



Dissertation

The Valuation of Values

Essays on the Relationship of Business and Society

Stefan Anderer

Email: stefan.anderer@hhl.de

The doctoral thesis explores the relationship of Business and Society in four essays. The growing public, corporate and academic interest in organizational contribution to society – in this thesis measured as Public Value, Shared Value and Corporate Social Responsibility – poses the question how we can determine value creation beyond financial benefits. The thesis provides psychological and sociological perspectives to shed light on this pressuring question. The psychological view in essay four shows that value is rooted in relationship between an observing subject and an object that is to be evaluated, thus, it is not objectively out there. This perspective is rooted in motivational psychology of basic human needs upon which individuals assess the contribution of organizations to society. Adding to this emotional-affective perspective on human psychology, we show that cognition ('cognitive styles') plays a vital role in individuals' determination of how value for society is created. Essay three provides evidence that how an individual perceives value creation for society reciprocally affects the individual. We show that employees who perceive their organizations' value creation more strongly, also derive higher levels of meaningfulness from their work and identify more strongly with their employing organization, which in turn is related to higher levels of work addiction. The final paper takes a sociological perspective borrowed from the actor network theory and shows that some discourses concerning corporate value creation for society narrow the concept of value for society down to a self-serving notion for corporations. In a case study, the essay not only shows how this narrow concept infuses corporate action but, moreover, it details how it negatively impacts society. The multi-faceted approach of the dissertation furthers the understanding of the notion of value creation for society as much as it poses new questions and calls for ambivalent investigation.



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Stefan Anderer

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First Assessor:

Prof. Dr. Timo Meynhardt

HHL Leipzig Graduate School of Management (Germany)
Dr. Arend Oetker Chair of Business Psychology and Leadership

Second Assessor:

Asst.-Prof. (Lecturer) Dr. Steven A. Brieger

University of Sussex (UK)
Department of Strategy and Marketing

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...FIRST THINGS FIRST...

“There are some who are in darkness
And the others are in light
And you see the ones in brightness
Those in darkness drop from sight.”

Bertolt Brecht, The Threepenny Opera

An endeavor carried out over the course of years can't be completed successfully in a vacuum. This dissertation at least not. While we are standing on the shoulders of academic giants in our research – I want to emphasize the French sociological school of Michel Callon and Bruno Latour - other giants along the way who are not in the spotlight equally contribute to the road we make by walking. I feel most privileged to have worked and lived among a number of supportive and inspiring people in the last years, who deserve acknowledgment and gratitude.

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1. FRAMEWORK PAPER

1.1 Introduction

Society has occupied the center stage in the corporate world in recent years. The common good, value for society or social responsibility are no foreign words on the international executive floors of our days. A transition ‘from profit to purpose’ (The Economist 2012) is on the way and to do good for society as a business model has become imperative for many global corporations (Fink 2018). Academics, practitioners and the wider public pay attention to the intersection of *Business and Society*.

For corporations it is not an easy task to act in a multi-stakeholder and multi-purpose environment. Characteristics such as uncertainty and complex interactions make it even more difficult to address pluralistic societal needs appropriately. Simultaneously, heightened transparency through media, whistle-blowers, or transparency initiatives rivets on corporate behavior. However, corporations and organizations in general, such as foundations, NGOs and initiatives do so through products and services (Meynhardt 2009), through the provision of meaningful work for the individual and sensitization in economic, social, and environmental contexts (Aguinis & Glavas 2017) or by reconceiving the value chain in a favorable way (Porter & Kramer 2011). Some of the contributions are institutionalized in a legal framework, while many activities are self-imposed.

There is a prima facie validity in the wording of integrated reports reflecting value creation for society and in the colorful images on corporate homepages that illustrate the interaction with rural communities in developmental countries. However, a category such as society (and the contribution to it) is not only determined by necessity and due to objectivist properties (Lakoff 1987). The essentially contested concepts (Gallie 1955) of *the social*, *society* or *the public* evoke different images in individuals, are based on varying assumptions and are associated with different correlates in the understanding of individuals. The heterogeneity is also reflected in the academic discourse. The scattered landscape of the Business and Society discourse comprises manifold conceptions, partly overlapping, partly incommensurable. Yet, the valuation of the social is a key to the discourse (Schwartz & Carroll 2008). The questions remain: how can society and the contribution to it be captured? Can we now as corporations value their actions in accordance with society trust blindly? And how can we determine who expresses that value appropriately?

The dissertation addresses the intersection of business and society on different levels. It shows that knowledge about society and the interaction between the spheres of society and business aren't a matter of 'out-there-ness' (Latour & Woolgar 1979/1986) but rely on a number of forces. These individual and institutional factors actively impact how individuals assess the contribution to society, how the general discourse about corporate contribution to society is shaped and how corporate networks act in their environment and make sense of their actions towards society, thus, proliferate it. In building on interdisciplinary research from management, psychology and sociology and a mix of theoretical and empirical research, the dissertation shows that how we speak about society and make sense of it impacts the subject itself.

Building on cognitive psychology study 1 provides evidence that different modes to encounter complexity (cognitive styles) lead to different assessments of organizational contribution to a wider public. Study 2 shows how corporate interaction with society can have negative and positive impact on employees – an ambivalent effect and differential view that has been neglected by prior research programs that aim at bridging the macro to micro perspective on corporate social responsibility. The dissertation shows further that a refutation of an objectivist stance does not necessarily lead to an embracement of purely subjectivist one. Building on sociology of science, study 3 highlights how networks develop and stabilize a notion of society and essentially are key players in the proliferation of a specific (political) stance of society. Finally, study 4 elaborates on a psychological notion of society – a mental representation of a public that is evaluated based on individuals' basic needs – and how it can be made useful or public administration and corporations.

1.2 Society, Knowledge and Performativity

Despite having several topics, the central theme of the dissertation is the interaction of organizations and society. When scientific discourses assume a society then there have to be explicit and implicit notions of how society is constituted and what nutrients allow for a value creation for society. For instance, in the public value discourse according to Meynhardt (e.g. 2009) which is applied in study 1 and depicted in study 4, the nutrients are basic human needs that have to be fulfilled for a certain public. This basic needs-related conception brings into focus that any service, product or institution has to fulfill basic functions for a wider public with regard to the assumed psychological *conditio humana*. Public value in this version builds on the needs conception of Epstein (2003), which is one of a variety of conceptions of human motivation in general and of basic human needs in particular. Thus, scientists in the area of

motivational psychology apply different concepts to make sense of the basic conditions of humankind. In doing so, they do not speak of things themselves but of conceptions of them. Some of them are more viable than others, in that they have more predictive power, provide orienting knowledge, resonate more with current public or academic discourse or have less side effects than others. Thus, they function in a certain environment. Following that reasoning, the concept of viability replaces the concept of truth. Instead of an ultimate truth this perspective highlights that certain conceptions become stabilized since they function better (for some) with regard to some criteria.

The conceptions of society, the public or the social sphere applied in scientific discourses, therefore, are not mere depictions of reality itself, but they highlight and evoke, thus proliferate, a specific stance of it (Muniesa 2014). The role of science and scientists then are, expressed in figural terms, less one of mirrors of reality but one of co-creators and innovators (Faulhaber & Baumol 1988; Callon 2007). Study 1 in this dissertation shows how a validation of an instrument to assess individual cognitive style based on a narrow population of experts leads to very different results than three large-scale studies conducted in the article. Despite the methodological shortcomings leading to the findings, they become widely stabilized in public discourse. Specifically, Tetlock (2005) found individuals either having a multi-faceted assessment of complex situation versus a single-minded, more mechanic view of it. Our review with three representative samples (study 1) reveals that some individuals might be able to apply both styles in their decision-making processes. The predominately application of the metaphor as mutually exclusive certainly highlights aspects of the respective style, but also hides the possibility of flexibility and plasticity of styles within individuals. Below, I will discuss how these scientific conceptions eventually translate into systems of evaluation in the corporate realm and become thresholds for individuals in organizational settings.

Study 2 also hints to the view of scientist as innovators. It paves the way for a more ambiguous investigation into the macro-level discourse of corporate social responsibility (CSR) and how it is bridged into the micro-level. Prior investigations show an overly positive picture of the influence on individuals in employing organizations that have CSR policies and engage with a wider public. Our study shows by selecting less favorable variables, i.e. work addiction, how heightened identification with an employing organization and meaningfulness of work can lead to excessive work patterns. As such, researchers hold a responsibility in the selection of variables, in how a construct gets stabilized and how foundation for corporate and public debates are established.

It is important to notice that the chosen approach has common themes with constructivism but goes beyond it. The dissertation deviates from former endeavors in management research that show how economic theories turn into negative consequences for society. These studies highlight double hermeneutics and self-fulfilling prophecies as underlying mechanisms (e.g. Ferraro, Pfeffer, & Sutton 2005; Ghosal 2005). Self-fulfilling prophecies include individual minds and beliefs, while the current performative notion adds a material dimension that goes beyond them (Callon 2007). In this view, reality is stabilized and maintained in networks under the use of material devices and procedures among others (Latour & Woolgar 1979/1986; Latour 1987). Thus, the dissertation also employs a constructive notion, but one in that things can happen independent from individual beliefs.

The example of the cognitive style measure given above serves as a case in point. A cognitive style instrument that describes people along one versus two dimensions will not necessarily lead to a change of behavior due to individual representation alone. However, its embeddedness into a corporate assessment, subsequent placement to jobs and assignment to tasks might do so. In the article, we give the example of an alternative cognitive style instrument, the Myers-Briggs Type Indicator (MBTI) (Briggs & Briggs Myers 1995). Despite severe criticism about dimensionality and predictive validity the self-reflection tool classifies individuals in mutually excluding categories. It is widely used in practice, among them 90 percent of the Fortune 100 companies. The MBTI has become a vast industry administered through consulting companies and HR departments. It also comprises tools and workshop formats, a specific language and other artifacts. It allows subsequently to affect the individual and how it interacts with others.

Such a socio-technical agencement (e.g. Callon 2007) is a combination of heterogeneous entities of technical and social provenience. It is “embodied in procedures and artifacts, not just in ideas” (MacKenzie 2009, p.31). In economic discourse there is a vast number of examples where we can find alternative valuation of products, services and transactions than in plain economic terms, like *social value*, *spirituality of a firm* or *sharing economy* to name just a few. These valuation schemes have all in common that they get stabilized and make sense of a reality in a specific way.

While the sharing economy basically allows individuals to offer their previously more private goods and their own manpower through digital platforms on the marketplace, it has multi-faceted influences on the economy and ontological status of the individual and society (Morozov 2015; Stabrowski 2017). The suggested approach enables to trace back the theoretical and material roots of the re-valuation through an agencement and sheds light on

which anthropological models are enforced and how it is inscribed into the procedures of valuation. This is specifically important since such facts as sharing economy or social value get freed from the specific circumstances of their production (Latour & Woolgar 1979/1986) in the production of the body of knowledge. Or to put it in the words of French sociologist Émile Durkheim: “Religious beliefs in the less developed societies show the imprint of the soil upon which they are formed; today, the truths of science are independent from any local context.” (Durkheim 1972, p.88). Thus, the traceability of agencements and their reproduction of a certain stance of knowledge and how they are put into action counteracts this tendency. Following Foucault, once “knowledge can be analyzed in terms of region, domain, implantation, displacement, transposition, one is able to capture the process by which knowledge functions as a form of power and disseminates the effects of power” (Foucault 1980, p.69). In that regard, the performative stance draws the attention to the political side of knowledge formations. This includes the perspective, which anthropological models are included and fostered through such a valuation and instantiation (Callon 2007). For instance, the sharing economy allows for a higher utilization rate of private goods, such as flats or cars. Therefore, owner can capitalize on the times of standstill. Meanwhile, such a perspective might enforce a general economic valuation of goods and their inclusion into the economy, which might rival with a more cooperative use, such as sublets of flats for friends or free transport of hitch-hikers. Such a shift in perceiving private goods under the lens of economization might have deeper implications for topics like solidarity, friendship or community itself.

In the realm of business, Lopes and Marques (2011) show how subunits of financial institutions have very different underlying anthropological models and use different tools and inquiry techniques to assess society, make sense of it and interact with it. Study 3 follows the example and shows how an agencement around the discourse of shared value (e.g. Porter & Kramer 2011) evolves and corporate action is assessed with respect to its contribution to society. The study shows, emanating from the theoretical underpinnings how heterogeneous actors, such as academics and corporations, play a key role in depiction and proliferation of a specific notion of the social. The study concludes that despite the win-win rhetoric, the discourse enforces corporate practices that puts corporate interest first which can be traced back to the value concept developed in the shared value concept.

1.3 Technology, Complexity and Trust

In contemporary digital times the central authority of singular players in the process of information supply has decreased dramatically. Traditional sources of information are often called into question and trend indicators regularly demonstrate the all-time lows of trust in media and corporations. Through the rise of the internet, information can be passed on faster than ever before and voice can be given to players that were previously not heard. Those voices contradicting corporate information are heard more frequently. While investigative journalism, some NGOs and whistleblowers focus on the dark and hidden side of business conduct, others, such as rating platforms aim at transparency of central aspects of corporate conduct, such as work conditions. Overall, the sense-making process becomes many-layered.

Furthermore, corporate action in a globalized world becomes less transparent along differentiated product lines, sourcing in opaque value chains, global dispersion of locations, different legal spaces and varying standards and values. Despite the easy accessibility of information, the sense-making process of information in a VUCA world – an acronym comprising ‘volatile, uncertain, ambiguous, complex’ first used in the context of the US army (Richard 1997) to describe the central aspects of our contemporary age – becomes more difficult. Under these conditions the trust in a source of information becomes more important than ever. A huge part of the investigated discourse formations is concerned with societal trust in business. Authors in the field regularly diagnose the decline of trust in economic players after financial crises, as a consequence of the ecological crisis, or the decline of trust in capitalism at large, which urges corporations to rethink their practices and by earing the license-to-operate and to rebuild legitimacy (Banerjee 2008; Porter & Kramer 2011).

In trust research, it is commonly distinguished between trustworthiness and trust (Colquitt, Scott, & LePine 2007). While the classic definition defines trust as

“the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party” (Mayer, Davis, & Schoorman 1995, p.712),

trustworthiness comprises characteristics of the trustee that influence the determination of subsequent trust. Ideally, a trustor trust someone or an institution because the trustee’s trustworthiness is granted by the ability to act in an intended way, the actor’s uprightness, and

benevolence (Colquitt et al. 2007). As such, the very process of valuation of corporate action with the metrics of a discourse from the field of business and society can be described as an endeavor to earn trustworthiness with several stakeholders in society – such as clients, political actors or employees - in highlighting the contribution to society beyond financial numbers. In this dual model of trust, the stabilization of an alternative value of corporate action contains the quality of a signal of trustworthiness towards a trustor. The stabilization of the information in line with the value scheme itself and the habituation of standards and narratives themselves might be a sign of their viability and, in turn, of its functioning, e.g. in successful employer branding or increased purchasing behavior. Thus, this implies the willingness of certain societal stakeholders to trust a corporation to act in society's best interest.

This does not necessarily imply that the discourse allows for a qualitatively valid assessment of trustworthiness of the trustee towards a wider public, e.g. as the corporation valuing its conduct with the shared value notion in study 3. The study shows that the metrics are applied at distance without the involvement of the local affected groups.

In the understanding of the approach to knowledge underlying the dissertation, an agencement creates rationales that enable certain anthropological models while others are neglected (Callon 2007). If we underlie the notion of a pluralistic of society, the question of trustworthiness can be specified if the discourse addresses this notion appropriately, upright and benevolent, thus, in line with the three basic conditions for trustworthiness in trust research. Study 4 shows, how the public value approach holds theory and measurement instruments that allow for very specific and detailed analyses to distinguish between different groups and special needs in society. Therefore, it might help to systematically assess the potential of trustworthiness towards a wider public as well as to distinguish if corporate activities favor specific social groups. The public value framework might be an appropriate proxy to achieve a profound insight in the underpinnings of trustworthiness. Contrarily, the shared value approach as depicted in study 3, manufactures simplified perspectives on society, while not being able to capture the role of specific social groups and the impact the evaluated corporate activities have on them.

Trust – as the willingness of a trustor towards a trustee – might happen as a consequence of a face validity of the trustee's engagement in trying to earn trustworthiness. In the long run, the results might contradict the provided image. This indicates, that there is no simplistic answer to the potential of the field to infuse trust in trustors, nor that there is a shortcut to profound trust. Rather, the current dissertation claims that the discourses need to aim at depicting the

complex and multi-faceted realities of different anthropological models and societal players in respect to the assessed corporate activity in order to be a legitimate way to work towards trustworthiness and subsequently societal trust in corporate activities.

1.4 Framework of the Dissertation

The four articles comprised in the dissertation approach different aspects of the project. While every study provides a distinct approach, study 1 and study 2 focus on empirical quantitative methods. Study 3 is mainly rooted in theory but makes use of qualitative data to underpin and explore the theoretically derived findings. Study 4 provides a theory and measurement review.

The overall structure is depicted in the framework of the dissertation (see figure 1.1). At the center of all studies is the intersection of business and society. More specifically, the theme of organizational value creation for society. The central concern of the dissertation is to expand the notion of value creation beyond a mere objectivist stance. The multi-level approach integrates psychological, sociological and management research to expand the knowledge about fundamentals of organizational value creation for society. Departing from these bodies of knowledge, the dissertation approaches the intersection of business and society from a micro-perspective (individual level) as well from a macro-perspective (discourse level).

In line with the public value discourse (Meynhardt 2009), the dissertation suggests that value creation is related to a perceiving subject. The micro-level focusses on individuals of a wider public to review their sense-making of organizational value creation. Thus, study 1 approaches the intersection from a cognitive angle, investigating how cognitive styles influence the perceptions of organizational contribution to society. Further, study 2 conducted with internal stakeholders of organizations, namely employees, reveals how the sense-making of organizational contribution to society in turn has a reciprocal effect on the micro-level, i.e. the employee's psychological reality and even health. Therefore, the dissertation shows that the levels mutually influence each other and are not static and stable entities. The object of investigation is not independent from a perceiving object, and vice versa, the perceiving subject is influenced by the object. The variables of each level and their interaction are discussed below in greater detail.

Figure 1.1: Framework of the dissertation

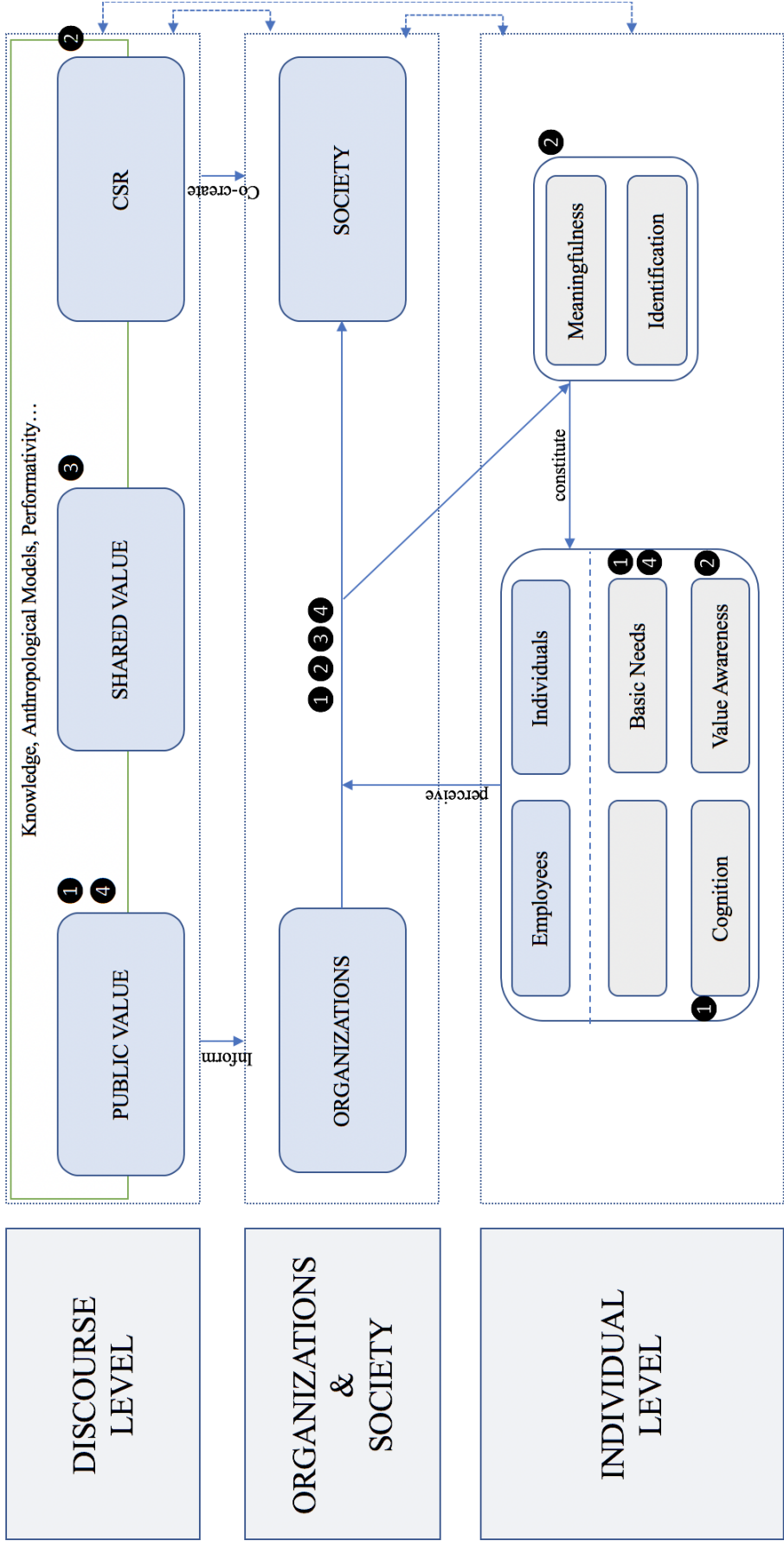


Table 1.1: Overview of studies

Study	Authors	Title	Journal / Book	Status
1	Meynhardt, T. Herrmann, C. Anderer, S.	Making Sense of a Most Popular Metaphor in Management: Towards a HedgeFox Scale for Cognitive Styles	Administrative Sciences	Published in 2017 (Online first)
2	Brieger, S. A. Anderer, S. Fröhlich, A. Bäro, A. Meynhardt, T.	Too Much of a Good Thing? On the Relationship Between CSR and Employee Work Addiction	Journal of Business Ethics	Accepted
3	Anderer, S.	Creating Shared Value? On the Proliferation of a Resource-Based Social	ephemera – theory and politics in organization	Revise & Resubmit
4	Meynhardt, T. Brieger, S. A. Strathoff, P. Anderer, S. Bäro, A. Hermann, C. Kollat, J. Neumann, P. Bartholomes, Gomez, P.	Public Value Performance: What Does It Mean to Create Value in the Public Sector?	Public Sector Management in a Globalized World	Published 2017

On the macro-level of the framework the different discourses that inform the specific investigations of the articles are depicted. As outlined in section 1.2 discursive formations comprise specific bodies of knowledge, explicitly outline or implicitly hold assumptions about anthropological models and knowledge. This is depicted in the framework as a deeper layer. The dissertation shows how these models inform the specific discourses and subsequently corporate assessment of the value for society. Through this process of valuation corporations focus specific aspects of an assumed society. By the continuous alignment of corporate activities and control along the derived measures corporations co-create anthropological models and might exclude others. Study 3 and 4 display two discourses in the field of business and society and their specific lenses to evaluate the contribution to society. It is important to notice that the dissertation does not stop at an ideational understanding of influences. A unique contribution is the revelation of how the macro-level influences and co-creates the organizational-societal level through processes, artifacts and specific procedures and, thus, impacts the possibility space for society.

1.5 Four Essays on the Relationship of Business and Society

Study 1, titled “Making sense of a most popular metaphor in management: Towards a HedgeFox Scale for Cognitive Styles” is written in co-authorship with Timo Meynhardt (HHL Leipzig, Germany and University of St. Gallen, Switzerland) and Carolin Hermann (University of St. Gallen, Switzerland), and was published in *Administrative Sciences* on September 2017. The purpose of the study is twofold: first, we provide a revision of Tetlock’s hedgehog-fox scale. Second, we investigate the influence of cognitive style (measured with the revised HedgeFox scale) on individuals’ assessment and how organizations contribute to a wider public (measured as public value).

The hedgehog-fox metaphor is known to be first used by Archilochos saying that “the fox knows many things, but the hedgehog knows one big thing”. Popularized by philosopher Isaiah Berlin (2013) the metaphor became widely used as depicting two seemingly opposing thinking styles, especially in the Anglo-Saxon language area. The two species metaphorically depict two approaches to complexity: the hedgehog employs one central organizing principle reflecting one central truth, whereas the fox challenges himself with different positions and allows for multiple and even contradictory viewpoints.

We draw on data from the Public Value Atlas comprising 17,072 individuals from three samples (Swiss samples from 2014 and 2015; German sample from 2015). The data led us to revise Tetlock’s one-dimensional cognitive style dimension. Our analyses suggest a two-dimensional structure with one distinct hedgehogness factor and one distinct foxiness factor. The results imply that some people can employ both styles to approach complex situations, such as to assess the public value creation of organizations. As a result, we propose a more economic HedgeFox scale, measuring each style with three items. Preliminary data suggests that higher values in the hedgehogness dimension consistently lead to higher values in the public value assessment. The data regarding the foxiness dimension hints to the same direction, but shows differentiation in the subscales of public value, hinting to a more diverse appreciation of the complex assessment of organizational value creation for society. Consequently, the paper complements the emotional-motivational perspective of the public value discourse with a cognitive perspective.

We emphasize that especially the sample inadequacy of prior investigation led to a too simplistic conception. Therefore, the study is a plea for a more ambivalent investigation and a pluralization of how we talk about the human capacity to approach complexity. By doing so, our

revised conception lays a stronger foundation in current cognitive style research and reconnects the application of the metaphor stronger to the original conception of Isaiah Berlin.

Study 2 is titled “Too much of a good thing? On the Relationship between CSR and Employee Work Addiction”. It is written in co-authorship with Steven Brieger (University of Sussex, UK), Andreas Fröhlich, Anne Bairo (both HHL Leipzig, Germany) and Timo Meynhardt (HHL Leipzig, Germany and University of St. Gallen, Switzerland). The paper has been accepted at the *Journal of Business Ethics* and was a contribution to the 28th ICRM 2018 Conference. The purpose of the study is to shed light on the relationship of corporate engagement with a wider public (measured as corporate CSR as perceived by employees) and its interaction with the psychological reality of employees. Bridging the macro-level construct to the micro-level is a relatively recent stream of research in the field, especially in regard to internal stakeholders such as employees. The study draws on these recent developments and suggests a relationship of CSR as perceived by employees with heightened identification with the organization in accordance with social identification theory. Further, the study assumes positive correlation of perceived CSR and subjective meaningfulness of work. Drawing on a sample of 565 Swiss employees taken from the 2017 Swiss Public Value Atlas, we are able to confirm the positive correlations. The paper also finds a negative significant relationship of CSR and employee work addiction.

However, in further tests the study investigates the relationship of CSR and employee work addiction mediated through work meaningfulness and organizational identification. We conclude that the effect changes and the higher the level of the mediators the higher the degree of work addiction of employees. This implies that the more employees derive a sense of meaning from the CSR activities of the corporation and the more they identify with the corporation, the more they are likely to engage in work beyond healthy thresholds. The effect even increases if employees demonstrate awareness for a wider public (measured as public value awareness). Our findings suggest that prior work did not adequately cover the ambiguous character of corporate CSR as a variable that impacts on employees. The merely positive talk of CSR as a variable that motivates employees did not capture the role over-engagement as a consequence of identification and perceived meaningfulness. It shows that doing good in the corporate realm is not enough but also structural aspects such as workers’ rights that complement the role of involvement into work through identification and meaningfulness might be important balancing factors.

Study 3, titled “Creating Shared Value? On the Proliferation of a Resource-Based Social” is a single author study. It has been submitted to *ephemera – theory and politics in organization* and currently is under revision before resubmitting. An extended abstract of the paper was accepted for the subunit Science, Technology, Society & Education at the Web of Knowledge Conference 2018. The purpose of the paper is to review the notion of the social brought up in the theoretical discourse of shared value and how it is made sense of and enacted in practice. The paper draws on developments deriving from actor-network-theory, which has been established by Michel Callon, Bruno Latour and John Law. Its application to the realm of economics is based on the work of Michel Callon. The study highlights how corporate value creation is re-evaluated with respect to value creation for society. The study elaborates how the notion of value for society is parallelized with economic value and how this notion is aligned with corporate strategy. Thus, a value creation for society is advocated where intersecting with corporate interest. The second part of the paper shows how the value notion is established through a network of different players from academia, the corporate sector, NGOs, and foundations. In two cases, the study shows how the notion of society that is brought into reality through heterogeneous networks subtly excludes some individuals and fosters specific anthropological models. Further, the article shows how the notion of the social is applied to make assumed future states plausible to be in accordance with societal well-being. This act of valuing the future, however, neglects the very political side of the endeavor.

