The Incentives of a Common Good Based CSR: Mission Statement as First Orientation Tool

The normative stakeholder theory is the most appealing approach toward an ethical corporate social responsibility. However, the incentives for managers to follow a normative rather than an instrumental approach to stakeholders’ management are unclear. Indeed, in both cases they have the duty to satisfy stakeholders’ interests (in the latter case with the aim to maximize profit, in the former with the awareness that stakeholders, as persons or groups, have needs and wants to be cared). The paper would find out incentives for managers to implement an ethically driven CSR by linking the stakeholders’ normative concept to the common good from catholic social teaching (Argandoña 1998). Those incentives are intrinsic and transcendent needs to be satisfied together with the virtuous cycle generated by a business oriented to the common good. However, how could managers start orienting their business to the common good? Literature on mission statement gives the answer considering it as main tool to spread ethics in business and orients firms to act in compliance with ethical principles. The aim of the paper is to find out the key elements to be included in the mission in order to ensure and measure, at least in theory, the just discussed orientation.

Keywords: Common good, Extrinsic goods, Instrumental stakeholder theory, Intrinsic goods, Mission statement, Normative stakeholder theory

Introduction

Nowadays, when visiting the website and the formal documents of multinational companies it is possible to assess how they are likely to pride themselves of their corporate social responsibility and overcoming the traditional trade-off economy-sociality (Alexander and Buckingham 2011, Frémeaux et al. 2017, Miron et al. 2011, Ruggeri et al. 2011, Semeniuk 2012).

The economic system is experiencing structural changes to connect the values of community, society and humanity as a requirement for survival and development (Miron et al. 2011). Corporations themselves are shifting from being a distinct body from society with their own philosophy, culture and policies, to be a mix of values and cultures of the community in which they operate and to which development they contribute. Responsibility, seen as dynamic process useful to harmonize the interest of various groups of stakeholders (Miron et al. 2011), leads corporations to have the duty to consider ethical and moral issues while making profit (Teraji 2009).

Nevertheless, the attention is posed on what corporate social responsibility (CSR) is and why corporations are committed to be responsible toward society. The way in which companies approach to CSR is driven by many reasons that in turn bring different effects of CSR practices on society.

Literature use to combine different approaches to CSR and gives it different meanings (Garriga and Melé 2004): as 30 years ago Votaw states: "corporate social responsibility means something, but not always the same thing to everybody" (Votaw 1972: 25).
Sometimes literature also referred to CSR as corporate social performance (Wood 1991), corporate citizenship (Zadek 2001) or sustainable business (Vogel 2005). From a shareholders-model perspective (Friedman 1970) CSR does not allow the integration between market goals and the interests of society, due to the CSR’s primary commitment to the former (Semeniuk 2012). "There is one and only one social responsibility of business to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game […] without deception or fraud" (Friedman 1970: 6).

This approach transforms individuals that participate to the business activities into an instrument to maximize principal’s wealth (Jensen and Meckling 1976): "Never mind the plight of workers – they are their own contractors, free to come and go as they please. Never mind the common good of society – that is for government to decide" (Sandelands 2008: 93).

However, concern for profit does not exclude to consider the interests of stakeholders but the satisfaction of those interests is allowed only if it can contribute to the maximization of shareholders’ value (Plender 1997).

Indeed, there are two reasons underlying the stakeholder’s approach to CSR: one that is instrumental to the maximization of shareholders’ wealth and one that is a normative stakeholders’ perspective.

The instrumental approach exploits the stakeholders’ orientation to better serve firm’s profitability. Settled in this field the legitimacy theory approach: the organization has to justify its existence through legitimate economic and social actions that do not jeopardize the existence of the society in which it carries on, nor the environment (Suchman 1995). The instrumentality behind CSR sacrifices the common interests and generate a vicious cycle that sacrifice in turn the inalienable rights of individuals internal or external to the organizational context (Melé 2009).

While, the normative stakeholder approach could be summed up in the following question "How should the firm relate to its stakeholders"? rather than "What happens if the firm relates to its stakeholders in certain ways"? (Donaldson and Preston 1995). "[…] every group of stakeholder has the right to be treated as an end to itself rather than a mean for another end" (Evan and Freeman 1988:101, our translation), thus, they have to be treated regardless of the effects on the firms’ financial performance.

If we think about CSR as an ethical practice, the normative stakeholder theory is the most appealing approach. Argandoña (1998) was committed in providing a theoretical foundation to this statement by considering the common good approach from the Catholic Social Teaching.

Since the aim is to find a non-instrumental ethics in CSR in order to integrate social and economic issues in the value creation process, why should we integrate the common good to the existent normative framework? It would be enough to address a theory according to which business has to take care of stakeholders’ needs because this is the right and ethic procedure to follow.

However, we search for the managerial incentives to follow a normative approach rather than an instrumental one, knowing that, in both cases and in impartial conditions, they have to satisfy the interests of all stakeholders involved (in the latter case by considering them as an instrument to reach profit
maximization, in the former one by considering them as persons with needs and wants to be cared).

