Ethical Phases of American Corporations: Are We Making Progress?

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A review of the history of American Corporate Social Responsibility (CSR) with comments on the phases and models with supporting rationale of each is provided in tandem with a discussion of the major supporting authors of each perspective. The entrance to a new era is suggested with evidence from behavioral, demographic, economic, political and spiritual disciplines provided. New data from generational studies conducted by leading accounting firms is shared and utilized to draw conclusions. Additional data is provided by annual surveys of business regarding ethical practices and conditions. A discussion of the implications to business concludes the article.

INTRODUCTION

The primary roles and functions of American businesses and corporations have been redefined over the past century. Differing views have been purported as appropriate given the varying state of the culture and society. Multiple normative models of Corporate Social Responsibility (**CSR**) have pushed to the forefront creating periods of transition and resistance (Hartman, et al., p.216). It has been said, "Corporate Responsibility was not born whole, but has grown as the product of countless interactions in the minds and through the interactions of generations of business men, women and social activist." (Carroll, 2008) While many have suggested that there are four models in use today and that these models may be grouped into three eras, one might speculate that a transition into a fourth era has begun. An investigation including behavioral, demographic, economic, political and religious factors contributing to the nature and causes of these shifts in majority thinking is therefore appropriate and timely.

Components of Corporate Social Responsibility

The United Nations Industrial Development Organization has defined Corporate Social Responsibility as "… a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders." Prime factors include Economics, Legal, Ethical, and Philanthropic concerns. Using this threshold, corporations have created hyper-norm models to provide guidance to executives responsible for CSR in the firm. In 2002, 34 CEOs signed the *Global Corporate Citizenship: The Leadership Challenge for CEOs and Boards* report at the World Economic Forum. Also, the Caux Round Table has agreed that all business and wealth decisions should center around three basic concepts: Kyosei, (working in harmony for mutual benefit), human dignity (sacredness of an individual) and sustainability (long term benefit). Seven principles of responsible business have been endorsed as global means of enhancing productivity and quality of life. These seven principles affirm customers, employees, shareholders, suppliers, competitors and communities all as major stakeholders.

Four Types of Corporate Social Responsibility

How may a company "Do Well" by "Doing Good"? Carroll identified 25 different themes of CSR (1999). Windsor (2006) suggests that these may be categorized into three groups: ethical, economic and corporate citizenship. Others have suggested that CSR must embrace a triple bottom line of people, planet and profit if the company is to manage sustainability. Carroll suggests that a corporation should treat employees well while simultaneously providing good value to the customer and making a positive contribution to society. Hartman, et al. suggest that companies must acknowledge that there is a duty to do no harm, a responsibility to prevent harm, and a responsibility to do good. Garigga and Mele (2004) purport that the four areas of consideration that one should include are economics, politics, social integration and ethics. Others suggest that the areas of Environmental Responsibility, Philanthropic Initiatives, Ethical Business Practices and Economic Responsibility must all be addressed. Krohn, 2015) (Miller,2015) (Rowe,2015). Sustainability has become a buzzword of the decade noting not only environmentally friendly in the short term but environmentally protective in the long term so that our grandchildren and their grandchildren may inherit a clean earth capable of sustaining a high quality of life. Some have postulated that these four responsibilities may be shaped in a pyramid with Economic responsibility as the base, Legal responsibility as the second layer, Ethical responsibility on top of legal responsibilities and Philanthropic responsibilities as the cap. (Carrol, 1979)(Nolen, 2015) It has been further suggested that true development of the corporation will occur in the common square, where there is continuous discussion of the responsibilities of all citizens, corporate and individual.

Four Models of Corporate Social Responsibility

Mele summarized the four prominent theories of CSR as: 1) Corporate Social Performance CSP attributed to Klonoski (1999), 2) Shared Value Theory SVT (Windsor), 3) Stakeholder Theory, and 4) Corporate Citizenship Theory in The Oxford Handbook of Corporate Social Responsibility (2008). Four models have gained support as appropriate systems supporting ethical decision making (Figure 1). The Economic model is frequently seen as the foundation for business responsibility supported both by bodily need and Calvinistic theology. A philanthropic model evolved as society moved to large corporations during the industrial revolution requiring more capital than individual entrepreneurs could safely provide. The dilution of ownerships of assets coupled with the rising economic standard of the common man provided room for generosity as basic needs had been satisfied. A Social Web or Citizenship model arose as the population became better educated and business was viewed as one of several valuable institutions designed to provide a higher quality of life. An Integrative/Strategic model is the newest of the concepts and suggests that a more societal view be embraced with long term vision replacing the simple transactional model of economics. Current surveys among large companies suggests that this is now common place and is one manner of competitive advantage sought by larger firms both in attracting consumers and employees. Details of the surveys will be discussed in a more comprehensive manner later in this paper. The diagram of the four models is provided below.

