

Building Blocks for Alternative Four-Dimensional Pyramids of Corporate Social Responsibilities

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Abstract

Carroll shaped the corporate social responsibility (CSR) discourse into a four-dimensional pyramid framework, which was later adapted to corporate citizenship and sustainability approaches. The four layers of the pyramid—structured from foundation to apex as economic, legal, ethical, and philanthropic (or discretionary) responsibilities—drew considerable managerial attention. An important criticism of the economic foundation of the Carroll pyramid concerns the identification and ordering of the four dimensions, which are inadequately justified theoretically. The authors of this article propose an alternative approach that builds on the public value concept, which integrates a microfoundation of psychological research into basic human needs. Drawing on their Swiss Dialogue process, the authors argue that a four-dimensional pyramid does have heuristic value for managers. The advantage of this alternative pyramid logic is that it may be contingently adapted to different cultural contexts, because it allows adaptive internal reordering.

Keywords

basic needs, corporate social responsibility, CSR pyramid, cognitive–experiential level, public value, microfoundation, heuristics

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The pioneering work of Archie B. Carroll helped shape the formalization of both corporate social performance (CSP) and corporate social responsibility (CSR) approaches. His three-dimensional model of CSP (Carroll, 1979) “became one of the most widely cited articles in the field of business and society” (Lee, 2008, p. 60). Carroll’s (1991) four-dimensional pyramid of CSRs, illustrating the different obligations business has to society, resonated strongly in the academic and practical worlds (Wood & Jones, 1996, p. 45). From its foundation to its apex, the pyramid layers comprise economic, legal, ethical, and philanthropic (or discretionary) responsibilities. The four-dimensional pyramid approach retains value as a useful lens to perceive business problems and to structure the deliberate consideration of responsibility dimensions. In particular, it is heuristically valuable by providing rules of thumb for decision making under uncertainty (Kahnemann, Slovic, & Tversky, 1982). In this regard, heuristics are defined as “methods for arriving at satisfactory solutions with modest amounts of computation” (Simon, 1990, p. 11). The pyramid’s heuristic value may explain its popularity, because it helps managers skirt cognitive processes required to analyze a complex situation (Bingham & Eisenhardt, 2011; Newell & Simon, 1972; Shah & Oppenheimer, 2008). Simultaneously, the pyramid approach also helps managers see the bigger picture, which they might not otherwise due to individual heuristics neglecting some part of it in the form of a blind spot. In addition, the pyramid notion provides a powerful metaphor serving as a symbol of an internal order or logic.

Humans have to cope with cognitive limitations (Kahnemann et al., 1982), and their rationality is bounded (Simon, 1945/1997). This condition leads to the development of heuristics, which are useful in reducing the effort in decision processes (Shah & Oppenheimer, 2008) but can also lead to biases and suboptimal decisions (Tversky & Kahnemann, 1974). In general, CSR pyramids can be seen as heuristic-like tools that replace purely mental shortcuts. They help to reflect complex issues better by translating them into common sense dimensions of managerial action. The authors of this article argue that heuristic value is the strongest justification for any CSR pyramid. Thus, in the light of pyramids’ assumed heuristic power, it is of paramount importance to justify their conceptual underpinnings.

Giving full credit to Carroll’s body of work and previous criticisms of that work, the authors of this study suggest managers should use building blocks from their Swiss Dialogue process to rebuild a four-dimensional pyramid of heuristic value.

The authors’ main motivation for reconsidering Carroll’s original proposal is its lack of theory-driven justification of the responsibility dimensions. For example, without further explanation, Carroll (1979) states that “the history

of business” (p. 500) suggests a kind of natural order. However, there has been no systematic theoretical work on the dimensions of Carroll’s pyramid. The key questions are as follows: Why are there four domains? Are they universal (applicable to contexts outside the United States)? Are they timeless? An initial empirical work that attempted to provide answers was a survey study using quasi-exploratory factor analysis (Aupperle, Carroll, & Hatfield, 1985). Despite methodological concerns regarding extracting the number of factors, this study demonstrates that CEOs in a North American context do tend to structure their perception according to Carroll’s four-dimensional structure. It remains an open question whether this structuring holds true more than 30 years later and not only in North America. In 2003, Schwartz and Carroll came up with a new three-dimensional model as an alternative to the four-dimensional pyramid. This version, however, never achieved the same popularity. A discussion of the two models, their differences and popularity, is included in the description and discussion of Carroll’s pyramid.

This article’s main contribution is providing and justifying four different dimensions (building blocks) for the formation of new pyramids of CSRs. The building blocks idea implies that they can be adapted to different social, cultural, and temporal contexts, and serve as heuristics for managers’ decision. This proposed contingency is justified by referring to public value theory (Meynhardt, 2009, 2015), which provides a basis to link responsibility to the relationship between the individual and society. If responsible behavior means acting according to society’s standards and expectations, public value creation can be viewed as a measure of it. Drawing on cognitive-experiential self-theory (Epstein, 2003), responsible behavior conceptualizes basic human needs as the driving forces of business activity evaluation. Public value theory provides a systematic link between individual basic needs and value created for society. Public value reflects basic needs, and basic needs provide the psychological basis for public value. The latter is produced if people acknowledge and appreciate it. In other words, in the eye of the beholder, organizations create or destroy public value. This linkage in people’s minds between individual experience, or psychological reality, and the evaluation of business activities is exactly what Aguinis and Glavas (2012) mean when they call for the microfoundation of CSR theories.

The remainder of this article is organized in five more sections. In the section “Why CSR Is Important,” the authors motivate why scholars should engage in developing frameworks that support managerial reflection on their firm’s role in society. In the section “Carroll’s Pyramid of Corporate Social Responsibility,” they introduce the basic assumptions associated with Carroll’s original pyramid. Drawing on this background, in the section “The Case for an Alternative to Carroll’s Pyramid,” the authors motivate the

building of an alternative pyramid with a stable microfoundation based on needs theory as employed in public value theorizing. In the section “A New Pyramid: An Exemplar from Switzerland,” an exemplar from Switzerland illustrates how four public value dimensions can be deployed as building blocks to assemble a new pyramid, which then serves as a heuristic for practitioners. The “Discussion” section elaborates on the usefulness of the new pyramid logic for theory and practice.

Why CSR Is Important

The legal framework for business has never been and will never be sufficient to avoid doing harm. For example, in 2007, the Swiss bank UBS had about 3,500 staff members working on compliance issues (i.e., supervising the company’s actions from a legal perspective). This effort did not prevent the bank from behaving in a harmful and, subsequently, economically detrimental way, which had a negative impact on the common good (“Existenzielle Bedrohung der UBS abwenden,” 2009; Johnson, 2009).

In an interconnected global economy with multi-polar power centers and divergent political interests, there is no single actor or group who can claim an undisputed right or wrong perspective of what is legitimate. Instead, the plurality of perspectives in democratic societies calls for an explorative search for common ground from a broader societal perspective. In this respect, the authors deploy public value theory to examine how collective consensus is derived and established by involving the general public. A case in point is the Public Value Atlas (*GemeinwohlAtlas*) in Switzerland and Germany, in which the general public evaluates large organizations (Meynhardt, Gomez, Hermann, Neumann, & Strathoff, 2015a, 2015b). Managers’ responsibility is a classic academic issue. For example, Drucker devoted most of his writings to managers’ moral and social obligations (Meynhardt, 2010). He believed that “free enterprise cannot be justified as being good for business. It can be justified only as being good for society” (Drucker, 1973/1993, p. 41). As a topic, responsibility has recently gained new momentum and broader public attention. The corporate scandals at the beginning of the new millennium and in the aftermath of the global 2008/2009 financial crisis put responsibility high on the executive agenda. The emerging field of responsible leadership thus plays an important role, because it explicitly focuses on the societal consequences of managers’ behavior (Maak & Pless, 2006a; Pless, Maak, & Waldman, 2012; Waldman & Balven, 2014; Waldman & Siegel, 2008). Waldman and Galvin (2008) contend “that showing responsibility as a leader may be the key to leader effectiveness” (p. 327).