The study is the first to apply this specific sociological perspective to the field of Business and Society. By doing so, it makes a strong claim for the performative character of the valuation of the social prepared in academia and applied in corporate networks.

Study 4, titled “Public Value Performance: What Does It Mean to Create Value in the Public Sector?” is written in co-authorship with Timo Meynhardt (HHL Leipzig, Germany and University of St. Gallen, Switzerland), Steven Brieger (University of Sussex, UK), Pepe Strathoff (University of St. Gallen, Switzerland), Anne Bairo (HHL Leipzig, Germany), Carolin Hermann (University of St. Gallen, Switzerland), Jana Kollat (Leuphana University of Lüneburg, Germany), Paul Neumann (University of St. Gallen, Switzerland), Steffen Bartholomes, and Peter Gomez (University of St. Gallen, Switzerland). The article was published in *Public Sector Management in a Globalized World* in 2017. The study’s purpose is to provide an overview over the discourse of Public Value. Following the categorization provided in *Public Value and Public Administration* the article introduces the three main streams of public value research after Moore, Bozeman and Meynhardt.

Central to the article is the foundation of Meynhardt's approach to public value creation rooted in individual psychology, namely in basic human needs. The further article highlights how the basic human needs can be abstracted into value categories and made productive for inquiries through two managerial tools with distinct versions of application. Finally, the article hints how public managers can make use of them. Thus, the article provides an introduction into the field and displays how value creation for a wider public is rooted in state-of-the-art psychological theory, how they are translated into managerial tools, and how practitioners can make it productive in the public administration sphere.

1.6 Overview of Key Findings

While each study provides a specific approach to the relationship of business and society, there are some findings that are shared among several studies. These shared findings are related to the micro-foundation of the relationship in individual psychology, the discourses' macro-structure, and the performative character of knowledge production in business and society and beyond.

The first key finding brings attention to the micro-level foundation. From an individual psychological perspective, we show that an individual's assessment of the relationship of business and society has two ways of functioning. First, the assessment is depending on a variety of psychological factors. In public value theory (e.g. study 4; Meynhardt 2009), the individual assessments are initiated on basis of emotional-motivational forces within an individual. Study 1 shows that aside of the emotional-motivational side of human beings the cognitive landscape influences the assessment of organizational contribution to society. The dissertation shows that different cognitive styles come to systematically different results. Thus, it adds the cognitive side to the emotional one in the assessment of the relationship of business and society. Second, the assessment of an entity's contribution to society has in turn an impact on the individual. Study 2 highlight how the perceived contribution to society enhances the individuals' alignment with one's employing organization up to the degree of neglecting one's own health. The study finds the process of social identification and perceived meaningfulness as fundamental.

The second key finding is related to the macro-level and the discourses about society. Studies 3 and 4 highlight how the anthropological model and social theory influence the measurement of organizational contribution to society. Study 4 depicts the public value discourse

with its fundamental roots in motivational psychology. The measurement tools derived from the anthropological model reflect the basic dimensions of basic human needs theory according to Epstein (2003). Thus, value creation for a wider public comprises distinct and plural value categories. Study 3 shows that the assessment of value creation is informed by an anthropological model and social theory, even if the model and the theory are not explicitly outlined and only implicit to the discourse. The study shows how the economized notion of society is subsequently performed in practice.

The third key finding relates to the general position towards knowledge creation of the dissertation. In the bigger picture, the dissertation shows how the character of knowledge creation of the relationship between business and society and beyond is performative. Study one shows that how we entertain the metaphor of fox and hedgehog has severe implications. The construction of a one-dimensional compared to a two-dimensional categorization system, as shown at the case of the MBTI, effects the organizational reality of individuals. As we were able to show how cognitive styles differently impact the assessment of organizational public value creation, our plural notion comes to dramatically different results than the simplistic one-dimensional conception. This is especially important in the light of study 2. This study shows that also research agendas have a performative character and shape the further talk of a construct. The selection of variables crucially impacts how we can investigate a field. Our findings suggest that prior work did not adequately cover the ambiguous character of corporate CSR as a variable that impacts on employers. The merely positive talk of CSR as a variable that motivates employers did not capture the role of over-engagement as a consequence of identification and perceived meaningfulness. The overrepresentation of the business case for CSR prevailing in corporate discourse is also a consequence of variables selected by scholars. Thus, the research also suggests that a more rounded investigation is a matter of agenda setting and performative by nature. The performative reading of the shared value discourse is at the core of study 3. It bridges the performative reading of study 1 and 2 and shows how scientific knowledge is brought into application in corporate practice.

1.7 Implications

This section discusses the implications of the outlined findings. The findings presented in the dissertation are relevant from a scientific and a practical perspective which is discussed in more depth in the following section.

Starting with the implications of the findings related to individual psychology, value creation for society doesn't equal value creation for society. Individuals with different mental models assess the complex question of value creation for society differently. Thus, in the logics of public value, what is public value for some might be not valuable to others based on cognitive styles, namely hedgehogness and foxiness. This is equally important to academics, practitioners and political decision-makers. Academics not only have to bear in mind the role of cognitive styles, but other cultural influence factors that give rise to specific ways of appreciating the value creation or destruction for society to differentiate systematic influence factors in the field. The provided cognitive style instrument is a good starting point. For practitioners it is equally important to incorporate the findings. For instance, corporations might do a good job in their contribution to society but apply incongruous communication strategies in respect to different styles that prevail in the wider public to convey the value creation. Internally, a good combination of foxes and hedgehogs might also help in the construction of products and services anticipate their contribution to society. In the realm of political decision-making, especially the finding that cognitive style is related to the position an individual hold in a corporation or society is valuable. For instance, the study found that the hedgehogness dimension was more pronounced in leaders than in the rest of the sample. It underpins that public value creation is related to the individual's position. Thus, evolving research related to the micro-foundation will be helpful to understand the publics' need with respect to their position in society in more detail and support public decision-makers.

On the other hand, the dissertation shows the differential effect on the individual that value creation for society conveys to members of an organization. The resource-oriented view that is outlined in the second paper shows that individuals working for a corporation which actively aims at contribution to society identify more strongly with the employing organization and see a purpose in their work. This is an asset of corporations contributing to society. However, the study also suggests that identification and meaningfulness, which are in turn related to deeper forms of motivation (e.g. Ryan & Deci 2000), have to be complemented by structural features of

organizations that prevent excessive commitment of employees. A healthy workforce needs to be well-balanced.

Further, the dissertation shows the importance of the anthropological model informing the discourse of business and society. As shown, either explicit (study 4) or implicit (study 3) the notion of the social influences measurement and the possibility space for individuals in the depicted reality. Therefore, the dissertation implies that the discourses within the field of business and society bear a far-reaching responsibility, considering the role of scientists as co-innovators (Callon, 2007). The same applies to study 1 and 2. The dissertation shows how variable selection sets the direction for the further development of a discourse and how we are able to make sense of the field. Thus, study 1 and 2 suggests that beyond a solid social theory a balanced selection of variables is essential to describe the field of business and society sufficiently pluralistic and ambivalent on individual, organizational and discourse level. For practitioners, again, society doesn't equal society. As seductive as the contribution logics based on a win-win narrative in the shared value discourse appears, the complex social interactions and shifts regarding affected groups have to be researched more carefully. If publics are to be at the core of the considerations and it is not only lip service, assessing the networks of valuation (study 3) and how they make sense of contribution of society is essential. In line with public value theory (study 4) the determination of value at distance does not necessarily include the position of the affected. Especially, when corporations are interacting in a transnational setting with lower regulatory standards abroad, the stance of contribution to society becomes more important. To carefully select the framework under which corporations aim to operate - under the premise of exclusions and inclusions of pluralistic social stances - becomes imperative. The interactions are far more complex than the offered win-win talk, which also hints to a role of political institutions that should go beyond the one of partners of corporations in the process of value creation.

1.8 Strengths, Limitations, and Avenues for Future Research

Through the application of different bodies of knowledge from management research, psychology and sociology and the mix of empirical and theoretical research methods the dissertation achieves to encompass complementary perspectives and insights. This section

discusses the dissertation's and the particular studies' strength. While some aspects give rise to criticism, they also provide fruitful ground for further investigation and avenues for future research.

Each study contributes to the specific body of research it is located in. Study 1 advances the state of research related to the fox and hedgehog classification and builds a solid basis in contemporary cognitive style research, while linking it to latest developments in the field (Kozhevnikov 2007; Kozhevnikov, Evans, & Kosslyn 2014). The cognitive style instrument contributes to the micro foundation of organizational value creation for society (public value) and informs the popular use of the fox/hedgehog metaphor with data. Study 2 also adds to the psychological perspective of organizational contribution to society by highlighting the dark side of CSR. Adding to the micro perspective, unlike other critical papers that focus on the macro perspective of the discourse (e.g. Banerjee, 2014), to our knowledge we provide a first ambivalent perspective on corporate value creation for society as perceived from inside the organization.

On the macro level, the dissertation is the first to view discourses in the field of *Business and Society* as performative units, agencements that not only provide knowledge about value creation for society, but as pragmatic actors that proliferate specific stances of society. While study 3 puts an investigation into the shared value discourse forward, study 4 outlines the most rounded theoretical approach in the field – public value according to Meynhardt – and how it can be translated into assessment, and thus, stimulate the enactment of certain values. Study 4 especially bridges the theoretical discourse for practitioners in the field of public administration.

A more general strength is the solid data foundation (study 1 and 2), taken from the representative samples of the Public Value Atlas. In study 1, we conducted three independent large-scale studies with more than 17.000 individuals, each representative for either the German-speaking area of Switzerland or Germany.

Second, the dissertation (study 1 and 2) bridges the discourse about society to the micro-level. The first study views psychological aspects (cognition) as input, while study 2 elaborates on the effects. Thus, the dissertation builds on systemic logics and shows the reciprocal character in two studies.

Third, Study 3 and 4 show how social theory and an anthropological model as an input to a discourse shape how we can perceive value creation. Especially study 3 highlights how this

perspective translates into networks and gets proliferated and enacted in corporate programs and actions.

Fourth, the overall dissertation allows for a performative reading of knowledge creation and is able to show it isolated in scientific work (study 1 and 2) and in more depth at the intersection of academic and market players (study 3). Thus, the dissertation creates a foundation for the political side of the business and society field, rooted in networks of heterogeneous players and valuation systems.

There are some shortcomings to the project, whence implications for future research are derived. First, the organizational contribution to society is measured with different variables (public value, corporate social responsibility and creating shared value) in the different studies of the dissertation. Due to the individual research programs, this was not avoidable. For instance, to conduct a qualitative analysis, a limited and exclusive body of research and network of practitioners was imperative. The shared value approach allowed for these prerequisites, while other discourses in the field are more heterogeneous and diverse (Schwartz & Carrol 2008). Still, it limits the comparability.

For instance, a longitudinal study to view cognitive psychological factors as input (t1) into the perception of value creation for society measured with one specific conception (t2) as well as emotional-motivational factors as output (t3) could integrate several aspects of the dissertation.

Second, the quality of each sample in the individual studies was good. However, due to the local context of the German-speaking area, further investigations are needed in other geographical areas. For instance, the cognitive style measure and the investigation into the differential effects on value creation for society were undertaken with three large-scale studies, indicating certain stability. However, we should not be quick with assuming universality. Thus, more evidence is needed from cross-cultural studies.

The research on value creation from which criticism derived merely focuses on corporate contexts (especially study 2 and 3). Further investigation should include formal and informal structures and institutions more explicitly. In study 2, we were not able to distinguish between corporations and their respective work policies. Such a perspective might help to find moderating effects how individuals can be motivated and derive meaning from work, without showing unhealthy work patterns. Study 3 discusses elements of the interaction of corporations and political

institutions; however, future research should involve an institutional perspective, involving local interactions and institutional processes by applying thorough field work.

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2. MAKING SENSE OF A MOST POPULAR METAPHOR IN MANAGEMENT: TOWARDS A HEDGEFOX SCALE FOR COGNITIVE STYLES

→ Study 1

→ Published: Administrative Sciences (2017)

Abstract

Research on cognitive style has gathered momentum over the past 40 years, especially with respect to learning, problem-solving, and decision-making. This investigation adapts Tetlock's hedgehog–fox scale for German-speaking respondents through three large-scale studies (n = 17,072) and examines the influence of cognitive style on employees' public value assessments of their employing organizations. Our data led us to propose a revised and more economical HedgeFox Scale. In contrast with Tetlock's findings, our results provide empirical and theoretical arguments for a two-factor structure. This shift in dimensionality affects the nature of the construct and aligns hedgehog–fox research with the latest developments in cognitive style research. Our results contribute to the ongoing interest in the dimensionality of cognitive styles and support the call for a more diverse picture. Finally, we provide recommendations for individuals and organizations.

Keywords

Decision making, cognition, cognitive style, dimensionality, hedgehog fox metaphor, public value

2.1 Introduction

From Tetlock's (2005) long-term study of political experts' abilities to forecast future events, we know that cognitive style is associated with decision-making processes. To classify human mindsets, Tetlock uses the metaphor of the hedgehog and the fox, as introduced by the Greek poet Archilochus and employed by the Russian-British philosopher Isaiah Berlin (Berlin 1997). Confronted with a situation calling for a judgment or decision, hedgehogs have a high need for cognitive closure, prefer clarity, and favor one universal organizing principle. Foxes allow for ambiguity and are open to different opinions and new ideas. Tetlock's study showed that foxes could predict future (political) events better than hedgehogs. Foxes seem to be able to better deal with complexity, while hedgehogs neglect important environmental variables in their judgments.

The influence of cognitive styles has become evident not only in relation to political judgment, as investigations have shown that the ways in which we perceive information and derive meaning from it are also relevant for decision-making, problem-solving, learning, creativity, and the support of different values (Hayes and Allinson 1998; Kirton 1976; Spicer and Sadler-Smith 2005; Puccio, Treffinger & Talbot 1995; Tetlock 2000; van Den Broeck, Vanderheyden, & Cools 2003).

Tetlock's distinction has drawn much attention, particularly in management practice (Gomez and Meynhardt 2012; Silver 2015; Collins 2001; Kay 2011; Mitchell and Tetlock 2010). In their study with top managers, Gomez and Meynhardt (2012) used a cognitive style perspective to analyze how managers differ in their value awareness, and their results provide reason to assume that cognitive style influences how individuals perceive organizations' roles in society. Those authors provide the basis for investigating cognitive style differences concerning public value evaluations—that is, an organization's contribution to society at large.

Tetlock's cognitive style measure allows one to depict how individuals deal with ambiguity and complex information, both of which should be highly relevant for public value assessments. Public value differs from other concepts like sustainability or corporate social responsibility in that it allows a holistic view of organizations that considers not only financial outcomes but also the organization's contribution to social cohesion and quality of life as well as its moral behavior. Because we are interested in learning about factors that might be relevant for public value assessments, we build on the results of Gomez and Meynhardt's (2012) study and analyze the relationship between cognitive styles and public value assessments. Since the public value concept calls for a multidimensional assessment of organizational action beyond merely financial aspects,

investigating the interplay between cognitive style and public value makes it possible for us to find out how individuals differ with respect to their openness to integrate multiple viewpoints into their assessment and regarding focused assessment based on some key variables. Thus, Tetlock's cognitive style instrument is a promising tool for our research because it portrays how people approach complex information.

According to Tetlock (2005), individuals prefer either hedgehog-like or fox-like ways of thinking. But does this black–white dichotomy reflect reality, or is there some flexibility in how people can use cognitive styles? Could a hedgehog learn to make better predictions and acquire fox-like characteristics for more balanced judgment or decision-making? To advance Tetlock's perspective, it is necessary to reflect on, and empirically test, his ideas in light of recent findings from cognitive styles research.

The ongoing interest in the dimensionality of cognitive styles (Hodgkinson and Sadler-Smith 2003; Goodenough and Witkin 1977; Akinçi and Sadler-Smith 2013; Kozhevnikov 2007) and the expanding use of the hedgehog–fox scale in management practice give cause to thoroughly investigate the reliability and validity of Tetlock's instrument in settings other than political science. In addition, the original scale has not been revised empirically. We apply the scale in Germany and the German-speaking area of Switzerland and test it as a predictor of public value assessments, and we examine whether the conceptual structure can be confirmed.

Our empirical validation using three large-scale studies ($n = 17,072$) of the proposed hedgehog–fox dichotomy indicates that this classification is oversimplified. Our results show that individuals can display both cognitive styles, and the findings lead to a better understanding of cognitive style diversity. The results directly affect ideas about individual judgment and organizational decision-making and learning, as well as the development of training measures. This paper's main contribution is therefore a re-consideration of Tetlock's original dichotomy toward a more nuanced interpretation of the construct's nature.

In the remaining article, we provide a definition of cognitive styles and highlight their significance for judgments and decision-making. Further, we survey the current developments in cognitive style research by focusing on the nature and structure of cognitive styles and assumptions about styles on a metacognitive level. We then underline the relevance of the hedgehog–fox measure for management and the context of public value. Finally, we derive implications for

Tetlock's cognitive style instrument and empirically test them. Drawing on the results, we provide conclusions for theory and practice, and highlight perspectives for future research.

2.2 Theoretical Background

Cognitive theories are a promising approach to explaining individuals' decision-making (LeFebvre and Franke 2013). These theories focus on human information processing rather than rational models of decision-making, thus increasing our understanding of information-processing modes involved in the decision-making process (LeFebvre and Franke 2013). These different modes of information processing are called cognitive styles.

2.2.1 A Definition of Cognitive Styles

Cognitive styles “refer to individual differences in how we perceive, think, solve problems, learn, relate to others” (Witkin, Moore, Goodenough & Cox 1977, p. 29). This definition is based on the notion that individuals have a mental representation—or mental map—of the world that helps them order and make sense of new information (Walsh 1995). More recently, researchers specified cognitive styles as “patterns of adaptation to the external world; these patterns develop in part on the basis of innate predispositions but are modified as a result of changing environmental demands” (Kozhevnikov, Evans, & Kosslyn 2014, p. 4). This perspective strengthens the relational view, adding the aspect of stability. It also draws attention to individual predispositions, the influence of environment, and the plasticity of cognitive styles.

Engagement with cognitive styles dates back at least to Jung's (1923) theory of psychological types and peaked in the 1950s and 1960s in an effort to connect differences in perception with personality (Sternberg and Grigorenko 1997). However, during the late 1970s, psychological research on cognitive styles decreased, mainly because of numerous, largely overlapping cognitive style dimensions, the absence of a theoretical foundation, and the lack of attempts to integrate the dimensions (Kozhevnikov 2007).

As a result, scholars have used various style labels to describe individual information-processing preferences. Besides cognitive style, labels include learning style, thinking style, and the more general intellectual style (Zhang, Sternberg, & Rayner 2011). In addition, a variety of

style dimensions have been introduced (Hayes and Allinson 1994), pointing to the complexity and vastness of cognitive style research.

Cognitive styles exert a fundamental influence on individual and organizational behavior (Hayes and Allinson 1994; Sadler-Smith and Badger 1998) and research has revealed that cognitive styles help explain individual distinctions in human behaviors and performance (Riding 2011). A review of several studies concludes that the relationship between cognitive styles and abilities is complex, that styles explain additional variance in human performance above intelligence and personality, and that abilities and styles are related (Zhang and Sternberg 2012). However, knowledge about the etiology of styles is inadequate for comprehensively explaining their formation (Mandelman and Grigorenko 2011).

2.2.2 The Significance of Cognitive Styles

Numerous studies link cognitive styles to decision-making (Tetlock 2005; Kozhevnikov 2007; Betsch and Kunz 2008; Armstrong et al. 2012). In particular, an analysis of 438 papers on cognitive styles in the management context between 1969 and 2009 indicates that cognitive styles can be very relevant to the business and management research fields, not only for decision-making but also for teamwork, learning, and creativity (Armstrong et al. 2012).

Despite their shortcomings, concepts of cognitive styles have a high practical relevance, which is reflected by the number of cognitive style instruments (Armstrong et al. 2012). Instruments such as the Myers-Briggs Type Indicator (MBTI) (Briggs et al. 1995), the Agor Intuitive Management survey (AIM) (Agor 1989), or the Kirton Adaption Innovation Inventory (KAI) (Kirton 1976) are frequently used to investigate the influence of cognitive styles on decision-making (Kozhevnikov 2007).

2.2.3 The Nature and Structure of Cognitive Styles

Many cognitive styles have been conceptualized as unitary and have been measured with unidimensional instruments (Hodgkinson and Sadler-Smith 2003; Allinson and Hayes 1996). As a result of the multiplicity of cognitive style dimensions, investigators have made various attempts to unite current cognitive style theories (Moskvina and Kozhevnikov 2011) and have introduced some unifying frameworks (Allinson and Hayes 1996).

Further, findings that individuals could change their cognitive style contingent on situational demands have forced researchers to question the dimensionality of cognitive styles and sometimes to suggest enlarging the concept into more dimensions (Kozhevnikov 2007; Kozhevnikov et al. 2014), leading to discussion about whether cognitive styles must be conceptualized as more complex (Hodgkinson and Sadler-Smith 2003).

A widely recognized endeavor to coordinate the various cognitive styles was that of Allinson and Hayes (1996). Their study had two objectives. The first was to develop an instrument for managers and professionals to assess cognitive styles in sizable organizational settings—the result was the Cognitive Style Index (CSI). The second was to empirically substantiate a unitary view on cognitive style, suggesting that all cognitive styles could be cut down to one analytical/intuitive dimension. This assumption resulted from a review of the work of several cognitive style researchers who argued for one dimension that underlies all facets of cognitive style, particularly arguing against split-brain studies that propose a specialization tendency of the brain hemispheres, with the right hemisphere specializing in intuition and the left in analysis.

However, theoretical and methodological concerns have led Allinson and Hayes' proposition of the unitary nature of cognitive styles to be called into question. For instance, Hodgkinson and Sadler-Smith (2003) argue that a unitary conceptualization does no justice to the complexity of information-processing. They reason that intuitive and analytic information-processing are necessary for different functions and are therefore independent cognitive systems. Referring to dual-process theories, specifically Epstein's Cognitive-Experiential Self-Theory (CEST) (Epstein 2003), they suggest that analysis and intuition are separate, unipolar information-processing modes. Their methodological criticism concerns the item parceling technique, which yielded to heterogeneous parcels that might have fostered the unifactorial factor solution, and the factor extraction approach, which in their opinion lacks confirmatory procedures.

The results of Hodgkinson and Sadler-Smith's review of the CSI suggest two separate correlated factors that contradict the conceptualization of the CSI as unifactorial. They propose that analytical and intuitive processes are independent dimensions that fulfill different functions, and recent studies support this conceptualization (Akinici and Sadler-Smith 2013; Hodgkinson, Sadler-Smith, Sinclair, & Ashkanasy 2009; Wang, Highhouse, Lake, Petersen, & Rada 2017). In their meta-analysis, Wang et al. (2017) show the independence of the analysis and intuition constructs. These results are underpinned by Simon (1987, p. 61), who states:

“It is doubtful that we will find two types of manager (at least, of good managers), one of whom relies almost exclusively on intuition, the other on analytic techniques. More likely, we will find a continuum of decision-making styles involving an intimate combination of the two kinds of skill. We will likely also find that the nature of the problem to be solved will be a principal determinant of the mix.”

Thus, the environment shapes the use of cognitive styles (Simon 1987) and different situations and our experiences can influence that use (Hayes and Allinson 1998).

A more recent trend in this research field is to connect cognitive styles with metacognitive functioning. Individuals differ in their abilities to control their cognitive functioning at a metacognitive level and to adjust their cognitive style preferences (Kozhevnikov 2007). Higher-order metastyles, which correspond to the idea of multiple cognitive style levels, may regulate inferior styles and explain why some individuals are flexible in their use of styles (Kozhevnikov 2007; Moskvina and Kozhevnikov 2011). Metastyles act at a higher metacognitive information-processing level (Kozhevnikov et al. 2014). For instance, the supra-ordinate mobility–fixity dimension is considered to be a metastyle that enables individuals who are mobile to choose between different style preferences (Moskvina and Kozhevnikov 2011).

In sum, the results of the various attempts to unite the variety of cognitive styles underline that cognitive styles are not detached from each other and do not belong to a single underlying dimension (Moskvina and Kozhevnikov 2011).

These developments on cognitive style conceptualization and flexibility cast doubt on Tetlock’s bipolar conceptualization of cognitive style as reflected in his style of reasoning scale. The instrument relies mainly on the Need for Cognitive Closure Scale (NFCS) (Webster and Kruglanski 1994; (Neuberg, Judice, & West 1997) but the unidimensional conceptualization of the NFCS has been questioned as research results have revealed a multifactorial structure, suggesting a two-factor solution (Neuberg et al. 1997). Tetlock himself has reported a second factor, which he calls decisiveness, but does not elaborate on it.

2.2.4 The Relevance of the Hedgehog–Fox Instrument for Management

The hedgehog–fox metaphor has become widely acknowledged beyond political science, especially in the management field and in research into human behavior (Gomez and Meynhardt 2012; Silver 2015; Collins 2001; Kay 2011; Mitchell and Tetlock 2010). Management executives

operate in fast-moving and complex environments and are confronted with mega-trends (Rüegg-Stürm 2002) that change the economy and business models. The intensive use of the metaphor in the field of management is a case in point for structural features similar to Tetlock's field of application.

Since cognitive style is a fundamental human property and not subject to a specific field of application, Tetlock's primary criterion is the complexity of individuals' environment and the qualitatively different ways of approaching it. For instance, Mitchell and Tetlock (2010) argue that judicial opinions are influenced by cognitive style and judges with a preference for the fox pole might be more integratively complex individuals who see problems from different perspectives and consider a variety of information and interests. Judges with a preference for the hedgehog pole might be less integratively complex individuals who concentrate on a few key pieces of evidence and do not seek compromise. As another example, a study of executives found that top managers differ in their awareness of their organizations' contribution to society (public value), depending on their preferred cognitive style (Gomez and Meynhardt 2012). That study used the hedgehog–fox metaphor to differentiate between executives who tend to apply universal principles and overestimate their knowledge about the world (hedgehogs) and those who tend to appreciate plurality and allow for alternatives (foxes). The study's authors consider the openness to alternative views and multiple realities to be basic characteristic of value awareness, which is essential if one is to reflect on the societal impacts of organizations. More than 60% of the top managers displayed hedgehog-like characteristics and over-estimated their organizations' roles in society.

Our aim is to analyze whether the fox–hedgehog difference manifests in respondents across different occupations and positions with respect to their public value assessment of organizations. To the present day, there has not been a validated German version of Tetlock's scale. For this reason, we want to provide a German version of the instrument and test its validity for the German language area.

We focus on public value because it conceptualizes how people perceive and interpret an organization's contribution to the common good. Since its inception (Moore 1995) the public value concept has become an important topic for businesses, public administrations, and non-governmental organizations (NGOs). A widely held perception is that a much deeper understanding is needed of how people construct public value at the individual level (Meynhardt 2015), especially as which psychological mechanisms drive the respective perception and interpretation remains an

open question. Public value “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). Cognitive style is a natural candidate for a much-needed micro-foundation of public value assessments.

2.2.5 Dimensionality and Metaphors in Practice

Besides the theoretical considerations in cognitive style research, dimensionality has strong implications for practical application. The question of dimensionality is closely related to the nature and the use of the hedgehog–fox metaphor. In their seminal book on metaphors, Lakoff and Johnson argue, “In allowing us to focus on one aspect of a concept [...] a metaphorical concept can keep us from focusing on other aspects of the concept that are inconsistent with that metaphor” (2003, p. 10). In other words, metaphors systematically highlight and hide. A one-dimensional structure with mutually exclusive qualities has different implications for an individual and on an organizational level than a conception of parallel coexistent dimensions.

In light of the current views of the cognitive styles’ very idea (unipolar vs. bipolar) and their frequent use in management practice, we analyze the factor structure of Tetlock’s hedgehog–fox measure. We also test its validity for German-speaking respondents and investigate its influence on public value assessments of respondents from different professions and positions.

2.3 Data and Methods

2.3.1 Participants and Procedure

We collected all our data in the course of the Public Value Atlas Project, which began in 2014. Drawing on representative surveys, the Public Value Atlas provides rankings of the public value of various companies and organizations in Switzerland (Public Value Atlas Switzerland 2014, 2015) and Germany (Public Value Atlas Germany 2015). For this survey, each respondent evaluated a maximum of six organizations from different industries concerning their public value. We used three public value studies to validate the hedgehog–fox scale. Study 1 was carried out in Switzerland and was used for scale development. Studies 2 and 3 were conducted in Switzerland and Germany and were used to confirm our adapted scale.

2.3.1.1 Study 1

In Study 1, a total of 4483 individuals, aged between 18 and 88 ($M = 47.51$ years, $SD = 16.03$) were surveyed. According to the current data of the Swiss Federal Statistical Office, the sample was representative of the population in terms of gender, age, education level, and region of residence in the German-speaking area of Switzerland. Given some screening questions of the questionnaire, minor deviations in the representative distribution resulted with regard to age ($\pm 3\%$), region of residence ($\pm 5\%$) and education ($\pm 5\%$). For gender, the quota was reached. We collected data via an online survey over a three-week period between February and March 2014. The sample consisted of 2277 female and 2206 male participants. All respondents were registered participants of an online panel of a Swiss market research bureau and subject to consistent quality assurance. A subsample of 2245 was randomly selected for further analysis. This subsample comprised 1088 men and 1157 women, of which 21% ($n = 480$) had a leadership responsibility and were employed across different industries such as the automotive, education, finance, healthcare, and finance industries.