The concept of common good makes a step forward because it puts emphasis more than only on "a fair way to treat stakeholders" even on three moral concepts strictly connected each other’s. First of all, the need to consider persons as an end to themselves rather than as an instrument for business. Secondly the possibility to generate, through work, goods aside from the extrinsic and material value of remuneration and, finally, the needed condition to be part of a community of people, interact each other’s in order to give and receive something good back.

Thus, the common good theory starts from the normative approach to stakeholders and adds intrinsic incentives for managers to behave ethically.

Take the same example of managers facing a business decision. They can choose to follow a normative approach (for example invest in a socially responsible project only with the aim to guarantee a good treatment to stakeholders, without the sureness that this investment will lead to maximize business performance) or, an approach to the common good. Choosing the latter, managers should invest in social projects with the awareness to receive back a non-economic incentive (for example an intrinsic good: the satisfaction for a good job, knowledge, intangible rewards, happiness) and with the consciousness that a business oriented to the common good will generate a virtuous cycle able to make business performance increase in the long-term.

However, how could managers start orienting their business to the common good? Literature on mission statements gives a possible answer: "firms as part of society would contribute to the common good through their specific and clear mission statement" (Melé 2009: 238).

The paper focuses on mission statement as main tool to spread ethics in business and orients firms to act in compliance with ethical principles. "The common good needs to become the focal point of the mission of business in a world that is divided and beset by every type of conflict" (Arjoon 2000: 174).

Our aim is to find out the key elements to be included in the mission statement in order to ensure and measure, at least in practice, the just discussed orientation.

The work is structured as follow: the first paragraph is committed in understanding the differences between instrumental and normative approach to stakeholder management and the importance of the common good theory. The second paragraph is a literature review on the concept of common good. The third one is theoretical analysis on the importance of the mission statement in leading firm to a common good-based CSR as well with the elaboration of

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1 For example, a firm could show in its mission statement the commitment toward employees by mentioning them, but this is not enough to confirm that it is oriented to the common good. Indeed, this commitment could also derive from an instrumental approach to CSR (employees are important as long as they contribute to the shareholders’ value maximization, so, they are considered as an instrument rather than an end).

The needed conditions (together with the commitment toward employees) is the assessment that firm is considering among the non-financial objectives selected during the mission elaboration, also the three elements previously mentioned speaking about common good: the creations of intrinsic and transcendent goods, the persons as an end rather than an instrument for business and the importance attributed to community.
hypothesis useful to define mission’s contents. The last paragraphs will be devoted to conclusion and contributions.

Stakeholders’ Management Approaches

Literature addresses to different approach to stakeholders management explaining how they can contribute to firms’ value creation. Donaldson and Preston in the early 1995 argued that stakeholder theory contains three different approaches, a descriptive approach and an instrumental or normative one, respectively addressing the following questions: What happens? What happens if? What should happen? (Jones 1995).

The instrumental approach exploits the stakeholders’ orientation in order to serve firm’s profitability. However, the instrumentality behind CSR sacrifices the common interests and generate a vicious rather than a virtuous cycle, that sacrifice in turn the inalienable rights of individuals internal or external to the organizational context (Melé 2009).

While, according to a normative stakeholder approach (Donaldson and Preston 1995) "[…] every group of stakeholder has the right to be treated as an end to itself rather than a mean for another end" (Evan and Freeman 1988:101, our translation), thus, they have to be treated regardless of the effects on the firms’ financial performance.

Having both theories, the tendency to take care of stakeholders in order to create value, which are the variables pushing managers to choose one rather than another orientation? If the mere instrumental arguments that fairness towards stakeholders contributes to firm performance is not enough to convince firms to treat stakeholders fairly (Bridoux and Stoelhorst 2014: 108), which is the incentive for managers to follow a normative approach?

Stakeholder literature has for long recognized that both normative approach (treat stakeholders fairly) (Donaldson and Preston 1995, Freeman 1984, Jones 1995) and instrumental approach can contribute to firm performance and competitive advantage (Harrison et al. 2010) if applied consistently over time (Bridoux and Stoelhorst 2014).

However, "a firm adopting a fairness approach may find it difficult to maintain the needed consistency over time in the face of certain types of change in its external environment". The orientation of the firm depends on motivation of its managers/stakeholders, and researches suggests that the motivational effect to choose one rather than another approach depends on whether managers is reciprocal (fairness oriented) or self-regarding (arms-length oriented) (Bridoux and Stoelhorst 2014: 113).

A normative approach makes managers able to act in accordance to "what is good or bad", while, the instrumentality of managers behaviors tends to come along the "effectiveness" dimension. Even if the contribution of fair managers to stakeholders’ management is not fully compensated in the form of personal benefit, they are motivated because of fairness itself.

However, there could be the possibility that managers’ fairness will result in higher employees’ efforts (Fehr et al. 1997) experiments shown.
Moreover, the use of contractual financial rewards will tend to damage the voluntary contribution of fair managers to create value, because seen as a signal of hostile intentions (Fehr and Falk 2002, Fehr and Rockenbach 2003). The use of financial incentive to motivate fair managers in stakeholders’ management will destroy rather than create value because of the lower contribution to what is needed to secure personal economic benefits: strong reciprocators are willing to sacrifice significant amount of resources to punish unfairness (Fehr and Gachter 2002).