The re-emergence of the responsibility concept has vitalized both old and new questions. One key issue is the notion of responsibility as such, which is an elusive concept, subject to time and circumstance. Where value emerges and where purpose and meaning are established obviously depend on concrete relationships. According to the relational approach by Maak and Pless (2006b), responsibility means acting according to standards that society legitimizes and accepts. Because these norms are not a given, but are in a constant state of flux, the corporate action process and the discourse on its appropriateness become decisive elements of responsible executive behavior. Therefore, in an increasingly complex world, acting responsibly means navigating complex value dynamics requiring a high degree of value awareness (Gomez & Meynhardt, 2012).

Carroll's Pyramid of CSR

Carroll's integrative framework presented as a four-dimensional pyramid (Carroll, 1979, 1991) and the later three-dimensional Venn diagram form are an effective way of addressing the issues of societal expectations and legitimacy (Schwartz & Carroll, 2003). The latter form omits philanthropy as being discretionary. For Carroll, total social responsibility includes economic, legal, ethical, and discretionary (later philanthropic) dimensions. He considers these dimensions as integral parts with a context-dependent shape and not as primarily incompatible. Carroll (1991) thus places ethical norms within economic and legal responsibilities, as well as beyond them in terms of ethical responsibilities (p. 41).

The intuitive appeal of Carroll's four-layer CSR framework stems largely from it being akin to managerial thinking (Aupperle et al., 1985; Carroll, 1974). This aspect is also reflected in the use of a pyramid metaphor to illustrate the basic notion. In fact, powerful visualizations and metaphors, such as a pyramid, trigger rich and stimulating associations, as well as help conceptualize highly complex phenomena in a simplified way (Eppler & Platts, 2009). Metaphors also have heuristic qualities by opening innovative ways of seeing the world and helping structure daily experience. Strong metaphors are thus not limited to a single interpretation (Cornelissen, 2005).

Carroll's pyramid provides a powerful conceptual image. Carroll's pyramid is shown beside an alternative version developed by Kang and Wood (1995) on the left side of Figure 1. Both aim at a global applicability with a given fixed order, whereas the authors propose the building blocks on the right to develop locally adjusted priorities, depending on the public value requirements. The latter version will be introduced in more detail below by illustrating its use in the Swiss Dialogue.

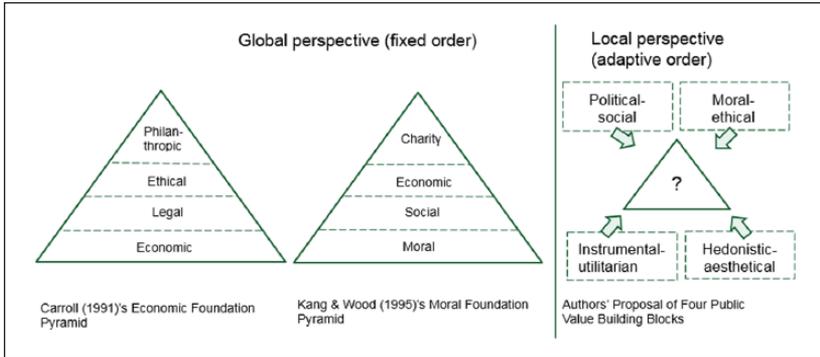


Figure 1. Comparison of three pyramids of corporate social responsibility.

Carroll describes his framework as follows:

In summary, the total corporate social responsibility of business entails the simultaneous fulfillment of the firm's economic, legal, ethical, and philanthropic responsibilities. Stated in more pragmatic and managerial terms, the CSR firm should strive to make a profit, obey the law, be ethical, and be a good corporate citizen. (Carroll, 1991, p. 43)

An important achievement of this approach was to integrate different motives into one framework, arguing that they are not separated a priori. Carroll (1995) sees an overarching moral imperative throughout: “[W]e understand that each of the other three components also are infused or embedded with ethical issues or overtones” (p. 49). Consequently, the idea of relating different responsibilities to the CSP concept entails a broad notion of performance based on, but not restricted to, value creation from a solely financial or economic perspective.

Rather surprisingly, there has been no further conceptual justification of the dimensions of Carroll's pyramid. How issues of “corporate sustainability” (van Marrewijk, 2003) and “corporate citizenship” (Matten & Crane, 2005) relate to those dimensions remain an open question. Neither facet of corporate behavior was as important for Carroll's framework as they have since become. Carroll started linking the concepts himself. Very much within the original framework, Carroll (1998) later interpreted his dimensions as the “four faces of corporate citizenship” and also viewed the pyramid from a sustainability viewpoint (Carroll & Buchholtz, 2012). One may argue that this extension extends the original framework too far, as all three—CSR, corporate citizenship, and sustainability—represent distinct constructs with

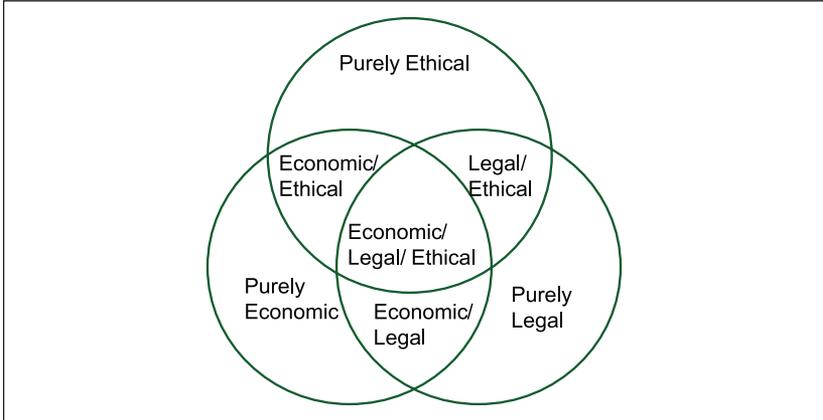


Figure 2. The three-domain model of corporate social responsibility.
 Source: Schwartz and Carroll (2003, p. 509).

different foci that compete for dominance in the business and society fields. Indeed, Schwartz and Carroll (2008) find commonalities in the overarching dimensions but do not attempt to subsume corporate citizenship and sustainability under the CSR umbrella.

Over the course of time, Carroll presented a revised version of his framework. In 2003 (together with Schwartz), he abandoned the pyramid metaphor, because he believed that the disadvantages of a potential misunderstanding due to the notion of hierarchy and the difficulty of addressing the overlapping issues of the four domains outweighed the elegance of an easy-to-understand metaphor. In the revised version of the framework, Schwartz and Carroll erased philanthropy/discretion as a separate category, due to the confusion in practice with an ethical, or even an instrumental, perspective. However, Schwartz and Carroll's logical flaw was combining core business with an "extra mile." For example, an ethical obligation might motivate a charity contribution but a day-care center for working mothers might merely be a means of organizing the work flow more efficiently (Schwartz & Carroll, 2003, pp. 505ff.). Consequently, Schwartz and Carroll produced a model of overlapping circles (a Venn diagram) of economic, legal, and ethical responsibilities, as shown in Figure 2.

In addition to the new Venn diagram image, Schwartz and Carroll introduced further differentiation inside the categories. In the legal domain, they distinguish between types of legal motives (passive, restrictive, opportunistic compliance, avoidance of civil litigation, and anticipation of the law). In

the ethical domain, Schwartz and Carroll differentiate between conventional, consequentialist, and de-ontological ethical standards. In both domains, the analytical rigor leads to more sophisticated and fine-grained perspectives on the dominant motives. In effect, Schwartz and Carroll (2003) suggest that their model “should be useful both for teaching and research” (p. 521). However, in contrast to the original version, they no longer advocate that the pyramid will be “used to help managers conceptualize the key issues of social performance, to systematize thinking about social issues, and to improve planning and diagnosis in the social performance realm” (Carroll, 1979, p. 504).