2.3.1.2 Study 2

Study 2 took place within four weeks in June and July 2015. A total of 5052 people, aged between 18 and 90 years ($M = 47.93$ years, $SD = 16.49$), from the German-speaking area of Switzerland completed an online survey. Of these, 50.2% ($n = 2537$) were women and 49.8% ($n = 2515$) were men. As in Study 1, the respondents were part of an online panel of a Swiss market research bureau. They were randomly chosen as a representative sample of the population in the German-speaking area of Switzerland, in accordance with the current data of the Swiss Federal Statistical Office concerning gender, age, education level, and residential area. As a result of questionnaire-specific screening categories, only minor deviations occurred in the representative distribution concerning age ($\pm 3\%$) and region of residence ($\pm 4\%$). The quotas with regard to gender and education were maintained without deviations. Participants had various economic, educational, and occupational backgrounds. Further, 64.8% ($n = 3275$) of the sample were employed, with 63.3% ($n = 2072$) working full-time and 39.4% ($n = 1291$) holding a leadership responsibility.

2.3.1.3 Study 3

For Study 3, we surveyed 7537 people in Germany over a three-week period between July and August 2015. The respondents were aged between 19 and 91 ($M = 53.85$ years, $SD = 14.17$). Of these, 45.0% ($n = 3514$) were women and 55.0% ($n = 4288$) were men. The respondents were all registered panelists of a German market research bureau. In accordance with the current data of the Federal Statistical Office of Germany, they were a representative randomly selected sample from a panel with 30,000 participants in Germany. They participated in an online survey and had a wide range of educational backgrounds; 58.4% ($n = 4555$) were employed and worked in various industries, of which 75.2% ($n = 3461$) worked full-time and 36.4% ($n = 1657$) had leadership responsibilities.

2.3.2 Measures

2.3.2.1 Cognitive style

We applied Tetlock's 13-item hedgehog–fox scale to assess cognitive styles on a six-point Likert scale (1 = totally disagree to 6 = totally agree). The scale is based on several subscales of the NFCS (Kruglanski et al. 1993). The hedgehog–fox scale reflects decisiveness (e.g. “I usually make important decisions quickly and confidently”), ambiguity (e.g. “When considering most conflict situations, I can usually see how both sides could be right”), order (e.g., “Having clear rules and order at work is essential for success”), and closed-mindedness (e.g. “I prefer interacting with people whose opinions are very different to my own” (reversed)). Further, the scale is built on items of integrative complexity (e.g. “Scholars are usually at greater risk of exaggerating how complex the world is than they are of underestimating how complex it is”). The integrative complexity measure assesses the extent to which respondents are able to differentiate (recognize different perspectives or dimensions of stimuli) and integrate (form connections between perspectives or dimensions of stimuli) information (Guttieri et al. 1995). Integrative complex individuals integrate multiple perspectives into their reasoning, while integrative simple individuals prefer only a few key pieces of information. To adapt the scale for the German-speaking countries, we did a double-blind back-translation of the items (Harkness and Schoua-Glusberg 1998). In this procedure, the items are translated into the target language. This version is translated back into the original language so that the two versions can be compared with each other (Harkness et al. 2004). An independent bilingual translator carried out the back-translation into English. The

researchers and the translator subsequently discussed the two resulting versions of the items. The German translation was adapted where weaknesses were detected within this procedure. We modified two of the 13 items owing to the different study context. Whereas Tetlock used the scale in the political context, this study's research context was the field of public value (Meynhardt 2009). Thus, we adapted the original items from political reasoning to common good reasoning (e.g., instead of "Politics is more cloudlike than clocklike," we re-worded the item to "I think the common good is more cloudlike than clocklike"), and we replaced one item—"We are closer than many think to achieving parsimonious explanations of politics"—with "The common good is determined by a few simple factors."

2.3.2.2 Public Value

Job-holders evaluated the public value of their employing organization with validated single-item measures for each public value dimension (Meynhardt and Bartholomes 2011). Respondents assessed their organizations according to the four public value dimensions of task fulfilment ("The organization I work for does good work in its core business"), social cohesion ("The organization I work for contributes to social cohesion in Switzerland"—or in Germany, respectively), quality of life ("The organization I work for contributes to quality of life in Switzerland"—or in Germany, respectively), and morality ("The organization I work for behaves decently"). Answers were given along a six-point Likert scale (1 = disagree to 6 = agree).

2.4 Analysis and Findings

2.4.1 Scale Development

In Study 1, we chose a two-step procedure to meet established methodological standards (Brown 2006) and examine the factor structure. To conduct an exploratory factor analysis (EFA) in a first step and a confirmatory factor analysis (CFA) in a second step, we divided the representative Swiss sample into halves. Four factors led us to revise the initial scale properties in this procedure. First, the general interest in the structure of cognitive style raised questions about the uni-dimensionality. Second, the particular set of items had already been found to have two underlying epistemic motives. Third, the forward/backward translation process demanded a

thorough review. Fourth, the narrow population used in Tetlock’s scale development raised doubts about its generalizability.

In a first analysis, we ran the EFA with one half of the respondents (subsample 1: $n = 2238$). We used the second half (subsample 2: $n = 2245$) to confirm the factor structure and to run further analyses.

2.4.2 Exploratory Factor Analysis (EFA)

Prior to the analysis, Kaiser-Meyer-Olkin measures ($KMO = 0.75$) confirmed the sampling adequacy and Bartlett’s test of sphericity ($\chi^2 = 3039.56$ $df = 78$, $p < 0.01$) indicated sufficiently large correlations between the items to run a principal component analysis as an EFA. An EFA differentiates between explained and residual variance. We considered various criteria to explore the number of factors to retain, such as eigenvalues greater than one, a scree plot test, and theoretical considerations. We chose varimax with Kaiser normalization as the rotation method. In contrast to Tetlock’s results (2005), the rotated solution revealed a three-factor structure (see Table 1). As the narrowly defined population in Tetlock’s inquiry (political experts) was compared with a representative sample of the population of Switzerland, neither the mismatch nor the inconclusive factor structure was surprising.

Table 2.1: Results of the Exploratory Factor Analysis for the Fox-Hedgehog Scale (adopted from Tetlock 2005).

Item	Rotated Factor Loadings		
	Factor 1	Factor 2	Factor 3
I dislike questions that can be answered in many different ways.	0.63	0.19	-0.24
When trying to solve a problem, I often see so many possible options that it is confusing.	0.62	-0.37	0.19
Scholars are usually at greater risk of exaggerating how complex the world is than they are of underestimating how complex it is.	0.58	0.34	-0.03
The common good is determined by a few simple factors.	0.45	0.35	0.02

In a famous essay, the philosopher Isaiah Berlin classified intellectuals as hedgehogs or foxes. The hedgehog knows one big thing and tries to explain as much as possible within that conceptual framework, whereas the fox knows many small things and is content to improvise explanations on a case-by-case basis. I see myself as a fox.	0.44	0.02	0.18
The more common error in decision-making is to abandon good ideas too quickly, not to stick with bad ideas too long.	0.44	0.29	0.20
I usually make important decisions quickly and confidently.	-0.01	0.74	0.16
It is annoying to listen to someone who cannot seem to make up his or her mind.	0.09	0.68	0.01
Having clear rules and order at work is essential for success.	0.28	0.52	0.09
When considering most conflict situations, I can usually see how both sides could be right.	0.06	-0.04	0.73
Even after I have made up my mind about something, I am always eager to consider a different opinion.	0.01	0.13	0.69
I prefer interacting with people whose opinions are very different from my own.	0.07	0.28	0.55
I think the common good is more cloudlike than clocklike (“cloudlike” meaning inherently unpredictable; “clocklike” meaning perfectly predictable if we have adequate knowledge).	0.38	-0.11	0.39
Eigenvalue	2.69	1.46	1.35
Variance %	20.71	11.25	10.35
Cronbach’s α	0.45	0.55	0.51

Notes: Extraction method: principal component analysis. Rotation method: Varimax with Kaiser normalization.

Since an EFA is an iterative process and an item-reducing technique, the initial 13-item scale was the basis for further adaptations. We eliminated items with substantial cross-loadings above 0.30 and items with factor loadings below 0.50 (Bagozzi and Yi 1998). The observed cross-loadings not only violated methodological standards, but, from a theoretical perspective, the factors represented opposing constructs.

Four items did not meet the standard of item-factor loading above 0.50. Two items exhibited similar loadings on factors 1 and 2, and were therefore removed. Thus, we ran further analyses with seven items. A second test of the scale's factorial structure revealed a stable solution represented by two factors explaining 47.02% of the variance. The assumptions were also met, since satisfying values were exhibited in the tests (KMO = 0.66; Bartlett's tests of sphericity = 1306.95, $df = 21$, $p < 0.01$). Table 2 displays the descriptive statistics and factor loadings of the remaining seven items.

Table 2.2: Results of the Exploratory Factor Analysis.

Item	Rotated Factor Loadings	
	Hedgehogness	Foxiness
It is annoying to listen to someone who cannot seem to make up his or her mind.	0.72	0.06
Having clear rules and order at work is essential for success.	0.65	0.16
I usually make important decisions quickly and confidently.	0.62	0.24
I dislike questions that can be answered in many different ways.	0.58	-0.22
Even after I have made up my mind about something, I am always eager to consider a different opinion.	0.04	0.73
When considering most conflict situations, I can usually see how both sides could be right.	-0.05	0.72
I prefer interacting with people whose opinions are very different from my own.	0.22	0.62
Eigenvalue	1.95	1.34
Variance %	27.90	19.12
Cronbach's α	0.53	0.51

Notes: Extraction method: principal component analysis. Rotation method: Varimax with Kaiser normalization.

Four items loaded only on the first factor and explained 28% of the variance with Cronbach's $\alpha = 0.53$. The second factor included three items and explained 19% of the variance, while Cronbach's α was 0.51.

Unlike the adapted scale, the results of the EFA clearly suggested a two-factor structure of cognitive style measurement with adequate scale properties, which enabled us to formulate an alternative conception to the one-factorial fox–hedgehog.

2.4.3 Confirmatory Factor Analysis (CFA)

Applying the software AMOS, we then tested this model on the subsample of 2245 respondents in a structural equation model and against an alternative one-factor model. To determine the models' quality, we chose several indices as criteria for a good fit.

First, we report an absolute fit index that observes the fit of the data with an a priori specified model. Model chi-square (χ^2), which evaluates the overall fit of the data, is traditionally a very popular index. In addition, we considered the root mean square error of approximation (RMSEA). According to McDonald and Ho (2002), who surveyed articles on structural equation models in high impact psychological journals between 1995 and 1997, a good fit is 0.05 and a moderate fit is 0.08. The two-factor model (hedgehogness and foxiness) obtained a significant χ^2 value, and a RMSEA of 0.06 indicated a better fit than the one-factor model, which did not show an acceptable model fit with RMSEA of 0.10 (McDonald and Ho 2002).

Second, we observed a relative fit index that was not based on a χ^2 test. We chose the comparative fit index (CFI) because it assumes uncorrelated latent variables, which fits our analyses so far. The CFI compares the sample's covariance matrix with a null model (Hooper et al. 2008). An acceptable fit is achieved when the CFI is greater than 0.90 (McDonald and Ho 2002). Only the two-factor solution reached this level (0.94). Table 3 shows the results.

Table 2.3: Results of the Exploratory Factor Analysis.

Model	Description	χ^2	df	χ^2/df	RMSEA	CFI
Model 1	One-factor model	254.22**	12	21.19	0.10	0.81
Model 2	Two-factor model	85.61**	11	7.78	0.06	0.94

Notes: RMSEA = Root mean square error of approximation; CFI = comparative fit index. ** $p < 0.01$.

The item “I dislike questions that can be answered in many different ways” showed low loadings on the hedgehogness factor. Removing the item improved the two-factor solution's model

fit, with a lower RMSEA value (0.04) and a better CFI (0.98). Table 4 shows the results of the confirmatory factor analysis for the remaining six items.

Table 2.4: Results of the Confirmatory Factor Analysis (Six Items) for Study 1 (Subsample 2: $n = 2245$).

Item	Rotated Factor Loadings	
	Hedgehogness	Foxiness
It is annoying to listen to someone who cannot seem to make up his or her mind.	0.75	-0.02
I think that having clear rules and order at work is essential for success.	0.65	0.15
I usually make important decisions quickly and confidently.	0.75	0.09
Even after I have made up my mind about something, I am always eager to consider a different opinion.	0.05	0.74
When considering most conflict situations, I can usually see how both sides could be right.	-0.03	0.73
I prefer interacting with people whose opinions are very different from my own.	0.23	0.64
Eigenvalue	1.87	1.24
Variance %	31.21	20.65
Cronbach's α	0.55	0.51

Notes: Extraction method: principal component analysis. Rotation method: Varimax with Kaiser normalization.

Three items loaded on the first factor and explained 31% of the variance with Cronbach's $\alpha = 0.55$. The second factor comprised three items and explained 21% of the variance. Cronbach's α was 0.51 for items of the second factor. Tetlock stated a Cronbach's α of 0.81 for his hedgehog-fox factor (Tetlock 2005, p. 241). However, he does not report on the reliability of his second factor, 'decisiveness.'

As expected, a differing factorial structure from Tetlock's one-dimensional solution was obtained consistently across our three studies. Consequently, there is a drop in the number of items loading uniquely on a factor. The number of items squared is an essential part of Cronbach's equation, which favors multi-item scales (Cortina 1993). Scales with fewer items obtain lower values of Cronbach's α . To adequately address the challenge of more factors in the same pool of items, a set of three standards served as minimum criteria: (1) at least three items should inform

one factor (Streiner 1994); (2) the Eigenvalues of the accumulated factors should account for at least 50% of the variance (Streiner 1994); and (3) values of Cronbach’s α of 0.40 might be adequate in two- or three-item instruments (Peter 1997). Despite the reduction, all three standards are met. Therefore, we assume our Cronbach’s α exceeding 0.50 is acceptable. We further address this issue in the discussion.

The CFA results showed that the two-factor model with six items is statistically and methodologically supported and was preferable to the one-factor model (Table 5). Although the two factors that significantly correlate with each other ($r = 0.20, p < 0.01$ for subsample 2) can be seen as separate constructs, each is composed of three items from different subdimensions of Kruglanski’s NFCS: the three foxiness items from the facet closed-mindedness (reversed), and the three hedgehogness items from the facets discomfort with ambiguity, decisiveness, and preference for order.

Table 2.5: Results of Confirmatory Factor Analysis (Six Items), AMOS Model Fit Indices.

Model	Description	χ^2	df	χ^2/df	RMSEA	CFI
Study 1 ¹						
Model 1	One-factor model	184.51**	7	26.36	0.11	0.83
Model 2	Two-factor model	26.75**	6	4.46	0.04	0.98
Study 2 ²						
	Two-factor model	81.78**	6	13.63	0.05	0.97
Study 3 ³						
	Two-factor model	62.10**	6	10.35	0.04	0.98

Notes: ¹ $n = 2245$ (Subsample 2); ² $n = 5052$; ³ $n = 7802$; Root Mean Square Error of Approximation; CFI = comparative fit index. * $p < 0.01$.

Neuberg and colleagues (1997) have highlighted the construct’s multifactorial structure in contrast to an overall score interpretation. They also find two epistemic motives in the NFCS that support our solution, although these motives differ slightly from the current interpretation. In our revision with a population-representative sample, Tetlock’s items did not contribute to an unambiguous factor solution. Previously interpreted as the end points of a continuum, our large-scale inquiry revealed that foxes and hedgehogs are distinct factors. We termed these factors hedgehogness and foxiness¹.

¹ We use “foxiness” in the formal sense to mean “like a fox.”

(1) The hedgehogness factor

This factor is characterized by a clear and ordered worldview with coherent organizing principles. Clear rules—often highly complex—govern action and decision-making. This conviction of knowing the world may indicate an ability to develop big vision and strong ideas, but may point to a fairly mechanistic conception of the world, which is classifiable and ultimately manageable. In this sense, hedgehogness is represented by one overarching coordinating system instead of scattered value systems and paradigms. It is associated with confident decision-making and agency. However, downplaying and devaluing ambiguity may be associated with inappropriate information-processing and reluctance or even inability to incorporate new ideas and information into one's conceptual system. Low hedgehogness levels imply a lower need for structure and rules as well as for quick decisions.

(2) The foxiness factor

The foxiness factor's items reflect the need and ability to incorporate more than one worldview into one's reflections. Analyses are undertaken from different standpoints, acknowledging plurality and multiple truths. This can also be achieved in situations of conflict or crisis. Foxiness also refers to the ability to entertain oneself with different paradigms, even though an opinion has potentially been established or decision-making processes have progressed. Foxiness includes an openness to exposing oneself to new and even opposing ideas, and reflects a systemic and sometimes inconclusive perspective rather than a mechanistic perspective. The downside is that absorbing ambiguity and reaching cognitive overload may lead to confusion and inability to act. Low scorers on foxiness are less open to hear, get involved with, and accept different opinions.

We used Studies 2 and 3 to confirm the two-factor model with the hedgehogness factor and the foxiness factor, each composed of three items. Table 5 shows the three studies' fit indices.

The distribution statistics of foxiness approached a Gaussian distribution of values of skewness and kurtosis close to zero, and both scales exhibited a flatter distribution (negative value of kurtosis) and were slightly skewed to the left (negative value of skewness).

Confirmatory factor analyses with the subsample of employees with a leadership responsibility obtained similar results in all three studies.

2.4.4 Differences in Scores between Gender, Age Groups, and Job Level

We conducted independent samples t-tests of gender and simple regression analyses for age to test for possible differences in scores on hedgehogness and foxiness.

Since the results are inconsistent regarding gender differences in cognitive style, we were interested in whether we could find any differences with respect to hedgehogness and foxiness,

especially as earlier work has suggested analyzing individual differences in cognitive styles with respect to genetic factors (Goodenough and Witkin 1977).

We compared hedgehogness and foxiness scores between men and women. Table 6 shows the mean differences for men and women. In Studies 1 and 3, the *t*-tests of sex differences in terms of cognitive style indicated no significant differences between men and women regarding foxiness. Only the mean difference in Study 2 was significant ($p < 0.10$). However, differences for hedgehogness were significant in all three studies, with men showing higher hedgehogness scores than women. Cohen's *d* to assess the effect sizes of the differences resulted in values below 0.20, indicating small effects.

Second, we analyzed the influence of age on hedgehogness and foxiness scores. Simple linear regression analyses revealed a positive relationship between age and hedgehogness as well as age and foxiness. Age predicted 10% of the variance in hedgehogness in Study 1 ($F(1, 2243) = 235.51, p < 0.001$); 8% of the variance in Study 2 ($F(1, 5051) = 449.18, p < 0.001$); and 6% of the variance in Study 3 ($F(1, 7704) = 509.09, p < 0.001$), which corresponds to medium effects.

With regard to foxiness, age predicted only 1% of the variance in Study 1 ($F(1, 2244) = 22,10, p < 0.001$); 0.02% in Study 2 ($F(1, 5051) = 12,40, p = < 0.001$); and 0.01% in Study 3 ($F(1, 7585) = 8,78, p < 0.01$). Tables 7 and 8 show the regression results for hedgehogness and foxiness across all three studies.

Further, we investigated the relationship between job levels and cognitive style in Studies 1 to 3, comparing the mean scores of hedgehogness and foxiness. As prior research has reported that more than 60% of the top managers interviewed could be categorized as hedgehogs (Gomez and Meynhardt 2012) we assume higher hedgehogness scores for leaders. Again, we found significant differences in the hedgehogness scores between leaders and non-leaders but no consistent results between the two groups concerning the foxiness scores. Independent samples *t*-tests showed that working respondents with a leadership responsibility scored significantly higher on the hedgehogness dimension than individuals without a leadership responsibility (Table 9). Significant differences regarding the foxiness dimension were found only in the German sample in Study 3. In Studies 1 and 2, the Swiss samples did not show different scores regarding the foxiness dimension for people with and without a leadership responsibility. While effect sizes for the differences in hedgehogness scores between respondents with a leadership responsibility and those without were medium in all the studies, the effect sizes for the differences in foxiness scores for the differences

Table 2.6: Results of Independent Samples *t*-Tests of Hedghegness and Foxiness Means of Men and Women

	Study 1 ¹				Study 2				Study 3			
	Men		Women		Men		Women		Men		Women	
	<i>M</i>	<i>t</i>	<i>df</i>	<i>d</i>	<i>M</i>	<i>t</i>	<i>df</i>	<i>d</i>	<i>M</i>	<i>t</i>	<i>df</i>	<i>d</i>
H	4.58	4.48	2.66	0.11	4.63	4.48	6.17	0.17	4.86	4.78	4.62	0.10
	-0.91	-0.89	*		-0.89	-0.9	***		-0.81	-0.85	***	
n	1088	1157			2515	2537			4240	3465		
F	4.13	4.11	0.44		3.98	3.93	1.77		4.13	4.12	0.79	
	-0.86	-0.81	n.s.		-0.86	-0.83	†		-0.86	-0.82	n.s.	
n	1088	1157			2515	2537			4188	3398		

Notes: ¹Subsample 2; H = hedghegness; F = foxiness; M = mean, standard deviation in parentheses; *d* = Cohen's *d*; † = $p < 0.10$, * = $p < 0.05$, *** = $p < 0.001$.

for the differences in foxiness scores in Study 3 were very small.

In two of the three studies, after controlling for age and gender, an analysis of the relationship between hedgehogness and leadership status revealed significant but small correlations (Study 1: $r = 0.04$, $p = 0.13$; Study 2: $r = -0.05$, $p < 0.01$; Study 3: $r = -0.10$, $p < 0.001$). In Studies 2 and 3 hedgehogness and leadership status were negatively correlated. However, given the large sample size and the small effect sizes these results should be considered with caution.

Table 2.7: Results of Linear Regression Analyses of Age Predicting Hedgehogness.

	Study 1 ¹			Study 2			Study 3		
	<i>B</i>	<i>SE B</i>	β	<i>B</i>	<i>SE B</i>	β	<i>B</i>	<i>SE B</i>	<i>B</i>
Age	0.02	0.00	0.31***	0.02	0.00	0.29***	0.23	0.01	0.25**
R ²	0.10			0.08			0.06		
F	235.51 ***			449.18 ***			509.09 ***		
N	2245			5052			7705		

Notes: ¹ Subsample 2; ** = $p < 0.01$, *** = $p < 0.001$.

Table 2.8: Results of Linear Regression Analyses of Age Predicting Foxiness.

	Study 1 ¹			Study 2			Study 3		
	<i>B</i>	<i>SE B</i>	β	<i>B</i>	<i>SE B</i>	β	<i>B</i>	<i>SE B</i>	β
Age	0.01	0.00	0.10***	0.00	0.00	0.05***	0.03	0.01	0.03***
R ²	0.01			0.00			0.00		
F	22.10***			12.40***			8.78**		
N	2245			5052			7586		

Notes: ¹ Subsample 2; ** $p < 0.01$, *** = $p < 0.001$.

2.4.5 Differences in Scores Concerning Public Value Assessments

Meynhardt and Gomez's (2012) study led us to the assumption that respondents who favor the foxiness pole of the cognitive style continuum consider more sources of information and also include contradictory information in their judgments. These characteristics would lead to more moderate public value evaluations, compared to respondents who favor the hedgehog pole. Since hedgehogs are supposed to favor one truth and to be closed to multiple viewpoints, we assumed

more extreme responses. Given our response format (1 = disagree to 6 = agree) with higher values indicating a higher approval, we would expect higher public value evaluations for hedgehogs.

Table 2.9: Results of Independent Samples t-Tests of Hedgehogness and Foxiness Means of Respondents with and without Leadership Responsibility.

	Study 1 ¹					Study 2					Study 3				
	LR		No LR		<i>t</i>	df	<i>d</i>	LR		No LR		<i>t</i>	df	<i>d</i>	
	<i>M</i>	<i>M</i>	<i>M</i>	<i>M</i>				<i>M</i>	<i>M</i>						
H	4.53	4.38	-3.00	1324	0.26	4.6	4.43	5.54	3273	0.19	4.88	4.68	7.89	3609	0.25
	-0.86	-0.89	**			-0.88	-0.89	***			-0.77	-0.82	***		
n	480	846				1291	1984				1647	2858			
F	4.07	4.07	-0.175	1324		3.94	3.90	1.31	3273		4.16	4.09	3.15	4433	0.08
	-0.82	-0.80	n.s.			-0.83	-0.81	n.s.			-0.81	-0.80	**		
n	480	846				1291	1984				1634	2801			

Notes: ¹Subsample 2; H = hedgehogness; F = foxiness; M = mean, standard deviation in parentheses; LR = respondents with leadership responsibility; No LR = respondents with no leadership responsibility; *d* = Cohen's *d*; ** = $p < 0.01$, *** = $p < 0.001$.

We formed extreme groups (1 SD above and below the mean values of hedgehogness and foxiness) and excluded respondents with mid-level manifestation of hedgehogness and foxiness to compare differences concerning public value evaluations of the employing organizations. As Table 10 shows, the comparisons between low and high scorers on the hedgehogness dimension revealed significant differences in Studies 2 and 3. Respondents with high hedgehogness scores rated the public value of their organization higher than respondents with low hedgehogness scores with regard to the overall public value and across each of the public value dimensions. The mean differences between low and high levels of foxiness were also significant in Study 2 and point in the same direction. However, in Study 3, the results of the comparison between low and high scorers on the foxiness dimension differ. We found no significant difference between low and high scorers with regard to their assessment of the public value dimension morality, while respondents with high levels of foxiness rated the other public value dimensions significantly higher.

Table 2.10: Results of Independent Samples t-Tests of Hedgehogness and Foxiness Means of Respondents for the Overall Public Value of the Employing Organization and Each Public Value Dimension.

		Study 2					Study 3				
		Low	High				Low	High			
		<i>M</i>	<i>M</i>	<i>t</i>	df	<i>d</i>	<i>M</i>	<i>M</i>	<i>t</i>	df	<i>d</i>
Public Value	H	4.67 (1.09)	5.16 (0.94)	-7.22 ***	870.59	-0.48	4.42 (1.08)	4.83 (1.11)	-6.75 ***	1377	-0.37
	n	448	436				558	821			
	F	4.71 (1.09)	5.15 (0.93)	-6.73 ***	989.55	-0.78	4.56 (1.07)	4.72 (1.12)	-2.67 **	1267	-0.15
	n	572	433				507	762			
Task fulfillment	H	5.00 (1.01)	5.41 (0.89)	-6.39 ***	882	-0.43	4.82 (1.06)	5.22 (1.09)	-6.85 ***	1422	-0.37
	n	448	436				579	845			
	F	5.05 (1.08)	5.35 (0.93)	-4.59 ***	1003	-0.30	4.97 (1.05)	5.08 (1.09)	-1.96 *	1308	-0.10
	n	572	433				525	785			
Social cohesion	H	4.31 (1.43)	4.92 (1.26)	-6.80 ***	873.80	-0.45	4.04 (1.44)	4.45 (1.49)	-5.12 ***	1392	-0.28
	n	448	436				567	827			
	F	4.34 (1.38)	4.95 (1.22)	-7.40 ***	979.59	-0.47	4.14 (1.44)	4.44 (1.46)	-3.68 ***	1282	-0.21
	n	572	433				516	768			
Morality	H	4.80 (1.25)	5.22 (1.34)	-5.21 ***	878.10	-0.32	4.44 (1.28)	4.84 (1.34)	-5.59 ***	1417	-0.31
	n	448	436				575	844			
	F	4.87 (1.22)	5.23 (1.10)	-4.85 ***	973.43	-0.31	4.63 (1.29)	4.67 (1.35)	-0.47 n.s.	1300	-
	n	572	433				521	781			
Quality of life	H	4.57 (1.35)	5.10 (1.22)	-6.13 ***	876.90	-0.41	4.40 (1.34)	4.85 (1.35)	-6.24 ***	1410	-0.34
	n	448	436				572	840			
	F	4.59 (1.35)	5.08 (1.16)	-6.17 ***	986.37	-0.39	4.48 (1.39)	4.74 (1.34)	-3.29 **	1298	-0.19
	n	572	433				520	780			

Notes: H = hedgehogness; F = foxiness; M = mean, standard deviation in parentheses; *d* = Cohen's *d*; * = $p \leq 0.05$, ** = $p < 0.01$, *** = $p < 0.001$.

Table 11 shows mean differences and standard deviations for the public value assessments across the four groups in Studies 2 and 3. In Study 2, the independent samples t-test showed no significant differences between foxes (high foxiness, low hedgehogness) and hedgehogs (low foxiness, high hedgehogness) ($t(111) = 0.41, p = 0.68$). However, in Study 3, we observed significant differences between foxes and hedgehogs, with hedgehogs demonstrating significantly higher public value ratings than foxes ($t(163) = 3.42, p < 0.001$, Cohen's $d = 0.55$). Respondents with low scores on both dimensions showed significantly lower public value ratings than respondents with high scores on both dimensions (Study 2: $t(199) = -6.67, p < 0.001$, Cohen's $d = 0.88$, Study 3: $t(321) = -3.26, p < 0.001$, Cohen's $d = 0.42$).

