish to be innovative, inventive, and nimble are becoming learning organizations; in fact, “organizational learning” has become the mantra of many companies (Argyris and Schoen 1996; Senge 1990). What does it take to become a learning organization? Friedman et al. (2005) summarize what one should expect to see in a learning organization. First and foremost is the belief in continuous and collective learning, knowledge sharing, and collaboration. There must be a commitment to lifelong learning. The organization must also develop the ability to adapt to changing conditions, i.e., an ability to renew, regenerate, and revitalize itself. Also, there has to be a concern for people and respect (and empowerment) for employees. Diversity is seen as a plus since it allows for new ideas. The individuals that make up the organization have to learn from past experience and mistakes — experience is the best teacher — and learn from the experiences of others in the organization. There must be a willingness to experiment and take chances; this means that there has to be a tolerance for failure.

Knowledge sharing is awkward to implement in pyramid-shaped organizations with tall hierarchical organizational structures, i.e., characterized by multiple layers of management. It works much better where there is a flat organizational structure with a relatively short chain of command. This allows information to flow in all directions – even from the bottom of the organizational pyramid to the top. According to Casarez et al. (2009: xxiii), Google and Toyota have been exceptionally successful because they tap into the collective knowledge of all employees. For example, at Toyota, an employee who thinks of an improvement that might help production may stop the entire production line. Ideas can come from anywhere in the organization, and ideas originating from employees are just as valued as those coming from top management.
Diversity

Don Tapscott (2013), author and futurist, has the following to say about collaboration:

Collaboration is important not just because it’s a better way to learn. The spirit of collaboration is penetrating every institution and all of our lives. So learning to collaborate is part of equipping yourself for effectiveness, problem solving, innovation and life-long learning in an ever-changing networked economy (Tapscott, 2013).

Multicultural diversity encourages innovation and creativity since people from many different backgrounds will generate all kinds of diverse ideas. Some industries, in particular the technology industry, are examining their issues in this area. In fact, progressive companies such as Apple, Facebook, and Google acknowledge that a significant proportion of their employees are white and Asian males. Apparently, technology firms employ few women, Latinos and African Americans. Currently, about 60 percent to 70 percent of all jobs at major technology firms are held by men. Approximately 50 percent of technology companies do not have a female executive (Bazelon, 2015). One study found that the many women quit their jobs at technology firms because of “extreme pressure and a hostile culture” (Silicon Valley’s Diversity Problem, 2014). This is one reason it is important for managers to encourage a spiritual workplace where everyone feels connected and employees have empathy for each other. Firms that want to attract women and minorities should also stress – as noted above – the meaningfulness of the job. A firm that wants a true learning organization has to do everything possible to encourage diversity.

In the knowledge economy where people tend to work in groups what matters most is the “c factor,” the collective intelligence of the group. There is evidence that firms with senior leader teams consisting of multicultural and female members had significantly higher growth rates than firms with teams consisting only of white males (Weaver, 2001). Thompson (2015) asserts that the proportion of females in a group correlates very strongly with the collective intelligence of the group. Page (2007, 2011) used mathematical models and cases to demonstrate that diverse organizations made up of different kinds of people are more creative and productive than those that are homogeneous. People from different backgrounds see things differently and are more likely to find solutions to complex problems. According to a study conducted by the Partnership for a New American Economy, immigrants were involved in more than 75 percent of patents at the leading universities in the United States. Most of these patents were in STEM (science, technology, engineering, and math) areas that are vital for jobs and economic growth (Martin, 2012).

Megan Smith, chief technology officer of the United States, maintains that there will be 1.4 million technology and IT jobs available in the next decade with barely 400,000 people to fill them. Thus, it is imperative for the country to
attract men, women, and minorities to the STEM fields if we want the United States to thrive (Dominus, 2014). Workforce diversity is more than just an issue for a firm that wants to maximize its creativity, it is also an important issue for the United States.

**Corporate Social Responsibility**

Spirituality and employee engagement require that employees feel that their jobs are meaningful and beneficial to society. One survey found that 80 percent of respondents aged 13-25 wanted to work for a socially responsible firm that “cares about how it impacts and contributes to society” (Meister, 2012). This is why a progressive company with a soul has to be committed to being socially responsible. There are numerous definitions of CSR. Smith (2011) provides a summary of them and notes that it does not mean exactly the same thing to everyone. He concludes:

The corporation must continue to evolve their way of behavior and align with society’s expectations and the paradigm shift the Systems Age will necessitate. In the future, CSR may be a concept of the past because all corporations will behave in socially responsible way. The future is unknown, but corporations are certainly realizing that they are a part of the whole, society. As such, businesses are required to adapt, and those that do not, will cease to exist and replaced by corporations that function properly in the system.