The Case for an Alternative to Carroll’s Pyramid

While the original pyramid has faced criticism, the price of its revision appears high. The new Venn diagram version is no longer a practical framework that can support managerial decision making. It has clearly lost some of its relevance for practical issues, because the notion of any pure dimension (e.g., purely ethical, purely legal) seems to be purely conceptual. The authors even disagree with Carroll’s self-critique that the original model “provides little discussion of how corporations may engage in multiple domains” (Schwartz & Carroll, 2003, p. 507). The alternative suggestion to distinguish among “purely ethical,” “purely legal,” and “purely economic” activities and to recombine them in pairs seems a primarily conceptual effort. Schwartz and Carroll (2003) admit that any pure dimension “will rarely apply, thus limiting the conceptual or practical application of some segments of the model” (p. 521). They also state that it is “extremely difficult” (Schwartz & Carroll, 2003, p. 513) to find appropriate examples for the different categories. In effect, their new more sophisticated model is much less practical than the original, less sophisticated one.

The authors of this study maintain that there is a straightforward theoretical argument for the later version not receiving the same attention as the previous one: Human action is always simultaneously subjected to multiple evaluation criteria. There is no “purely economic” behavior, or motivation, as the Venn diagram suggests. This graphical depiction itself partly destroys the former heuristic value. Even if there are separate layers in the pyramid, this form of visualization does not focus on whether certain spheres overlap or not. A pyramid’s main idea is that specific aspects build on one another (some form of order/hierarchy), whereas a Venn diagram is focused on showing where different entities do (not) overlap.

Schwartz and Carroll (2003) are very much aware of this problem, arguing that even purely economic behavior “must have a direct or indirect economic

benefit, be illegal (criminally or civilly) or passively comply with the law and be considered amoral or unethical” (p. 513). The new conceptualization is primarily directed at evaluating the actors’ dominant motive. However, this conceptualization lacks an underlying indication of how to systematically conceptualize human needs.

A general problem with both versions arises from the confusion between the actors’ motives and the assumptions of what our society expects from business. The authors argue these points need further clarification. In the 1979 version, Carroll links economic motives (“be profitable”) with a legitimate societal cause.

Before anything else, the business institution is the basic economic unit in our society. As such it has a responsibility to produce goods and services that society wants and to sell them at a profit. All other business roles are predicated on this fundamental assumption. (Carroll, 1979, p. 500)

Any possible incongruence between such a stark assumption and actual values held in society is not explicitly captured in Carroll’s economic dimension. In the revised model, the definition is, “Any activity that is pursued with improving profits and/or share value in mind is deemed to be economically motivated” (Schwartz & Carroll, 2003, p. 508). This “value in mind” (Schwartz & Carroll, 2003, p. 508) is directed “to improve employee morale or the company’s public image” (Schwartz & Carroll, 2003, p. 507) as a precondition for increasing profits. The original reference to “what society wants” is no longer explicitly mentioned—the legitimate cause is lost. Societal norms are subsequently considered in a legal and an ethical dimension, with Schwartz and Carroll (2003) mentioning the “legal expectations mandated and expected by society” (p. 509) and the “ethical responsibilities of business as expected by the general population and relevant stakeholders” (p. 511).

Another confusion concerns the legal dimension. Whereas it seems reasonable to remind executives of their legal responsibilities (i.e., of obeying the law), it is close to a taken-for-granted imperative compared with ethical or economic responsibilities. Almost any sphere of corporate life is somehow touched by legal considerations and all the pyramid’s content domains may—with varying degrees—have a legal component. Furthermore, whereas executives may have discretion regarding the extent to which they commit to ethical or economic values, legal issues are basically a matter of compliance with far less leeway. The pyramid and the Venn diagram both treat legality (“compliance”) and legitimacy with the same logic. Legality refers to the realm of law and its relevant institutions of deliberation and sanction, whereas

legitimacy refers to the generalized perception or notion of social acceptance (Tost, 2011). Against this background, legal issues refer to a different conceptual level than the other dimensions. Some corporate action may be legal, but not legitimate in a given cultural context. Owing to the highly complex relationship between value and law, legitimacy (value) and legality (law) issues are difficult to separate. Legal expectations are not per se a goal or responsibility; they matter due to the social impact of certain disobedience levels. As such, legal expectations can refer to any moral, political, or other area. Consequently, they concern, and overlap with, all other pyramid dimensions. Obeying the law is a rather important cross-dimensional aspect. Therefore, one should not mix values and law in the same framework.

In summary, the overarching problems in both conceptualizations that Carroll (1979, 1991), and Schwartz and Carroll (2003) developed, arise from not having an explicit framework that links the basic dimensions/domains with existing approaches to societal values. Societal expectations do not without a reference to individuals. Nevertheless, as social phenomena, societal expectations emerge from human or social interaction and evaluation processes. Scholars have recently identified this lack of a microfoundation at the level of individual micro-psychological processes as a more general knowledge gap in the entire CSR research field (Aguinis & Glavas, 2012). No scholars have to date provided any other justification for the dimensions as “the history of business.” Even Schwartz and Carroll (2003) are cautious about describing their (new) model as “all encompassing” (p. 520) and call for adjustments if scholars identify dimensions that are not yet covered. Viewing the dimensions from the history of business implies contingency and change. This implication is in sharp contrast with the notion of minimal universal values, which should be applicable world-wide.

As a consequence, scholars are starting to develop alternatives. For example, Kang and Wood (1995) propose a model of “before-profit CSR” with a matching pyramid that has moral responsibilities at the bottom, social responsibilities in the middle, economic responsibilities above, and charity at the top (see Figure 1). The idea behind this almost complete reversal of Carroll’s pyramid is that once “CSR conditions are met, the firm is then free to make a profit” (Kang & Wood, 1995, p. 9). Crane and Matten (2007) mention that there is a different emphasis in Europe. In an effort to reconcile different approaches in the business and society fields and to focus them on value creation, Wheeler, Colbert, and Freeman (2003) develop a three-layered pyramid consisting of “compliance culture,” “relationship management culture,” and “sustainable organization culture.” Visser (2008) suggests a context-sensitive version for developing countries by changing the order within the pyramid.

Each of these cases concerns a revision—a contextualization of the existing pyramid. It is clearly an advantage if one can tailor one model to fit different circumstances. In a similar fashion, Sachs, Rühli, and Mittnacht (2005) compare the original Carroll's (1979, 1991) framework with Kang and Wood's (1995) approach, and find that the latter approach is more suitable for firms that do business in different cultural settings. However, we argue that tailoring the existing pyramid to different cultural contexts by changing the layering is not the only adjustment that needs to be made, because a better justification of the initial dimensions is still lacking. The approach suggested here does not attempt to build yet another pyramid adjusted to a specific setting, but provides building blocks derived from theory that could guide adaptations in other settings. These authors thus contribute to the debate by suggesting how one could consider the relativist nature of values over time and provide robust dimensions that form the basis of any value judgment. The former ensures openness and respect for differences, the latter—a kind of quasi-ontology—considers what the authors know from psychology grounded in empirical work.

Building New Pyramids

Leadership behavior is responsible if it creates public value and, thus, contributes to the common good. Public value creation means sustaining or increasing individuals' chances of favorable experiences of society and thereby helping them to develop and grow (Meynhardt, 2009, 2015). This focus on public value creation influencing individual basic needs lies at the heart of the authors' understanding of CSR and is the starting point for the building of new pyramids. The pyramid should, therefore, be re-conceptualized by relating it more closely to human needs as integrated into public value theory. The idea is to provide a mechanism that links individuals and society: Public value reflects human needs and human needs are the basis of public value. While public value describes the value created from a societal viewpoint, human needs address the fundamental psychological level where all evaluation is rooted. This line of thinking follows Maak and Pless's (2006b) relational approach of responsibility as mentioned above. Relational means that responsibility is a result of the relationship between corporations and society, with the latter being the final arbiter of what is legitimate or not. The phrase "in the eye of the beholder" is a precise reference to the psychological reality of the beholder's experience, which comprises preferences, desires, values—or, in short, needs. The authors believe that the explicit consideration of this experiential level is vital for social corporate responsibility pyramids aimed at being relevant for managers.