Table 2.11: Means of Public Value of Employing Organization for Groups with High and Low Levels of Foxiness and Hedgehogness.

		Study 2			Study 3		
F	H	n	<i>M</i>	<i>SD</i>	n	<i>M</i>	<i>SD</i>
Low	Low	112	4.39	1.20	84	4.40	1.16
Low	High	69	4.91	1.17	97	5.09	0.89
High	Low	44	4.82	1.11	68	4.55	1.12
High	High	132	5.30	0.87	239	4.88	1.14

Notes: H = hedgehogness; F = foxiness; M = mean, SD = standard deviation.

2.5 Discussion

2.5.1 Theoretical Considerations

All three studies support a two-factor solution, reflecting (1) a factor called hedgehogness and (2) a factor called foxiness. Individuals can achieve scores simultaneously on each of the two dimensions. Scoring high on the hedgehogness dimension indicates an individual preference for efficient goal attainment, clear rules, and fast and confident judgment and decision-making. High scores on the foxiness dimension imply individual tolerance for ambiguity and the active seeking out of different opinions.

Our revision of Tetlock's work is an attempt to widen its current interpretation, and our investigation reveals important considerations of the construct's nature. Of interest is that, in contrast to our two-factor solution, Tetlock's unifactorial solution claims a continuum between

foxiness and hedgehogness. Ironically, our research supports Berlin's observation that Tolstoy "was by nature a fox, but believed in being a hedgehog" (Berlin 1997, p. 438).

Tetlock admits that his scale is "a fuzzy measurement continuum" and also follows Berlin in recognizing "that few fit the ideal-type template of fox or hedgehog. Most of us are hybrids, awkward hedge-fox and fox-hog amalgams" (Tetlock 2005, p. 87). Further, he outlines anecdotal evidence from his own research, in which archetypically diagnosed foxes produce hedgehog-like arguments in conversations. Instead of drawing distinct concepts from these observations, Tetlock argues, "I should not fall into the essentialist trap of viewing 'hedgehogs' and 'foxes' as distinct cognitive species" (Tetlock 2005, p. 87).

While for Tetlock high foxiness is the same as low hedgehogness and intrapersonal flexibility is understood as moving up and down the continuum at the expense of one end or the other, our survey data show a different picture. In contrast to Tetlock's selected sample of political experts, we used three studies with large samples that were representative for Germany and the German-speaking area of Switzerland. Thus, our results can be generalized for individuals across various industries and different educational backgrounds.

Our data indicate the simultaneous existence of seemingly opposing styles, like two different, partly independent dispositions to act. This difference is important since it implies a multidimensional perspective. Possessing characteristics on both dimensions might initially seem contradictory. However, some situations demand a specific way of perceiving and processing information. Experiences and environmental factors significantly influence the cognitive style that can be considered adequate for a situation (Kozhevnikov 2007). If this were not so, one could not explain the many options of intra-individual variation. For instance, one person may be high on both dimensions, and another may be low on both. Tetlock cannot explain this variance since, in his model, an increase in one direction is always at a corresponding decrease of the other. In the logic of Tetlock's unidimensionality, a hybrid creature implies a middle position on the continuum and therefore low values for both orientations. In contrast, our hybridity logic allows for a strong fox and a strong hedgehog characteristic in one individual—even at the same time.

2.5.2 Differences in Hedgehogness Scores

Our data showed significantly higher values for the hedgehogness factor for men and employees with a leadership responsibility. These findings correspond to results of prior research

that classified the majority of the interviewed managers as hedgehogs (Gomez and Meynhardt 2012). Prior work also found cognitive style differences for women and individuals in a senior position: Women scored higher on the CSI, showing a stronger analysis orientation, whereas individuals in senior positions scored lower on the CSI and had higher values in their intuition orientation (Allinson and Hayes 1996). Other work also reported higher intuition values for top managers (Agor 1989). The question remains as to whether individuals with a leadership responsibility develop a preference for hedgehogness owing to their position's demands or whether their preference for hedgehogness has had an effect on being selected for a leadership responsibility (Hayes and Allinson 1998).

Our data reveal that age is a significant predictor of hedgehogness and foxiness, indicating higher values of hedgehogness with increasing age. However, while age could predict between 6% and 10% of the variance in hedgehogness across all three studies, the effect concerning foxiness was only marginal and should be interpreted with caution.

Our results largely confirm our assumptions about cognitive style differences concerning public value assessments. Respondents with a clear preference for hedgehogness rated the public value of their employing firm higher than respondents with an explicit preference for foxiness. Participants that scored high on both factors gave their organizations the highest public value ratings.

2.5.3 Dimension in Application

A metaphor such as the hedgehog and the fox is easy to process (Hart and Long 2011), and its use is tempting. However, categorizations should be used with care, especially as they are often the basis for interventions. For instance, the underlying categories of the MBTI are still in use despite contradictory findings regarding the factorial structure (Carskadon 1979) and severe criticism of its predictive validity (Pittenger 1993). A vast industry with tools, certification programs, and consultancy services has developed around the MBTI. Eighty-nine Fortune 100 companies use the MBTI to maximize individual and team effectiveness across all job levels within companies (CPP 2017). Regardless of the mentioned findings, the MBTI categorizes individuals into mutually excluding categories and shapes the organizational realities of millions of people.

Bearing in mind the popularity and extensive use of the hedgehog–fox metaphor by many authors like Nate Silver (2015), Jim Collins (2001), John Kay (2011), and Daniel Kahnemann

(2013), we should be critical about the foundation of metaphors and its use and be aware of its implications.

In line with Critical Management Studies, the current study widens the perspective of the hedgehog–fox metaphor in that it rejects a narrow description and clear-cut categories of individuals (Spicer, Alvesson, & Kärreman 2009). It lays a scientific foundation for a more ambivalent exploration of the metaphor and cognitive styles in general.

2.5.4 Training in Cognitive Styles

Cognitive style flexibility is becoming increasingly important in business and management (Kozhevnikov et al. 2014) and “[g]ood judgment now becomes a metacognitive skill” (Tetlock 2005, p. 23). Given that some individuals can develop metastyles that allow them to consciously switch between different cognitive styles, research is needed to establish the extent to which the flexibility to balance the two dimensions can be trained. In their book on developing management skills, Whetten and Cameron (2011) stress the importance of managers’ self-awareness as a possible path to management effectiveness. They argue that self-awareness not only fosters the understanding and management of personal style preferences, but also increases managers’ abilities to understand others’ cognitive style preferences. Managers should be aware of the diversity of cognitive styles among their team members, because this diversity is essential for effective problem-solving and creative thinking. Importantly, team diversity may increase an organization’s flexibility to react to changing environments (Jarzabkowski and Searle 2004). Heterogeneous team composition can also help to enhance collaboration and, ultimately, team performance. Hybrids might even make it possible to bridge the gap between more archetypically oriented foxes and hedgehogs.

Choosing the right combination of individuals with preferences for hedgehogness or foxiness should also be important for the development of new products and services. In the design thinking process, for example, the HedgeFox scale would allow for the optimal selection and constellation of team members. Especially in the early stages of the design thinking process, when it is important to broaden one’s perspective and put oneself in the position of different consumers or stakeholders, individuals with preferences for foxiness should be integrated into the process since they are more likely to get themselves into the complexity of the problem. In the later stages of the design thinking process, when it becomes more important to narrow down opportunities and

move into the implementation phase, teams benefit especially from individuals with preferences for hedgehogness.

Thus, sensitivity to individual style preferences may influence strategic decisions concerning staff selection and task assignment. Complementary to the tradition of person-environment fit research, jobs and tasks can be assessed according to cognitive styles affordances. A recent meta-analysis ((Kristof-Brown, Zimmermann, & Johnson 2004) suggests high correlations of person-job-fit with job satisfaction and organizational commitment. Also, person-job-fit is significantly negatively related to turnover intention. Following our argumentation with regard to the oversimplified classification of people, the results of our analyses imply a liberating argumentation because they enlarge the opportunities from either/or to more diverse assignments of individuals to jobs or tasks.

Organizations benefit from the HedgeFox Scale because it makes transparent individual differences in the perception and processing of information and can enhance the understanding of how people deal with problems. For instance, whether people strive for truth and best practice (hedgehog) or workable solutions and good practice (fox) constitutes a big difference.

A HedgeFox Scale assessment could suggest essentials for appropriate communication to better address people with different mindsets. Further, it could help reveal and discuss homogenous thought patterns in teams and could serve to encourage the acceptance of diverse points of view.

2.5.5 Public Value

Concerning the public value discourse, our results are an important step toward the microfoundation of public value. Furthermore, the studies pave the way for further inquiry into the drivers of public value perception, and particularly the investigation of whether organizations can develop strategies that resonate with both hedgehogs and foxes. It should be important to choose the right communication approach to address the needs of both target groups. But creating public value already starts with valuable products and services that can stand a public value assessment from both perspectives, for example by purposefully designing for public value hybridity according to our logic. A case in point is Apple, which has both a strong central hedgehog idea (“Everything we do, we believe in challenging the status quo”) and a multi-dimensional fox-like public value proposition—i.e. a combination of functional, aesthetical, and even political values.

Interestingly, our studies can distinguish the manifestation of the public value based on the differences within a cognitive style. Conforming to the assumption that hedgehogs are following one central theme, higher manifestations of hedgehogness emphasize public value more strongly throughout all dimensions of the construct. With regard to foxiness, stronger manifestations of the style are also associated with a higher public value assessment. However, within the sub-dimensions, there are hints of a more diverse picture. For instance, while in Study 2 in the dimension of morality there was a significant difference between high and low foxiness, the public value of high foxiness is as low as that of low foxiness, while diverging strongly from high and low hedgehogness in Study 3.

2.5.6 Managerial Implications

The low number of six items of the HedgeFox Scale allows for swift completion and a quick assessment of cognitive style preferences. Since we found that people with leadership responsibility showed higher scores on the hedgehogness factor, the instrument should be a promising tool for discovering individual differences in information-processing and judgment and decision-making. Unlike longer inventories, such as the Rational-Experiential Inventory (REI) (Epstein et al. 1996) and the Cognitive Style Indicator (CoSI) (Cools and van Den Broeck 2007), our HedgeFox Scale provides convenience in determining differences in judgment and decision-making behaviors. Awareness of cognitive style preferences is crucial for managers (Sadler-Smith 2004) as they must often provide expert judgment, which sometimes requires swift decision-making, and they need to be open to diverse opinions. Especially in top leadership positions, managers need to be able to deal with complex tasks and a variety of demands (Gomez and Meynhardt 2012). Thus, cognitive style flexibility is very relevant for managers. The HedgeFox Scale can help managers to reflect on the ways they tend to analyze and process information, and can enhance their self-awareness for individual style preferences.

2.6 Limitations and Future Research

Table 2.1 shows Cronbach's alpha reliability estimates for each construct, as well as the respective Although our paper is based on three separate large-scale studies ($n = 17,072$) providing robust and replicated results, the investigation has some shortcomings. The studies reveal moderate

values of Cronbach's α on both dimensions, with the foxiness factor reaching a relatively low value of 0.51. All three items of our foxiness factor comprise reversed-coded items of the NFCS facet of closed-mindedness. Kruglanski et al. (1997) have reported lower homogeneity of closed-mindedness for eight items, ranging between 0.51 and 0.63 in four samples. They argue that the lower homogeneity compared to the other NFCS facets could be explained by the naturally higher heterogeneity or by psychometric item characteristics. Our revised instrument is an economic scale that has the shortcoming of only moderate reliability. Particularly concerning differential diagnostics and convergent validation, longer scales are desirable. Future studies should develop additional items to increase the instrument's reliability and validity.

Analysis of the intra-individual stability of the scores in the hedgehogness and foxiness dimensions is another future research area. Individual styles could be modified by environmental factors, such as professional and sociocultural interactions (Kozhevnikov et al. 2014). If actively choosing between styles is possible, depending on the environment's demands, individuals with high self-awareness could be more likely to combine the two cognitive styles. This assumption is in line with the suggestion that self-awareness of one's cognitive style fosters metacognitive skills and thus leads to better dealing with emotions (Akinci and Sadler-Smith 2013). Applying a longitudinal study design, researchers should analyze how environmental factors lead to changes in preferences for each dimension on an intra-individual level and a group level. In this context, it would also be interesting to examine whether environmental or situational factors such as time pressure or work overload may impede the flexible use of cognitive styles.

Examining the relationships between the HedgeFox Scale and other cognitive style constructs will help in assessing the scale's convergent validity (Hodgkinson and Sadler-Smith 2003; Allinson and Hayes 1996). Individuals with a high need for closure are more likely to use stereotypes in their judgments (Dijksterhuis et al. 1996). Compared to rule-based, more analytic processing, heuristics-driven information processing is related to intuition (Kozhevnikov et al. 2014). We expect positive relationships between hedgehogness and the CSI dimension of intuition as well as foxiness and the analytic dimension of the CSI.

Further analyses should focus on the HedgeFox Scale's predictive validity concerning performance-related measures. It would be interesting to study the implications of cognitive style preferences concerning managerial behaviors, such as decision-making or conflict-handling.

Further, studies could focus on the relationship between cognitive style diversity in teams and team performance.

Furthermore, future research could examine whether there are cultural differences with regard to employee public value assessments. Systematic cultural differences might have implications for the sensitivity toward the public value perception of organizations and thus translate into behavior. The cross-cultural analyses of Hofstede (1983) and Schwartz and Bardi (2001) regarding value priorities across different cultures could serve as a starting point for this kind of investigation.

Our research might also contribute to the organizational ambidexterity research field. Exploration and exploitation as efficient and flexible modes of organizational action have been investigated across different industries and have been related to a broad array of success measures (O'Reilly and Tushman 2013). However, ambidexterity has merely been measured as a structural property of organizations. Very little research has addressed the individual foundation and measurement of ambidexterity ((Raisch, Birkinshaw, Probst, & Tushman 2009). For a more solid foundation rooted in individual cognition and action, it will be of great use to study the relationship between the cognitive style construct and ambidexterity measures such as the behavioral ambidexterity scale (Mom et al. 2009).

We expect positive relationships between exploration and foxiness as well as between exploitation and hedgehogness. The HedgeFox Scale might even contribute to a measure of cognitive ambidexterity.

Following this line of thought in the ambidexterity framework, an important investigation would examine whether the combination of some characteristics of foxiness and hedgehogness may be beneficial for better predicting future events, or—as the latest work by Tetlock suggests—to qualify as a *superforecaster* (Tetlock and Gardner 2016).

2.7 Conclusion

Our findings provide empirical evidence of individual differences in information processing and shed some light on the frequently used metaphor of the hedgehog and the fox. Contrary to Tetlock's initial study, we find evidence of a two-factor structure, indicating that individuals can simultaneously be high/low on both dimensions. We contribute to the debate on the conceptualization

of cognitive styles by introducing the HedgeFox Scale. Our study calls for the appreciation of such a metaphorical categorization and reflection upon its limits.

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3. TOO MUCH OF A GOOD THING? ON THE RELATIONSHIP BETWEEN CSR AND EMPLOYEE WORK ADDICTION

→ Study 2

→ Accepted for publication: Journal of Business Ethics

Abstract

Recent research highlights the positive effects of organizational CSR engagement on employee outcomes, such as job and life satisfaction, performance and trust. We argue that the current debate fails to recognize the potential risks associated with CSR. In this study, we focus on the risk of work addiction. We hypothesize that CSR has per se a positive effect on employees and can be classified as a resource. However, we also suggest the existence of an array of unintended negative effects of CSR. Since CSR positively influences an employee's organizational identification and their perception of engaging in meaningful work, which in turn motivates them to work harder while neglecting other spheres of their lives such as private relationships or health, CSR indirectly increases work addiction. Accordingly, organizational identification and work meaningfulness both act as buffering variables in the relationship, thus suppressing the negative effect of CSR on work addiction, which weakens the positive role of CSR in the workplace. Drawing on a sample of 565 Swiss employees taken from the 2017 Swiss Public Value Atlas dataset, our results provide support for our rationale. Results also provide evidence that the positive indirect effects of organizational CSR engagement on work addiction via organizational identification and work meaningfulness become even stronger if employees care for the welfare of the wider public (i.e. the community, nation or world). Implications for research and practice are discussed.

Keywords

Corporate social responsibility (CSR), public value, work addiction, organizational identification, social identity theory, social exchange theory

3.1 Introduction

Corporate Social Responsibility (CSR)—a concept whereby organizations “integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis” (European Commission 2001)—is receiving increased attention in practice. A growing number of organizations integrate social and environmental concerns into their operations, thereby aiming to contribute to the welfare of various stakeholders (including the environment) that go beyond narrow economic self-interest and legal requirements (Brieger et al. 2018; Dawkins et al. 2016; Kaplan and Kinderman 2017; McWilliams and Siegel 2001).

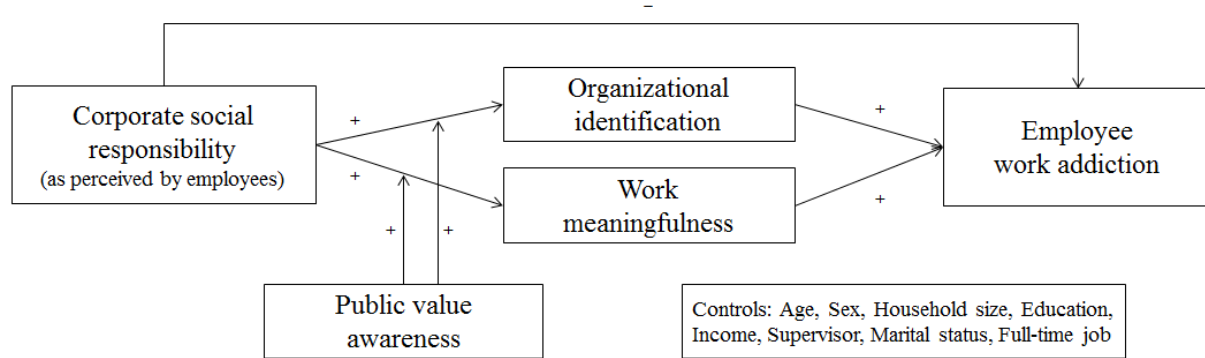
The business ethics literature on CSR outcomes at the micro level offers a very positive picture of the effects of CSR on employees, who form one of the most important stakeholder groups associated with an organization (Glavas and Godwin 2013; Glavas and Kelley 2014; Meynhardt et al. 2018). Various studies present evidence that employees who perceive themselves as working for a socially responsible organization show higher levels of organizational commitment, loyalty, trust and engagement, and are also more satisfied with their jobs and lives in general (Brammer et al. 2007; De Roeck and Delobbe 2012; Glavas and Kelley 2014; Hansen et al. 2011; Kim et al. 2010; Meynhardt et al. 2018).

While these findings create confidence that CSR has various positive effects on employees, the current debate neglects to recognize its potential negative outcomes at the micro level—the dark side of CSR. Thus, what is missing is a deeper understanding of how organizational CSR engagement may negatively affect employees and their attitudes, intentions and behaviors.

This study problematizes the one-sided view and aims to enlarge the debate on the multi-faceted consequences of CSR at the micro level by discussing the relationship between organizational CSR engagement and employee work addiction. Discussions about work addiction have found their place in the public discourse, and their presence indicates practical relevance. Work addiction is “the tendency to work excessively hard and being obsessed with work, which manifests itself in working compulsively” (Schaufeli et al. 2009, p. 322). Work addiction is considered an addiction as employees focus excessively on their work and fail to notice or enjoy other spheres in life, such as private relationships, spare-time activities or health (Andreassen et al. 2014). We argue that CSR is generally a positive force for employees, most prominently because companies that are committed to CSR protect their employees from working excessive hours. But we also suggest that CSR can unintentionally stimulate and cause employee work addiction.

Specifically, we hypothesize that two mediators—organizational identification and work meaningfulness—play vital roles in the relationship between CSR and work addiction. We suggest that employees who work for socially responsible organizations tend to identify more strongly with their employing organization and perceive their work as more meaningful, which in turn motivates them to think continually about their work and to work excessively, unable to disengage from their work activities (Caesens et al. 2014; van Beek et al. 2011). We further hypothesize that the positive indirect effects of organizational CSR engagement on work addiction via organizational identification and work meaningfulness are even stronger if employees show awareness for a wider public’s welfare. Figure 1 illustrates our research model.

Figure 3.1: Research model relating CSR and employee work addiction



To test our hypotheses, we draw on data of 565 employees from the Public Value Atlas Switzerland of the year 2017 (CLVS 2017), which has been conceptualized to create transparency regarding organizational contributions to the common good as perceived by the general public (Meynhardt 2009, 2015).

Our paper is structured as follows: First, we introduce an ethical analysis of CSR by debating the positive outcomes and potential risks of CSR for employees. Next, we present the concept of work addiction and discuss why it is a challenge for CSR in organizations. Thereafter, we present our model and develop the hypotheses. We then discuss the methodology in terms of sampling, data collection, and measures. This is followed by a description of our analysis and the main findings. Finally, the paper concludes with a discussion of the results, managerial implications, theoretical contributions, limitations, and directions for future research.

3.1.1 The Positive Outcomes and Potential Risks of CSR for Employees

Since CSR addresses a broad range of intra-organizational human resource management issues (e.g., fairness, diversity and empowerment, and health and safety), ethical analyses of CSR focusing on employees have provided important insights into how CSR influences employee outcomes (Aguinis and Glavas 2012; Du et al. 2015; Kim et al. 2010). At present, the business ethics literature has drawn a very positive picture of CSR in the work context. It shows that employees working for a socially responsible firm are more committed to, and better identify with, their employing organization; additionally, they report higher levels of motivation, effort, organizational citizenship behavior, performance and creative involvement at work (Brammer et al. 2015; Glavas and Piderit 2009; Newman et al. 2015). CSR practices also positively change the work environment because employees experience better relationships with their colleagues and supervisors within socially responsible organizations (Glavas and Piderit 2009; Jayasinghe 2016). Additionally, employees tend to be more satisfied with their jobs and lives, and are less willing to quit their jobs, when working for a socially responsible organization (Glavas and Kelley 2014; Hansen et al. 2011; Meynhardt et al. 2018).

However, the business ethics literature neglects to investigate the potential risks that may coexist with the positive effects of CSR on employee outcomes (Rupp and Mallory 2015). The missing critical discussion of the downsides at the micro level can be explained by the fact that CSR is generally perceived as something good and desirable (Aguinis and Glavas 2012). While we generally do not wish to contradict this view, we would like to highlight three possible dangers that may arise when employees work in socially responsible companies: (1) self-sacrifice, (2) stagnation, and (3) self-righteousness. These three risks are established and frequently discussed in the field of work and organizational psychology (e.g., Abele et al. 2012; Barnett 2016; Lin-Hi and Müller 2013; Schabracq et al. 2003; Swann Jr. et al. 2014). Self-sacrifice refers to voluntarily and excessively meeting the needs of other people at the expense of meeting one's own needs. It can occur when employees work very hard for their socially responsible business. Research suggests that work meaningfulness and identification with an organization are associated with work-life imbalances (Avanzi et al. 2012; Tokumitsu 2015). Because employees who work in organizations with strong records in CSR show higher levels of commitment, motivation and initiative at work, and tend to be happier with their jobs (Aguinis and Glavas 2017; Brammer et al. 2007; Farooq et al. 2014; Glavas and Kelley 2014), they may also tend to neglect their private lives and sacrifice

their own well-being. Costas and Kärreman (2013) argue that CSR initiatives can be perceived as a form of intra-organizational management control encouraging employees to identify themselves with an attractive but idealized organizational image, thereby tying employees' ambitions concerning career and responsibility to the organization. Previous research also states that CSR increases employees' motivation to be more productive and to work harder (Aguilera et al. 2007; Flammer 2015). In line with that, self-sacrifice can also result from heavy work obligations in an altruistic work environment in which employees work together for a greater common purpose (e.g., a healthy environment or societal welfare), thereby building a strong collective that has fixed rules to work hard together in order to achieve common goals (which may culminate in feelings of substantial work burden, overstress or burnout) (Dempsey and Sanders 2010; Meas 2012).

Stagnation refers to CSR activities and strategies undermining employees' personal development, growth and self-expression. Many organizations use CSR as a greenwashing tool and window-dressing intervention to gain legitimacy in order to maintain their license to operate (Delmas and Burbano 2011; Preuss 2012). In this way, symbolic CSR helps organizations to create an idealized image of a socially responsible entity, even when irresponsible business practices and power imbalances are established (Perez-Batres et al. 2012). If CSR campaigns are used to disguise adverse externalities such as low pay, highly unequal CEO-employee salary ratios, gender disparity, social class inequality or work-life imbalances, it can have negative implications on the workforce such that employees' personal development and growth stagnates. But even if organizations take CSR very seriously and undertake substantive CSR actions—for example, by incorporating CSR into the business model—stagnation can affect employees when substantive CSR initiatives are external and resources are dedicated not to employees but rather to external stakeholders such as customers, community groups or regulatory agencies (Mallory and Rupp 2015; Farooq et al. 2017). As a result, employees could be confronted with stagnant incomes and skills acquisition, which could significantly reduce their future earning capacity, work-life balance and job skills over the long run. Previous literature provides evidence that the firm's social responsibility reputation is significantly associated with lower wages (Nyborg and Zhang 2012). People are often even willing to sacrifice some percentage of their pay to work for a socially responsible employer. Haski-Leventhal and Pournader (2016) find that 14 percent of business students are willing to sacrifice more than 40 percent of their future income to work for an organization committed to CSR.

Self-righteousness can occur when employees identify themselves strongly with their employing firm. Social identity theory suggests that individuals identify with entities in order to increase their self-worth and to distinguish themselves from the out-group (Ashforth and Mael 1989). Consequently, CSR may not only build bridges by strengthening diversity and cohesion, but may also create walls that separate individuals from one another, causing discrimination and other forms of exclusion built on moral high ground (thereby determining right from wrong behavior). Self-righteousness may also lead to the effect that employees are less willing to behave responsibly in non-work contexts if the organization's CSR engagement results in moral licensing. Moral licensing is "the psychological process that leads people to engage in morally questionable behavior after having previously engaged in socially desirable behavior" (Ormiston and Wong, p. 865). If employees think they are behaving very morally by working for a responsible business, they might also think they have earned sufficient moral credit to achieve moral balance should they choose to engage in immoral non-work behavior (Mullen and Monin 2016; Sachdeva et al. 2009).

The previously outlined risks can occur in isolation, but may also be mutually dependent. For instance, as self-sacrificing employees tend to assign higher priority to intangible recompenses derived from serving others' needs while giving up tangible recompenses (such as monetary promotion or vacations) (Roh et al. 2016), self-sacrifice can undermine an employee's personal development and growth and result in both stagnant income and low skills acquisition and proficiency. Moreover, self-sacrifice can also affect self-righteousness in the form that employees who self-sacrifice via long hours and hard work in the service of others perceive themselves to be comparatively important to other human beings, thus creating a separation between themselves and out-group members who do not pursue an "important" job.

In the following section, we develop and empirically test a model that links employee self-sacrifice caused by organizational CSR activities to employee work addiction. We discuss how a relationship between CSR and employee work addiction might be mediated by two central factors—organizational identification and work meaningfulness—and how an employee's prosocial orientation further moderates the linkages.

3.1.2 Work Addiction: The Best-Dressed Mental Health Problem in Business

Work addiction is well-known under the label workaholism (a blend of work and alcoholism). The academic literature defines work addiction as "the compulsion or uncontrollable

need to work incessantly” (Oates 1971, p. 11). Workaholics become stressed if they are prohibited from working, leading them to ignore warnings to reduce their workload. Workaholics invest excessive time and energy in their work, work more than is demanded by implicit and explicit norms, and neglect other spheres of their life such as family, friendships or health (Andreassen et al. 2012; Burke and Fiksenbaum 2009; Machlowitz 1980). Accordingly, work addiction can have negative psychological, physical, and social effects for employees themselves as well as for the people around them (Andreassen 2014). For instance, workaholics are often less happy, suffer from physical and mental health problems, and report higher levels of exhaustion and sleep difficulties (Burke 2000; Burke 2001b; Caesens et al. 2014; Kubota et al. 2010; Matsudaira et al. 2013; Schaufeli et al. 2009). Also, spouses of workaholics tend to report lower happiness levels with their marriages, and children of workaholics tend to be more depressed (Carroll and Robinson 2000; Robinson et al. 2001).

Most definitions consider work addiction as a chronic behavioral pattern and a relatively stable individual characteristic (Andreassen et al. 2010). However, work addiction is not necessarily an inner impulse but can also be driven by external forces. Organizational culture and norms, workplace peer pressure, and employee competition often play vital roles in the willingness to work excessively and compulsively. In fact, organizations worldwide tend to reward and encourage workaholic behaviors (Andreassen et al. 2010; Burke 2001b). Regardless of whether in liberal, coordinated, mixed market, or even planned economies, employees working excessively have always been highly appreciated and admired by their organizations. Since workaholics tend to outperform their peers and build up strong relationships during the long hours they work daily, organizations offer them more power and influence and make it easier for them to climb the ladder. Also, the increased usage of digital technology in organizations (e.g., notebooks and home computers, email communication, mobile phones) serves to enable workaholic behaviors (Burke 2001b). Flexible working schedules allow employees to work from home or elsewhere, leading to a blurring of the boundary between work and private life. Consequently, life in a digital age is increasingly characterized by the incursion of work into private life.