One definition of corporate social responsibility (CSR) is cited in Hollender and Fenichell (2004, p. 29):

... an ongoing commitment by business to behave ethically and to contribute to economic development when demonstrating respect for people, communities, society at large, and the environment. In short, CSR marries the concepts of global citizenship with environmental stewardship and sustainable development.

Society and business are interdependent; this is why corporations have to be concerned about society and not just profit (Porter and Kramer, 2006). Thus, “corporate social responsibility can be much more than a cost, a constraint, or a charitable deed — it can be a source of opportunity, innovation, and competitive advantage.” Porter and Kramer (2006) use the Toyota Prius, a hybrid automobile, as an example of a car that helped provide the Toyota company with a huge competitive advantage but at the same time provided environmental benefits.

Martinuzzi, Krumay & Pisano (2011) describe what the European Union is doing to ensure that all companies take corporate social responsibility seriously. They start with the pyramid developed by Carroll:

Carroll (1991) developed a so-called pyramid of corporate social responsibility, including economic, legal, ethical and philanthropic
aspects. Economic responsibilities form the basis of the pyramid, comprised of providing goods and services, being profitable and competitive - the most basic responsibilities of a company. On the next level, legal responsibilities reflect a “social contract” between the society and businesses and incorporate basic notions of “right” and “wrong” which can be codified. Legal responsibilities build a kind of framework constituting “the rules of the game” between businesses as well as between businesses and the society. On the next level, ethical responsibilities of business go beyond codified norms, including non-codified social values and expectations of society. For companies, this means a level of social performance higher than currently required by the law. Ethical responsibilities correspond to the basic principles of moral philosophy such as justice, rights and utilitarianism. On the top level of the pyramid, philanthropic responsibilities embrace those activities of businesses that are reactions to society’s expectations that businesses should be good corporate citizens. They can achieve this by contributing to the arts, education and local community development.

Corporate social responsibility and employee engagement are strongly related. Holland (2011) asserts: “Corporate social responsibility drives employee engagement, which in turn drives business success. Therefore, investing behind CSR initiatives makes good business sense.” A 2013 Cone Communications study dealing with corporate social responsibility found that more than 50 percent of consumers in ten countries would boycott companies that behaved in a socially irresponsible manner. More than 50 percent of consumers claimed to have avoided buying products from companies because of what they felt was “bad corporate behavior” (O’Donnell, 2013). Firms that are seen as socially responsible are able to attract and retain engaged employees. This will ultimately have positive effects on net income and growth (Gross and Holland, 2011).

**Triple Bottom Line**

The Triple Bottom Line (TBL) is one aspect of corporate social responsibility focusing mainly on sustainability. Corporate decisions have to take into account long-term consequences and thus consider economic, environmental, and social sustainability. TBL is sometimes referred to as people, planet, and profits, or the three Ps. According to Andrew Savitz: “The TBL captures the essence of sustainability by measuring the impact of an organization’s activities on the world ...including both its profitability and shareholder values and its social, human and environmental capital” (Slaper and Hall, 2011).
Sneirson (2011) has the following to say about the sustainable business:

A sustainable business should therefore pursue financial goals while at the same time treading as lightly as possible on the earth and its natural resources, supporting the business’s employees and local communities, and developing products, services, and technologies that contribute to larger societal efforts to live more sustainably. This might entail being more than minimally compliant with environmental regulations, more than minimally generous with employees and communities, or paying more for goods and services that are sustainably harvested or produced. Such efforts might sacrifice profits, at least in the short run in that money that might otherwise be distributed to shareholders as dividends is reinvested in the company, environmental efforts, or employees and communities. But such expenditures often benefit the firm, financially and otherwise, over the long run; indeed, several studies have shown that—particularly in consumer-oriented industries, but in the business-to-business context as well—sustainable business practices tend to pay for themselves and frequently turn a profit.

Thus, a TBL proponent might argue that even a firm not concerned about making the world a better place should consider the long-term impact of what it does on, say, the planet. For example, dumping pollutants in a river might maximize profits in the short run but may very well destroy the firm in the long run. Liabilities from asbestos lawsuits have cost companies billions of dollars. A firm that takes a TBL approach might do so for purely selfish considerations, not necessarily from an interest in philanthropy.