In contrast, self-regarding managers are willing to create value only for a mere self-concern. Their actions are driven by a cost-benefit analysis and motivated by the assumptions that the traditional economic approach (agency theory for example) make about human behaviors (Bebchuck and Fried 2004).

Important the hint of Bebchuck and Fried (2004) that recognize the difficulty in maintaining feeling of fairness and equity when those feeling are not compatible with monetary incentives able to align stakeholders’ contribution and personal payoff.

Therefore, the study of Bridoux and Stoelhorst (2014) confirms that a fair manager will contribute more to value creation if the firm adopts a normative approach to stakeholders’ management, so, to corporate social responsibility processes. While, a self-serving manager will contribute more to value creation if the firm adopts an instrumental approach to CSR, that could be translated in the shareholder or instrumental stakeholder approach.

However, as said in the introduction to the work, corporations have always the duty to consider ethical and moral issues while making profit (Teraji 2009). The need now is to make them coexist and find another way to incentivize self-regarding managers to balance sociality with morality, as well as find a way to make fair manager willing to receive back incentives of other nature, as reward of their fairness.

The Common Good as Stakeholders’ Management Incentives

Osterloh and Frey (2004) suggest that the general decline and weakening of morality in the business context is due to the dynamic and systematic relation between the intrinsic and extrinsic motivations leading managers’ actions.

Extrinsic motivation and the goods that it generates reduce virtuousness shifting the focus of productive activity to the monetary reward: the end is not the activity in itself but the extrinsic good derived. This leads to the reduction of commitment for intrinsic motivation of managers/employees.

Moreover, according to Heath (2009), extrinsic incentives will not make people able to evaluate their actions from a moral point of view but on their personal interest side.

The key is to consider man as an end rather than an instrument for profit, it would allow people to behave ethically and even if those behaviors do not produce immediate effects on economic performances, they will release positive effects on community as a whole.

\[\text{Paradoxically, the last statement gives "advantage" to the instrumental approach of stakeholder management on the normative one.}\]
With this aim the common good theory (Melé 2009, Goodpaste 2017, Sison and Fontrodona 2012, Arjoon et al. 2018, Argandoña 1998) does not consider the firm as the sum of stakeholders’ interests but it exists to reach a broad interest that transcend individuals and reflects the interest of the community.

Indeed, the concept of common good appears with the social dimension of human beings (Melé 2009). Consider persons as an end to themselves leads to wonder: What persons usually would find for themselves? Which kind of goals people are likely to pursue during their life? Which are the needs people would satisfy? Happiness, self-esteem, self-realization etc. are some of the elements answering these questions and leading business studies to consider goods different from material ones. These goods are intrinsic goods (i.e. personal satisfaction for a good job, knowledge acquisition, happiness) or transcendent goods (i.e. make something good for others) and their achievement depends on the social nature of men manifested in their tendency to associate with other men within community (Argandoña 1998).

The well treatment of employees does not require costs, but it produces positive effects on employees’ wellbeing as well as the wellbeing of their families. They will surely reciprocate happiness to people who contribute to it.

A leader oriented to the common good will never destroy the economic condition of the company or jeopardize the business continuity in order to improve people happiness; however, He/She would contribute to stakeholders’ happiness finding the right boundaries to ensure simultaneously the survival and growth of the firm. If the primary focus is on profit-maximization (goods of efficiency), employees develop negative feelings toward organizations, while, adding to financial rewards the satisfaction of intrinsic and transcendent goods will bring benefits to both employees and the community as a whole, generating a virtuous cycle and positive feelings in the long-term.

The incentive for an altruist manager (not driven by a common good approach) to behave ethically is no more than its altruism, while the common good model brings the possibility to receive back intangible goods from community and generate personal growth, self-esteem etc.

A person could not growth only by giving something good to other, to accomplish a whole fulfillment he has to receive back something good from the community in which he lives.

Firm has to use resources to satisfy the intrinsic needs of its employees; it has to guarantee them a certain degree of satisfaction, knowledge acquisition etc., in order to make them willing to continue to work for the achievement of the firm’s mission, develop new skills and improve their peculiarities (Pérez López 1993) by contributing both to business and community development.

The table below (Table 1) shows the relation between managers’ attitude to behave in a self-regarding or fair way and the orientation of the firm CSR practices. As said, CSR could be driven by instrumental or normative approach and the consequence of this choice on business value creation depends on the motivations that managers have in following one rather than the other.

Fair managers (because of their attitude to behave ethically) have no motivations to implement instrumental practices; they would tend to destroy value if their only incentives were the maximization of profit for shareholders.
However, with a normative approach they would have motivations to act ethically because, searching for fairness, this would be the right thing to do. Fair managers driven by a common good CSR would add to their fairness intrinsic incentives. It means that in both a normative and a common good approach fair managers would tend to create value. While, self-regarding managers needs more than fairness to take care of stakeholders, this is the reason why a normative stakeholder approach would not fit with their behaviors. However, since a CSR oriented to the common good provides additional incentives to the value creation process, the latter would fit both kinds of managers’ behaviors.