The heightened complexity of work as a consequence of new technologies and various other factors (such as globalization) blurs the lines of traditional work. It affects more non-linear and decentralized forms of work, which demand new coordination mechanisms to orient and guide individual and collective behavior. Current management models account for this by placing

organizational and individual purpose at the center of a given model, which then serves as an attractor and motivator in the absence of top-down leadership (Kirchgeorg et al. 2017). In the absence of overarching standards in the workplace and increased frequency of remote work, CSR as a corporate purpose stimulates organizational culture with a sense of shared higher ideals, goals, values and norms that promote personal importance and responsibility as well as collective commitment to common and meaningful goals (Chatman and Cha 2003; Costas and Kärreman 2013). Accordingly, a strong organizational culture with shared values and norms committed to CSR directs employees' attention towards organizational priorities and goals that guide their intentions, behaviors and decision-making.

The prevalence of work addiction is difficult to detect due to a lack of reliable statistics. Porter (1996) claims that one in four employees is a workaholic. A study on work addiction found that approximately 10 percent of the general U.S. population may be workaholics (Andreassen 2013; Sussman et al. 2011). Sussman (2012) states that self-identified work addiction affects a third of the working population. Other studies report that the rate of work addiction is particularly high among college-educated persons (approximately 8 to 17.5 percent) and in professional occupations (approximately 23 to 25 percent), such as lawyers, doctors, and psychologists (Doerfler and Kammer 1986; Sussman 2012). Recent research finds that work addiction is more widespread among management-level employees and in specific sectors like construction, communication, consultancy or commercial trades (Andreassen et al. 2012; Taris et al. 2012).

3.2 Development of Hypotheses

3.2.1 The Effect of Organizational CSR Engagement on Employee Work Addiction

Our model seeks to create understanding about the relationship between organizational CSR engagement and employee work addiction and their underlying mechanisms. First, we argue that organizations with CSR policies and activities can help employees to balance demands at work and in their personal lives. Accordingly, we develop a resource-based perspective on CSR, arguing that CSR, in general, provides the means, capabilities, features, and controls that employees need to avoid symptoms of work addiction such as intense fear of failure at work, obsessions with work-related success, overwork, and feelings of guilt about not working. Thus, employees working for

socially responsible organizations should be less willing to free up more time to work or spend significantly more time working than initially intended.

The literature documents a positive impact of CSR on employment and working conditions (Aguinis and Glavas 2012; Jamali and Karam 2018). Organizations committed to CSR do not only provide and promote occupational safety and health, human resource development, and diversity but also work-life balance and support for working families. Work-life benefits like vacation, flex-time, child and elderly care, leave (e.g., paternity), and limited work hours are common internal CSR activities. To promote work-life balance, many organizations monitor work hours, improve overtime supervision, and encourage the use of holidays. For instance, the Yamaha Group, a Japanese multinational corporation, highlights the promotion of work-life balance, including the reduction of total working hours, as an important CSR policy on their website (Yamaha 2017):

In order to reduce total working hours and prevent excessive work, Yamaha Corporation established guidelines for overtime through labor-management agreement. [...] We have programs such as “All Go Home at the Same Time Day,” which encourage all employees to leave work on time, and programs to urge employees to fully use their paid leave days.

Accordingly, since socially responsible organizations follow strategies to reduce the risk of work addiction, employees should be less affected by work addiction and in turn put more priority on other important spheres of life, such as health or personal relationships (Andreassen et al. 2012).

While the negative effects of internal CSR activities on work addiction are well documented, as can be inferred from the above, there seems to be no evidence yet of a comparable effect of external CSR activities. Nevertheless, we argue that negative effects of external CSR on work addiction may also be observed due to a potential negative effect of external CSR on internal competition. Theories on work orientation propose certain trade-offs between employees' pursuance of promotion and advancement and the pursuance of contributing to the common good and improving the world beyond individual self-interest (Wrzesniewski 2003). Hence, an organization's external CSR activities let employees become aware that there is something bigger than their individual welfare, such as the common good. This may promote a work environment that is less focused on individual performance and career progress which, consequently, may increase teamwork and decrease internal competition and the likelihood of engaging in excessive

work. Recent research shows that CSR positively affects team performance via team efficacy and team self-esteem (Lin et al. 2012).

Based on the insight that organizations adopting CSR initiatives have a positive effect on employees, we hypothesize an inverse relationship between organizational CSR engagement and employee work addiction. Thus, our first hypothesis is as follows:

Hypothesis 1: Corporate social responsibility is negatively related to employee work addiction.

3.2.2 The Mediating Role of Organizational Identification

Although we argue that CSR is essentially a positive resource for employees, we also think that CSR can be a danger and increase employee work addiction, mainly when employees develop a strong identification with their organization. An important conceptualization of identification is found in social identity theory (Blader and Tyler 2009; Tajfel and Turner 1986). According to social identity theory, members of a social group such as an organization strive to experience a positive distinctiveness through their affiliation with organizations. People tend to identify with prestigious organizations to derive a positive social identity (Ashforth and Mael 1989), basking in a reflected glory that allows for more positive assessments. Organizations that contribute to a greater good allow for better self-perceptions of one's own group as well as for positive expectations of others' perceptions of one's own group. The inherent positive value of external CSR activities and policies, which are concerned with caring for others and the environment and thus are a contribution to a greater good, can serve as a source of identification and positive self-image (Brammer et al. 2007; Glavas and Kelley 2014; Rosso et al. 2010). Research documents the positive effect of CSR on employees' identification with their employing firm (Brammer et al. 2015; Glavas and Godwin 2013; Kim et al. 2010). Even in industries with problematic images, such as the oil industry, employees who perceive a stronger CSR orientation of their employing organization report higher levels of organizational identification (De Roeck and Delobbe 2012).

Since employees tend to identify more closely with socially responsible organizations, we hypothesize that employees with higher levels of organizational identification are likely to exceed healthy levels of engagement in work and are more likely to obtain higher levels of work addiction. This may be because employees with high levels of organizational identification are likely to have

a self-image that is partially dependent on their organization's image, which in turn depends on the organization's success. Such employees, therefore, may have a stronger incentive to contribute to their organization's success by putting in above-average effort. Employees that show—in addition to a material dependency—such a psychological reliance on their organization may be more prone to work addiction.

Moreover, social exchange theory, which highlights the importance of reciprocity in intentions and behaviors, provides additional support for this argument (Farooq et al. 2014). According to social exchange theory, individuals tend to give back if they receive a benefit from another person. Accordingly, a socially responsible organization that gives priority to internal CSR and, thus, cares for the well-being of its employees may make employees feel obliged to reciprocate such voluntary socially responsible engagements. Consequently, employees with high organizational identification could feel a higher motivation for reciprocal actions and may thus be more willing to invest in the welfare of the organization by a strong focus on work. Also, if employees think they should give back to their socially responsible employing organization, they may have feelings of guilt and anxiety if they do not work excessively for the employing organization (Farooq et al. 2014). Employees with strong organizational identification may thus want to support their employing organization excessively.

As far as we know, there is only scant evidence on the relationship between organizational identification and employee work addiction. In an early study, Avanzi et al. (2012) present empirical support that strong organizational identification leads to a higher level of work addiction. Thus, we hypothesize that organizational identification is positively associated with employee work addiction. Besides, for the reasons mentioned earlier, organizational identification is likely to help explain the relationship between CSR engagement and employee work addiction, thereby playing a mediating role. Therefore, we formulate our hypotheses as follows:

Hypothesis 2a: Corporate social responsibility is positively related to organizational identification.

Hypothesis 2b: Organizational identification is positively related to work addiction.

Hypothesis 2c: Organizational identification positively mediates the negative relationship between corporate social responsibility and employee work addiction.

3.2.3 The Mediating Role of Work Meaningfulness

Work meaningfulness is defined as the value of a work goal or purpose judged in relation to an individual's ideals or standards (May et al. 2004; Spreitzer 1995). Aguinis and Glavas (2017) categorize meaningfulness as a fundamental human need. In a refined conception of meaningfulness, the authors describe the sensemaking process in which the individual derives meaning from work as a multi-level construct comprising individual, organizational, and societal-level factors (e.g., national culture). These three factors determine whether employees actively make their work meaningful by applying different tactics, such as emphasizing the positive aspects of work, or not.

Variables such as work environment have not been studied much by researchers in the search for meaningfulness at work (Aguinis and Glavas 2017). Organizational CSR activities seem particularly promising as a source of meaningfulness for the members of an organization since they explicitly comprise caring for others and the environment (Glavas and Kelley 2014). Scholars argue that signaling the contribution to a greater good is a primary source of work meaningfulness (Glavas and Kelley 2014; Rosso et al. 2010). Glavas and Kelley (2014) find first empirical support for a positive association of CSR and work meaningfulness. Against this background, we hypothesize a positive influence of CSR on work meaningfulness.

So far, there is limited research on the work meaningfulness-work addiction linkage. Typically, the literature on meaningfulness assumes positive linear consequences, such as more meaningfulness is better than less or no meaningfulness at work. What we know from the literature is that work meaningfulness is an important determinant of engagement in work and its downside affects workers and self-employed workers. For instance, May et al. (2004) show on a psychological level that meaningfulness is the most important antecedent of engagement in work. Moreover, their research reveals high and significant correlations of meaningfulness and psychological availability. In addition, the exploitative potential of work primarily based on personal meaningfulness is well documented for instance in artistic and creative industries (e.g., Duffy 2016; Tokumitsu 2015). Following this line of thought, we aim to test a more controversial perspective on the meaningfulness of work in the light of CSR measures. We assume that the personal meaningfulness of one's work environment partly explains excessive immersion in work and a compulsive drive to work while neglecting other important spheres of life. Consequently, we

hypothesize that meaningfulness partially mediates the relationship between CSR and employee work addiction. Thus, our next hypotheses are as follows:

Hypothesis 3a: Corporate social responsibility is positively related to work meaningfulness.

Hypothesis 3b: Work meaningfulness is positively related to work addiction.

Hypothesis 3c: Work meaningfulness positively mediates the negative relationship between corporate social responsibility and employee work addiction.

3.2.4 The Moderating Role of Public Value Awareness

Public value awareness is based on Meynhardt's public value theory, which seeks to operationalize contributions to the common good through a psychology-based lens (Meynhardt 2009, 2015; Meynhardt and Gomez 2016). Public value awareness seeks to identify which publics, or higher social units, individuals relate to, and to what extent individuals consider the welfare of these publics in their own intentions and behaviors (Meynhardt and Fröhlich 2018). Thus, public value awareness refers to the extent to which an individual considers specific social units and their basic needs as relevant in evaluations. As such, it also relates to an individual's emotional-motivational forces concerning the common good and plays an integral part in an individual's evaluative, sense-making, and identity-shaping mechanisms. Individuals with higher levels of public value awareness for a particular higher social unit (such as their local community, their nation or world) are likely to care for the welfare of these units and derive a sense of meaning and identity from them.

We argue that public value awareness plays an essential moderating role in the positive relationships between CSR and both mediators organizational identification and work meaningfulness. We assume that the extent to which an employee shows awareness of a public's welfare affects the influence of CSR on the employee's level of organizational identification and work meaningfulness. If an organization adopts CSR policies, thereby caring for the environment and social well-being, it demonstrates care for the wider public—whether local community, a nation or the world as a whole. Accordingly, if employees have a high awareness of the welfare of the public and thus show a high pro-social orientation, a strong organization-person fit exists. This should result in positive outcomes concerning organizational identification and work meaningfulness (Meynhardt et al. 2018). Thus, we assume:

Hypothesis 4a: The positive relationship between corporate social responsibility and organizational identification is positively moderated by public value awareness.

Hypothesis 4b: The positive relationship between corporate social responsibility and work meaningfulness is positively moderated by public value awareness.

Moreover, it can be expected that higher levels of public value awareness will also impact the mediators' indirect effects on employee work addiction, as also suggested by evidence on effects of similar forms of congruence on the relationship between organizational values and employee commitment (Boxx et al. 1991). As a result, employees with increased public value awareness should report higher levels of work addiction when they perceive to work for a socially responsible firm. From this follows:

Hypothesis 5a: The positive indirect effect of corporate social responsibility on work addiction via organizational identification is stronger if the level of public value awareness is higher.

Hypothesis 5b: The positive indirect effect of corporate social responsibility on work addiction via work meaningfulness is stronger if the level of public value awareness is higher.

3.3 Method

3.3.1 Sample

Data of the 2017 Swiss Public Value Atlas were used in this study. The Public Value Atlas seeks to provide transparency for the contributions of private and public organizations, non-governmental organizations, and public administrations to the common good (CLVS 2017, Meynhardt et al. 2018). Data were collected from a representative panel of Swiss citizens (age, gender, education, and geographic region) from the beginning of May 2017 until the end of June 2017 by intervista, a Swiss market research institute. Intervista provided information concerning 565 employees from the German-speaking part of Switzerland. The questionnaire was tested in a qualitative ($N = 5$) and quantitative pretest ($N = 6$) to check the adequacy of the study as well as

the comprehensibility of the questions. Of the 565 employees aged between 19 and 75 years ($M = 42.82$ years, $SD = 12.49$), 46% were female and 54% male, nearly 40% had tertiary education, and 68% worked full-time.

3.3.2 Measures

Work addiction. Work addiction was assessed by five items of the Bergen Work Addiction Scale (Andreassen et al. 2012). The items were: “How often during the last year have you become stressed if you were not allowed to work?,” “...have you deprioritized hobbies, leisure activities or exercise because of your work?,” “...have you spent much more time working than initially intended?,” “...have you been told by others to cut down on work and not listened to them?,” and “...have you thought of how you could free up more time to work?” The items were rated on a five-point Likert scale (never, rarely, sometimes, often, and always). The Cronbach’s alpha was 0.77.

Corporate social responsibility. The independent variable was measured by Glavas and Kelley’s (2014) Perceived Corporate Social Responsibility scale. The scale consists of two four-item batteries covering social and environmental responsibilities of the organization. Examples of items are “Contributing to the well-being of employees is a high priority at my organization,” “Contributing to the well-being of the community is a high priority at my organization,” or “My organization takes great care that our work does not hurt the environment.” Answers were given on a seven-point scale (1 = strongly disagree to 7 = completely agree). The Cronbach’s alpha for this scale was 0.91.

Organizational identification. Organizational identification reflects a cognitive relationship between employees with their organization and was measured to assess employee-company identification (Kim et al. 2010). The scale comprises three items: “I feel strong ties with my company,” “I experience a strong sense of belongingness to my company,” and “I am part of my company.” Answers were given on a seven-point scale (1 = strongly disagree to 7 = completely agree). The Cronbach’s alpha for this scale was 0.94.

Work meaningfulness. We applied Spreitzer's (1995) three-item meaning scale to assess work meaningfulness. The scale is a subscale of the psychological empowerment construct comprising the dimensions meaning, competence, self-determination, and impact. One item was adapted from the meaningfulness scale of Hackman and Oldham (1980). The purpose of the scale

is to assess the employee's individual experience of the work environment. The items were: “The job I do is very important to me,” “My job activities are personally meaningful to me,” and “The work I do is meaningful to me.” Answers were given on a seven-point scale (1 = strongly disagree to 7 = completely agree). The Cronbach’s alpha for this scale was 0.92.

Public value awareness. Since individuals can relate to different levels of inclusion (e.g., work unit, local community, nation, or world), we used three subscales based on Meynhardt and Fröhlich (2018) that refer to a particular higher social unit (or public): local community, nation, and world. Each subscale consists of four items that are similar for each social unit. The items were: “I wonder if my behavior is proper for the [social unit: (1) world population, (2) people in Switzerland, (3) people in my community (e.g., town, municipality)],” “...is useful for the [respective social unit],” “...increases the quality of life of the [respective social unit],” and “...strengthens the cohesion of the [respective social unit].” Answers were given on a six-point scale (1 = never to 6 = always) and the average score of the four items of each subscale is used. We labeled the three subscales “world value awareness,” “nation value awareness,” and “community value awareness.” The Cronbach’s alpha values were 0.93 for all three public value awareness scales.

Control variables. We controlled for several respondent characteristics: respondent age (as a continuous variable), gender (male = 0, female = 1), education (nine groups, ranging from no school-leaving certificate to high tertiary education), income (six groups, ranging from a gross monthly income of less than CHF 3,000 to more than CHF 12,000), household size (number of members), full-time job (part-time job = 0, full-time job = 1), marital status (not in a relationship = 0, in a relationship = 1) and supervisor status, i.e. whether the respondent is a supervisor in the organization (no = 0, yes = 1).

3.4 Results

Two sets of analyses were conducted on the data. In the first step, we checked the potential for common method bias since all our measures come from one single source. We employed Harman’s one-factor test using principal component analysis of all the items. The unrotated solution showed no evidence of one dominant common factor. Six factors had eigenvalues greater than 1, with the first factor explaining only 28 % of the total variance. In addition, we employed

rotated factor loadings using promax rotation. The results show that the constructs load on different factors, thus confirming validity. Thus, common method bias does not present a significant threat to the study. Reliability was tested using estimates of Cronbach's alpha coefficients. All Cronbach's alpha coefficients (ranging from 0.77 to 0.94) were higher than the recommended value of 0.70, thus showing high internal consistency and reliability (Nunnally 1978). In the second step, the main hypotheses were tested. Table 1 presents the descriptive statistics and correlation of the variables used in this study. The results show that Swiss employees show moderate levels of work addiction ($M = 2.49$, $SD = 0.75$) and tend to evaluate the CSR performance of their employing firms as relatively high ($M = 4.65$, $SD = 1.15$). Furthermore, above-average means were found for the mediators organizational identification ($M = 5.10$, $SD = 1.55$) and work meaningfulness ($M = 5.58$, $SD = 1.27$), and the moderator variables world value awareness ($M = 3.22$, $SD = 1.26$), nation value awareness ($M = 3.55$, $SD = 1.20$), and community value awareness ($M = 3.58$, $SD = 1.21$). The results of the correlation matrix show that there are significant and positive bivariate relationships between work addiction and work meaningfulness ($r = 0.11$), supervisor ($r = 0.18$), full-time job ($r = 0.11$), and the three types of public value awareness: world ($r = 0.17$), nation ($r = 0.18$), and community value awareness ($r = 0.16$). Non-significant bivariate relationships were found between work addiction with CSR and organizational identification. Furthermore, CSR shows positive associations with the mediators organizational identification ($r = 0.57$) and work meaningfulness ($r = 0.44$), public value awareness ($r = 0.15$ for nation value awareness, and $r = 0.14$ for community value awareness), and supervisor ($r = 0.12$). The mediators are strongly correlated with each other ($r = 0.72$), and both are significantly and positively related to community value awareness, income, marital status, and supervisor.

Table 2 presents the results of the mediated regression analysis. We first ran a base model to test the effect of CSR on work addiction. The results of Model 1 indicate a negative association between CSR and work addiction ($b = -0.050$; $p < 0.1$), thus supporting Hypothesis 1.

Table 3.1: Correlation matrix

Variables	M	SD	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1. Work addiction	2.49	0.75	1													
2. CSR	4.65	1.15	-0.02	1												
3. Organizational identification	5.10	1.55	0.07	0.57	1											
4. Work meaningfulness	5.58	1.27	0.11	0.44	0.72	1										
5. World value awareness	3.22	1.26	0.17	0.04	0.00	-0.03	1									
6. Nation value awareness	3.55	1.20	0.18	0.15	0.12	0.06	0.69	1								
7. Community value awareness	3.58	1.21	0.16	0.14	0.13	0.09	0.59	0.70	1							
8. Age	42.82	12.49	0.01	0.09	0.15	0.23	0.03	0.09	0.08	1						
9. Gender (Female)	1.46	0.50	0.01	-0.02	-0.07	-0.04	0.06	-0.07	0.00	-0.18	1					
10. Education	7.28	1.69	-0.04	-0.06	0.00	0.03	0.09	0.02	0.08	-0.04	-0.02	1				
11. Income	4.23	1.34	-0.06	0.03	0.16	0.18	-0.10	-0.07	0.02	0.12	-0.12	0.31	1			
12. Household size	2.39	1.16	0.01	0.05	0.03	0.08	-0.05	-0.01	0.02	-0.01	-0.11	0.06	0.32	1		
13. Marital status	0.55	0.50	-0.03	0.05	0.15	0.13	-0.04	-0.02	0.01	0.32	-0.11	0.06	0.41	0.42	1	
13. Supervisor	0.41	0.49	0.18	0.12	0.19	0.16	-0.04	0.04	0.07	0.24	-0.08	0.07	0.18	0.03	0.11	1
14. Full-time job	0.68	0.47	0.11	0.05	0.05	0.01	-0.06	-0.06	-0.03	-0.13	-0.32	0.04	0.19	-0.04	-0.02	0.14

Notes: Correlations $p < 0.05$ appear in bold type. $N = 565$.

Hypothesis 2a was supported as the results of Model 2a show a positive association of CSR and organizational identification ($b = 0.731$; $p < 0.01$). Model 2b provides evidence for a positive relationship between organizational identification and work addiction ($b = 0.056$; $p < 0.05$), indicating that employees who identify more closely with their employing organization tend to be work addicted. Thus, Hypothesis 2b was supported. We conducted a Sobel test to investigate the formal significance of a possible mediation effect. The result of the Sobel test reveals that organizational identification is a mediator of the effect of perceived CSR on work addiction ($z = 2.229$; $p < 0.01$). Thus, Hypothesis 2c was supported.

Moreover, Model 3a provides support for Hypothesis 3a. Employees who perceive their employing firm to be socially responsible show higher levels of work meaningfulness ($b = 0.460$; $p < 0.01$). Also, a significant positive relationship between work meaningfulness and work addiction was found ($b = 0.092$; $p < 0.01$), thus providing support for Hypothesis 3b. Finally, support for Hypothesis 3b was found, as the result of the Sobel test confirms a mediating role of work meaningfulness in the relationship between CSR and work addiction ($z = 3.202$; $p < 0.01$).

The results indicate that both mediators act as suppressor variables, buffering the negative effect of CSR on employee work addiction. While the direct effect of CSR on work addiction is negative ($b = -0.091$; $p < 0.01$ for the organizational identification model, and $b = -0.091$; $p < 0.01$ for the work meaningfulness model), the indirect effects of CSR on work addiction via organizational identification ($b = 0.041$; $p < 0.05$) and work meaningfulness ($b = 0.042$; $p < 0.01$) are positive, providing evidence for a so-called inconsistent mediation (or suppression effect). In other words, employees who work for a socially responsible business report lower levels of work addiction. However, at the same time, employees who work for a socially responsible firm also identify more strongly with their employing firm and perceive their work as more meaningful, which in turn motivate them to assign higher priority to their work. In consequence, increases in organizational identification and work meaningfulness weaken the positive role of CSR. However, the negative direct effects of CSR on work addiction are still higher than the indirect effects through which CSR positively affect work addiction via the mediators. This indicates that CSR still weakens employee work addiction even if the impact is smaller than it would be if employees were not personally and emotionally bounded by the CSR commitment of their employing firms.

Table 3.2: Results for mediation effects

<i>Dependent variable:</i>	Work addiction [1]	Org. identification [2a]	Work addiction [2b]	Work meaningfulness [3a]	Work addiction [3b]
<i>Independent variable:</i>					
CSR	-0.050*	0.731***	-0.091***	0.460***	-0.092***
<i>Mediators:</i>					
Organizational identification			0.056**		
Work meaningfulness					0.092***
<i>Moderators:</i>					
World value awareness	-0.050*	0.731***	-0.091***	-0.076	0.051
Nation value awareness	0.044	-0.086	0.048	0.002	0.067
Community value awareness	0.067	0.050	0.064	0.059	0.027
<i>Controls:</i>					
Age	-0.000	0.004	-0.000	0.018***	-0.002
Gender (Female)	0.099	-0.096	0.104	0.056	0.094
Education	-0.021	0.003	-0.021	0.021	-0.023
Income	-0.055**	0.120**	-0.061**	0.115***	-0.065**
Household size	0.039	-0.100*	0.045	0.018	0.037
Marital status	-0.019	0.253*	-0.033	-0.028	-0.016
Supervisor	0.298***	0.241**	0.285***	0.114	0.288***
Full-time job	0.224***	-0.035	0.226***	-0.021	0.226***
Constant	1.883***	0.997*	1.827***	1.950***	1.703***
R ²	0.102	0.367	0.110	0.259	0.119
F value	5.197***	26.70***	5.236***	16.05***	5.748***
Sobel test (z)			2.229***		3.202***
Indirect effect			0.041**		0.042***

Notes: Significant levels: * $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$. $N = 565$.

Since the direct and indirect effects cancel each other out, we also observe that the direct effects in the Models 2b and 3b are even larger than the total effect of CSR on employee work addiction in Model 1. Thus, consistent with an overall suppression effect, the negative effect of CSR on work addiction is enhanced when we control for organizational identification and work meaningfulness, respectively.

A further post hoc analysis was carried out to identify differences between employees who report above-average and below-average levels of work addiction. The full results are available from the authors upon request. We find evidence that our hypotheses are fully confirmed only for

employees who report above-average levels of work addiction. This is plausible because employees who are not susceptible to work addiction should tend to be less influenced in their workaholism by CSR, organizational identification or work meaningfulness.

Tables 3 and 4 present the results of the moderation analysis and the moderated mediation analysis. We first tested whether the interaction of CSR and public value awareness is significant in predicting organizational identification and work meaningfulness. The results in Table 3 reveal that both world and nation value awareness amplify the positive effect of CSR on organizational identification ($b = 0.076$; $p < 0.05$ for world value awareness, and $b = 0.075$; $p < 0.05$ for nation value awareness), and work meaningfulness ($b = 0.100$; $p < 0.01$ for world value awareness, and $b = 0.092$; $p < 0.01$ for nation value awareness), respectively. However, the interaction terms for CSR with community value awareness were non-significant in predicting organizational identification and work engagement. Therefore, Hypothesis 4a and 4b were only partially supported.

Finally, we tested the moderated mediation Hypotheses 5a and 5b. We found that the indirect effect of CSR on work addiction via each mediator differs for employees across low and high levels of public value awareness. The results of Table 4 indicate that for organizational identification and work meaningfulness the conditional indirect effect is positive and different from zero for all levels of public value awareness, but that the effect is stronger at higher levels of world, nation, and community value awareness. This indicates that the negative effect of CSR on work addiction is more strongly buffered if the employee has a strong awareness for the local community, nation, and world, thus having a strong fit with the socially responsible employing organization. A strong public value awareness amplifies the positive impact of CSR on each mediator, by which work addiction levels begin to rise even more. To gain a better understanding of the nature of these significant interactions, the corresponding graphs are plotted in Figure 2. Thus, Hypotheses 5a and 5b were supported.