Examining CSR through a contribution lens with a focus on the fulfillment of human needs via public value creation paves the way for a shift in the foundation on which Carroll's pyramid thinking is based. The authors thus first wish to clarify their use of microfoundation: We do not reduce collectively shared values to the individual, or that the collective is merely a social aggregation. Instead, the authors argue that the macro (an organization's impacts on public value and, thus, society) should also be studied at the micro level of individuals' psychological realities, including those of managers, stakeholders, and citizens. The authors assume that societal expectations cannot be conceptualized without reference to the individual with his or her psychological reality, for example, via the basic needs notion. Society, or societal values, should be regarded as the result of individuals' collective effort, which in turn informs further (individual) actions (Giddens, 1984). To a certain degree, collectively shared expectations reflect and express what individuals perceive as need and vice versa. For example, the ethical value of human dignity can become a public value if widely accepted and shared. As such, it reflects a need for self-worth, respect, and autonomy. However, it depends on how the specific public value related to self-worth, respect, and autonomy arises. Even if societal expectations cannot be reduced to individual values, they arise from human interaction that depends on the social and cultural context. As a consequence, any public value-based pyramid should consider that different needs constellations will lead to different public value constellations.

The authors' basic premise is that any organization's contribution with consequences for this organization's societal environment is regarded as impacting public value by fulfilling basic human needs. In this sense, business contributes to society in many ways, not just by creating material welfare, but *inter alia* by treating individuals fairly and ultimately by contributing to a peaceful society. From a basic needs viewpoint, one may argue that Carroll's (1979) initial pyramid also addressed different needs. For example, one can view the economic dimension as postulating a societal expectation to produce goods and provide services profitably. Such an expectation should have a linkage to human needs in a given society, otherwise profit seeking is not legitimate, meaning not socially accepted, or not relevant for action. This example convinced the authors that any justification of a responsibility depends on a societal context that accepts it as a norm or legitimate cause. Carroll (1991) argues that his pyramid is grounded in society's expectations of business behavior, which gives rise to the following question: How are societal expectations? The authors argue that societal expectations are equal to values that the members of a given society consistently share and which consistently influence their actions (Giddens, 1984). Such collectively shared

values (public value) are reflected in and based on individuals' image of an organization and society at large. These images and the assessment whether corporate behavior conforms to them are in turn driven by human needs as frames of reference (Meynhardt, 2009). Carroll's framework lacks such a linkage to individual-level factors and context-sensitive phenomena. This deficit becomes obvious when Carroll (2004) leverages his four dimensions to a global scale by allowing some contingency regarding what global stakeholders desire, expect, or require, while still implying that the four dimensions constitute an appropriate framework.

Shortly after Carroll introduced the initial pyramid, Tuzzolino and Armandi (1981) made a first attempt to better operationalize CSR dimensions by applying Maslow's (1943) hierarchy of needs. These authors argued that organizations, like individuals, can be described as having certain needs. Consequently, they translated these needs into organizational language (e.g., need for survival when profit seeking, or need for self-actualization by means of job-enrichment policies, goal alignment). Tuzzolino and Armandi's focus was primarily on organizational and interorganizational levels. Contrary to Carroll, they provided theoretical arguments for their depiction of the various dimensions. In other words, they explicitly referred to assumptions about human nature.

Building on the idea of grounding social responsibility in psychological categories, the authors of this study suggest scrutinizing the pyramid itself. We thus follow Tuzzolino and Armandi's idea that one cannot purposefully act responsibly without some explicit reference to human nature. This perspective gives rise to the following question: What can serve as a robust assumption about human nature if the authors of this study do not have an objective basis (such as a natural right or God) from which they can derive values and if they do not restrict values to a normative constitution, or something similar (such as a religious texts)?

Setting the Stage: Philosophical Foundations of Value

Drawing on earlier works by Meynhardt (2004, 2009) that summarize a long philosophical debate between value objectivists and value subjectivists, the authors base the new pyramid on the following argument: Value objectivists (such as Windelband, Husserl, and Scheler) conceptualized value as a characteristic of an object (almost physically attached to it). However, for value subjectivists (such as Meinong, Ehrenfels, and Menger), value is not inherent in an object. They argued that something has a value; that is, that value is only agreed upon by actively valuing or evaluating subjects. The ideas

that value can only to be identified (objectivists) and that value is only subjective (subjectivists) are not very convincing. The value philosopher Heyde (1926), who argued against both a metaphysical perspective and an overemphasis of human consciousness, presents a strong synthesis for the authors of this study's examination of value objectivist and value subjectivist positions. His solution, which the authors follow in this article, is that value is the result of a relationship between a subject that values an object and the valued object. Therefore, value exists in the relationship, not outside it. Value is not a characteristic of an object, but describes the subject–object relationship. In Heyde's (1926) words, "value is the relationship" (p. 77, authors' translation). Without a subject, there is no value. In this sense, value is subjective. Because a subject relates to an object value arises from the act of valuation or evaluation. Value is "value for a subject" (Heyde, 1926, p. 46, authors' translation). In this view, value is always bound to relationships and is relative. It is this interpretation of value relativism that the authors primarily follow in this article. Consequently, values' change depends on how relationships change.

The authors also follow the idea of value relativism as outlined by Berlin (2013), according to whom this contingency might lead to different collective outcomes. A basic psychological need for self-worth, for example, is clearly differently reflected in the societal values of a collectivist Asian society than in a more individualistic Western setting. The authors believe that, strictly in line with the public value approach as the kernel of their argument, a reconstruction of the pyramid has to be closely linked to basic needs, and remain adaptable to different social and cultural settings. To function, a society needs a large number of values (Sidorsky, 2013) that might be in tension with one another and need permanent (re)negotiation and compromise. In terms of chances and the risks of value incommensurability, Berlin states that

. . . [in] the world that we encounter in ordinary experience, [in which] we are faced with choices between ends equally ultimate, and claims equally absolute, the realisation of some of which must inevitably involve the sacrifice of others. (Berlin, 2002, p. 213f)

Such conflicts cannot be solved through theoretical reasoning but need to be tackled on a case-by-case basis taking the particular social and cultural context, as well as values held in the society, into account (Joas, 2001; Sidorsky, 2013). Hence, the authors' approach is value relativist in nature, while presuming that individual needs are the building blocks for collective, or societal, values, which are the results of negotiation, dialogue, and compromise.

In the following sub-section, the authors will introduce human needs theory as a framework that allows some ontological reference to how to conceptualize that for which humans strive in relationships. They argue for a value relativism, which takes shape within the borders defined by basic needs. This value relativism is the normative element of their approach, which may be labeled as quasi-ontological, as the authors' theorizing is enabled and limited within these minimal limits. For example, the specific values associated with respect for the individual, or human dignity, have developed as a means to respond to a need for self-worth as an underlying basic dimension throughout human history. Therefore, human rights, for example, are seen as complex response to this basic need. From this perspective, scientific inquiry cannot provide answers with right or wrong values but can only analyze them.