Table 1. Managers’ Contribution to Business Value Creation According to CSR Orientation

<table>
<thead>
<tr>
<th>CSR Orientation Manager behaviors</th>
<th>Shareholder approach</th>
<th>Instrumental Stakeholder approach</th>
<th>Normative Stakeholder Approach</th>
<th>Common Good approach from Catholic Social Teaching</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair manager</td>
<td>DV</td>
<td>DV</td>
<td>CV</td>
<td>CV</td>
</tr>
<tr>
<td>Self-regarding manager</td>
<td>CV</td>
<td>CV</td>
<td>DV</td>
<td>CV</td>
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</tbody>
</table>

DV = destroys value
CV = creates value

Source: Authors’ Elaboration.

Definition of the Common Good

As Smith (1999: 625) observed, "Talk about the common good, in the twentieth century, has been all but abandoned". The difficulty in accepting the common good is linked to the dominant individualistic view of the human person. The human being has always been considered as an individual, even before forming part of any group (Sison and Fontrodona 2012).

In the academic literature the common good is largely discussed with reference to human flourishing (good life do not consist entirely in work or vegging leisure) and happiness (eudaimonia) (Finnis 1998, Sison et al. 2012, Méle et al. 2016, Harvey 2016, Ryan 2018, Arjoon et al. 2018). Others refer to the sum of those conditions of social life, which allow social groups and their individual members (from now speaking about individuals not as "bees in the hive" but as persons, Argandoña 1998) to get ready access to their own fulfillment (Argandoña 1998, Goodpaster 2017). Almost the majority of the academics agree with the need to address at the common good referring to the interaction between community good and personal good (Frémeaux et al. 2017, Melé 2016). It means that humanistic firms participate in the community goods because they allow persons to accomplish personal goods.

According to Sison and Fontrodona (2012), the common good is about the work through which human being not only produces goods and services
(objective dimension) but also, more importantly, develops technical or artistic skills and intellectual and moral virtues (subjective dimension). It concerns the consideration of tangible and intangible assets shared by individuals and the community itself, the possession of which everyone can benefit (Alexander 2011).

As highlighted by Jourdain and Chênevert (2015), one of the lacks in the organizational context leading firms to fail in their long-term orientation, is that they are not likely to monitor their culture as well as assess the alignment between the value nurtured by the organization itself and the value of its employees. In its model, Barret (2006) refers to the last three levels of consciousness of employees as common good in terms of the necessity of employees to "meet the needs of their soul". He suggests that individuals reach a middle level of consciousness in the moment in which they are able to transform self-interest (satisfy the need of their ego) for the common good: individuals begin to free themselves from their fears related to survival and start to search for love and respect (Barret 2006, Van-Eerven Ludolf et al. 2017).

Moreover, the common good is discussed with reference to social cohesion, thus compliance to social rules and order: "a mutually supportive community of free individuals pursuing these common goals by democratic means" (European Committee for Social Cohesion 2004: 3) and needs for a "new ethic of social responsibility" (:12). The participation in the life of the political community will make people able both to participate to the common good and to share its benefits (Hollenbach 2002).

The intrinsic satisfactions that occur in life must occur in an individual’s life, but in terms of causal connections, they depend on social interactions with others (Sen 2002: 85). Common good focuses on the well-being of persons and serves both corporate interests and those of the broader community in which it operates, keeping faith with its fellow citizens.

Since it concerns the treatment of human beings with respect (Cicero 2009), in the organizational context an inclusive common good is those that focus on employees’ well-being (Alexander 2011). The enhancement of the well-being of each individual/employee occurs only when there is the presence of a good that transcend the individual himself, for example the good to be a family (Deneulin 2006).

In defining the common good sometimes there is the tendency to refer to a set of means that make possible the members of society to realize their personal objectives (Argandoña 1998) rather than the intangibles reached by persons through particular social conditions and means.

The focus was on which the "common goods" really are and which are the instruments used in order to reach these sharable commons. For example, provide employees with the right working conditions to develop personal skills and cooperate, to increase their intellectual capital as well as their virtues behaviors in an organizational context, is a way to provide them with the right instruments, finally useful to reach the common goods, for example knowledge or happiness as well as their flourishing as persons. Indeed, happiness or knowledge are shared by employees to their family or people around them, without limit of spread.
The table below clarifies this relation conditions-definition, linking each contribution to the area of research to which it belongs.