FIGURE 1
MODELS OF CORPORATE SOCIAL RESPONSIBILITY (ADAPTED FIGURE 5:2, P.221, HARTMAN, *ET. AL.*)

Economic View   Primary Responsibility:
    of CSR   Produce Goods and Services

Philanthropic View   Economic View of   +   Business may choose to   >>   Reputation
    of CSR   CSR   contribute to social need

                                                                    >>Right thing to do

Social Web View   Business is embedded within a web of
Citizenship Model   social relationships of mutual rights
    of CSR   and responsibilities including economic
                      and legal considerations

Integrative/Strategic   Part or all of the mission of the company
  Models of CSR   is to serve some more important social goals:
                      ie. social entrepreneurship

Five Topics of Corporate Social Responsibility

In *Corporate Responsibility: An American Experience,* Carroll suggests the development of CSR will include interaction in five arenas. These include 1) environmental, 2) social, 3) economic, 4) stakeholder and 5) voluntariness. Porter and Kramer discuss "created share value (CSV) in their article entitled "The Competitive Advantage of Corporate Philanthropy" where dynamic interaction with all stakeholders produces a shared sense of value among all participants. Simon Zadek (2004) identified five stages of CSR learning including 1) Defensive, 2) Compliance, 3) Managerial, 4) Strategic, and 5) Civil.

Stages of Corporate Social Responsibility

Hay and Gray (1980) identified three major stages of CSR in American society: 1) Profit Maximizing Management, 2) Trustee Management, and 3) Quality of Life Management. R. Edward Freeman introduced a socioeconomic view of social responsibility in 1984 that transcended the primarily economic view that preceded it. W. C. Frederick developed a four stage model of social responsibility in 1986 further explaining the original idea of Freeman. Nobel Prize Winning Economist Milton Friedman still proposed that the economic model was the only responsible model and his *Free to Choose* series and *New York Times* article were widely recognized and accepted as germane. The socioeconomic model suggests that the first stage is responsibility to Stockholder. The second stage includes the employees in the process. Stage three incorporates the Customers and Suppliers. The final stage is further encompassing including society at large (Thompson).

Forces at Play in Transitioning Stages

While much of the previous review has been Normative, the dynamics of this paper shifts now to descriptive. There has been significant criticism that models are more window dressing and lack sufficient environmental drivers to influence real change. Steger (2008) suggests that the three principle drivers are 1) financial institutions, 2) global competition and 3) customers. He hypothesizes that none of these three is sufficient in itself or in tandem with the others to create real change. He only sees slow incremental change representing the normative side of the definition without significant change on the performance/behavior side. Contrary to his view is the thought of Pruzan (2008) who suggests that there

is a spiritual dimension that will demand value stemming from a vision, values, virtue construct that ultimately will be the driver to change that will move the corporation from the normative model into the descriptive model.

Economic Factors

Maslow's hierarchy of need suggests that individuals place primary motivation in securing basic needs and safety that generally correlate with the income or extrinsic side of employment/compensation. Once these two rungs have been accomplished, an individual is motivated by upper level needs of Love (belonging), Self-Esteem, and Self- Actualization that are facilitated/satisfied by more intrinsic rewards that satisfy the emotional and mental side of the employee. These concepts support Herzberg's Motivation Theory that describes pay and extrinsic factors as a hygiene effect and   as intrinsic factors that truly motivate an individual. While the composite supply curve of labor is positive and upward as pay rates increase, the individual supply curve of labor is backward bending once basic needs have been satisfied suggesting that individuals desire time for expression, rest and pleasure.