Basic Needs as Minimal Reference Points

Psychological research suggests that the authors operationalize this philosophical question using constructs such as motivation, values, or needs. These constructs mostly overlap, but, in essence, they always concern desirable and preferable objects and conditions. In this respect, the authors follow the lines of needs theory, because its language seems appropriate for their topic: Needs concern deficits; that is, the felt discrepancies between actual and desired psychological states that result in a motivation to act. Thus, needs serve as actual or hypothetical reference points for any evaluation—whether hunger, attachment, or liberty. Satisfied needs may lead to pleasant feelings, positive emotions, and well-being; unsatisfied needs may result in anger, discomfort, frustration, or anxiety (Lewis, Haviland-Jones, & Feldmann Barrett, 2008). It is at this psychological level that the notion of social responsibility is given its concrete shape.

Human basic needs and motivations are a classical psychology research topic and has been approached in a number of different ways. Examples of popular approaches include Maslow's (1943) hierarchy of needs and the two-factor theory of motivation by Herzberg (1968). However, with his cognitive-experiential self-theory, Epstein (2003) provides one of the most inclusive approaches to structuring the complex field of human needs. In his meta-analysis of existing theories on human driving forces, he compares the ideas of famous thinkers such as Freud, James, Adler, Rogers, Kohut, Horney, Erikson, Bowlby, Kelly, Maslow, and Allport. Most of these scholars' theories present a dominant motive, such as sexual desire, attachment, growth, or power. None of them can claim to be "the" theory, but all of them form a co-equal set. Epstein argues that, once developed, all basic needs or motives "are equally important" (Epstein, 1993, p. 321). He correlates the different strands,

dividing them into four basic functions or needs: positive self-evaluation, gaining control and coherence over one's conceptual system, positive relationships, and maximizing pleasure and avoiding pain.

Because the mentioned authors do not provide a sound reasoning for a hierarchy, their needs are viewed as equally important. "Which function, if any, is dominant varies among individuals and within individuals over time" (Epstein, 1989, p. 8). Epstein also links these functions or needs to values by arguing that people at least "implicitly value" when fulfilling their needs (Epstein, 1989, p. 8). In this sense, value emerges from evaluation processes and a value would therefore be an experience based on an evaluation of any object against some specific configuration of the four basic needs (Meynhardt, 2004, 2009).

As argued above, human needs fulfillment has a place in relationships and partly involves corporations (e.g., as a customer, a citizen, an employee). There is also a clear link to public value: Corporations have an impact on public value by influencing the collectively shared values regarding society, the public, or the community. From individuals' viewpoint, corporations impact their lives in many ways, thus influencing their basic needs fulfillment. Therefore, responsible behavior means caring about these impacts on the psychological level.

Against this background, the authors of this article link basic needs to public value dimensions: First, the basic need for a positive self-evaluation translates into a moral-ethical value dimension. Second, the basic need for a stable and coherent conceptual system, and for the predictability of cause and effect relationships in one's environment translates into an instrumental-utilitarian value dimension. Third, the basic need for positive relationships with significant others forms the individual-level basis of a political-social value dimension. Fourth, the basic need to avoid pain and experience pleasure is reflected in a hedonistic-aesthetical value dimension (Meynhardt, 2009; Meynhardt & Bartholomes, 2011).

From this viewpoint, the authors arrive at a structure for pyramid-building blocks closely linked to psychological theory. According to Meynhardt (2009), the central idea of public value is conceptualizing an organization's role in society according to how it impacts the fulfillment of individuals' basic needs. He defines public value as "[a]ny impact on shared experience about the quality of the relationship between the individual and 'society'" (Meynhardt, 2009, p. 212). More concretely, public value creation "is situated in relationships between the individual and 'society,' founded in individuals, constituted by subjective evaluations against basic needs, activated by and realized in emotional-motivational states, and produced and reproduced in experience-intense practices" (Meynhardt, 2009, p. 212).

Following this line of argument, as a part of the value in society to which companies contribute, public value serves as a linking concept between human needs and responsible behavior. This perception of responsibility is the result of the evaluation of relevant action against human needs. Any corporate action is therefore subjected to these previously mentioned valuation perspectives. Thus, responsible behavior needs to somehow consider these perspectives as a reference point. The authors' premise is that whatever shape values adopt within certain contexts, they always involve the four dimensions.

For example, an evaluation of how certain performance-related payments, or labor standards, impact an individual's self-worth, or positive self-regard, may be regarded as a moral-ethical valuation. On a societal level, the concrete shape of such evaluations is, of course, contingent on the social context. Furthermore, this reasoning is not necessarily applicable the other way around, meaning that not every complex moral-ethical issue can just be traced back to self-worth effects. Nevertheless, the self-worthiness notion is an essential dimension of every moral-ethical evaluation.

Melé (2008) argues that scholars need to develop a "correct view of human nature" (p. 76) to produce "a good normative theory" (p. 76). The authors of this study thus suggest that, embedded in public value theory, needs theory could at least define the scope of the foci that value requires to address. Strathoff (2015) calls for a similar approach that anchors social value creation in basic human needs and public value theory. This author does not directly use Carroll's pyramid as a point of departure but addresses the value dimension in the value-balance-accountability model by Schwartz and Carroll (2008). In Table 1, we illustrate the conceptual link between needs, public values, and responsible behavior. In respect of the latter, the authors show corresponding exemplary foci from their Swiss Dialogue, which they discuss below. These concrete examples emerge from a dialogue about current issues in the relationship between business and society in Switzerland.

Table 1 links psychological needs and public value theory, and also provides a concrete example of how these apply to a certain context. The authors are aware that Table 1's content introduces different academic discourses and requires boundary spanning as a characteristic to link the micro and macro levels in any management research microfoundation effort (Barney & Felin, 2013).

The four dimensions allow dialogue and help related to different discourses in a way that puts a premium on human nature. Based on their argument, the authors conclude that it is impossible to derive a universal order of values. In a certain context, however (such as European market economy or Asian state capitalism), it is possible to frame corporate responsibility in terms of a pyramid, thus taking a stand in terms of what is legitimate. Given the lack of a

Table 1. Relationships Between Basic Needs and Public Values (After Meynhardt, 2009).

Basic need for . . .	Translation into a motivation for . . . (examples)	Public value dimensions (building blocks)	Focus of responsible behavior of business in society (example from Switzerland)
Positive self-evaluation	A positive self-concept and self-worth A consistent relationship between the self and the environment A feeling of high self-esteem (in social comparison)	Moral–ethical values: Respect for the individual Humanity Dignity	Focus: Impact on evaluations of justice as the experienced (in)equality of and respect for the individual Tension: Trade-off between what is morally acceptable and justifiable by means of good moral self-assertion sentiments on one hand, and consciously neglecting and violating these moral norms on the other Basic question: Is it decent?
Gaining control and coherence over one's conceptual system	Understanding and controlling environment Predictable cause and effect relationships The ability to control expectations to cause desired outcomes	Instrumental–utilitarian values: Use value Functionality Cost–benefit ratio	Focus: Impact on evaluations whether there is a sensible ratio between revenue and expenditure in terms of profitability Tension: Required immediate cash flows versus long-term healthy perspective as a precondition for sustainable profits Basic question: Is it sustainably profitable?
Positive relationships	Relatedness and belonging Attachment, group identity An optimal balance between intimacy and distance	Political–social values: Solidarity Social peace Shared power	Focus: Impact on potential conflicts of interests between different groups Tension: Legitimate motive of self-interest and enhancement in a market economy and its effect on others when business does not serve a politically accepted purpose Basic question: Is it politically acceptable?

(continued)

Table 1. (continued)

Basic need for . . .	Translation into a motivation for . . . (examples)	Public value dimensions (building blocks)	Focus of responsible behavior of business in society (example from Switzerland)
Maximizing pleasure and avoiding pain	Positive emotions and avoidance of negative feelings flow experience experience of self-efficacy due to action	Hedonistic–aesthetical values: Fun Pleasure Beauty	Focus: Only the detrimental impacts of business—corporations accept no responsibility to maximize pleasure Tension: Between “creative destruction” as a precondition of innovation and progress and the harmful dangers of “destructive destruction.” Basic question: Is it avoiding harm?

generally accepted definition of what constitutes CSR (McWilliams, Siegel, & Wright, 2006), the authors propose developing context-specific frameworks that consider the four value dimensions that they promote.