Table 3.3: Results for moderation effects

	<i>Dependent variable:</i> Organizational identification			Work meaningfulness		
	[4a]	[4b]	[4c]	[5a]	[5b]	[5c]
<i>Independent variable:</i>						
CSR	0.482***	0.464***	0.509***	0.133	0.132	0.286* *
<i>Moderators:</i>						
World value awareness	-0.446**	-0.087	-0.090	-0.548***	-0.077	-0.079
Nation value awareness	0.051	-0.303	0.044	0.003	-0.430***	-0.002
Community value awareness	0.073	0.073	-0.204	0.051	0.052	-0.161
<i>Interactions:</i>						
CSR						
× World value awareness	0.076**			0.100***		
× Nation value awareness		0.075**			0.092***	
× Community value awareness			0.061			0.047
<i>Controls:</i>						
Age	0.004	0.004	0.004	0.017***	0.017***	0.017* **
Gender (Female)	-0.086	-0.097	-0.092	0.070	0.055	0.059
Education	0.001	0.004	0.004	0.018	0.021	0.021
Income	0.125***	0.124***	0.120**	0.122***	0.120***	0.115* **
Household size	-0.101*	-0.103*	-0.096*	0.016	0.015	0.021
Marital status	0.245*	0.247*	0.245*	-0.039	-0.036	-0.034
Supervisor	0.247**	0.239**	0.240**	0.121	0.111	0.112
Full-time job	-0.060	-0.059	-0.056	-0.054	-0.051	-0.038
Constant	2.236***	2.336***	2.086**	3.575***	3.591***	2.801* **
R ²	0.373	0.372	0.370	0.272	0.270	0.261
F value	25.17***	25.13***	24.92***	15.86***	15.66***	15.00* **

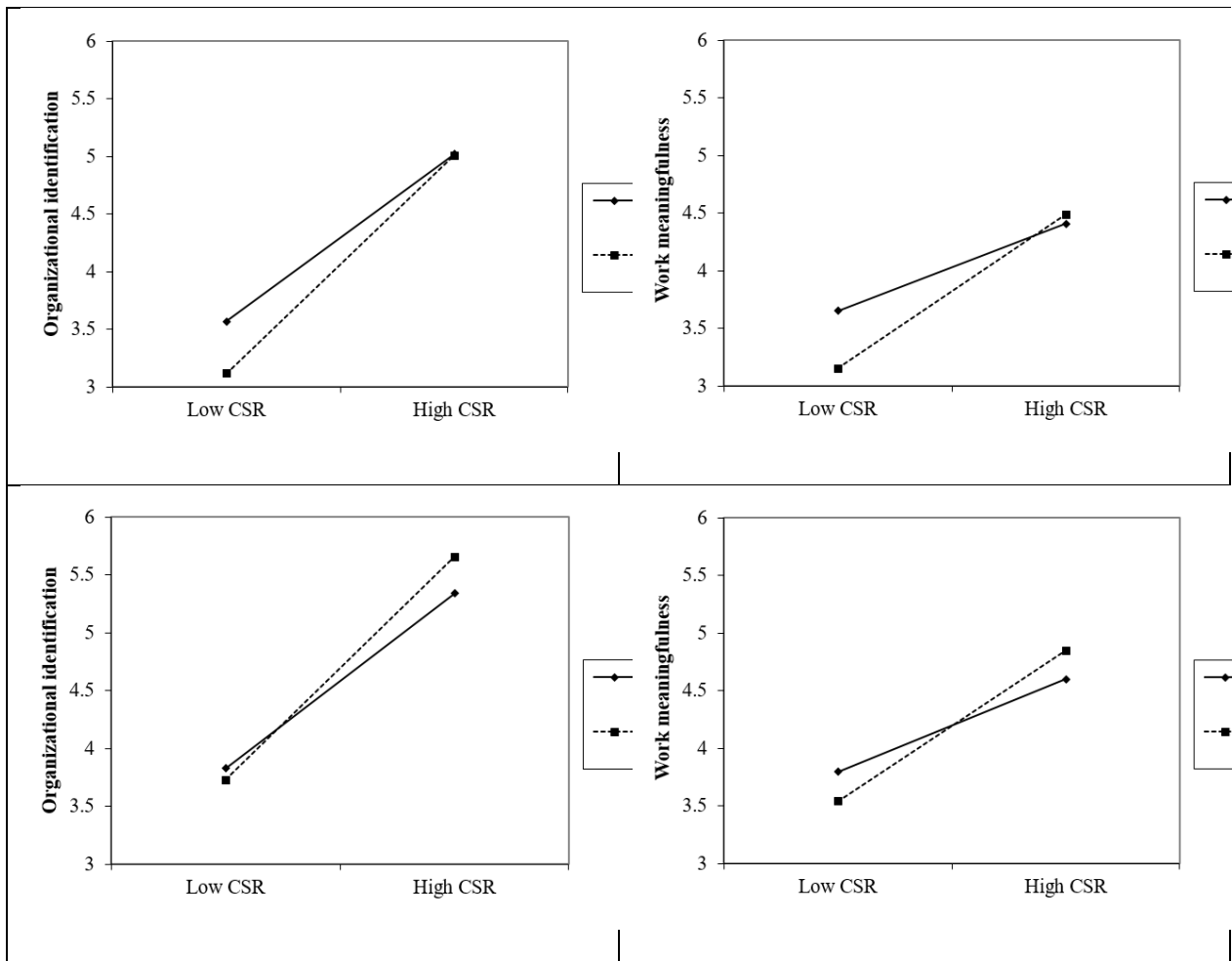
Notes: Significant levels: * $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$. $N = 565$.

Table 3.4: Results for conditional indirect effects

			<i>Dependent variable: Work addiction</i>					
Mediator	Moderator	Level	Indirect effect	SE	<i>z</i>	<i>P</i> > <i>z</i>	LL 95% CI	UL 95% CI
Organizational identification	World value awareness	Low (- 1 <i>SD</i>)	0.033	0.016	2.11	0.035	0.002	0.064
		Middle (<i>M</i>)	0.038	0.018	2.14	0.033	0.003	0.073
		High (+ 1 <i>SD</i>)	0.043	0.020	2.13	0.033	0.003	0.083
Organizational identification	Nation value awareness	Low (- 1 <i>SD</i>)	0.036	0.016	2.25	0.024	0.005	0.067
		Middle (<i>M</i>)	0.041	0.018	2.29	0.022	0.006	0.076
		High (+ 1 <i>SD</i>)	0.046	0.020	2.28	0.023	0.006	0.086
Organizational identification	Community value awareness	Low (- 1 <i>SD</i>)	0.037	0.016	2.25	0.025	0.005	0.069
		Middle (<i>M</i>)	0.041	0.018	2.28	0.022	0.006	0.076
		High (+ 1 <i>SD</i>)	0.045	0.020	2.27	0.023	0.006	0.084
			<i>Dependent variable: Work addiction</i>					
<i>Mediator</i>	Moderator	Level	Indirect effect	SE	<i>z</i>	<i>P</i> > <i>z</i>	LL 95% CI	UL 95% CI
Work meaningfulness	World value awareness	Low (- 1 <i>SD</i>)	0.029	0.010	2.77	0.006	0.008	0.049
		Middle (<i>M</i>)	0.039	0.013	3.05	0.002	0.014	0.065
		High (+ 1 <i>SD</i>)	0.050	0.017	3.03	0.002	0.018	0.083
Work meaningfulness	Nation value awareness	Low (- 1 <i>SD</i>)	0.032	0.011	2.97	0.003	0.011	0.054
		Middle (<i>M</i>)	0.043	0.013	3.25	0.001	0.017	0.068
		High (+ 1 <i>SD</i>)	0.053	0.016	3.23	0.001	0.021	0.085
Work meaningfulness	Community value awareness	Low (- 1 <i>SD</i>)	0.037	0.012	3.02	0.003	0.013	0.061
		Middle (<i>M</i>)	0.042	0.013	3.24	0.001	0.017	0.068
		High (+ 1 <i>SD</i>)	0.047	0.015	3.18	0.001	0.018	0.077

Notes: LL = lower limit of confidence interval (CI); UL = upper limit of CI. *N* = 565.

Figure 3.2: Moderating effects on the CSR-organizational identification and CSR-work meaningfulness relationships



3.5 Discussion and Conclusion

3.5.1 Discussion of the findings

The business ethics literature has predominantly focused on the positive outcomes of CSR for stakeholders, in the past mainly in respect to external stakeholders, more recently also increasingly in respect to internal stakeholders (Glavas and Kelley 2014; Meynhardt et al. 2018). Recent research investigating the influence of CSR on employee attitudes, intentions, and behaviors highlights the positive effects of CSR on employee job and life satisfaction, organizational identification, work engagement, or pro-active work behavior (Glavas and Piederit 2009; Glavas and Kelley 2014; Meynhardt et al. 2018). However, the current debate fails to recognize the potential dark side of CSR at the micro level.

Hitherto, negative outcomes of CSR were mostly reduced to the macro level, focusing on organizations' financial performance or innovation. Such analyses neglected the implications at the micro level. For instance, some studies suggest a negative effect of CSR on financial performance (e.g., Makni et al. 2008; Mittal et al. 2008). Moreover, Bocquet and colleagues (2013, 2017) report a negative effect of responsive CSR engagement on a firm's innovative capacity. Additionally, CSR is also critically discussed as a source of capitalism's legitimacy and preservation. For example, Banerjee (2008) sees CSR as an ideological movement intended to consolidate and legitimize the power of large corporations. As CSR helps companies to gain legitimacy and avoid criticism, it is also used by companies to preempt government regulation and control (Kindermann 2011). With this study, we complement the debate around the dark side of CSR by focusing on the downsides at the micro level. We argue that CSR activities should not be seen solely as a positive force, but also as a potential threat to employees and their social systems. Our model allows for a more balanced perspective and hints to the downsides and risks of CSR. Our hypotheses reflect the dichotomous effects that can be evoked by organizational practices aiming to protect the environment and social well-being. In a first step, we hypothesized that CSR could be classified as a job resource that helps employees to achieve their work goals, reduce job demands, and stimulate their personal growth and development (Schaufeli and Taris 2014). We argue that organizations that promote CSR also support policies and mechanisms to prevent work overload and counter work cultures that value work addiction. Indeed, the significant negative direct effect of perceived CSR on employee work addiction supports our view. It indicates that employees who experience a CSR culture in their organization also tend to have a healthier and more balanced attitude towards work and are more likely to deprioritize other spheres of life.

In a second step, we discuss why the negative effect of CSR on employee work addiction is buffered when employees identify with their employing organization and perceive their work to be meaningful. Drawing on social identity theory, we suggest that employees tend to show stronger organizational identification and perceive their work as meaningful, worthwhile, and relevant when their employing organizations are willing to contribute to the common good. In turn, if employees create strong relationships with both their organization and work, it may be more likely that they will work harder and think continually about their work and their organization than they would without a strong emotional linkage. Thus, we expect organizational identification and work meaningfulness to have mediating roles. The study's results support the proposed mediating roles

of organizational identification and work meaningfulness. We find that perceived CSR positively affects organizational identification and work meaningfulness and both mediators in turn positively affect employee work addiction. Since the direct effect of CSR on work addiction is negative, while the indirect effect of CSR on work addiction via each mediator is positive, both effects tend to cancel each other out. In other words, organizational identification and work meaningfulness buffer the negative impact of CSR on employee work addiction. Organizations adopting CSR strategies can thus unintentionally stimulate and cause employee work addiction and thus harm the well-being not only of employees but also of their family members and friends, which might counteract the positive intentions that socially responsible organization have.

Finally, in a third step, this study hypothesizes a positive moderating effect of an employee's public value awareness on the relationship between perceived CSR and each mediator. We present empirical evidence that an employee's relatedness to and concern for the welfare of higher social units amplifies the positive influence organizational CSR engagement has on the employee's identification with the employing organization and their perception of having meaningful work. This organization-person fit—when both employing organization and employee care for the common good—has then, in turn, also consequences for the extent to which employees are willing to work excessively and neglect other spheres of life. As the study's results reveal, the indirect effect of organizational CSR engagement on work addiction via organizational identification and work meaningfulness is stronger at higher levels of employee public value awareness, implying that the negative effect of organizational CSR engagement on work addiction will be significantly absorbed if both the employee and the employing firm give priority to social well-being and environmental protection.

Overall, the results show that CSR is a positive force for employees but not as impactful as typically anticipated. Today, individuals and organizations are expected to behave in a socially responsible manner. Caring for the greater good is fashionable for many valid reasons. People recognize that social and environmental problems—whether inequality, poverty, lack of educational opportunities or ecological destruction—have to be addressed. However, an intense focus on other people's welfare can, as our results show, lead to an unintended situation where employees neglect their own life and those of their families and friends. Undoubtedly, CSR serves as a resource for the employee, as companies that are committed to CSR protect their employees from working excessive hours and care for their well-being. But employees who derive more meaningfulness

from their work and identify more strongly with their employing organization could benefit less from this resource over the long run.

Moreover, CSR activities in particular can damage employee well-being if a culture is built on the idea that the concern for others outweighs everything else, including the needs of employees. This expands the conventional lines of theoretical reasoning. Social identity theory suggests that identification is conditional upon the internalization of group membership, and members who identify with a group tend to behave in accordance with the group's norms and values (Ashforth and Mael 1989; Tajfel and Turner 1986). In the process of internalization, individuals take on and self-regulate group values and behavioral norms (Deci and Ryan 2000). They identify with a group, and the group becomes a significant part of their self-concept. Internalization literature associates positive effects with internalization, such as greater persistence, more positive self-perception and self-evaluation, better quality of engagement, and intrinsic motivation (Ryan and Deci 2000). This study's findings call for a more nuanced view of the effects of internalization of group norms and values. Our results suggest that the stronger the internalization of the organization's values into one's own self-concept, the more willing one is to act in accordance with the goals of an organization while devaluing other spheres of life. Some scholars call this identity tension a "we versus me" phenomenon, in which there is a major shift in identity towards a social group (e.g., Kreiner et al. 2006). A strong ethical fit of employee and organization has therefore unintended negative effects on employees, as employees with strong pro-social values who work for a socially responsible firm show higher levels of identification with their employing firm and perceive their work as more meaningful. Interestingly, because of the strong organizational identity and the perception that they are engaging in something meaningful, socially oriented employees may not even realize that they are working excessively and neglecting other spheres in life; instead, they are more motivated at work, hold positive self-evaluations, and report higher levels of job and life satisfaction.

Our study also contributes to a better understanding of social exchange theory in the CSR discourse. If an employee working for a socially responsible firm can increase its perceived self-worth, experience strong support by coworkers, and feel favorably treated by its socially responsible employer, he or she reciprocates by giving back. This may result in favorable work attitudes, organizational commitment and support, organizational citizenship behaviors, and higher job performance (Brammer et al. 2007; Cropanzano and Rupp 2008). Reciprocity should be even

stronger when a socially oriented employee is working for a socially responsible organization. However, as our results suggest, there are unintended downsides of reciprocity if heightened identification with the employer and the perception of meaningful work stimulate employees to work harder.

3.5.2 Managerial Implications

The results of this study offer important implications for management practice. First of all, the findings should not be interpreted as evidence that CSR activities harm employees or that organizations should invest less in or even stop their CSR engagement. Not only can CSR reduce the risk of employee work addiction as this and previous research shows, but it is also associated with multiple positive employee outcomes such as job and life satisfaction, commitment, work engagement, and performance (Aguinis and Glavas 2017; Brammer et al. 2015; Meynhardt et al. 2018; Newman et al. 2015). Moreover, at the macro level, organizational contributions to more sustainable development are not only needed but necessary in the face of today's worldwide environmental and social problems. In light of all these positive effects of CSR on a micro and macro level, it seems wise for organizations to engage in CSR activities.

However, our research also emphasizes that organizations should consider the positive effects of CSR on their workforce with care, as there may be unintended negative consequences as well. When perceived CSR engagement positively influences an employee's identification with the employing organization and the perception of doing meaningful work, employees tend to work harder and longer, and are unwilling to disengage from work activities. This represents a positive effect of CSR on work addiction, which can buffer or perhaps even outweigh the in principle negative effect of CSR activities on work addiction. Work addiction and its potential negative consequences are common and severe problems in organizations, and it is thus no surprise that much effort is made to address these problems (Burke 2009).

It is thus important for organizations to realize that CSR can, although having many positive effects on employees, be accompanied by certain negative effects as well—in this case an increase of the risk of work addiction. Organizations should therefore be aware of and actively manage the risk of work addiction associated with CSR. By acknowledging that perceived CSR engagement positively influences work addiction through more organizational identification and work meaningfulness, organizations might be able to develop more effective mitigation strategies.

One strategy might be to help employees find and prioritize their individual and private needs, such as staying healthy and maintaining functioning relationships. If employees realize that the fulfillment of these needs is an additional source of meaning and identity or at least a precondition for fulfilled work, they might be less likely to become addicted to work. Organizations could achieve this through targeted training programs and coaching together with systemic measures such as flexible work hours. Moreover, they could also ensure that leaders role-model the desired behavior and actively support their employees. Previous research findings indicate that greater organizational support for work-life balance reduces workaholic job behaviors (Burke 2001a).

In addition, leaders could try to align their organization's CSR activities increasingly with their core business instead of overly engaging in CSR activities that are merely additional, symbolic or compensatory. Focusing on and creating awareness for the societal contribution an organization makes through its core activities might help leaders and employees achieve a similar alignment on the individual level, so that an individual can be sure that diligently completing their own day-to-day tasks—while staying healthy and productive—is a sufficient contribution to the common good.

Additional implications result from the fact that the effects of CSR on work meaningfulness and organizational identification seem to be stronger for employees with higher public value awareness. Those employees that show high consideration for the impact of their actions on their communities, their nation, and the world as a whole seem to be more likely to derive a sense of meaning and identity from their organization's perceived CSR activities and, as a result, are more likely to become addicted to work. This means that, on the one hand, organizations can invest in increasing their employees' public value awareness to increase the impact of their CSR practices on meaningfulness and organizational identification. On the other hand, organizations should be aware that those employees with high degrees of public value awareness may be in special need of the mitigation approaches described above. In any case, approaches and tools for understanding and influencing public value awareness as well as meaningfulness and organizational identification of individuals should be developed and deployed to mitigate the risk of work addiction effectively.

3.5.3 Contributions, Limitations and Future Research

Our study offers two main contributions. First, our research significantly adds to the CSR literature by answering calls to focus on the individual level of analysis, i.e. how the employee

perceives organizational CSR endeavors and how this impacts individual-level outcomes (e.g., Aguinis and Glavas 2017; Glavas and Kelley 2014). By exploring potential moderators and mediators of the CSR-outcome relationship, our study extends and refines recent studies analyzing the impact of CSR. We provide a more contextualized understanding of the conditions by which CSR shapes employee attitudes, intentions, and behaviors, and we also point to the different effects of organizational CSR activities. Thus, an important implication of our study is the need to view CSR through dual lenses of value creation and occupation. While we focused on the risk of work addiction (and consequent self-sacrifice), future research should embrace all potential downsides and risks of CSR, including those suggested previously – stagnation and self-righteousness.

Second, we contribute to the broader management literature by examining how employee perceptions of CSR are related to employee work addiction and their underlying mechanisms. Evidence for the role of moderator and mediator variables in the relationship between an organization's CSR engagement and employee work addiction remains inconclusive. By broadening the theoretical framework, we empirically substantiate that employee work addiction is not the product of a single source, but rather a result of a complex interplay of different variables and constructs that remain underexplored. Our results may stimulate other researchers aiming to understand the interplay between organizational actions directed towards society and individual-level outcomes. Moreover, our research results indicate that the respective variables should not be studied in isolation.

However, our findings should be considered in light of several limitations that may constrain the generalizability of the results. A first limitation is the cross-sectional design of our study, which does not allow causal relationships among the variables to be determined and, as a result, may potentially limit the validity of our findings. In order to account for the dynamic nature of certain variables, such as work addiction or perceived corporate social responsibility, a longitudinal instead of a cross-sectional design would be favorable.

A second limitation is one that is prevalent in behavioral sciences (Podsakoff et al. 2003), the potential of systematic error variance in the form of common method bias. We took steps that partially mitigate this limitation. First, to reduce the risk of socially desirable responses, respondent anonymity was assured, and they were not asked to state their organization's name. Moreover, as recommended by Podsakoff et al. (2003), we varied the response formats for predictor and criterion measures and also added some reverse-coded items as well as open questions in the survey. To

reduce complexity, only a limited number of items were displayed on the screen at a time. Additionally, prior to data collection, we pretested item comprehensibility and study length by collecting qualitative and quantitative feedback. Furthermore, we added a number of control variables in order to detect shared aspects in cognition and thus differences in response bias across groups (Meynhardt et al. 2018). The fact that our survey items were part of a large-scale questionnaire decreases the risk of respondents being able to guess the study objectives, thereby fostering response consistency (Mohr and Spekman 1994). In addition, our results did not reveal any response patterns. Consequently, we believe that common method bias does not significantly influence the results of our study.

Finally, the scope of this study was limited to Switzerland. According to the OECD Better Life Index (2017), people in Switzerland are generally more satisfied with their lives and their jobs compared to the OECD average. Moreover, the mean level of work addiction in the Swiss sample is 2.49, reflecting a general modest level of workaholism. Further studies in other countries need to be carried out in order to validate these results.

Despite these limitations, we believe our conclusions are reasonable and consistent with prior research. We are confident that other researchers can take advantage of our empirical results to understand how organizational CSR activities changes employee work attitudes and performance.

3.6 References

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4. CREATING SHARED VALUE? ON THE PROLIFERATION OF A RESOURCE-BASED SOCIAL

→ Study 3

→Revise before review: ephemera – theory and politics in organization

Abstract

The current article provides a performative perspective on one contestant of the trending *Business and Society* field. The Shared Value discourse aims to reconceive the economic value creation of corporations in line with the proliferation of society. The paper suggests that instead of being a depiction of the contribution to society it plays a vital role in the enactment of specific stances of the social. Building on developments in actor-network-theory, the paper provides reflections on the performative character of knowledge and how knowledge (about society) gets stabilized in networks. First, we show how the value concept parallelizes economic and social value in a set of win-win examples. Building on that narrative, the discourse proactively equalizes divergences and aims at manufacturing consent among the affected parties in the proliferation of the social, such as NGOs or governmental institutions. Second, we show how the value proposition gets stabilized through networks of valuation resembling actors from private and public institutions and how artifacts evolve that allow sense-making in line with the shared value regime and its dissemination. Last, two current examples showcase that networks of valuation do not only measure value creation, but actively prepare organizational interventions and impact on the possibility space for society and anthropological models.

Keywords: Valuation, Performativity, Agencements, Business and Society, Shared Value

4.1 Introduction

“The ideas of economists and political philosophers, both when they are right and when they are wrong, are more powerful than is commonly understood.” (Keynes 1936, p.383)

Society has gained center stage in the corporate world in recent times. Lately, Laurence D. Fink, founder and chief executive of BlackRock, the world’s largest investor claimed that “[t]o prosper over time, every company must not only deliver financial performance, but also show how it makes a positive contribution to society” (Fink 2018). His statement is in between a descriptive testimony and a normative imperative directed at companies in which BlackRock puts its \$6 trillion in investments.

In his assumption of a need to integrate financial and social value the statement fits neatly into the landscape of corporate and academic discourse. Scholars do play a vital role in the co-creation of this assessment. In academia, this seductive win-win proposition has become a central theme (Schwartz & Carroll 2008). Under the umbrella of *Business and Society* academic and corporate-academic discourses, e.g. Corporate Social Responsibility, Stakeholder theory, Creating Shared Value, and Public Value, elaborate on the commensurability of market logics and the proliferation of society. The economization (Caliskan & Muniesa 2010) of the social, its valuation, manageability and tradability is key to the managerial discourse.

Already in 2012, *The Economist* witnessed a transition “[f]rom profit to purpose” (The Economist 2012) in the corporate world. At the same time, business schools around the world reframe their mission and leadership model to make societal contribution key to their efforts while equally serving entrepreneurial goals.

Despite the alignment of corporate action to such frameworks, in the realm of profit-maximization corporations often fail to consistently act in a way that is assumed to be either legal or socially legitimate. Volkswagen, for example, engaged in 434 CSR projects in areas such as environmental protection, regional support or health (VW 2018a) and is actively referring to the United Nations Sustainability Development Goals (VW 2018b). At the same time, Volkswagen faces allegations (and conviction) of manipulating emissions (Der Spiegel 2018a) and animal testing related to exhaust emissions (Der Spiegel 2018b). Corporations such as Nestlé that apply

an overarching framework to relate their core business to the enhancement of individuals, families, local communities and the planet, face severe criticism concerning exploitative actions in respect to workers, poorer regions and the aggressive exploitation of raw materials (Schnell 2013).

The purpose of this paper is to investigate the very act of valuation of the social and the application of the valuation scheme in corporate practice. The paper reviews how a notion of the social is transferred into a calculable space (Muniesa & Callon 2005) and how this notion is maintained and enacted in networks. Doing so, it follows the claim of Muniesa (2014) to pay critical attention to the intricacies of performativity in the business realities. This is to “unpack social, political and material dimensions” (Gond, Mena, & Mosonyi 2017) involved in the production of the representation and proliferation of the social. Following this line of reasoning, the paper shows which stances of the social are proliferated and which affected groups do not participate in the economic and social developments (Callon 2007a).

Specifically, the paper reviews the implicit and explicit notion of value for society in the *Creating Shared Value* (CSV) concept that was developed by Harvard-based business strategist Michael Porter and Mark Kramer (1999, 2002, 2006, 2011). Ultimately, this endeavor not only will shed light on the understanding of how the essentially contested concept of society is viewed within the community of CSV. Moreover, it describes how the social is shaped through calculations and incorporated into corporate strategy. Second, the proliferation of value for society through networks that include academia, business outlets, NGOs, initiatives, awards, and corporations are examined. The current examples of shared value in the insurance sector and shared value in the water sector serve as a case in point. Thus, the article investigates how a network of valuation of CSV make sense of the social and thus, how it signifies, provokes and effects it.

In essence, the paper demonstrates that *the Social* is not merely a depiction, but performative with specific limitations and enablers (Callon 2007a; Latour 1987; Muiesa 2014).

4.2 Agencements and the Proliferation of the Social

The denaturalization of economic theories and the notion that economists perform the economy has been discussed within the realm of economic research (e.g. Ghosal 2005; Mintzberg, Simons, & Basu 2002; Pfeffer 2005). Also, social studies of science and the program of science, technology and society sensitize for the non-natural state of knowledge. In an anthropological study

Bruno Latour and Steven Woolgar (1986) impressively describe how the production of scientific knowledge underlies material devices, texts, procedures and embodied actors. Facts or reality itself is not depicted by scientific knowledge, but vice versa, the stabilization of a controversy through a refined apparatus creates a fact. Thus “this reality is formed as a consequence of this stabilization. [...and...] ‘out-there-ness’ is the consequence of scientific work rather than its *cause*” (Latour & Woolgar 1979/1986, p. 182). The formation of knowledge and reality is not sufficiently modeled as a cognitive process based on methodological basis. It is rather mediated through devices, technical processes and dependent on a variety of resources.

The actor-network approach (Callon & Latour 1981; Callon 1984; Latour 1987) sensitizes for the materiality of processes of knowledge creation. Materiality might include physicality but goes beyond it. Knowledge itself or a service without physical properties are also material in that they are ‘held together’ by objectified properties (Callon & Muniesa 2005). The transfer of this to economics, i.e. “economics does not describe an existing external ‘economy’ but brings that economy into being: economics performs the economy, creating the phenomena it describes” (MacKenzie & Millo 2003, p.108) is widely recognized to be grounded in the work of Michel Callon (Cochoy, Giraudeau & McFall 2010). An analysis of Holm and Nolde Nielsen’s *Framing fish, making markets on Norwegian fishery* (Callon 2007a) is a case in point. Although fish are physical entities, the important activity is the metamorphosis of fish to what Holm calls “cyberfish”. An apparatus of international institutions, statisticians that make models work, a vast amount of documentation but also airplanes and boats to watch the catches and fisherman enabled the ontological transition towards “cyberfish” as ultimately “traceable, identifiable, predictable and controllable”. This economization allows for a tradability, while quotas ultimately evoke expectations and self-maximizing players that would not have been possible for the protagonists in a non-transparent ocean of unknowns as depicted in Hemmingway’s *The old man and the sea*.

The interplay of networks of human and non-human entities in order to stabilize are also coined *agencements*. Agencements “convey the idea of a combination of heterogeneous elements that have been carefully adjusted to one another” (Callon 2007a). Importantly, economic agencements such as markets include players from outside realm of scientific knowledge production (Caliskan & Callon 2010). They are assembled contingently with the environments they act in. These socio-technical arrangements of heterogeneous constituents may include “rules and conventions; technical devices; [...] logistical infrastructures; texts, discourses and narratives (e.g.

on the pros and cons of competition); technical and scientific knowledge (including social scientific methods), as well as the competencies and skills embodied in living beings” (Caliskan & Callon 2010, p.3). These agencements play an important role in the creation of epistemic cultures (Knorr-Cetina 1999) comprising a “set of significations, realities and practices whose content and expected outcome has become a matter of widespread agreement” (Caliskan & Callon 2010, p.3). This ability to qualify something and give a specific value to it, demands considerable energy, knowledge, devices and other forms of resources (Callon & Law 2005) and often can’t be executed by single actors but require collective action (MacKenzie 2009). In the field of economics, Caliskan and Callon (2010) describe how specific stances are qualified as economic through the process of economization. Economization is not primarily an act to consider something as economic, but a way to prepare it for an economic process (Muniesa 2014). The objects of the process are transferred into a formal-calculable space and ultimately become manageable. Three key agents in this process can be identified:

“(1) the theories of the economy; (2) the institutional and technical arrangements that enhance the capacities of human agents for action and cognition; (3) the things which are being valued whose materiality influences the modes of valuation that are possible and their outcomes.” (Caliskan & Callon 2010, p.3)

Another aspect of the outlined stabilization is highly intertwined with Judith Butler’s notion of performativity which “cannot be understood outside of a process of iterability, a regularized and constrained repetition of norms. And this repetition is not performed by a subject; this repetition is what enables a subject and constitutes the temporal condition for the subject” (Butler 1993, p.94/95). What Butler refers to as norms can easily be replaced from an actor-network-perspective by the broader conception of an agencements. The implication remains the same. Agencements are not performed by individual subject. Economic agencements do not only shape the economy instead of portraying it (Callon 1998; Latour 1987), but also create the possibility space for individuals and society. Market agencements do not only shape consumer behavior (Cochoy, Trompette, & Araujo, 2016) through which proposed forms of subjectivity are enacted, but increasingly constrain and enable modes of being or epistemic cultures. When market agencements eventually favor flexibility and adaptability, very specific anthropological models are enabled to prevail, while those who can’t resemble the necessary resources to fit into the anthropological

model are excluded (Callon 2007b). For example, the portrayed case of fishery in Norway (Callon 2007a) favors an anthropological model that is close to a self-maximizing homo oeconomicus than to the old drifting fisher in Hemingway's novel.