Theories of Moral Development

One may gain insight at collective behaviors by first observing individual behavior. These theories include researchers who purport differing motivations. Freud (1962) is considered the father of psychoanalysis and is best known for the conflict of the Id and Ego that is balanced by the Super Ego. Sexual energies are the primary driving force of his model. Skinner (1972) studied behavior as a socialization process known as Behaviorism. Erikson (1950) modeled human growth through eight developmental stages that changed as an individual progressed chronologically through life. Piaget (1965) suggests that during one's life one would move from the Preoperational stage with symbolic and intuitive sub-stages to the Concrete Operational Phase and ultimately the Formal Operational Phase. His work is generally known as genetic epistemology. Following in his mentors footsteps, Kohlberg (1981) modeled the development of moral reason, which some suggests as the basis of ethical behavior, into six stages displayed in three levels. The Pre-Conventional Level includes the stages of 1) Obedience and 2) Self-Interest. The Conventional Level contained 3) Interpersonal Accord and 4) Authority/Social Order. The third level is Post-Conventional, containing behaviors not frequently exhibited such as 5) Social Contract and 6) Universal Ethical Principles.

Kohlberg Theory of Cognitive Development

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Level 1 (Pre-Conventional)
1. Obedience and punishment orientation
(*How can I avoid punishment?*)
2. Self-interest orientation
(*What's in it for me?*)
(*Paying for a benefit*)
Level 2 (Conventional)
3. Interpersonal accord and conformity
(*Social norms*)
(*The good boy/girl attitude*)
4. Authority and social-order maintaining orientation
(*Law and order morality*)
Level 3 (Post-Conventional)
5. Social contract orientation
6. Universal ethical principles
(*Principled conscience*)

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Source:https://en.wikipedia.org/wiki/Lawrence_Kohlberg's_stages_of_moral_development

Generational Forces

It has been demonstrated that cultural and environmental forces help shape behavior. Howe and Strauss (1992) (1997) (2000) have studied the generations of American history and have concluded that there is a cycle of effect over 4 periods that shapes the generational culture. They postulate that events (political, social and economic) determine which of four architypes a generation will favor. The four main types are nomad, hero, artist and prophet with each following one of four cultural turnings in a complete cycle. In the two "active" generations in contemporary society, the Boomers are *Prophets* and the Millennials are *Heroes*. Currently the two passive generations are Gen X and *i*Gen. The four turnings that help shape a generation are High, Awakening, Unraveling and Crisis. Steger (2008) suggests that real change is driven either by a major force such as financial institutions or global competition. The generational theorist sees the forces of the cultural cycle as a driver in change. Currently America is in between the unraveling and crisis phases. In the last major 80 year cultural cycle, this would have been between the Great Depression and the Second World War.

FIGURE 2
GENERATIONAL FACTORS (ADAPTED FROM HOWE AND STRAUSS (2000) *MILLENNIALS RISING, P. 51.*)

Generation	Current Age	Entering Childhood	Entering Young Adulthood
LOST	100+	3rd Great Awakening	WWI & Prohibition
G.I.	76-99	WWI & Prohibition	New Deal & WWII
Silent	58-75	New Deal & WWII	American High
Boom	40-57	American High	Consciousness Revolution
X	19-39	Consciousness Revolution	Culture Wars and Roaring 90's
Millennail	0-18	Culture Wars and Roaring 90's	

The Four Turnings: Howe and Strauss.

The Anglo-American Saeculum

Saeculum	Time from climax of Crisis to climax of Awakening	(climax year) Awakening *(Full Era)*	Time from climax of Awakening to climax of Crisis	(climax year) Crisis *(Full Era)*	Time from one Crisis climax to next Crisis climax
Late Medieval	—	—	—	(1485) Wars of the Roses (1459–1487)	—
Reformation	51 years	(1536)	52 years	(1588)	103 years