### Table 1. Common Good: Conditions and Definitions

<table>
<thead>
<tr>
<th>Source</th>
<th>Conditions for the Common Good</th>
<th>Common good definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finnis 1999; Ryan 2018; Goodpaster 2017; Argandoña 1998; Mele &amp; Armengou 2016</td>
<td>Overall conditions of life in society that allow different groups and their members to achieve their own perfection more fully and easily</td>
<td>Human fulfillment/Perfection</td>
</tr>
<tr>
<td>Mele 2009; Goodpaster 2017</td>
<td>Respect for human rights, dignity and promoting human relations</td>
<td>Human flourishing</td>
</tr>
<tr>
<td>Ryan 2018; Arjoon et al. 2018; Mele &amp; Armengou 2016; Sison &amp; Fontrodona 2012; Mele 2016</td>
<td>Virtuousness; common good³</td>
<td>Happiness (eudaimonia)</td>
</tr>
<tr>
<td>Frémeaux &amp; Michelson 2017; Mele 2016</td>
<td>Interaction between community good and personal good</td>
<td>Personal good accomplishment; individual well-being</td>
</tr>
<tr>
<td>Alexander &amp; Buckingham 2011</td>
<td>Serving corporate interests and community interests</td>
<td>‘Tangible’ and ‘intangible’ assets the possession of which benefits everyone in society</td>
</tr>
<tr>
<td>Sison &amp; Fontrodona 2012</td>
<td>Work in common that allows human beings not only to produce goods and services (the objective dimension), but more importantly, to develop technical or artistic skills and intellectual and moral virtues (the subjective dimension).</td>
<td>Human flourishing; virtues</td>
</tr>
<tr>
<td>Argandoña 1998; Fahri &amp; Emine 2012</td>
<td>Benevolent leadership (ethical decision making, sense of meaning, positive impact for the community, inspiring hope and courage)</td>
<td>Shared benefits for all members of the community</td>
</tr>
<tr>
<td>Roos 2017; Figar 2016; Caldarelli et al. 2014</td>
<td>Virtuous habit of making decisions and taking actions</td>
<td>Practical wisdom</td>
</tr>
<tr>
<td>Van-Eerden Ludolf et al. 2017; Barret 2014⁴</td>
<td>Free oneself from fears related to survival</td>
<td>Meeting the need of the soul</td>
</tr>
<tr>
<td>Schiefer et al. 2017</td>
<td>Compliance to social rules and order</td>
<td>Social cohesion</td>
</tr>
<tr>
<td>Robert et al. 2017</td>
<td>Cooperation</td>
<td>Sustainability</td>
</tr>
<tr>
<td>Graves 2012</td>
<td>Higher education</td>
<td>Intellectual capital</td>
</tr>
</tbody>
</table>

Source: Authors’ Elaboration.

This work would address to the Catholic Social Teaching literature stream. Even if it does not address directly to organizational subject, it says a lot about human work, employees and employers (Marek 2015). Thus, the foundation of efficacious leadership is the ability to encourage people to achieve organizational aims, of which the first is the mission. Catholic leaders should

³ Particular is the contribution of Arjoon (2018) who considers the common good in itself not as the goal to be achieved through the right social “instruments” but as an instrument that together with virtuousness serve to reach a *higher* goal that is happiness (eudaimonia).
not strive to achieve their own benefits but should seek to ensure the common good of all members of the organization. They ought to be able to unite the staff in pursuing the mission of the company and through that to participate in building the prosperity of their employees, their families, customers, the local community and, as a result, in the development of the world. For aiming at achieving the common good we urgently need business leaders for whom profits is not the exclusive goal. (Marek 2015: 33).

"For years I have reflected on leadership and business, on those virtues and qualities making of a business a good business and of an individual a good manager. Today, I can conclude that respect for others if the key. Without respect for employees, business could not exist" [...] "I feel offended every time in which an employee is defined in the same way as it was a machine or something like that. It is instead a human being full of desire of fulfillment, made in the likeness of God. Individuals/employees are the structure of this society and I am proud for their achievements and for what they are" (Rich De Vos⁴, declared Christian leader - our translation).

The firm serves to elevate the man’s well-being, to improve its personality and make the human life’s objectives possible to be achieved, being them (objectives) ethical in nature (Onida 1971). The ultimate goal of business is to provide an environment that would allow and encourage people to achieve their goals, which, in the same time promote the common good.

It has an ethical obligation to support employees’ rights to fulfill their potential (Arjoon 2000). The Kantian vision of human relations in business according to which employees are human resources or assets of the productive process and, consumers, means useful to obtain profit, has been overlapped by the acknowledgement that employees and consumers are more than that: they are persons and as persons, they merit to be respected (Melé 2009).

As Signori and Rusconi suggest (2009), the common good has two dimensions: the first one is an internal dimension because it refers to relation of the firm with its internal stakeholders; the second one is an external dimension because it addresses to the relation between business and community⁵. Such dimensions are independent each other’s. The contribution to a particular stakeholder’s common good must be coherent to the contribution of the whole society common good (Melé 2009: 238). This is possible through the satisfaction of final users’ needs and through the creation of sustainable value for all stakeholders involved in business.

Thus, the value creation for society include human beings’ development and respect of their personality (Calleja and Melé 2016).

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⁴ Founder of Amway Corporation in 1959 and owner of the Orlando Magic NBA. 79° richest man in United States and 259° richest man in the world for Forbes.

⁵ «There could not be […] a national economy development without the development of the single cells, companies, within which the national wealth for sure is created» (Cassandro, 1969, p. 827, our translation).
Determinants to Understand Common Good behind Firms’ CSR

We now discuss the determinants that explain why mission statement can be the first step to measure the company orientation toward common good. Literature provides the right elements to understand the importance of mission and its accurate elaboration, as well as suggests the inclusion in the mission lines of some specific elements (Ireland and Hitt 1992, Pearce and David 1987, Vogt 1994) to address to in order to manage relationship with stakeholders. The paper would give a forward contribution in suggesting key mission statement’s contents that determine when the business is oriented to the common good as well as help to elaborate a right mission in order to start spreading this culture throughout the organization.