**Servant Leadership**

There is a strong relationship between spirituality and effective leadership (Houston, 2014; Reave, 2005). As noted above, a nasty, abrasive, autocratic boss can wreak havoc with an organization’s morale. The new management buzzwords include humility, responsive leadership, and servant leadership; it is not “in” to be arrogant. Carly Fiorina, former CEO of Hewlett Packard states: “abrasive never works, demanding is sometimes required” (Korn & Feintzeig, 2014). Reed Hastings, CEO of Netflix, avows that his company does not need “brilliant jerks” since the “cost to effective teamwork is too high” (Korn & Feintzeig, 2014). Engardio (2006) declares that we are seeing what is called “karma capitalism” or “inclusive capitalism.” Brady (2006) makes the point that senior executives seem to be “battling for the congeniality prize.” Indeed, many firms want CEOs that pursue the goals of value creation, virtue, and social justice (Blanchard, 2003; Blanchard, 2007; Covey, 1991; Pava, 2003).
Richard Branson, CEO of Virgin Group, is now allowing employees to take unlimited vacation days without having to get approval from supervisors. He has confidence in his employees and is certain that they will take vacations “when they feel a hundred per cent comfortable that they and their team are up to date on every project and that their absence will not in any way damage the business” (Levinson, 2014). Branson was copying Netflix, which is a leader in its industry and allows unlimited vacation days. Netflix, in its “Reference Guide on our Freedom and Responsibility Culture,” indicates that it is important for an organization to “focus on what people get done, not how many hours or days are worked” (Levinson, 2014).

Friedman & Lewis (2014) assert that the type of CEO that is badly needed in the knowledge economy is a servant leader. The autocratic manager may be on the way out and what companies are starting to look for are servant leaders or a variation thereof. A servant leader has the ability to motivate employees to share knowledge and be as creative as possible. The construct of servant leadership, which has its roots in the Bible, was first introduced by Robert K. Greenleaf in his 1970 essay (Greenleaf, 1970). The servant leader is the antithesis of the autocratic, authoritarian leader who is primarily concerned with wealth, personal aggrandizement, and power; one who believes in “leader first.” Servant leaders focus on the needs of others; they care about people, empower others, want everyone to be successful. They tend to see themselves as facilitators (Greenleaf, 1978; Greenleaf, 1977). Hess (2013) studied effective CEOs and found that they tended to be servant leaders:

These leaders were servants in the best sense of the word. They were people-centric, valued service to others and believed they had a duty of stewardship. Nearly all were humble and passionate operators who were deeply involved in the details of the business. Most had long tenures in their organizations. They had not forgotten what it was like to be a line employee. They believed that every employee should be treated with respect and have the opportunity to do meaningful work. They led by example, lived the “Golden Rule,” and understood that good intentions are not enough — behaviors count. These leaders serve the organization and its multiple stakeholders. They are servant leaders.

Shakweh (2014) asserts:
In today’s business environment where intellectual properties, creativity and innovation are real competitive advantage, the emphases on qualities of human interaction have never been greater. As market conditions and technologies evolve at an astonishing pace, today’s organizations and future business strategies must adapt accordingly or risk becoming irrelevant.
Consequently, CEOs of the future will need to master the art of managing and leading change. Barbuto and Wheeler (2006) developed a scale to measure the construct of servant leadership and found strong correlation with such positive outcomes as “employees’ extra effort, employees’ satisfaction, and perceptions of organizational effectiveness.” Spears (2004) identified ten characteristics in the servant leader:

- Listening — Listening intently and receptively to what others say. This, of course, means that one has to be accessible.
- Empathy — Having empathy for others and trying to understand them.
- Healing — Possessing the ability of healing the emotional hurts of others.
- Awareness — Possessing awareness and self-awareness.
- Persuasion — Having the power of persuasion; influencing others by convincing them, not coercing them.
- Conceptualization — Possessing the knack of being able to conceptualize and to communicate ideas.
- Foresight — Having foresight; which also includes the ability to learn from the past and to have a vision of the future.
- Stewardship — Seeing themselves as stewards, i.e., as individuals whose main job is to serve others.
- Commitment to the Growth of People — Being firmly dedicated to the growth of every single employee.
- Building Community — A commitment to building community in the institutions where people work.