Saeculum	Time from climax of Crisis to climax of Awakening	(climax year) Awakening *(Full Era)*	Time from climax of Awakening to climax of Crisis	(climax year) Crisis *(Full Era)*	Time from one Crisis climax to next Crisis climax
		Protestant Reformation *(1517–1542)*		Armada Crisis *(1569–1594)*	
New World	52 years	(1640) Puritan Awakening *(1621–1649)*	49 years	(1588) Glorious Revolution *(1675–1704)*	101 Years
Revolutionary	52 years	(1741) Great Awakening *(1727–1746)*	40 years	(1781) American Revolution *(1773–1794)*	92 years
Civil War	50 years	(1831) Transcendental Awakening *(1822–1844)*	32 years	(1863) Civil War *(1860–1865)*	82 years
Great Power	33 years	(1896) Third Great Awakening *(1886–1908)*	48 Years	(1944) Great Depression and World War II	81 years
Millennial	30 years	(1974) Consciousness Revolution *(1964–1984)*	51 years?	(2025?) Global Financial Crisis *(2008–2029?)*	81 years?

Source: *http://www.lifecourse.com/about/method/the-four-turnings.html*

Spiritual Forces: Four Great Awakenings

The Nobel Prize winning Economist Robert Fogel in his book *The Fourth Great Awakening and the Future of Egalitarianism (2000)* draws heavily on the work of religious historian William McLoughlin (1978), *Revivals, Awakening and Reforms,* to describe four noteworthy periods of spiritual renewal in the United States. With additional explanation from the perspective of an economist, Fogel has posited that there are four major cycles, each of approximately 100 years that he describes as an awakening. These periods of awakening begin with a spiritual renewal of approximately 30 years (not to be confused with a religious renewal albeit that religious renewal may be part of the driving forces in this phenomenon), are followed by a political phase of approximately the same duration, and concluded with a cycle of challenge to the political effect.(p.17) The first Great Awakening encompassed the years 1730-1830, the second Great Awakening occurred (1800-19200, the third Great Awakening begins in 1890 and the fourth Great Awakening beginning in approximately 1960.(p.28) As may be detected by the dates there may be an overlapping of time periods in the struggle of each new spiritual movement.

Building off a single construct of Egalitarianism, Fogel suggests that the first two Great Awakening were centered on equality of opportunity while the third Great Awakening focused on equality of condition and is termed as *modernist egalitarian agenda*. The fourth Great Awakening is a return to equality of individualism with a focus on spiritual (immaterial) capital rather than mammon and identified

by the author as the *post-modern equalitarian agenda*. This may be better understood by answering Socrates' question, "What is the Good Life?" and perhaps includes arts, theology, adventure ethics, etc. Fogel argues that the great success of the "Social Gospelers" of the Third Awakening have been very successful in achieving economic equality but have fallen far short of meeting the higher level needs of meaning encompassed in Maslow's hierarchy. "Unlike the reform agenda of the Third Great Awakening, that of the Fourth emphasizes the spiritual needs of life in a country where even the poor are materially rich by the standard prevailing a century ago where many of those who are materially rich are spiritual deprived."(p. 177). Not all agree, thus igniting a political struggle and disruption still felt today.

Pruzan (2008) identified four perspectives of CSR and suggests the fourth, the spiritual perspective, is centered on leadership that moves beyond economic rationality and is "characterized by organizational existential inquiry as to the corporate identity, success and responsibility." 553 In answering three questions:1) What is responsibility?, 2) Can organizations be responsible? and 3) Why be responsible?, the author describes a model of servant leadership patterned after the thoughts of Greenleaf and others to create a strategy to serve society and create a connection with a force that is greater than ourselves.   This model suggests that CSR has moved from the rationalist perspective, through the humanistic phase and beyond the holistic perspective which simply implied a duty of respect that facilitated earning wealth for all stakeholders, not merely shareholders. Contemporary society is obliterating the orthodox and searching for meaning in work and life in the greater perspective.

Phases of the Four Great Awakenings in the United States

(adapted Fogel. *The Fourth Great Awakening. Phases of the Four Great Awakenings,* p. 28)

	Phase of Religious Revival	*Phase of Political Effect*	*Phase of increasing Challenge*
First Great Awakening 1730-1830	*1730-60 Weakening of predestination: Rise of ethic of benevolence*	*1760-90: Attack on British Corruption*	*1790-1820 Breakup of Revolutionary coalition*
Second Great Awakening 1800-1920	*1800-1840: Rise of belief that anyone can achieve saving grace, widespread adoption of ethic of benevolence*	*1840-1870: Rise of abolitionist, temperance Civil War, Women's Suffrage*	*1870-1920: replacement of prewar evangelical leaders, Darwinism crisis, urban crisis*
Third Great Awakening 1890-?	*1890-1930: Shift Emphasis personal to social sin: shift to secular interpretation of Bible and creed*	*1930-70: Attack on corporate corruption labor reforms, civil rights, women's rights*	*1970-: Attack on liberal reform: Defeat of Equal Rights Amendment, Rise of Tax Revolt, Rise of Religious Right*