Mission Statement and Internal Dimension of the Common Good

True leaders should have a clear vision of the common good and the means to promote it and they are supposed to lead people to attain some goals and objectives. The virtue theory framework (Arjoon 2000) considers the essential elements of an organization as a tripod comprising the company’s "mission" (in this case the common good). If one of the three elements (mission, leadership and structure) miss, the entire system would collapse. Without a mission, companies’ leaders as well as the society as a whole become "vagants".

What it is required is Christian/ethical leadership from professional and business people at all levels to lead the companies back to a vision of the common good. Therefore, the role of the mission statement, that is a formal summary of the objective of the firm itself, is to orient the firm, managers and employees towards the common good (Melé 2009).

Melé (2009) observes how the common good principle provides a "compass" for social life, included the business activity: firms as part of society would contribute to the common good through their specific and clear mission statement (:238).

Moreover, he observes that a mission statement that is coherent with the common good approach it is a practical way to introduce ethics in business from the top of the pyramid (in boards of directors and management team) and, an efficient implementation of such mission, is the best way to spread ethics throughout the organization (Melé 2009).

The elaboration and the following implementation of the mission statement are realized by considering the correlation between the values of firms and the values of each single employee (Marius-Costel 2016).

The role of the mission has to be effectively that to reflect the employees’ morality (David 2014) trying to put together the firm’s values and the values of stakeholders which is identifying in it (Campbell and Yeung 1991). This relation is summed up in an "emotional link" and "sense of mission" between the organization and its workers.

These reflection captures the need for companies to develop a mission whose contents strictly refer to their need to positively approach with the
company’s employees and not only be involved in the mission to satisfy customers and external stakeholders’ requirements. This attitude towards employees is the internal dimension of the common good.

However, the most common measurement of the emotional link between firm and employees (the involvement of employees in business activity) is proposed by Allen and Meyer (1990) which distinguishes an affective relation, an emotional commitment of individuals reflected in his personal identification with the firm, and a normative relation.

In the former case, the employees’ objectives and values are aligned with the values, objectives and mission of the organization itself. Employee remains anchored to the firm because of its personal desire. This is a specific case in which the firm is able to generate common good.

In the latter case, employees remain in business because of a cost-benefits evaluation; the social cost in case of abandon is higher than the need to go. He has a sense of "duty", a social and moral pressure bringing him to such decision (Zheng et al. 2010).

Literature consider mission statement as a tool containing the main objective the firm would like to achieve and, for this reason, they consider it as a key element in order to assess if the business performance’s expectations have been satisfied (Matejka et al. 1993).

The implementation of actions suggested by the mission statements are materialized by considering specific conditions that refer to the values and virtues of the organization. Indeed, one cannot properly talk about virtues without reference to some goal (in this case the common good).

Virtues are those qualities that enable people to direct their behaviors (Arjoon 2000); such an approach identified in the moral/ethics dimension of business could be able to shape behaviors within companies and tie all actions and decisions to what has been included in the mission statement by the policy maker.

Recalling literature about which the "scope" of organization ought to be it is good to mention the work of Marius-Costel, (2016) according to which the scope of the firm has to be identified beyond it, in society as well as in the contribution that the former is able to provide to the common good.

According to the author, the long-term goal attainment of the firm starts from the publication and declaration of its own mission. Therefore, the mission statement is explained according to the potential correlation between the values' system of the organization and its identity/personality.

It is not casual the fact that the concept of "person" referred to the organization (De Geus 2002) confirm the need to reduce firms to a specific set of values. In other words, the business performances could be influenced by the kind of culture they shown (Hrebiniak 2005). It is needed to clarify the existing relation between the organizational culture and the employees’ principles and then try to align the two dimensions.

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6Represented by the author as the organizational core of the firm. It means that the firm identity takes rise from the set of values that reinforce and support the expected behaviors of the organization and its employees.
Proposition 1. A mission statement of a firm that follows a common good approach mentions its duties towards employees.

Mission Statement and External Dimension of the Common Good

The mission statement becomes essential for managing the important relation "firm-stakeholders" and the latter, in turn, expect the publication of a clear mission being it as the perfect "mirror" of the company’s identity (Leuthesser and Kohli 1997).

Bartkus and Glassman (2007) focus their works on the accuracy that the mission statement deserves towards stakeholders. The fact that this document would include or not the mention to primary or secondary stakeholders suggests how some groups of stakeholders are more important rather than others (Mitchell et al. 1997). Other works show a positive relation between the mention of specific stakeholder in different business documents (Fairfax 2006) and the mention of a specific group of stakeholders in the mission (Bart 1997a, Bartkus et al. 2004, Leuthesser and Kohli, 1997). The evident use of "stakeholder rhetoric" within business documents support the thesis according to which many firms recognize the importance to be attributed to these internal and external actors (Donaldson and Preston 1995), by generating in the meantime a strong relation between the firm’s stakeholder orientation (Freeman 1984) and its mission. It is obvious that this presence of mind implies the fact that the firm has to implement behaviors aimed to benefit such actors since their direct or indirect influence on the firm’s performances themselves; hence, the organization mission statement needs to be accepted by stakeholders as an accurate indicator of its own priorities (Bartkus and Glassman 2007).