The actor-network based notion can provide a systematic foundation for the exploration of the performative character based on material agencements that enable ecological niches and the development of new identities and anthropological models (Callon 2007b). This specific approach of economic sociology appears to be fruitful to analyze the intersection of Business and Society. The following analysis is dedicated to the proliferation of a specific notion of the social as depicted in the shared value approach (Porter & Kramer 2009, 2011) and its enactment in aligned networks.

4.3 Creating Shared Value

The relationship of business and society has become a growing field in academics and of concern for corporations around the world (Schwartz, & Carroll 2008). The underlying motivation to include *society* into consideration are manifold, such as the business case for responsible behavior (Banerjee 2008) or a quasi-evolutionary development of values in developed societies (Inglehard & Welzel 2005). Creating Shared Value (Porter & Kramer 2011) of Harvard scholar Michael Porter and Mark Kramer is their answer to the diminished trust in business and in capitalism at large. Creating Shared Value (CSV) is providing an answer to align business with societal needs in order to earn the 'license to operate'.

The notion of CSV was coined in an influential 2011 Harvard Business Review (HBR) article. The specific notion of value creation and its underlying assumptions builds on earlier work, namely an HBR article on business and strategy (Porter & Kramer 2006) and two HBR articles on (corporate) philanthropy (Porter & Kramer 1999, 2002). The authors aim to create "the next step in our understanding of the markets" (Porter & Kramer 2011, p.17) by urging business to reconceive the relationship to society and put societal issues at the center of their operations.

The value proposition of shared value starts with the idea that business value and value for society are not mutually excluding but two sides of the same coin. In CSV perspective, societal needs define markets. Markets, therefore are inherently the manifestation of contributing to societal progress. In the same manor, the prosperity of corporations and communities are highly interdependent (Porter & Kramer 2011). Societal progress – employment, wealth, health, living

standards – are driven foremost by corporations and their capability to innovate, while a healthy and educated society is the basis for capable employers and for creating the demand for more refined products and services (Porter & Kramer, 2006).

The inherent argumentation suggests that there is no need for a trade-off between society and corporate profit maximization (Aakhus & Bdzak 2012). The authors demonstrate in a series of win-win cases how big corporations have successfully championed the shared value creation. For example, Wal-Mart has reduced packaging and shipping routes and saved up to USD 200 million in one year while simultaneously becoming more ecological friendly (Porter & Kramer 2011). IBM builds up platforms to help teachers to prepare for the classroom, aiding 65.000 teachers and helping to create the classroom experience for 6 million students (Porter & Kramer 1999).

Beyond the creation of shared value in the core business of corporations and society as consumers, societal issues evolve that affect the corporation and its competitiveness. Corporations need to reconsider their interaction with society in order to strengthen their strategic position. Generic societal issues that do not affect long-term competitiveness can be neglected. However, if such societal issues affect the competitive context of the corporation, an involvement to secure long-term competitiveness is advised. Such issues might be an AIDS epidemic in Africa (Porter & Kramer 2006) or gender and racial discrimination in that it reduces the pool of capable employees (Porter & Kramer 2011). Business should move from “corporate social responsibility” to “corporate social integration” with respect to the corporate strategy (Porter & Kramer 2006).

Given that valuation scheme, society can be seen, valued and in turn proliferated from CSV perspective in two ways: first, as a market participant; and second, through resource-based analysis of the corporate’s environment under the premise of profit-maximization and competitiveness and relative to corporate costs (Porter & Kramer 2011). Thus, the approach puts the CSV practitioner at the center node (Aakhus & Bdzak 2012). Considering that generic societal issues that do not affect corporation’s long-term success are left out, society becomes a very narrow corridor under the CSV lens.

The approach appears to be especially fruitful in developing regions. The so-called CSV Index (Mascarenhas 2017) reflects the resource-based approach for countries. The index is a weighted compound of other indices and factors that creates a rank order of countries within which the highest impact of CSV activities can be achieved. The population factor and the market growth index, as well as social lethargy index, which is the opposite of a social progress index, and a

market potency index reflect the market potential. Thus, in CSV perspective, they reflect the scalability which in turn allows for social progress. A further set of indicators reflect the openness and the degree of risk for investments as well as the degree of economic freedom.

CSV is also constituted through a number of underlying assumptions that are expressed to demarcate the discourse from other concepts. Despite the simplistic distinction of CSV and corporate philanthropy as well as CSR, which is used interchangeably with the Business and Society field by the authors (Strathoff 2015), the main differentiation is the way how the social is enforced. CSR and corporate philanthropy lack alignment with corporate strategy and assets. Therefore, and although they focus on societal issues, neither corporate philanthropy (Porter & Kramer 2002) nor CSR initiatives (Porter & Kramer 2006) are money well spent.

Non-strategic giving might include more pluralistic goals or resource allocation based on needs perceived by affected groups. However, CSV is “not philanthropy but self-interested behavior” (Porter & Kramer 2011, p.17). The authors advocate a transition from philanthropy to a strategic philanthropy in order to strengthen the competitive context of the corporation (Porter & Kramer, 2002), from CSR to “corporate social integration” (Porter & Kramer 2006) and ultimately the transition to CSV (Porter & Kramer 2011). In the focus on CSV and its exclusiveness, the authors exclude the possibility of a proliferation of the social independent from corporate strategy. As giving to independent institutional settings, communities or individuals are excluded, there is explicitly no alternative approach to the proliferation of the social. This conceptual hegemony becomes even more evident when the authors comment on distributional justice at the example of fair trade. This movement aims at more distributional justice by sharing higher margins of the revenue from products with farmers that deliver the raw materials for products. Porter and Kramer (2011) reject the idea with regard to the opportunity costs of not realized growth. It is not about a more balanced distribution of the pie, but about its enlargement. Also, the notion of collaboration in CSV is coined upon condition of self-interest. The authors put much emphasis on examples of local cluster development. To enhance the conditions for business in a specific region they encourage collaboration to minimize free-rider effect and at the same time to lower the costs of all involved groups (Porter & Kramer 2002).

The agencement of CSV also aims to incorporate other players than corporations. As many of the win-win examples are dedicated to local development in underserved and developmental areas, CSV aims at a shared valuation regime. Specifically, CSV aims at manufacturing consent

among actors that are classically ascribed different roles. NGOs and governments or activist have to move from ideological positions towards a perspective of contribution (Porter & Kramer 2011). By focusing on shared value standards can be established. Standards are always measurable, such as employment rate, education given or nutrition in a specific area. Through enhanced competitiveness problems can be solved in favor of society and the divide of social and economic value can be overcome. However, the perspective of the corporate CSV practitioner is stringently pursued:

“The most important thing a corporation can do for society, and for any community, is contribute to a prosperous economy. Governments and NGOs often forget this basic truth. When developing countries distort rules and incentives for business, for example, they penalize productive companies.” (Porter & Kramer, 2006 p.91/92)

The discourse advocates a joint value notion. It also neglects political implications of the introduction of a profit maximization imperative to such settings as public education as in the example of IBM.

The authors construct a reality in which the basis for every actor is maximizing the output under the premise of scarce resources. For instance, foundations should internally focus on a managerial mindset and incorporate business principles or team up with business to enhance societal performance (Porter & Kramer 2002). The authors argue, that foundations dedicate little attention to the strategic investment of their scarce resources to solve societal problems most effectively. In the early work on philanthropy, money spent on administrative purposes is equaled with the loss of value for society. The best ratio of dollars spent to output leads to ‘immense social value’ (Porter & Kramer, 1999). Even social entrepreneurship should be measured according to the CSV lens and not simply according to social benefit (Porter & Kramer 2011).

CSV rests upon the assumption that there is no “false divide” between economic and social value. The strongest actor to boost social progress are corporations based on their resources and ability to innovate. Corporate proliferation of the social can be measured and managed. CSV-guided action allows for the proliferation of the social in two ways: through more refined market coverage with products and through enhancement of the strategic environment of the corporation. NGOs, foundations and governments should act in order to allow the scalability of CSV.

4.4 From a Value Proposition to a Network of Valuation

The previous section outlined one “key agent” (Caliskan & Callon 2010), the theoretical stance of CSV (Porter & Kramer 1999, 2002, 2006, 2011). This section will elaborate on the second key agent, a network of heterogeneous institutionalized actors that allows for viable assessment and valuation of corporate action and for the stabilization of CSV.

The FSG (Foundation Strategy Group) is a consultancy established in 2000 in response to the grown interest in the 1999 HBR article of Porter and Kramer. The authors, who are also the founders of the company, enlarged the range of services for a wider circle of clients and turned the company into an NGO in 2006 (FSG 2018). According to FSG website, the NGO has served 134 foundations, 69 corporations, 80 NGOs and 18 governmental organizations such as the World Bank or the World Health Organization to date. FSG is the central organ of the CSV network. It coordinates the different players and the ‘research’ undertaken within the network.

In 2012, FSG has launched the Shared Value Initiative jointly with the Clinton Global Initiative (FSG 2018) which brings together 12.000 CSV practitioners. The initiative facilitates networking (e.g. directly on the website through topic-related groups or personal connection) and enhances the connectivity between private and public partners. Further, it facilitates information flow and grants access to information and certified consultancy partners.

The initiative enables CSV practitioners to actively contribute to the body of knowledge of CSV. As the range of opportunities for real tests of conceptual frameworks in the field of business and society are limited compared to laboratory studies, the world is used as a laboratory (Mitchell, 2005). These tests undertaken by CSV practitioners are cases of corporate activities valued with the CSV framework and published as research reports, case studies and best practices. The publications are provided by practitioners themselves or are jointly undertaken with FSG or the Shared Value Initiative. They bridge the notion of CSV to such areas as banking, real estate, nutrition or marketization of lower income groups.

Another format that evolves from the FSG network is the more closed Shared Value Leadership Summit. It is more exclusive and facilitates exchange among high-level decision-makers, such as the academic initiators of the concept, high ranking CEOs or politicians, such as Hilary Clinton at the 2018 summit.

The stabilization of CSV also manifests in a number of artifacts such as the CSV Index (Mascarenhas 2017) or a CSV pyramid (Nestlé 2016a), a common tool in the field of

Business and Society that creates a certain figurative plausibility. The tool has been published in the Nestlé Creating Shared Value Report 2007, which showcases the blurred lines between academia and corporate realm. A further artifact is a ranking of the prestigious Fortune magazine. The Change the World index is founded on the value proposition of CSV (Shared Value Initiative, 2018). It awards corporations that simultaneously manage to innovate, be economically successful (corporations can be awarded with an annual revenue of plus USD 1bn) and to deliver social value. FSG and Shared Value Initiative in collaboration with Michael Porter assess the field of applicants and offer a pre-selection (Shared Value Initiative, 2018). On the list corporations like Novartis who ended up 4th or Nestlé (15th) appear, which are in turn intertwined with CSV through sponsoring or joint publications. Thus, CSV becomes the underlying notion of how the word is changed and its applicants are strengthened in this self-referential process. Corporations are further incentivized to subject their value proposition to CSV terms through several awards such as the Porter Prize India or the Shared Value Award that was awarded at the UN and is announced by Nestlé (2016a).

Aside of the theoretical stance, CSV has evolved as a network of valuation. CSV has built up structures and tools, a large community and social programs that bring communities on all hierarchy levels together. The agencement is successful in bridging the value notion to different industries and geographical areas, to the executive floors and to the realm of politics while simultaneously freeing it “from the circumstances of its production” (Latour & Woolgar 1986, p. 82). For instance, the Forbes ranking does not refer to the CSV value notion explicitly but puts forward the revolutionary character of the corporations in their social engagement.

In the next section we discuss how Nestlé provides shared value with bottled water and which stances of the social are included in the value contribution and which ones not.

4.5 Nestlé in Society

Nestlé is one of the early applicants of CSV. In fact, the construct is a shared endeavor of the academic authors and high-ranking individuals of Nestlé (Shared Value Initiative 2015). Through a growing number of initiatives, such as the voluntary annual *Nestlé in Society* report (e.g. Nestlé 2016a, 2017a), or the CSV pyramid, released in the 2007 report, Nestlé fundamentally shaped the CSV agencement. Nestlé hosts the CSV Forum since 2009 (Nestlé 2016), which was then held in conjunction with the United Nations. The forum pushes the CSV valuation into the

political sphere and civil society under notion of business new role in society (Nestlé 2014). The win-win interaction in the terms of CSV valuation and the political sphere is a continuous theme. For instance, it was expressed in the Nestlé CSV Forum with the Atlantic Council (Nestlé 2011) where then CEO Peter Brabeck-Letourneau and Chuck Hagel agree on the shared profit-making notion for business and society. The interaction of CSV becomes more evident in the shared endeavors of shaping the sustainable development goals (SDGs) of Nestlé and other private corporations together with the United Nations (Nestlé 2016). These goals address most pressing problem for society and environment and set time-bound goals and provide guidelines how to overcome the problems.

The United Nations in turn are advocating an ‘inclusive participation’ with public and private partners ‘to place the SDGs at the center of [...] national development planning’ (United Nations Developmental Group 2016, p.10). For example, at the *High-Level Conference on Sustainable Development Goals in Middle Income and Small Island Developing State*, held in Praia, Cabo Verde, together with other small island states and high-ranking officials of the United Nations, the SDGs were put at the center of the countries’ developmental endeavors (United Nations 2015).

Among the 17 SDGs, water is one central issue and one of the key business areas Nestlé focusses on. In 2016, Nestlé produced bottled water in 95 facilities around the world and held a market share of 11%. Bottled water adds EUR 7269 million from sales with an operation profit of EUR 867 million to the corporate’s performance (Nestlé, 2017b). This profit margin results from partly dramatic low costs for the rights to pump water as in the case of San Bernardino national forest where the costs for operating the pipeline to transport 36 million gallons (136.274.824 liter) of water sum up to \$524 (£357) in a year (BBC 2016).

The several targets of the UN SDGs water and sanitation aim at water management, reduction of pollution, increased water efficacy, enhancing sanitation and hygiene conditions. Nestlé neatly incorporates these goals into their CSV reporting (Nestlé 2017a) following sanitation initiatives and ambitions to increase the water efficacy in the value chain. Nestlé further expresses its societal contribution in enhanced focus on recycling and its provision of a safe product.

The SDGs-informed proliferation of society as valued by Nestlé focuses on scalable numbers and simplified win-win assumptions, such as bottled water equals health or more efficient water management is social value. However, there is an ongoing controversy about the political

state of water that is not assumed by CSV. In the reporting (Nestlé 2017a), Nestlé “acknowledge[s] discussions about our water bottling operations” (p.79) but doesn’t elaborate on the affected groups and controversies about the valuation of water.

Nestlé has struggled to define water as a basic human right. Peter Brabeck, then CEO of Nestlé, rated the position that water is a basic right as extreme, while a market price would guarantee a resourceful use of water (Grasser & Wagenhofer 2005). Nowadays, the corporation acknowledges water as a basic human right. However, aside of accessibility and some other criteria, Nestlé defines a minimum criterion, which is 50 to 100 liters of water a day per capita. According to WHO this is the amount of water needed to prevent most health problems (Nestlé 2016b).

Equitability and affordability (United Nations 2018) beyond the economized criteria of human rights are not tied to a specific provision of water. It is mainly through journalism that local practices aside of scalable figures reveal the way society is affected through corporate practices under regime of CSV. The win-win narrative of providing a safe product is tied to bottled water. Beside the immense impact of the environment through intense use of plastic, the expansive practices of Nestlé are undermining the necessity of a functioning public water system and can create a dependency on bottled water (Schnell 2013). For example, Nestlé acquired permits to pump water close to the city of Flint, Michigan, while the local water system is collapsing (The Guardian 2017). In developing areas of South Africa where Nestlé holds permits to withdraw water, public water systems are not available and access to clean water is highly restricted (ARD 2013). Although Nestlé’s is not a single player in the process of reevaluation of water and local governments aim to enhance the local conditions through enhanced marketization (ARD 2013), the example is not the win-win case of CSV as advocated. A significant part of society becomes detached from the resource. And beside this development of such orphan groups, which are excluded from technical and economic developments (Callon 2007a), alternative pathways of developments are prevented. The proliferation of a consumerist stance of society, however, is not in conflict with the SDGs and at the core of CSV.

While the general trend to a provision of bottled water despite functioning public water systems is ongoing, the restrictive practices of Nestlé also shapes communities in Europe. In the French town of Vittel, where Nestlé owns the rights to withdraw water, the water level decreases yearly about thirty centimeters. The shortage of water might even bring up the necessity to build a pipeline to import water, which presumably will be financed based on taxes (ZDF 2018). The

withdrawal in order to bottle the water also competes with local citizens' use of it. Public access becomes limited as well as access for local shepherds who actively contribute to the ecosystem that ensures the water quality is restricted. (ZDF 2018).

The example of Nestlé's water operations depict that the win-win narrative of CSV falls short. The developments that evolve out of such an intervention in local communities are multifaceted and evoke path-dependent processes. The created exclusions (as well as inclusions) and matters of concern might be valued positive or negative. However, the proliferation of the social in effect of the economic framing is less transparent and more complex than KPI-oriented shared value assessment of society suggests.

In the following section we provide a second case, which reviews how CSV is applied by a network of practitioners and academics to determine a future value for society of measures in the insurance sector.

4.6 Insuring Shared Value

A joint endeavor of FSG consulting and a number of international insurance companies has made *Insuring Shared Value* a focus of the Shared Value Initiative. It aims at the determination of a scenario how corporate profit and value for society can jointly be ensured in the insurance sector (FSG 2017). In the FSG-backed research a number of societal needs, corporate capabilities and strategies are outlined to generate a plausible future scenario. This counterfactual display (Ehrenreich & Muniesa 2013) opens up the stage for a specific form of calculation and inquiry into a future state of the insurance and society.

According to the FSG research (2017) many insurers up to date follow a passive paradigm and do not embrace the opportunities that follow from technical advances. Technical advances allow for a more sophisticated data collection. Specifically, better tracking of individualized behavior can be ensured. Through linking individual behavior with specific incentives, based on behavioral economics, better health prevention can be achieved. Discovery Vitality, one insurer among the initiative, provided Apple Watches to track and incentivize behaviors. If goals were not met, customers had to pay monthly installments for the watch (FSG 2017, p.10).

A systems approach with many stakeholders among the value chain allows for sophisticated data sharing from food companies to doctors, insurers to specialized clinics and many

others. According the research report, better prevention, specialized product or insurance literacy can be achieved. Overall,

“behavioral economics and psychology, sharing data across the value chain, and being willing to experiment with different incentives is the new frontier” (FSG 2017, p.22).

“The intense political preparation” (Ehrenreich & Muniesa 2013, p.180) which is initiated through the counterfactual display aims at free data sharing to the extent of real data and across the entire value chain in favor of corporate goals reframed as value for society. Privacy and especially anonymity of the individual are not assured. The author’s do not address this major shift, although the topic is discussed controversially in the insurance sector. For instance, Germany-based Allianz does support self-tracking as a private endeavor, however, rejects it as a business model (FAZ 2017). The political and philosophical intricacies of the endeavor are not addressed, and the outlined shared value is freed from its conditions of production.

Following that, the fabricated win-win narrative enables the engagement with political decision-makers. The regulatory support is key to the design of shared value products and incentive systems. The report encourages CSV practitioners to shape the discourse with communities and governments proactively according to the shared value notion. Thus, public leaders and insurance regulators need to “understand” the business model. As CSV suggests regarding the public private interaction, building a “common agenda, shared measurement and open communications channels” (FSG 2017, p. 22) ensures the success of shared value insurance.

The promotion of a regime of control mechanisms that value individual behavior in terms of risk – such as driving behavior or the preference for immediate gratifications like relaxing on the couch (FSG 2017) – and actively aim to change more “risky” behaviors, determines right from wrong behavior. And as the examples suggest, the reinforcement aims at changing daily routines and practices. The inclusion of the individual body into more productive and efficient value chain is the application of Foucault’s concept of biopolitics (Foucault 1977/2012) in the corporate sphere. It enforces the role of the individual as the manager of one’s health and one’s self based on health data instead of free choice. This might be even more influential as a focus of the services is aimed at currently underserved, typically higher risk population and that can’t afford insurance services (FSG 2017).

The economic value is obvious: through steered behavior health risk and investment decrease for insurers. The shared value proposition lies in the sharing of the economic gain. Beyond that, future measures might include “bending the morbidity and mortality curve” (FSG 2017, p. 20).

4.7 Discussion

The paper shows how CSV as an agencement, a center of calculation (Latour 1987) enables the production of specific stances of the social, thus, how value for society is created. The specific calculations build on a win-win parallelization of economic and social value, thus, CSV aligns economic growth with societal benefit. The KPI-oriented framing of value evokes a social which is related to a notion of output maximization. However, as suggested by the intangible flow theory (Cardao-Pito 2012), the dynamics of the tangible elements, as measured by health indicator or amount of water bottled, do not comprise the same properties as the human-related intangible flows of a social system. Following that reasoning, the inquiry into the social that gets translated into the CSV network lacks a stance of social theory that reflects the constitution of the social. Further, Meynhardt (2009) suggests that without a perceiving affected entity there is no value creation even if profit is maximized.

Two advances in theory and measurement might help to regain trust into the endeavor: First, measures that are situated in the realm of the community corporations act in (Breen 2007). Such measures can evolve out of spatially specific formations and, thus, include forms of capital differently measured than in money. Second, advances in the field of business and society (e.g. Meynhardt, 2009; Meynhardt et al. 2016) outline the relationship of organizations and society based on social theory. The public value discourse according to Meynhardt embraces a notion of value that requires a perceiving subject. Thus, it refuses a value determination which is not related to affected subjects. Such an alignment to social theory and psychological foundation allows for testing and contesting assumptions and allow for a dialogue which is not within the scope of the current undisputable foundation through win-win examples (Aakhus & Bzdak 2012).

The CSV agencement comprises heterogeneous actors from business, politics and non-governmental organizations. Tools, texts, documentations, prizes, initiatives, and summits play a crucial role in stabilizing of the valuation scheme through which corporate action and future action

are assessed towards their contribution to society. Altogether, they stabilize the stance of the social as a fact that enables CSV practitioners to interact with decision-makers from the corporate world, NGOs, foundations, and even the White House (Forbes 2011) and to arrive at CEO roundtables at Davos (Crane, Palazzo, Spence & Matten 2014). The stance of the social reaches future business leaders since CSV is required reading at many business schools (Crane et al. 2014). If decision-makers are only enabled through the CSV to frame complex situations, Crane and colleagues suspect that corporate decision-makers might tend to “invest more in easy problems and decoupled communication strategies than in solving broader societal problems” (2014, p.137).

The role of governments is actively reduced to an enabler of business, since in the logics of CSV, both aim to create value for society. The simplistic assumption of compliance to the local law without reflecting the shortcomings of regulation (Crane et al. 2014) is completed by an imperative to actively seeking to advocate CSV towards regulators and decision-makers (FSG 2017). The political side of the discourse is not mentioned and is hidden within the manufactured consent that the authors construct. Scholars have addressed the political side of the business and society field (Palazzo & Scherer 2008; Scherer & Palazzo 2007). They reasonably suggest coining *CSR political CSR* to account for the political role of corporations.

While CSV places corporations at the center node (Aakhus & Bdzak 2012) the social becomes incorporated into the resource-based strategy of corporations. While there is no social theory underlying the argumentation, there are still hints in the application how the proliferation of the social through CSV is actualized. The water withdrawal of Nestlé competes in different locations with other spheres for the scarce resource. Local citizens in developed and less developed countries, natural ecosystems or a public water supply. For instance, the social and ecological ecosystem meet in the person of shepherds and his herd that actively contribute to the water quality around the city of Vittel. However, they are not allowed to withdraw the water to nurture the herd since it is corporate property (ZDF 2018). Further, minimum human rights criteria of public water access are developed. Beyond the threshold, the corporation is free to capitalize on the water as bottled water and tie individuals as consumers to the value proposition.

The second case highlighted an inquiry into the future of insurance and outlined the use of technical advances and behavioral economics to create shared value. It enforces an anthropological model that subjects individuals under the regime of least risky behavior, which is tied to incentives, while risky behavior is penalized. The conditions for subjectivity are linked to a cost-benefit

analysis and heightened individual productivity. Thus, it is an economization of individuals under the corporate strategy. The CSV proposition regarding the possibility space of the individual is very narrow, which, at the downside, is likely to create many affected groups (Callon 2007a) that are excluded from technological and economic developments.

4.8 Conclusion

Others have used the notion of performativity in the field of business and society as aspirational talk (Christensen, Morsing, & Thyssen 2013) or aim to capitalize on it in as a strategy to engage with managers in order to create optimum output (Wickert & Schaefer 2016). The current article introduces the actor-network-theory based concept to highlight how a stance of the social is initiated through a value conception, tested and enacted in networks of valuation. The apolitical win-win logics of CSV does not hold against the analysis. Rather, the very political act of CSV valuation enables specific anthropological models that subject the individual under the corporate strategy and may lead at best to “islands of win-win projects in an ocean of unsolved environmental and social conflicts” (Crane et al. 2014, p.139).

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5. PUBLIC VALUE PERFORMANCE: WHAT DOES IT MEAN TO CREATE VALUE IN THE PUBLIC SECTOR?

→ Study 4

→ Published: Public Sector Management in a Globalized World (2017; book chapter)

Abstract

Public administrations are required by law to contribute to society, thus obliged to shape the common good. What value they have to society is uncovered by their public value. This chapter provides an approach to public value management that is relevant for organizations, NGOs, and governmental institutions, in order to systematically investigate their contributions to society. Previous work on public value serves as a good starting point, providing significant public value perspectives. We follow this by a conceptual delineation of the public value concept according to Timo Meynhardt, who roots the notion of value in psychological needs theory and thereby links public value directly to a *conditio humana*. As cases in point, we identify and discuss two management tools, the Public Value Scorecard (PVSC) and the Public Value Atlas. We conclude with a short reflection on how public value can advance public sector management.

Keywords

Public Value, Public Sector Management, Public Value Atlas, GemeinwohlAtlas, Public Value Scorecard, Common Good

5.1 Introduction

At the beginning of the twenty-first century, humankind confronts a variety of socio-economic and All along, public administration has been dealing with implicit or explicit assumptions about how to contribute best to the bonum commune or common good (cf. Maier 1986, Waldo 1948/2007). In the late 20th century, a new variation of this discourse was initiated and framed as the public value approach (Moore 1995).

The public value lens is above a narrative or performance notion for public administrations that links traditional ideas on how to legitimize public action with contemporary notions of entrepreneurship (Meynhardt & Diefenbach 2013; Kearney & Meynhardt, in press). Public value creation can be seen as a contemporary attempt to articulate how organizations contribute to the common good. This is resonating around the globe and is stimulating a number of different concepts (cf. Bryson, Crosby, & Bloomberg 2015).

Depending on the cultural, political, and legal context (e.g. Westminster style or German *Rechtsstaat*), the public value discourse has various responses and practical implications. A common denominator is the emphasis of a public administration's value to society and the necessity to actively "manage" within predefined levels of discretion. O'Flynn interpreted the public value discourse as "a way of thinking which is post-bureaucratic and post-competitive allowing us to move beyond the narrow market versus government failure approaches." (2007, p. 353)

As a result, ideas of networked governance, co-production, or public entrepreneurship are conceptualized as means to help better define and ultimately manage the ends of public administration (cf. Stoker 2006). In a sense, public value management is an attempt to deal with the rift between politically defined ends and administrative means, thereby rejuvenating the focus on the common good in the public sector (Crosby & Bryson 2005).

In this chapter, we provide a short overview of different perspectives within the public value literature. The main part is devoted to introducing one approach in some detail – the public value concept according to Timo Meynhardt (2009; Meynhardt, & Bartholomes 2011, 2015), which Bryson, Crosby, and Bloomberg (2014, p. 450) characterize as "an important but far less well known approach." Our aim is to show how public managers can use Meynhardt's public value approach to reflect value creation the in the public sector.

5.2 Theoretical background

5.2.1 The public value debate

Public value research as a distinct field dates to 1995, with Mark Moore's seminal book *Creating Public Value: Strategic Management in Government* (1995). Moore presented a normative theory of strategic management in the public sector, to help public managers to increase the value, to the public, of the organizations that are supposed to serve to them. His approach is somewhat analogous to a shareholder value orientation in the private sector when he asserts that "the aim of managerial work in the public sector is to create public value just as the aim of managerial work in the private sector is to create *private* value" (Moore 1995, p. 28) – at a time when the general zeitgeist was very critical of government's capacity to solve society's problems, and public management thinking was embracing *new public management* ideas, which (often) involved shrinking the state. Against this background, seeing the public sector as a value-creating mechanism was a reminder of the importance of the collective. However, Moore (1995) also points out that his work is grounded in earlier work by public management scholars such as Dwight Waldo (1948/2007), according to whom public management as being involved in political (and value-laden) dynamics.

Since the publication of Moore's book 20 years ago, the research field has evolved: Public value research frequently appears in major public management journals, and a number of special issues (e.g. *International Journal of Public Administration* 2009, *Public Administration Review* 2014) and edited volumes (e.g. Benington & Moore 2011; Bryson, Crosby & Bloomberg 2015) have been published on public value. In Germany, a special issue of the journal *Organisationsentwicklung – Zeitschrift für Unternehmensentwicklung und Change Management* was dedicated to public value in different sectors (Meynhardt 2013), and the term was included in both the *International Encyclopedia of Civil Society* (Meynhardt 2009b) and the *Handbuch zur Verwaltungsreform* (Handbook of Public Administration Reform) in Germany (Meynhardt 2011).