In Table 1, the authors display the four public value dimensions that they believe should be the building blocks used to construct heuristic tools that help managers navigate their firm responsibly through society. In a next step, the authors show how this assistance can be done in a concrete example from Switzerland.

A New Pyramid: An Exemplar From Switzerland

A joint effort by scientists, managers, and politicians tested the new pyramid logic for the first time in Switzerland. The initiative, known as the Swiss Dialogue, was set up in 2009 during the financial crisis (Meynhardt, Gomez, Meckel, Binswanger, & Binder, 2009). At that time, public discourse in Switzerland was particularly critical not only of the financial industry but also of vast sections of the managerial profession for their moral failure.

The motivation to set up this group was a felt obligation not only to engage in dialogue as a means to find new ways to communicate with people but also to encourage dialogue between politics, business, and academia. Specifically, all the participants saw an opportunity to overcome prejudice between the different groups and their responsibility for responsible leadership. Being part of the public debate clearly encompassed a sense of self-disclosure and

motivation. Last, but not least, the participants endeavored to engender exchange and dialogue within the group. Thirty leaders from business, politics, and academia formed the Swiss Dialogue group. Raymond Bär, Chairman of Julius Bär & Co. AG (a major bank in Switzerland); Peter Gomez, Chairman of Six Group AG (the Swiss stock exchange); and Kathrin Hilber, Minister of the Interior of the Canton of St. Gallen (a territorial unit with a population of 500,000) were all members. The authors and the group identified issues that were particularly salient in the public debate: fair compensation, job security, and intergenerational justice (Meynhardt et al., 2009).

The authors introduced the group to the four public value dimensions and asked the participants to make statements on the three salient issues along these four value dimensions. Table 2 shows a selection of the more than 300 statements. It should be noted that not each statement matches one dimension fully, because some statements covered a broader topical area. Bearing in mind the general difficulty of sharp semantic distinctions between the pyramid levels, or value dimensions in general, the coding was based on group consensus.

Based on this process, the Swiss Dialogue pyramid framework was developed and published for the first time in autumn 2009 (Meynhardt et al., 2009). Since then, the framework has been included in the management education at the University of St. Gallen, a major Swiss business school, which has led to a case study book (Meynhardt, 2014), and practitioners use this framework in their day-to-day decision making. Figure 3 provides an overview of the most important milestones of this framework.

Since its initial publication, the pyramid has been used to evaluate different concrete business issues and to make them public. All the participants committed questioning their actions by using the pyramid. Whereas psychological theory, as mentioned above, does not allow for a generalized hierarchy of human motivations, or, subsequently, for a hierarchy of responsible behavior, this Swiss pyramid version (Figure 4) shows how the dimensions are ordered, given the cultural context reflected in the participants' statements (Table 2). This specific order was the result of debate and dialogue between the group members. One may argue that—given Epstein's need theory—one could construct any hierarchy. Consequently, the concrete meaning of the four dimensions and the sequencing may differ from one context to another. Nevertheless, the authors believe that their pyramid, as shown below in Figure 4, provides a good heuristic for the Swiss context.

Below, the authors describe each dimension and provide reasons for the specific order of the layers and for the representation of the four public value dimensions by means of a catchy imperative providing heuristic value in the Swiss context. The respective explanations can be viewed as a case in point,

Table 2. Selected Examples of Value Statements From the Swiss Dialogue.

Issues	Hedonic–aesthetical	Political–social	Instrumental–utilitarian	Moral–ethical
Fair compensation	<p>Executive: We need transparency about the top management compensation for the owners, not for the broader public</p> <p>Politician: We must reduce incentives that promote too risky behavior</p> <p>Scientist: Manager’s compensation must not depend on financial speculation</p>	<p>Executive: The owner decides on the compensation system</p> <p>Politician: We need equal pay for the same performance, regardless of gender</p> <p>Scientist: Payment beyond actual performance requires risk sharing</p>	<p>Executive: The compensation system should be clearly linked to measurable results and value drivers</p> <p>Politician: Legal restrictions do not work; only the company can make decisions</p> <p>Scientist: Any ratio between the lowest and the highest payment that exceeds 1:100 may provoke social disintegration</p>	<p>Executive: Each payment must be related to company performance</p> <p>Politician: High salaries should only be paid if a person really accepts responsibility for an action</p> <p>Scientist: We should not forget that a higher salary can never only be justified by personal effort</p>
Job security	<p>Executive: Absolute security is impossible. One needs to provide transparency about the key factors</p> <p>Politician: Only policies which foster economic growth can avoid harm</p> <p>Scientist: Cutting back the speculative part of economic activity would save jobs</p>	<p>Executive: It is simply a question of the owner’s long-term commitment</p> <p>Politician: Innovation and entrepreneurship are the best measures to avoid lay-offs</p> <p>Scientist: More flexibility in the labor law would help stimulate growth, which helps save jobs</p>	<p>Executive: We need to better relate employee engagement to the processes, productivity, and efficiency</p> <p>Politician: Training and education are the best insurance</p> <p>Scientist: We need higher taxes for energy consumption; the money should be used to reduce labor costs</p>	<p>Executive: We need to explain lay-offs</p> <p>Politician: Collective lay-offs can only be justified for economic reasons</p> <p>Scientist: Managers who intervene in the life of others should also ask themselves how they justify this</p>

(continued)

Table 2. (continued)

Issues	Hedonistic–aesthetical	Political–social	Instrumental–utilitarian	Moral–ethical
Intergenerational justice	<p>Executive: Justice can only be fostered by overcoming the generations' social isolation</p> <p>Politician: We must not transfer debts to the next generation</p> <p>Scientist: We need a change in the taxation system to cover ecological concerns</p>	<p>Executive: Voluntary contributions to the pension system would help a lot</p> <p>Politician: Our social security system must be fair</p> <p>Scientist: Strengthening the central banks is necessary to foster sustainability</p>	<p>Executive: It is not so much a matter of profitability, but one of enlightenment</p> <p>Politician: Considering the ecological, social, and human aspects of justice does pay off</p> <p>Scientist: We need other measures than GDP when discussing progress</p>	<p>Executive: We must not play the younger generations off against the older ones</p> <p>Politician: Politics must not be arbitrary in favoring one generation over the other</p> <p>Scientist: We need to be aware that any real progress always also includes collateral damage</p>

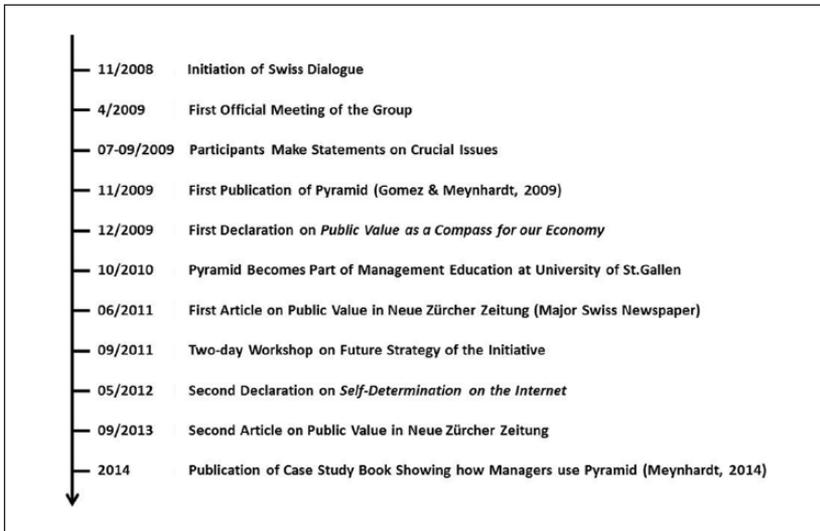


Figure 3. Milestones of the Swiss Dialogue initiative.