Fourth Great Awakening

1960-?	*1960-? Return to*	*1990-? Attack on Materialist*
	Sensuous Religion	*corruption. Rise of prolife,*
	Reassertion of personal	**pro-family and media reform**
	Sin.	**More values-oriented**
		Curriculum. Expand tax revolt.

Movement into the Fourth Phase

The first three phases of Corporate Social Responsibility as taught in many Business Ethics courses include emphasis on ECONOMIC, EGALITARIAN, and ENLIGHTENED SELF INTEREST periods. This author proposes that American Corporations have reached a tipping point and have entered a fourth phase which is being identified as the ENGAGEMENT Phase. Exhibit 1 provides a preview of the dates and events that coincide with these phases.

One might suggest that the first phase, ECONOMICS, parallels with Maslow's first rung of physiological needs and could be associated with the first two Great Awakening periods. The EGALITARIAN phase could be seen as associated with third Great Awakening and could include the last stages on the economic push and the sense of "belonging" connected through the equality of condition associated with that period. This phase encompasses a reduction in the "social sin" in contrast to the reduction in personalized or individual sin of the first two Great Awakenings. Many entitlement provisions where initiated in this period. Many citizens today are still looking for greater equality of condition with pushes to raise minimum wage laws and the incorporation of more universal access to health care through legislation such as the Affordable Care Act frequently called Obamacare. The ENLIGHTENED SELF INTEREST phase further promotes the social side of reform and allows self-esteem by a feeling of correct or appropriate behavior (plays well with others) that deflects corrective attention by behaving to meet a minimum standard. It is not necessarily heart felt, but is necessary if the actor desires to accomplish his/her objective. Brown and Nuttall in the 2013 McKinsey publication, "Beyond corporate social responsibility: Integrated external engagement" report that traditional corporate social responsibility is failing. They suggest that external stakeholder must be part of the process and external engagement is a prerequisite to success in the future. Others, like Fogel, suggest that attention should be moved to access of spiritual (immaterial) capital. As attention shifts in favor of this Awakening, the birth of a new phase is conceivable.

CSR 2.0 was introduced by Visser as a reinventing of CSR. He suggests "Moving from CSR 1.0 to CSR 2.0 requires adopting five new principles—creativity, scalability, responsiveness, glocality, and circularity—and embedding these deeply into an organization's management DNA. The essence of CSR 2.0 is that it is transformational, and offers a practical strategy for creating long term capitalism." It overcomes the three curses of CSR: 1. Incremental, 2. Peripheral and 3) Uneconomic.

Source: http://www.managementexchange.com

Exhibit 1: Phases of CSR with supporting data

CSR Phase	Maslow Hierarchy	Great Awakening	Social Driver	CSR Category	Generation(s)
ECONOMIC (circa 1700-1920)	Physiological Safety	First Second	Am. Revolution Industrial Revolution Civil War	Economic	First- Lost
EGALATARIAN (circa 1920)	Belonging	Third 1890-	Urbanization, Equality of Opportunity	Ethical	Lost GI (Greatest) Silent
ENLIGHTEN SELF INTEREST (circa 1960)	Self-Esteem	Third	Civil Rights, Equality of Condition	Corporate Citizenship	Boomers Gen X
ENGAGEMENT (circa 2010)	Self-Actualization	Fourth 1960-	Equal Spiritual Access	Integrative/ Strategic	Millennials, (Gen Y) Next (*i*Gen)