This approach has also been applied to public management practice, most notably in the UK, where it was embraced by the Blair administration and even became part of the BBC's mission statement (Crabtree 2004). In Germany, public value ideas were also welcomed to reconcile traditional notions of public administration and management principles imported from the private sector (Hill 2006, 2007; Meynhardt 2008, 2009a, b; Meynhardt & Metelmann 2009). Hill (2006) argued that after the *lean state* and the *activating state*, the *value-creating state* is needed (Hill

2006, p. 82). For Stoker (2006), public value could even serve as an “emerging paradigm” for networked governance.

Germany’s Federal Labor Agency (FLA), Europe’s biggest bureaucracy, has used the approach to demonstrate its value to the public, which goes beyond mere task fulfillment (Meynhardt & Metelmann 2009; Weise & Deinzer 2013). In Austria, the public broadcaster ORF systematically evaluates its activities against a public value measure (Unterberger 2013). German Schools Abroad, a highly prestigious school, evaluated its public value on a global scale (WDA 2014). Another example is the Public Value Award for public baths in Germany, which was initiated in 2010 to better appreciate and better legitimize public baths (Ochsenbauer & Ziemke-Jerrentrup 2013). The Goethe Institute applied this methodology to determine its public value creation (Meynhardt, Maier & Schulze 2010).

This wealth of published research and practical applications has made the field more diverse, and it has been noted that there is uncertainty about what public value is and what the most important elements of the public value literature are (Williams & Shearer 2011). We follow the recent categorization of major theoretical approaches according to Bryson, Crosby, and Bloomberg (2014/2015). They distinguish between *Mark Moore on Creating Public Value*, *Barry Bozeman on Public Values*, and work concerning *Psychological Sources of Public Value* by Timo Meynhardt (Bryson, Crosby & Bloomberg 2015, pp. 2-11). We will now give concise overviews of the work by the main protagonists – Moore, Bozeman, and Meynhardt (Bryson, Crosby & Bloomberg 2014, 2015). We will also describe Meynhardt’s psychological approach in more detail, since it provides the theoretical basis for the *Public Value Scorecard (PVSC)* and the *Public Value Atlas* (in German: *GemeinwohlAtlas*) we will then present.

5.2.2 Creating public value according to Mark Moore

As noted, Mark Moore’s book (1995) marked the beginning of the public value research field. Importantly, beginning Moore (1995) makes clear, at the outset, that his theory is a normative theory of managerial behavior. Thus, he is not concerned with explaining observed managerial or organizational behavior or with making recommendations for organizational issues. Moore’s focus is on what individual public managers should do. To help public managers identify opportunities to increase public value, he provides them with a strategic management framework – the *strategic triangle* – that is based on the notion that strategic management in the public sector must align three

components: First, any strategy must be substantively valuable, which means that public value is produced. Second, the strategy must be considered politically legitimate by the authorizing environment, which is composed of individuals and groups that can control flows of resources (e.g. authority, money, co-production, etc.) that are needed for achieving valuable results. Third, the strategy must be feasible in terms of operational capacity, i.e. the organization must be capable of delivering the stated results (Moore 1995, p. 71). The strategic triangle supports managers in evaluating strategies from all three perspectives and “helps them maintain a sense of purposefulness that allows them to challenge and lead their organizations toward the production of greater public value” (Moore 1995, p. 72).

Moore’s work (1995) has been generally well received, particularly concerning describing tactics and behaviors of the process of creating public value. However, there has also been harsh criticism, including questions whether it is a theory at all. Rhodes and Wanna (2007) have criticized the approach for being incompatible with (Westminster style) democracy, as public managers are given a political role even though they are not elected. In 2013, Moore published the follow-up book, *Recognizing Public Value*, which is mainly concerned with measuring public value performance. Here, he further develops the strategic triangle into his version of a public value scorecard by providing a generic public value account and concrete checklists (Moore 2013). Interestingly, to date, Moore has provided neither an explicit behavioral concept of value nor one of the public – two key terms of his approach.

5.2.3 Public values according to Barry Bozeman

In contrast to Moore’s managerial perspective, Bozeman’s work is more concerned with the societal level (Bryson, Crosby & Bloomberg 2014/2015). This is evident in Bozeman’s definition of public values as “those providing normative consensus about the *rights, benefits, and prerogatives* to which citizens should (and should not) be entitled; the *obligations* of citizens to society, the state, and one another; and the *principles* on which governments and policies should be based” (Bozeman 2007, p. 17).

A central theme in Bozeman’s approach is the idea of *public-value failure*, describing situations in which neither the market nor the state provides the necessary outputs and conditions to achieve public values (Bozeman 2002). Thus, Bozeman’s approach focuses on values held in society and whether these are met, regardless of the delivering organization’s status as either public

or private (Meynhardt 2009a, b). To consider collective values in policy-making decisions Welch, Rimes, and Bozeman (2015) propose a *public value mapping* process, a four-step process that involves the identification of public values, the assessment of public value failures and successes, the actual mapping of values, and the consideration of public value as well as market failures and successes.

5.2.4 Creating public value according to Timo Meynhardt

The psychology-based public value approach was first mentioned by Meynhardt in 2007 and further detailed in his article *Public Value Inside: What is Public Value Creation?* (2009a). Unlike Moore's (1995) and Bozeman's (2002/2007) approaches to public value, Meynhardt provides ground for a more refined conception of value: He not only anchors public value in a relational approach to values and embeds it in an ontological foundation in basic human needs, but also relates it to a notion of public that is rooted in individuals' representations and interpretations. Put simply: Public value reflects basic needs, and basic needs form the fundament for public value. In a first step, Meynhardt forms a relational notion of values (Meynhardt 2009a, 2015). He rejects both subjectivist (i.e. value is not determined by factors external to a subject or dependent on object's properties) and objectivist (e.g. values are independent of a subject's evaluation and mere characteristics of an object) conceptions. He makes this distinction by following Heyde (1926), who describes value as the result of a relationship between subject and object. Hence, value does neither exist independently of an evaluating subject nor independent of an object with certain characteristics that is evaluated. For instance, a car (object) does not unfold its qualities in a magical way without an individual (subject), who evaluates and values the qualities it brings into his or her life. The use of a car to facilitate life or its aesthetic appeal is therefore inscribed into the relationship (value), and neither rooted solely in the object nor in the evaluating subject. Values are therefore created in an active process.

But on what basis do subjects evaluate objects? Can we outline common ground to systematize this notion of value? Given this alignment of values to an individual's evaluation, we can find support in psychological basic needs theories. According to this theoretical perspective, human experience and behavior result from a set of basic needs, which human beings aim to satisfy in order to live healthily (Deci & Ryan 2000). Epstein (2003) outlines four basic needs, which are nowadays firmly established in psychological knowledge: the need for positive self-evaluation, the

need for maximizing pleasure, the need for gaining control and coherence, and the need for positive relationships. This fundamental structure underlying human personality allows us to trace back subjective evaluations. They are triggered whenever an object is *forceful* towards the basis of subject's evaluation – the four dimensions of basic psychological needs. The dimensions are displayed in Table 1, along with their central themes. Furthermore, the need dimensions are translated into basic value dimensions (Meynhardt 2009a/2015). Empirical support for the outlined structure was found in a study with Germany's Federal Labor Agency (Meynhardt/Bartholomes 2011), demonstrating that such a holistic perspective goes beyond mere task fulfillment; it appreciates the full range of being human.

Table 5.1: Relation between basic needs and basis value dimensions

Basic need for...	Translation into a motivation for... (examples)	Basic value dimension
... positive self-evaluation	<ul style="list-style-type: none"> • ... positive self-concept and self-worth 	Moral-ethical
... maximizing pleasure and avoiding pain	<ul style="list-style-type: none"> • ... consistent relationship between self and environment • ... feeling of high self-esteem (in social comparison) • ... positive emotions and avoidance of negative feelings • ... flow experience • ... experience of self-efficacy owing to actions taken 	Hedonistic-aesthetical
... gaining control and coherence over one's conceptual system	<ul style="list-style-type: none"> • ... understanding and controlling environment • ... predictability of cause-and-effect relationships • ... ability to control expectations to cause desired outcomes 	Utilitarian-instrumental
... positive relationships	<ul style="list-style-type: none"> • ... relatedness and belongingness • ... attachment, group identity • ... optimal balance between intimacy and distance 	Political-social

Source: Adapted from Meynhardt (2009a)

Against this background, Meynhardt (2009a) relates this individual process of valuation to his notion of the public. Since knowledge about the public can never be complete and depends strongly

on the evaluating individuals' experiences, Meynhardt develops the public as an internalized fiction, because people cannot but to generalize experiences and to act "as if". According to him, public value is the subjectively perceived value creation in the relationship between an object (e.g. an organization) and the public as indispensable fiction. This active public value making process is driven by the evaluating individual's basic needs. Thus, public value creation comes into being when people perceive a positive contribution to what they regard as society, societal order or those values representing it. At best, such a perception serves as a resource for the individual's life and strengthens a sense of personal identity and belonging. In this view, public value is a matter of attitudes linking the individual and society, describing the societal dimension of human life.

This approach provides a microfoundation for the public value debate by relating the construct to an ontology of being human. Furthermore, it overcomes the distinction between private and public in respect to value creation. Demands in the private sector may differ greatly from demands in public administrations. However, Meynhardt's value conception provides a basis for both sectors, regardless whether the objects being evaluated are products, services, investment opportunities, or organizations. The question then is how these objects create or destroy public value for society along the four dimensions – always in the eye of the beholder. In this vein, a new model of corporate entrepreneurship in the public sector was developed, which stipulates the public value dimensions as the primary outcome dimension (Kearney & Meynhardt, in press).

5.3 Public Value Scorecard (PVSC)

5.3.1 A management tool to measure public value creation

Following these theoretical assumptions, public value redefines how organizational behavior can contribute to individual as well as societal well-being. Therefore, the concept of public value creation offers not only a new theoretical perspective in the discourse of organizational legitimacy (Suchman, 1995), but also reveals the relationship between an organization and its public and the potential for improvements. In other words, the concept of public value can help organizations to better engage with their community and to benefit from this.

Independently of what organizations address by dealing with societal demands, their managers should measure and analyze public value drivers, understand what they should stop doing, what should keep doing and what they might start doing.

As stated before, according to Meynhardt's (2009a) conception, public value must be perceived subjectively in order to exist, and should therefore be evaluated on the same level or, as Talbot (2006, p. 7) puts it, "public value is what the public values." Thus, organizations need a tool that can be integrated into management systems in order to assess their current public value creation, as perceived by their relevant public(s). Value measurement must be linked to individuals' perceptions and interpretations, otherwise the measures would have no meaning. Yet, this approach must not be equated with measuring individual values. Public value evaluations by individuals solely indicate how individuals assess an object's public value, for instance, a certain project, action, or initiative.

The scorecard approach provides a set of measures to consider impacts in several areas simultaneously. The great advantage of a scorecard is that it provides a fast yet comprehensive view of organizational performance (Kaplan & Norton 1992). In that sense, "the scorecard brings together, in a single management report, many of the seemingly disparate elements of a company's competitive agenda" (Kaplan & Norton 1992, p. 73).

Building on Kaplan and Norton's (1992) *Balanced Scorecard*, Moore (2003/2013) also introduced a *scorecard for measuring public value*, which was basically the same as his strategic triangle. Yet, Moore's version is only concerned with organizations in the public and non-profit sectors, primarily related to a U.S. context, i.e. not considering the European traditions (Westminster style or German *Rechtsstaat*), where similar processes have long taken place.

Meynhardt (2015), on the other hand, introduces a very different *Public Value Scorecard* that focuses directly on de facto public value creation along the four theory-based basic public value dimensions: moral-ethical, hedonistic-aesthetic, utilitarian-instrumental, and political-social. Within the instrumental-utilitarian dimension, Meynhardt additionally incorporates a fifth dimension (financial-economic), since management practitioners are unlikely to accept frameworks without a financial measure. To sum up, by using the *Public Value Scorecard*, "a manager (or an institution) can now more systematically address the trade-offs between financial and nonfinancial goals and can better identify societal needs and concerns" (Meynhardt 2015, p. 157).

The Public Value Scorecard has been used in private as well as public organizations. The German soccer club FC Bayern Munich (Beringer & Bernard 2013; Meynhardt, Strathoff, Beringer & Bernard 2015) as well as Fresenius Medical Care (Armsen, Moeller, Lampe & Gatti 2013), a

leading provider of dialysis products and services, have identified their public values by using the Public Value Scorecard. Within the public sector, the FLA discovered, through the Public Value Scorecard that public value creation and customer satisfaction are not the same (Weise & Deinzer 2013). We will now outline how other public managers could benefit from utilizing this management tool.

5.3.2 How public sector managers can use the Public Value Scorecard

Public managers can use the Public Value Scorecard in various ways and in many fields. In the following, we present the five inquiry techniques on using the Public Value Scorecard, which Meynhardt (2015) presented in his article *Public Value: Turning a Conceptual Framework into a Scorecard*. The Public Value Scorecard can be applied via five different inquiry techniques: prioritizing, screening, surveying, exploring, or sensing. The data collection methods may vary but the presented five dimensions of the Public Value Scorecard always remain constant. Finally, each method provides either a public value score or a profile (Meynhardt 2015).

Version 1: Prioritizing

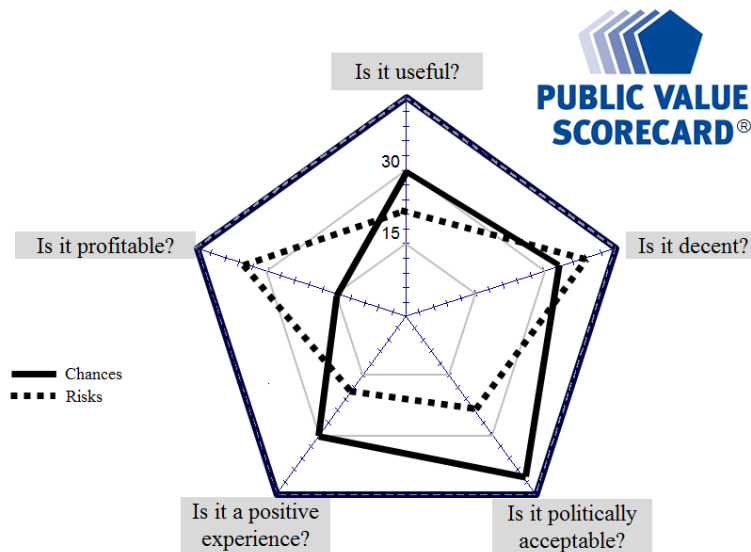
This Public Value Scorecard forces its respondents to rank the five value dimensions in a specific context concerning opportunities and risks. Thus, it presents 18 questions that refer to different situations: six questions deal with a general assessment, six address the short-term perspective, and six the medium-term and the long-term perspective. Each respondent is asked to rank each of the given value statements according to their relative importance from 5 (highest importance) to 1 (lowest importance). Together, this version of the Public Value Scorecard is based on a survey consisting of 90 items (18 x 5). Completing the questionnaire takes approximately 15 to 20 minutes. The gathered data leads to a pentagonal profile, thereby focusing management attention to perceived opportunities and risks of public value creation within the five value dimensions. The illustrating scorecard can be easily computed from the ranking results (Meynhardt 2015). Public sector managers should label the pentagonal edges according to their context and interest (see Figure 2). Typically, the defined labelling fits, but concerning public sector management issues, an adjustment of the profitability dimension may be useful.

Version 2: Screening

This Public Value Scorecard consensus in a dialogical communication setting. A common method is to set up facilitated group discussions, for instance, in workshops with specific target groups to get insights about their perceived public value creation. In such workshops, public sector managers can let participants evaluate for instance prospective projects in relation to each of the five value dimensions (Meynhardt 2015). Beforehand, it might be useful for public sector managers to characterize the value dimensions according to key indicators in the given public organizational contexts.

This screening methodology of the Public Value Scorecard has been used since 2010 to select Germany's best public bath concerning public value creation (Ochensbauer & Ziemke 2013). Besides this public sector award, the same approach has been applied for a global Public Value Award, open for any organization and student around the globe (iF 2015).

Figure 5.1: Public Value Scorecard



Source: Adapted from Meynhardt (2015)

Version 3: Surveying

This Public Value Scorecard is adapted for use in large-scale surveys. Since it is very difficult for public sector managers to force thousands of respondents to rank public value

depending on different statements, the indicators can be adapted into a question battery with Likert scales from 1 to 6, which we will discuss in some detail in the next section. Such large-scale surveys enable public sector management to ask different stakeholder groups to assess their specific public value creation and to gain comparable data. Descriptive and inference statistics may then be used to examine new relationships and dependencies of public value creation, giving public sector managers new insights into their work's worth (Meynhardt 2015).

Version 4: Exploring

This Public Value Scorecard represents a hybrid between qualitative and quantitative approaches. It builds on the value knowledge guide (Meynhardt 2004) and is the most demanding for the respondent. Its application is especially interesting and relevant for decoding the frames in which a public organization's public value is perceived. In other words, how and under which circumstances do respondents interpret the behavior of a public organization concerning its public value? Therefore, the guiding question for public management in this approach is: What makes our organization valuable to society?

Version 5: Sensing

Taking into account the new possibilities of big data analysis, this Public Value Scorecard presents an inquiry technique for social media data, such as provided by Twitter, Facebook, Google+, or blogs (Meynhardt 2015). The developed machine-learning algorithm makes public value-related content in big data visible for managers. It automatically detects given statements and interprets to what extent they are attached to the public value dimensions. Furthermore, it evaluates the statements as positive, negative, or neutral. The great advantage of such an approach for public management is its real-time sensing of public value dynamics (Meynhardt 2015).

5.4 Public Value Atlas (GemeinwohlAtlas)

5.4.1 Giving Society a voice

In 2014, the Center for Leadership and Values in Society of the University of St.Gallen published the first *Public Value Atlas* for Switzerland. The Public Value Atlas is aimed at making transparent the public value of important firms, non-governmental organizations (NGOs), and public administrations and ranks these along their public value. Following the scorecard's logic, it is designed for very large samples.

A representative sample of the Swiss population comprising nearly 4,500 people was asked to evaluate the public value of 62 organizations across various sectors – given that the respondents knew the organization well enough.

The respondents assessed each organization via an online survey along the four aforementioned public value dimensions. We used a previously validated single-item measure (cf. Meynhardt & Bartholomes 2011) to evaluate each dimension: moral-ethical (Organization behaves decently), hedonistic-aesthetical (Organization contributes to the quality of life in Switzerland), utilitarian-instrumental (Organization does good work in its core business), and political-social (Organization contributes to social cohesion in Switzerland). The respondents indicated how well each organization fulfills their basic human needs by answering the items on a six-point Likert scale, ranging between 1 (*disagree*) and 6 (*agree*). Accordingly, a higher satisfaction of personal needs leads to a higher public value (Meynhardt 2009a). The public value of one organization was calculated from the unweighted mean across all public value dimensions. All organizations were then ranked in decreasing order of their overall public value score. However, since matters of analysis differ, the Public Value Atlas allows one to reconfigure the weights of the public value dimensions. This results in a new order that is valid for the specific analysis.

The first Public Value Atlas has enjoyed broad attention throughout society, represented not only by large media coverage, but also by much interest from organizations in the study, leading to a deeper understanding of the results. Furthermore, results yielded strong relevance for society: 68% of the Swiss respondents were concerned that too little attention is devoted to the common good in their country. And those who believed that the Swiss public administration usually pays interest to the common good reported a higher life satisfaction (Meynhardt, Strathoff & Brieger 2015).

These developments paved the way for the second data collection, which followed a year later. In 2015, the number of organizations has been doubled and complemented by important multinational corporations. The subsequent results led to the second Public Value Atlas for Switzerland and allowed us to observe first developments in public value over time. Furthermore, the first Public Value Atlas for Germany was published in 2015; more than 7,800 people evaluated the public value of 127 national and international organizations, of which 16 were public sector organizations.

In both countries, the results indicated the topic's great relevance (detailed results and a detailed description of the study design are available for Switzerland at www.gemeinwohl.ch and for Germany at www.gemeinwohlatlas.de). The Public Value Atlas makes transparent organizational contributions to society by providing an empirical database for the discourse on how organizations contribute to the common good. Thus, it gives the public a voice, fosters the dialogue within society and among stakeholders, and increases awareness for public value creation. What is and is not considered to be valuable for society is left to the public's perception. The evaluation lies in the eye of the beholder; thus, it is an emotional-motivational process that is intentionally open (Meynhardt, 2009a).

5.4.2 How public sector managers can use the Public Value Atlas

Since the Public Value Atlas uncovers what organizations contribute to society and what is appreciated most about them, it stimulates reflection about an organization's place in society. The public value concept fosters a broader perspective on performance in the public sector, a perspective that is more challenging, because it goes beyond complying with given processes or meeting budget restrictions (Meynhardt 2009a). In doing so, it explicitly calls for a more active role, fostering self-initiative and entrepreneurship.

Furthermore, it confronts public sector managers with the question whether their actions bring value to society, which is far more difficult to measure than mere financial performance. The latter is one of many aspects that informs public sector managers about their value creation. Thus, it is not sufficient to solely refer to the facts – for instance the investments made – when analyzing what makes public administrations valuable for society. The Public Value Atlas provides a measure that could be translated into internal key performance indicators, which operationalize the societal perspective not captured in citizen or customer satisfaction.

There is not always a direct link between investing and creating public value. Investments made for instance to increase internal security do not automatically translate into citizens feeling safe. The value of such investments and the question whether the efforts paid off in the end, depend on the public's perception (Meynhardt 2008). Interestingly, the public value lens sheds new light also on the debate about advantages and disadvantages of modern cameralistics vs. double bookkeeping. A comparison reveals that cameralistics provides a perspective that favors public value creation more easily than double bookkeeping (Meynhardt & Schulze 2010).

Public sector managers can use the results of the Public Value Atlas as a starting point to find out whether their actions contribute to public value. It may be interesting to reflect on the public value dimensions on the organization's self-perception and its strategy. Public managers could derive fruitful hints for pertinent questions, such as: For whom do we (the organization) want to create which kind of value? Do we really create value by fulfilling our legal mandate? How can we discover frictions and tradeoffs between political goals and public value concerns? Different approaches towards answering these questions could be examined by considering the Public Value Atlas. For instance, potential results could reveal that the core business activities are appreciated by the public, but that the organization's contribution to social cohesion is considered low. Another promising approach might be to examine the dimensions from different perspectives such as age or gender differences, employment status, family status, or distance to the organization. It would allow for differentiated statements regarding specific effects of certain dimensions. We will now provide an overview of the public sector results and will discuss the results for Germany's Federal Labor Agency in some detail.

The German Public Value Atlas indicates that the public sector is highly rated by Germans: Fire department (5.72), German Federal Agency for Technical Relief (5.45), German Federal Police (5.07), Federal Constitutional Court (5.06), Die Dritten (TV program) (4.91), ARD (4.67), ZDF (4.52), Techniker Krankenkasse (4.50), AOK Baden-Württemberg (4.40), AOK Bayern (4.26), German Armed Forces (4.23), Barmer GEK (4.17), DAK-Gesundheit (4.12), Federal Government (4.07), Germany's Federal Labor Agency (3.57), and the European Central Bank (3.49).

In the overall ranking, every public sector organization lies either in the middle (7 organizations) or in the best-performing group (9 organizations) of the public value atlas. The average public value score of the public sector is 4.51. Compared to the average public value score

of all other organizations (3.76), the total difference is 0.75, resulting in an effect size of $d_{\text{Cohen}} = 1.23$. With a d_{Cohen} above 0.8, reflecting a large effect size (Cohen, 1988), the public sector outperforms the average of all other 111 organizations. Within the 16 public sector organizations, the fire department marks the peak, and is contrasted by the European Central Bank on the other end. In line with the fire department's high public value score, the German Federal Agency for Technical Relief, the German Federal Police, and the Federal Constitutional Court follow on the second, third, and fourth place, respectively. One could speculate that this reflects a strong sense for safety in the German population. In the fifth, sixth, and seventh place, the public television programs are tied together and are followed by health insurance organizations, with the German Armed Forces eleventh. The fourteenth and fifteenth places are held by the Federal Government and the Federal Labor Agency. Of the 16 organizations, only two are below the average of all organizations in the public value atlas (3.85): Germany's Federal Labor Agency and the European Central Bank. This implies that public sector managers in these organizations should consider the following: First, how public value creation can be communicated to society; second, how the own organization can contribute better to the common good than it already does.

If public sector managers use the results of the Public Value Atlas, they should consider the differentiation in the evaluation of the four public value dimensions. The German Public Value Atlas shows that contribution to social cohesion is the least appreciated public value dimension across all public organizations, except for minor deviations. This is an important finding for all public health insurance organizations. Surprisingly, this is not the case for the Federal Government, displaying its strengths in the contribution to social cohesion and life quality, but less so regarding moral conduct. The highest-rated organizations in the public sector, on the other hand, not only perform well on the moral-ethical dimension, but also on the other dimensions, and especially in performing their core businesses.

This cross-organizational comparison on the various public value dimensions reveals interesting insights for public sector managers. Based on these findings, further in-depth analyses can help public sector managers to examine how an increase of value for society can be maintained and how their efforts need to be adjusted. The Public Value Atlas offers multiple opportunities for analyzing public value performance. Besides the general results (which are presented on the websites), public sector managers can also contact the Public Value Atlas team to undergo an in-

depth analysis for their organization by considering further information based on individual-level variables that are not presented in the Swiss and German Public Value Atlas websites.

5.5 Conclusions

The public value discourse in public administration over the past 20 years indicates a renewed interest in the roles of state institutions in society. Public value thinking provides a narrative and potentially a case for a more active, entrepreneurial role for public managers. It spells out what management in a public administration would mean, both beyond the traditional Weberian idea of bureaucracy and a new public management notion that called for importing private sector models of efficiency. Public value brings the question of effectiveness to the forefront: Public administration exists owing to a legal obligation to serve and enhance the common good. In this sense, public value reminds us of public administration's reason for being.

Such a reminder was warmly welcomed in times when state institutions were under attack. However, it is not just about the idea of rebalancing and reorienting public administrations towards a positive force in society. The public value discourse calls for an understanding of entrepreneurship in the public sector, which is perhaps the biggest challenge ahead. Bearing in mind the poor performance of the Federal Labor Agency in Germany's first Public Value Atlas in 2015 it becomes clear how difficult it is to help "translating" new performance imperatives in a way that is appreciated by society – be it a communication problem or a far deeper-reaching public value challenge – is a tough top management challenge. What is at stake is far more than reputation; it is about the very license to operate in a constantly contested world of uncertainty and complexity. It has also been short-sighted to operationalize and legitimize public administration's existence only by its legal mandate. Public value asks for actual positive impacts on people's minds and hearts. It will be hard for a public administration to legitimize its operations without acknowledgement from society. It's not just a pun: public value is what the public values – it is a call to face verification by people. Who else could be the final arbiter when it comes to common good in a secularized world?

Evidently, the task at hand is to better conceptualize subjectivity's role in constructing the common good. While Moore's approach (1995) and Bozeman's framework (2002/2007) opened the doors for a public value discourse, only a behavioral foundation allows for rigorous empirical

work. Without confronting the sphere pre-rational and value-loaded dispositions, public administration runs the risk of alienation from its citizenry. Public value thinking provides the opportunity to harness the – to date often unseen – value an administration creates for society. Clearly, it provides a compass for public sector leaders concerning strategic challenges, which requires entrepreneurial spirit within a given legal mandate (Meynhardt/Metelmann 2008).

Meynhardt's theorizing may among others be a candidate to advance our understanding of how psychological factors determine public administration's impacts on our living conditions.

Public sector managers must constantly question their activities in order to understand how they can create value for society. Thus, it is important to engage in public dialogue. This should form the basis for a shared understanding of public values. What is valuable for society varies over time and across cultures. Therefore, it cannot and should not be completely determined, but – along Kant's notion – should rather be understood as a regulative idea of living together (Meynhardt 2009a). Nonetheless, we should seek out an approximation in the sense of a shared understanding of what is seen as valuable for society at a certain point in time. This is an iterative process and can only be achieved in dialogue. Schuppert (2010) suspects that public value management could be an appropriate means to frame it.

In this process, the Public Value Scorecard – among others – provides a useful instrument to weigh future decisions and analyze likelihoods and risks of public value contribution goals. Thus, building on basic human needs as a frame of reference, the Public Value Scorecard fosters a holistic view of managerial actions by considering societal needs. However, public value cannot simply be created; activities must have an impact and must be acknowledged at the individual level (Meynhardt 2009a).

Critics might argue that organization's public value cannot be recognized by the public, but who if not society is in the position to know what is valuable for society? In this view, there are no public value laymen. The Public Value Atlas condenses collective opinions and takes them to heart. In doing so, it does not dictate to organizations how to behave or how to change; nonetheless, public sector managers may see and use the Public Value Atlas as a starting point to become aware of their influence on society and to think about how they can contribute to a joint coevolution.

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