Seeing the mission as an indicator of the company’s priorities highlights our need to consider the content of this document as a tool to measure the orientation of the firm’s CSR.

Thanks to a study conducted by Bartkus et al. (2004) on a sample of the top 100 companies belonging to Fortune 500 of the year 2001, it has been possible to highlight the frequency of the presence of some terms within the analyzed mission statements. Results demonstrate how the 63% of that mission focused the attention on customers, the 34% was oriented to the employees’ satisfaction, the 13% to the environment and its safeguard, the 19% to the protection of diversity and the 31% paid attention in writing the mission on community and the world in general (Bartkus and Glassman 2008).

The same work then would have highlighted how the most common element included within the mission would be the one most influential in the firm’s action and decision (Bartkus and Glassman 2008).

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7 Statements or speeches suggesting the importance and the commitment that the firm attributes to the non-shareholders such as for example employees, consumers and society in general. These arguments then affect many business tools such as websites or annual reports and mission statement (Fairfax 2006).

832 mission out of 100 have not been assessed because of their non-existence or non-publication.
Speaking about stakeholder’s orientation means to speak about the second dimension of the common good approach that is the external one. In this case it is assessed the role of the firm itself within community, of which employees are an integral part.

With regard to the last statement, Bartkus and Glassman have generated hypothesis according to which firms with mission statements that include stakeholder issues are more likely to successfully address these issues in practice than firms with missions that omit these issues. And more, firms with mission statements that include stakeholder issues are more likely to have successfully addressed these issues in the recent past than firms with missions that omit stakeholder issues" (2007).

**Proposition 2.** A mission statement of a firm that follows a common good approach is addressed to external stakeholders too.

### The Community as External Dimension

Naughton et al. (1996) stated that, if organizational goods are properly ordered, they could bring the right conditions necessary for human development within an organizational context where the good of persons is intrinsically connected to the good of the community.

Among them, profit is not the most important good but without profit (and other extrinsic goods) there can be no other goods: the workplace where people develop has little relevance as the organization would cease to exist. On the other hand, for example, a family need money in order to enjoy free time together and enhance the sense of familiarity and the feeling of "happiness to be a family". Money in this case is not the aim but, without money, it would not be possible to reach the final intrinsic goal that is happiness.

The intrinsic and transcendent goods are the so-called common goods because of their ability to be shared with the whole community, inside or outside the firm. Knowledge and happiness, for example, are personal intrinsic goods but even common because if men/employees want, they can share them: a virtue could be contagious.

Employees have to work together toward a mutual goal by producing a common good (cooperation) (Serenko and Bontis 2016), they have to cooperate, help and provide unilateral benefits to one another. In turn, they will receive benefits from their colleagues as part of operational routine. Organizational members would share their knowledge with others and produce an intangible goods for everyone’s advantage: "Managers should focus on the development of positive knowledge sharing culture when all employees believe they contribute to a common good" (Serenko and Bontis 2016: 689).

It is difficult to measure the common good but it is important to take consideration of it because of its wide conception of value creation and the higher contribute it could bring to CSR and to community. There could be companies that create much more value than the expected one. For example, think about training courses provided by the firm to employees, the aim of the firm is for sure to increase positive effects on stakeholder’s behaviors. Imagine
then the possibility for employees to share the benefits exploited thanks to these courses, indirectly the firm has been able to create value for the whole community.

**Proposition 3.** A mission statement of a firm that follows a common good approach shows the attention pose to the wellbeing of the community as a whole.

**A Hint to the Code of Ethics**

Moreover, to clarify norms and values in which the firms are identified (Kaptein 2004), they usually use the code of ethics. Differently from the mission statement, the code has role to let the "why" of the firm be known and declare which objectives the latter is intended to achieve (Stevens 2014). The two instruments are quietly different due to fact that the code of ethics is committed in the articulation of a real set of values and to answer the following question: "which are the moral and ethical standards within which the mission statement of the firm has to be pursued"? (Stevens 2014).

The latter question is valid when the mission does not contain ethical standards but only the kind of needs to be satisfied and the products to be produced.

Integrating the code throughout the organization means to define and give priority to corporate responsibilities using internal business policies and strategies in order to make the code as a non-separated element. The long-term performances depend on the level of involvement and of employees and on how much they feel tied to the decisive and relevant mission, defined with a clear ethically based vision (Stevens 2014). Thus, code of ethics and mission statement have a different nature being the former a "plan of action" for the achievement of the latter, in the same time it is ascertained the relation between these two documents as strategic instrument useful to set the guidelines for stakeholders’ behaviors (Hosmer 1991, Schwartz 2001, Stevens 1994, Treviño and Nelson 1995, Rogers and Swales 1990).

**Proposition 4.** A firm that follows a common good approach has a code of ethics with a section devoted to the corporate mission statement.

**Conclusion**

This paper suggests how firms have to present their "identity card" in order to be included in the list of companies able to add an intangible and often non-measurable value to their value creation process.

Corporate social responsibility, indeed, is fueled by different mental approaches paradoxically even an instrumental one such as the shareholders’ value maximization approach. The common good theory adds incentives in respect to an ethical normative theory of stakeholder, even if non-financial one. Indeed, it leads to responsible behaviors even if the latter have not immediate
effect on financial performances, they however will have a positive impact on humans’ well-being and on the community. The situation is different if it is considered the normative stakeholder approach, according to which ethical behaviors have to occur without tangible or intangible results.