DISCUSSION

If one concedes that life begins with conception, the ENGAGEMENT phase is here. If not, then perhaps what is being experienced is the formation of something new that in due season will come forth with the fanfare and excitement of a new being. Others may choose to see this as a developmental stage of a movement already birthed and thus perhaps it is the development of adulthood that is being experienced. If Fogel is correct in his observation, then the Fourth Great Awakening is in the final stage of the political period and is entering the period of challenge. This coincides with the generational move that is seen in the composition of the workforce. The Millennial generation now represents more than half of the workforce. (Deloitte, 2012) Studies of this generation suggest that they, as an "active" generation, will leapfrog the Generation X cohort (which is passive) to have greater access to decision power and influence in the workforce. Flatter organizational structures accompanied by networks of communication and authority will expedite this process. Employers note that intrinsic rewards are needed in tandem with extrinsic rewards to attract and retain the best and brightest of this generation. The Millennial generation desires meaningful work in which they may Self-Actualize. To them employment is more than a career. It is an expression of their identity and/or calling. Tomorrow's Company notes, "Employee engagement and commitment starts with an understanding of what the company is seeking to achieve. This is not just about communication but also the degree to which they feel that their opinions are listened to and acted upon." In Deloitte's 2015 survey of Millennials, 73% of the respondent felt that businesses needed to reset. Millennials want more focus on people and less on profits. Sixty percent are with the current employer because of purpose. "Millennials want their work to have a purpose, to contribute to the world, and they want to be proud of their employer." Almost ninety percent want an employer with CRS values and 86% said they would exit a company whose CSR values were lacking according to a PWC survey in 2008. Carroll has suggested that the highest level of involvement is voluntary. Companies appear to be moving beyond compliance, which was a major factor in the ENLIGHTENED SELF-INTEREST phase, into the voluntariness that marks the fourth or *ENGAGEMENT* phases. As companies become more civil and genuine in their pursuit of corporate citizenship, they appear to be reaching the fifth stage of learning suggested by Zadek (2006). The heart is beating and the lungs are functioning

Ethical Officers have grown in number and in influence in the corporation. The movement began in 1991 in response to the Federal Sentencing Guidelines. Clark questioned in 2006 whether this response was more window dressing rather than an honest approach to corporate citizenship. She noted that the growth of Chief Ethics Officers had grown significantly by 2006. Now The Ethics and Compliance Initiative is currently hosting Best Practice forums in the United States and Europe. It also provides benchmark tools for the development of ethics programs inside organizations. In April 2016 it released its blue ribbon panel's report entitled *Principles and Practices of High-Quality Ethics and Compliance Programs* which had a purpose of "establishing and perpetuating a high standard of integrity that becomes part of the DNA of the organization." The five core principles describe an engaged organization building a sustainable culture of integrity.

A decade after Clark questioned the motive of corporations, one might consider if the original intent of many companies has changed to a more genuine response, thus suggesting a move beyond compliance and into ENGAGEMENT. Ethics Surveys have been conducted nationally biannually by EBS with results widely published. In 2013, CPIB and McKinsey & Company co-founded *Focusing Capital on the Long Term*. Companies like Unilever, Wal-Mart, Johnson & Johnson, GAP, and Tom's are catalysts to change the existing behaviors of corporate directors and institutional investors. Their agenda includes a long-term approach to strategy and investment. The Center for Corporate Citizenship at Boston College issued *Advancing from the core: A profile of practice*, 2013 and *The State of Corporate Citizenship 2014* with findings including, 1) "by strategic integrating corporate citizenship initiatives, companies are achieving impressive results,' 2) More companies are investing in environmental, social and governance (ESG) reporting'" and 3) "Companies that invest in corporate citizenship over the long term are more likely to report success with business goals." They report that more than 4 in 5 companies among the largest 1000

are currently producing standalone CSR reports. Almost 60% of the companies have a Vice President or above leading the Corporate Citizenship effort. Also, increased spending for Corporate Citizenship over the next three years is anticipated by a majority of the companies. The International Integrated Reporting Council has created a systemic framework for measuring and communicating ethical practices. It is in its Breakthrough phase with a mission "to establish integrated reporting and thinking within mainstream business practice as the norm in the public and private sectors." System formalization and standardization are typically seen as indicators of progressive momentum. Perhaps these are the signs of the exo-skeletal system with bones and muscles. It will take time for the skin to cover the body and for concession/ acceptance of the late majority and laggards to move forward.