Russell and Stone (2002) reviewed the literature dealing with servant leadership. They found that there are 20 attributes of servant leadership: nine are classified as functional attributes and 11 are accompanying attributes. The functional attributes are “the operative qualities, characteristics, and distinctive features belonging to leaders and observed through specific leader behaviors in the workplace.” The nine functional attributes are: vision, honesty, integrity, trust, service, modeling, pioneering, appreciation of others, and empowerment. Note that many are quite similar to Spears’ 10 attributes.

Servant leadership even had positive effects on the health of followers (Hayden, 2011). There is evidence that the more autonomy workers have, the happier they are with their jobs (Barker, 2014). Old-style autocratic leaders that micromanage employees harm the productivity, as well as the happiness, of employees.

Doty (2015) cites several studies that demonstrate that companies with integrity are significantly more profitable than those that lack it (see for example, Guiso, Sapienza, and Zingales, 2013). Doty (2015) observes:

- Integrity — or lack thereof — remains a critical challenge for companies today. Whether it involves promising a client that our software will work in their setting, adhering to investment guidelines
with people’s retirement savings, or performing a correct medical procedure, we owe it to our customers, employees, shareholders, and the world at large to be responsible about what we commit to and what we deliver. But integrity isn’t easy. It stretches the imagination to envision a world in which businesses deliver on 99.99996 percent of their commitments, as factories do with Six Sigma quality methods. Every day, every leader faces opportunities or even pressure to side step the truth, fudge the numbers, play politics, or pass the buck on hard decisions. In the moment doing the right thing, or doing things right, always seems to cost more (Doty, 2055).

Without the right kind of leader, it becomes virtually impossible to create a company with a soul. Dan Price, CEO and founder of Gravity Payments, may be an exemplar of the new kind of leadership that is needed. He recently announced that he is taking a huge pay cut from approximately $1 million to $70,000 and using 75 to 80 percent of the company’s anticipated profits to raise every employee’s salary to at least $70,000. All this because he read an article about how happiness increases greatly when people earning less get to a salary of $70,000 (Cohen, 2015).

Having the right kind of leadership is even important for religious bodies. Pope Francis was quite critical of the Vatican’s top bureaucrats and attacked the greed of the Roman Curia, the administrative body of the entire Catholic Church. He accused the leadership of suffering from “spiritual Alzheimer’s disease.” He accused them of hypocrisy and of “lusting for power at all costs.” He observed that “A Curia that does not criticize itself, that does not bring itself up to date, that does not try to improve, is a sick body” (Calamur, 2014). This is probably true of all organizations. It is important to be able to allow and encourage criticism; in most organizations, however, that is a sure way to get fired. Without the right kind of leadership, it becomes impossible to create the right kind of organization.

CONCLUSION

Seventy-five percent of senior executives surveyed in 2014 reported that innovation is “among the top three priorities for their companies.” The Boston Consulting Group surveys executives for its annual list of the 50 most innovative companies; in 2014, the top 10 were: Apple, Google, Samsung, Microsoft, IBM, Amazon, Tesla Motors, Toyota Motor, Facebook, and Sony (Wagner et al., 2014). Companies that want to survive have to be extremely aggressive when it comes to innovation. Interestingly, 70 percent of executives feel that their companies’ innovativeness is only average; 13 percent of executives say they are weak (Wagner et al., 2014). This does not bode well for many companies. Antoine van Agtmael, the investor who coined the term “emerging markets” has been talking about a paradigm shift: “The last 25 years was all about who could make things cheapest, and the next 25 years will be
about who can make things smartest” (Friedman, 2015).

The National Education Association (NEA) has identified four skills needed to achieve success in college as well as one’s career. They refer to these skills as the “Four Cs” of education for the 21st Century (NEA, n.d.). The NEA wants to ensure that K-12 education stresses critical thinking, communication, collaboration, and creativity skills. Employees that have these skills will want to work for an organization that encourages their use. The authors would add a fifth C to the NEA’s list, Character/Integrity. Progressive organizations will want to hire individuals with these abilities, i.e., the ability to collaborate and work in a diverse environment creating useful products that benefit others. Moreover, organizations that encourage the use of the above-mentioned attributes by employees will be able to retain their most creative people.

This paper demonstrates that the interrelated concepts of the spiritual workplace, employee engagement, the learning organization, diversity, corporate social responsibility, the triple bottom line, and servant leadership must be adopted by marketing organizations that want to be creative and prosper in the twenty-first century. The next 25 years will be about companies who are not afraid of throwing out all the obsolete rules of management and leadership and build marketing organizations that are driven by values and have a soul.

### Table 5. The Five C’s of Education

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