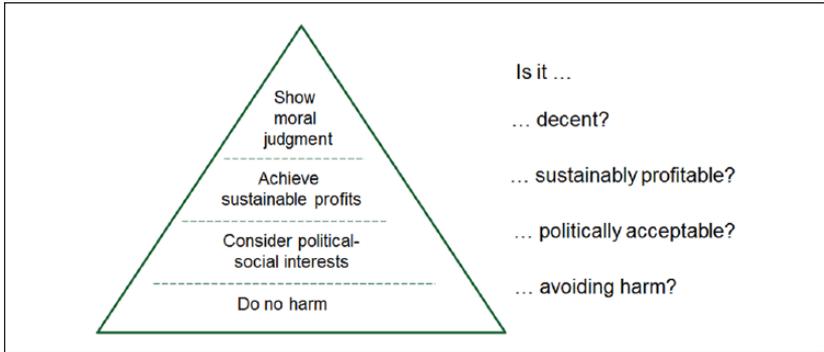


Figure 4. Proposed alternative pyramid of corporate social responsibilities.

illustrating how the group made sense and justified its reasoning (Weick, 1995). For example, the group shared the belief that no dimension had a simple positive or negative answer, but instead comprised an inherent conflict dimension. Therefore, each pyramid dimension consists of a concrete tension, or trade-off situation.

The pyramid dimensions stimulated reflection regarding which public values really matter for the common good. The pyramid thus served as a four-dimensional space for examining a specific issue systematically. For example, how does the moral dimension of fair compensation relate to the political context in the country if there is also an instrumental aspect and an important challenge regarding avoiding harm? These discussions helped the group members expand their value awareness, while they learned to better articulate what they represent as a person and what a group consensus comprises.

Do No Harm

The authors suggest positioning the avoidance of pain and harm (hedonistic-aesthetical dimension) as the foundation of the revised pyramid. It is oriented to the Hippocratic Oath, whose notion of *primum non nocere* has always served as an important rule of thumb for physicians. Analogously, managers act irresponsibly if they consciously risk the consequences of social, cultural, or environmental damage. This behavior may include negative externalities (Papandreou, 1994), whether these are subject to legal regulation or not. In this regard, there is also an inherent tension when facing differences in working or environmental standards, or sourcing cultures (such as corruption) across the globe. The authors address the conscious reflection of the extent to

which and on what basis a person's, or a company's, legitimate cause affects third parties (externalities): Without "creative destruction," innovation and progress are unlikely (Schumpeter, 1942/1975). However, Schumpeter also pointed to the dangers of "destructive destruction." This dimension addresses the very nature of entrepreneurial activities. Escaping old ideas, taking risk for innovation, and overcoming resistance to change are all pivotal for progress—even in terms of breaking the law. Therefore, it is a matter of responding to impacts on relationships, shared understandings, and societal norms that may inflict harm. In the Swiss pyramid, there is a clear focus on responsibility for negative effects. Statements such as "only policies which foster economic growth can avoid harm" and "we must reduce incentives which promote too risky behavior" showed that the avoidance of harm was regarded as the foundation and a precondition of responsible behavior in the Swiss context. Therefore, the authors chose to operationalize the hedonistic–aesthetical dimension in a rather defensive way and made it the foundation of the pyramid.

Consider Political–Social Interests

Not doing harm is an insufficient value proposition. A license to operate emerges from a deep connection to actual needs and problems in society. Statements such as "payment beyond actual performance requires risk-sharing" and "our social security system must be fair" show that the Swiss Dialogue participants are well aware of this and acknowledge the need for a social balance. This balance does not just include consumer preferences but also includes a concern for a societal dimension. In a market economy, it is legitimate to strive for self-interest, which is a main driver of innovation. Corporations are not opponents of society, but a vital part of it. In their core business, they provide value far beyond profits and taxes, employment opportunities, and the building blocks for wealth. Corporations contribute to a social climate in which people feel part of a community and society. In this regard, the authors want to stress the political–social dimension of responsibility, or concern for the community. It is irresponsible to risk the consequences of a widening gap between self-interest and public interest. This consideration led the authors to translate the political–social dimension into the imperative "consider political–social interests."

Achieve Sustainable Profits

The two lower layers suggest that no economic action is justifiable if it creates damage and occurs without reference to the society in which it is

embedded. Without an accepted purpose, any business is questionable and runs the risk of mistrust. However, not doing harm and having good intentions are not sufficient. In a market economy, profit is a precondition to cover future costs and to satisfy the owners. The statement “considering the ecological, social, and human aspects of justice does pay off” shows that, in Switzerland, profit is also seen as a signal that society appreciates and values a firm’s behavior, as well as its products and services. From a larger perspective, profit is the material basis of welfare, and it would be irresponsible to ignore this fact. The more important point here is, however, the idea of sustainable value creation, or a balance between short-term and long-term profit. Compensation is explicated in the statement “the compensation system should be clearly linked to measurable results and value drivers.” Again, it is about a tension, in this case between the required immediate cash flows and a healthy longer term perspective (e.g., the stock of capital and investments). This reasoning also applies to non-profit organizations and public administrations regarding a balanced and conscious management of the financial and economic resources. The sustainable profits issue translates into the question of sustainable budgets or budget funds. The instrumental–utilitarian dimension is thus concretely shaped in the imperative to “achieve sustainable profits.”

Show Moral Judgment

Morality is about equal (fair and just) treatment, most often not covered or coverable by law. A statement such as “managers who intervene in the life of others should also ask themselves how they justify this” shows that corporate life confronts executives with decisions, which may be legal, politically correct, and even profitable but, not legitimate, because they could hurt and destroy the shared understanding of what constitutes fairness or justice. This gray zone is not laid down in writing but is realized in local norms and values; further, the discretionary space is not regulated by law but sanctioned by collective norms. When it comes to intergenerational justice, one politician stated that “politics must not be arbitrary in favoring one generation over the other.” This statement shows that common sense is called for. Following the authors’ relativist approach, there is no choice between a simple “right” or “wrong.” Even if one assumes that there is a common morality that includes, for example, human dignity, a decision may be a trade-off between different legitimate moral values, such as between equality and freedom. Therefore, the authors stress this “inner voice” (internalized values), with people trading off what is morally acceptable (“decent behavior”) and justifiable with good moral sentiments for self-assertion on one hand, and consciously ignoring

and violating those moral norms on the other. Decency does not mean abandoning any healthy self-interest but rather consciously considering legitimate moral standards. Moral sensitivity does not mean a naïve view of (assumed) shared moral values but involves an inner dialogue and being prepared to respond and take a stand. In ambiguous situations, this is primarily an “inner break,” accompanied by sentiments such as “that’s simply not done.” Therefore, in the Swiss context, the moral–ethical dimension is manifested in a call to show moral judgment, which is distinct from the rule to do no harm.

The four dimensions’ concrete operationalization as described above was the result of a number of group sessions and a signed final commitment by every group member. These descriptions form the backbone of the Swiss Dialogue’s specific pyramid. Its members used the pyramid to reflect on a number of themes for which they, as leaders, feel responsible and subsequently made their statements public. They found that understanding and communicating their intentions and attitudes better were of heuristical value for them. By explicating what leaders view as “responsible,” they also provide a basis for dialogue with stakeholders and the general public.

The pyramid dimensions support a structured format and help achieve a multidimensional view. To leverage dialogue, it was decided to use an Internet platform, on which each group member reveals himself or herself with their individual value statements in addition to the declaration. As mentioned, all the participants explicated their individual attitudes and opinions according to the four pyramid layers and with regard to three themes (see Table 2). Each user could then assess and evaluate whether a certain statement seemed credible and discuss what it takes to share it. The assessment is structured according to a four-point Likert-type scale to foster clear positioning.