Contemporary corporate leaders/authors are weighing in on the discussion as well. Craig Wilson (2015) of Patagonia details a model of loyalty to the customer by creating a marketing plan that "resonates" with the consumer. His book, *The Compass and the Nail,* describes a brand ecosystem that inspires brand loyalty. Kotler and Lee (2004) provide many corporate examples in their book *Corporate Social Responsibility: Doing the Most Good for your Company and Cause,* including American Express, Ben & Jerry's, IBM, Johnson & Johnson, Starbucks as well as twenty others. Gardner (2007) in *The Five Minds for the Future* suggests that educational systems provide training in multiple intelligences and includes two of the five needed minds of the future from the category of ethical behavior.   The RESPECTFUL mind is the process of individuals responding to one another in an ethical manner while the ETHICAL Mind centers on behavior from the professional mind that incorporates role responsibilities that trump individual concerns. His example of President Lincoln and the Emancipation Proclamation is notable.

Daniel Pink (2006, 2011) Marcus Buckingham (1999, 2001, 2007), Seth Godin (2014) and other new management writers introduced new ways to think and new management paradigms for the future. Don MacPherson, President of *Modern Survey*, a company that consistently researches employee behavior, suggests that, "it will take three to five years of focus throughout the organization to create a culture of engagement." Progress has been made over the last five years. Recent publication of engagement metrics by Gallup (2016) and Aon Hewitt (2016) proclaim new high points. Engagement in the U.S. has risen from 59% in 2011 to 65% in 2015 according to Aon Hewitt report *2016 Trends in Global Engagement*. Globally the numbers are increasing as well with engagement in Latin America at 72%. Programs are in place to assist companies in the development of organization, leadership and employee responsibilities. Perhaps a mind is forming and is programed differently than its predecessors.

Two recent publications in the *Harvard Business Review* recommend that the Chief Human Resource Officer (CHRO) be incorporated in the strategic apex of the firm along with the CEO and CFO and that people will come first before strategy in the future (HBR, April 2015, July 2015). Additional material from McKinsey & Company also trumpet this perspective.

A fifth phase for the future has been prophesized by Welzel (2013). In *Freedom Rising* he envisions a coming world where workers are EMANCIPATED. Emancipation occurs when workers have been empowered on three dimensions: capabilities, motivation and civic guarantees for full freedom of choice. His discussion of utility includes both the production of value along with an equal component of voicing or expressing value. His projections are at work now but are far from accomplished in the present state of organizational culture.

One can expect that there will be bumps and falls as companies learn how to walk and ultimately run. The awkward teen years will also present challenges as thought processes move from systems theory to chaos theory and as complex dynamic systems challenge existing norms and thoughts. Unlike Maslow's theory, it is plausible to consider that major disruptive occurrences in the economy might create a return to lower levels. The economic disruption of 2008 created an employment challenge that resulted in some compromise of values. Future disruption of economic, political, social and/or technology may also present challenges that thwart or slow the current speed and direction of this movement. McKinsey consulting group warns that predicting future trends from past results may appear to be more perilous than in previous episodes and that there are four major forces breaking all trends. Dodds, Manyika and Woetzel (2015) suggest that the "world's economic operating system is being rewritten." They conclude

that this is *No Ordinary Disruption.* Meissner, Sibony and Wulf (2015) suggest that all decision should be tempered with a set of two distinct groups of questions that include differing viewpoints and evaluation of downside risks.

CONCLUSION

Generational issues will continue to influence political, economic and religious considerations in the years to come, especially in the developed world as they did in the post- World War Two period. Trends should be monitored, especially in the times of major disruptions caused by economic corrections and/or political challenges such as those imposed by the immigration crisis caused by terrorism or drought to determine if the trajectory and velocity of change remains constant. Study in developing countries should be conducted and compared/contrasted to occurrences in the economically developed countries. Additionally it is recommended that future study of the ethical practices in the United States and in other world economies should be conducted to provide insight and guidance into *best in class* ethical practices. Investigation of trigger mechanisms could help future research become more predictive rather than reactionary. The question of systemic linear change patterns versus butterfly effects caused by bifurcation and sensitivity to initial condition should be addressed as the debate over Systems Theory and Chaos Theory continues. The field remains open for investigation and the need for additional insight is compelling. Investigation of the contemporary issues coupled with the creation of the new future realities provides a robust opportunity for the inquiring minds of organizational scholars.

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