The previous paragraphs were involved in the analysis of literature useful to elaborate hypothesis to give a coherent whole. The paper takes into consideration treatment of individuals/employees as a mean or as an end to themselves, the stakeholders’ orientation of the mission and the link of the mission with the code of ethics, being the latter a plan of action for the achievement of the firm’s sustainable objective (mission oriented to the common good).

The implicit core of this paper lies in the consideration that through work humans not only “do things” but also they "do themselves". Humans need to work in order to develop themselves; otherwise, there would not be dignity for all.

As suggested by Melé in its work Meaning of work in Catholic Social Teaching (2018) persons must work because they have received skills from God and they have to use those skills for the service of others. What does it means the term "work" in the context we are focusing on? We discuss about work as a mean of caring for the environment and people, as a sense of transcendent and spiritual activity. This meaning has to be reflected in actual and future generation, to give business the right path to follow and reach a CSR that is sustainable in the long-term. "Caring" for people means to create conditions for growth and sustainability, maintaining the stability of the environment and its ethical and financial dynamism as well.

This would generate a common purpose (Argandoña 2018), something like a community of people serving other people.

Employees work for a company because it offers them the possibility to get their motivations (intrinsic, extrinsic and transcendent). It is not just getting money, they work together to have something in common. The common purpose is the common good: all people in the organization create it and all of them could benefit from it and share those benefits.

The paper has focus on Christian thought and values because, having a CSR whose roots are identified in ethics implies to have a true transcendence, the need of a real morality in pursuing the good for all stakeholders involved in business.10 Paul Polman (Unilever Chief Executive Officer) with his 10-year Unilever Sustainable Living Plan is a good example of what sustainability and long-term value creation means. He explained "I didn’t want to be seen as 'courageous' because I have simply do what it took to develop Unilever as a business that could provide employees and future employees with a purpose to engage, customers with healthier products, and communities in which it does business with reasons to support it."11

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10 The work of a mum to take care of her man and children is the best example of fulfillment reached through human work.
11 Source: Business insider.
Despite it, the mission statement of Unilever tends to confirm what known about the sustainability of its business, but does not consider employees:

"Our mission is to add vitality to life. We meet every day needs for nutrition; hygiene and personal care with brands that help people look good, feel good and get more out of life".

The reason does not lie in the lack of caring for people but probably in the lack of importance attributed to the mission statement in showing the internal dimension of common good.

Ethical social responsibility is an example that management and leadership have a wide purpose and that offer purpose means to offer people a meaning for work. The latter in turn, is important for the development of society as a whole. The right for companies is to invest in their people and ask them what they need and what they expect from their job, this will lead them to create a sense of identity, a sense of purpose and a meaning for life.

Contribution to Theory and Practice

The contribution of this article is that to understand the non-material incentives behind a CSR oriented to the common good and suggest the elements of the mission statement in order to assess this orientation. The paper gives its contribution to both theory and practice.

Concerning theory, the contribution is to literature committed in assessing common good in business. Literature actually suggests the importance of mission statement in understanding the firms’ common good orientation. Here the words of Melé: "firms as part of society would contribute to the common good through their specific and clear mission statement" (2009: 238).

However, anyone has focused on the elements that have to be included for its elaboration.

Moreover, the paper contributes to assess the double effect of the common good approach to CSR both on self-serving and fair managers’ behaviors.

For practice:

1. The paper is addressed to managers who would like to be oriented to a good governance, based on pure ethical principles and objectives, but do not take into consideration yet the importance of the mission as starting point to show this aim internally and externally.
2. The paper is address on potential investors; given the higher importance of the common good orientation in productive context, they could be able to distinguish companies according to this characteristic.
3. The paper is addressed to consumers, always much more interested in how companies produce and how they treat employees. To confirm the latter statement, a not-for profit organization in the United States has launched the worthy Free2Work campaign, that put companies in front of the requirement to respect higher humanity standards in order to incentivize them for a positive cultural and ethical change.
4. The paper is addressed to agencies who are involved in rating companies according to their degree of social responsibility and sustainability; they would have to include among the variables of measurement also the mission statements’ evaluation according to the suggested criteria.
5. The paper is addressed to the company itself. Corporate social responsibility improve company reputation, and, being recognized through the mission to have a real CSR based on ethics and virtues would surely generate a positive word of mouth.

6. Socially responsible firms are more likely to have internal anti-corruption practices and so they are more likely to come clean. Good relations with communities, employees, responsible products etc. are mostly associated with lower fines; so, the paper is addressed to regulators who could go easy on those companies.

7. Finally, the paper has to sensitize academics on the issues discussed in order to be sure that future generations will benefit from higher education on what concern ethics and virtues in business. They have to be educated about financial issues without never forgot to balance social and economic needs.

Important to highlight is the need to implement a second step in evaluation, so the limit of this work and its future development. The indirect measurement of the common good orientation through the mission statement has to be followed by a direct measurement of the real implementation of what is shown in the mission. This in order to make of the common good not only an ideological line to be followed but also a real implementation practice throughout the organizational context.

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