As Table 2 also shows, the answers regarding the degree of self-disclosure with which the participants felt comfortable varied greatly. For the purpose of this article, it is most informative to see how the public value dimensions allow a structured reflection emanating from the pyramid framework. These dimensions help identify different values for a certain theme (or decision), support operationalizing the issues involved in a certain theme, and derive heuristics that support future decision making.

An intermediate analysis indicates that the pyramid principle was a useful framework with which the involved participants could evaluate issues from multiple perspectives. For many Internet users, however, it still appears overly sophisticated and academic. Given this unfamiliar format that exposed their needs to a wider public, this approach raised a number of concerns among the group members. For example, “What does it mean to my board of directors, if I reveal myself in this way?” or politicians who wondered, “What does it imply for my party?” Subsequently, in what should be a highly individual

process, some of the participants even involved consultants to think through the consequences of the actions they had taken in this initiative.

Because the format was as open as possible, the participants were free to verbalize their perspective. Very early on, it became clear how difficult it is to translate complex business matters into a language that non-experts can understand. However, the nature of values suggests that they are somehow generalized and cross-situational. During the process, the participants gave each other feedback and challenged each other's statements. This joint effort process in parallel with the ongoing internal discourse was clearly an important exercise in its own right.

Discussion

What We Gained

The authors started off by critically assessing Carroll's pyramid. While appreciating its merits, they also identified several issues, primarily the lack of systematic justification of value creation for society and of a microfoundation in individual appraisal processes. By referring to public value theory, the authors addressed the identified gap by developing alternative reasons for pyramid development by arguing, CSR means taking care of impacts on society, that is, on public value creation. Responsible behavior is equated with a positive impact on public value. Public value creation is conceptualized as an impact on collectively shared values about "society," which contribute to individuals' need fulfillment.

This grounding of CSR in basic human needs was achieved by introducing four different needs as applied in public value theory. Resulting from a meta-analysis of the 20th century needs/motivation psychology, the basic dimensions integrate different approaches into a stable framework that includes the cognitive-experiential self-theory (Epstein, 2003). In other words, whether a certain action is regarded as responsible depends on its impact on one or more of the basic needs dimensions.

This conceptualization provides a solid basis of the dimensions that one should consider. Following public value theory, the interplay between certain needs not only varies from individual to individual but also depends on the societal context. Therefore, the new pyramid consists of four building blocks, suggesting internal restructuring according to their context. Whereas Carroll's pyramid, as well as the one by Kang and Wood, is global and locked, the new version is not. Rather, it provides a do-it-yourself approach, which is guided by its public-value-based underpinning. The Swiss Dialogue process demonstrates how this approach can work in practice.

As such, the new pyramid logics contain both a theory-driven and a practical element. The former ensures rigor, the latter promotes relevance. This specific contingency approach allows for local adaptation, where a corporation (here, the Swiss Dialogue group) must identify its internal ordering and specification of the four dimensions. For example, in a different context, the moral–ethical dimension could also be translated into a heuristic imperative, such as “respect basic human rights” and may be seen as the fundamental baseline for all managerial decisions. Such a local pyramid logic cannot, however, be arrived at by means of theoretical reasoning but is the result of bottom–up development—based on the four public value dimensions as the building blocks.

Where It Leads Us

Infusing Carroll’s CSR pyramid with public value theory opens up new perspectives for further inquiry. In this respect, the authors wish to remain close to the pyramid discussion. A first point concerns the question, whether there will be ever more pyramid versions. On one hand, there should be as many localized pyramids as people developing such an instrument. Nevertheless, given the commonalities in the contexts and in basic human needs, there should be a substantial overlap. However, it is important to note that the process (as demonstrated in Switzerland) is important to foster commitment and self-reflection. In this sense, the new pyramid is a practical theory, because its building blocks invite generating locally adapted pyramids in a playful way.

A manager behaves responsibly if he or she can provide answers to the four dimensions that the wider public find acceptable. The pyramid dimensions then serve as a heuristic not only for coping with complexity but also for overcoming one’s limited value awareness.

One may even argue that staying close to the legislative framework and showing moral judgment are sufficient and that the market forces and politics will do the rest. In the authors’ view, this approach may suffice in times of stable societal acceptance of business’s role in society. At other times, however, the deeper issues of legitimization and the social impacts of business cannot be overlooked, as any organization contributes in some way or another to the common good. The iceberg metaphor illustrates the idea quite well. If a ship is running smoothly, it is enough to navigate by investigating issues above the surface: “Do we make money?” and “Does what we do ‘sniff’ of morality?” In turbulent times, the often tacit, or invisible, dimensions beneath the surface need to be considered. Even in seemingly stable situations, there is always something one does not see on the surface that might become relevant very soon. This iceberg metaphor clearly points to areas—whether

business, non-profit, or politics—which are not within the direct command of any executive but are very much part of the societal order. This situation once again raises the question of overtaxing managers. On one hand, the four basic questions (Is it avoiding harm? Is it politically acceptable? Is it sustainably profitable? Is it decent?) require very complex reflection and expertise. Often, an executive cannot assess the full range of consequences and the results may be highly ambivalent. On the other hand, overlooking such dimensions would mean neglecting the societal function and embeddedness of any organization in society.

The pyramid provides a pragmatic tool and rule of thumb. This pragmatism is commensurate with findings in the strategic management literature, which regard heuristics as a key factor in organizational learning processes and which find that managers adopt a portfolio with a small number of heuristics to behave consistently (and thereby efficiently) and to also remain sufficiently flexible to adapt to actual conditions (Bingham & Eisenhardt, 2011). This interpretation underlines the do-it-yourself approach of the authors' pyramid, which postulates that certain dimensions should be taken into account, but that they may be tailored to a specific context. The question whether heuristics can actually be seen positively and even be regarded as rational in strategic contexts has recently sparked an interesting debate in the *Strategic Management Journal* (Bingham & Eisenhardt, 2014; Vuori & Vuori, 2014).

Following public value theory grounded in basic needs, the authors suggest that managers should develop more or less paradoxical frames for scanning, interpreting, and responding to the four pyramid dimensions and inherent tensions (Hahn, Preuss, Pinkse, & Figge, 2014). To better understand how managers achieve coherence or avoid cognitive dissonance when different pyramid dimensions are in conflict with each other, the authors draw on psychological theories to explain how human beings attribute cause and effect, deny or justify action, or overcome biases. Associated empirical work on implicit or explicit cognitive and emotional processes in terms of how managers' value awareness and individual strategies that vary over time could be a fruitful endeavor to gain an understanding of how CSR theory can impact managers.

In this sense, the rebuilt pyramid contributes to filling the research gap in the psychological microfoundations in general (Barney & Felin, 2013) and in CSR in particular (Aguinis & Glavas, 2012). In turn, the authors' approach also calls for theorizing on how micro-level phenomena lead to the emergence of new macro-level concepts. For example, scholars might be interested in how a cultural context shapes the perceptions of trade-offs at the individual level.

Conclusion

To summarize and conclude, the new theoretical foundation of the pyramid of CSR builds partly on the work by Carroll (1991) but follows a very different way of justifying the dimensions involved. It is aimed at linking the abstract notion of responsibility more closely to the cognitive–experiential level in the different social contexts in which managers take action. Ultimately, the pyramid takes the authors back to the initial question posed by Bowen (1953), who started the modern CSR discourse: “What responsibility to society will businessmen reasonably be expected to assume?” (p. xi). Given the new pyramid logic’s background, the answer is, Try your very best to contribute to public value and thereby to serve human needs’ fulfillment. The new framework does not state a certain value as a given but provides what could be justified as reasonable answers and explains how such a perspective can be structured. As such, it is not free of normative premises, because it introduces basic needs as building blocks, which may simultaneously enable and limit the emergence of values. The authors encourage further research and application of the ideas in different societies—whether in developed or less developed societies, in market economies, or in any other societal orders.

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