

EXPLORING  
THE PARALLELOGRAM OF RESPONSIBILITIES

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## **ABSTRACT**

Businesses are facing the challenges of a shortage of highly skilled workforce and shifting demands for corporate social responsibility for employees. Research has shown that a lack of fulfilling employees' needs leads to a gap in employee engagement, which eventually causes employee turnover costs. To avoid these costs and maintain a competitive workforce, businesses must find a different way to approach the needs of employees and the rising demand for CSR. This study aims to find a new approach for addressing the satisfaction of employees' needs through CSR strategies. Thus, his research will try to find an answer to the question: Is it possible to find a positive reciprocity between a strategic CSR approach addressing employees and the satisfaction of the employees' needs in order to increase employee engagement?

Based on the literature review on Maslow's Hierarchy of Needs and Carroll's Pyramid of CSR and the factor employee engagement, two case studies were conducted with a qualitative research method of semi-structured interviews and analysed based on determined factors. The analysis of the interviews indicated the existence of a positive as well as negative reciprocity within the Parallelogram of Responsibilities, which was derived as a new model approach derived from the findings of the literature research. The results indicate that a high satisfaction of needs lead to a high demand of CSR responsibilities. On this basis it is concluded that businesses, who want to attract and maintain a highly skilled workforce, need an implemented CSR strategy regarding employees.

**Keywords:** Double Pyramid, Parallelogram of Responsibilities, dynamics of CSR and employee motivation, interferences of Maslow and Carroll

### **JEL Classifications:**

M1 Business Administration

M14 Corporate Culture • Diversity • Social Responsibility

M5 Personnel Economics

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## RESUMO

As empresas enfrentam atualmente desafios resultantes de um número cada vez menor de mão-de-obra altamente qualificada e a necessidade de responsabilidade social corporativa das gerações futuras. Uma pesquisa mostrou que a insatisfação dos funcionários leva à falta de envolvimento dos mesmos, o que geralmente gera custos associados à alta rotatividade. Para evitar estes custos e manter uma mão-de-obra competitiva, as empresas devem encontrar uma forma diferente de encarar as necessidades dos seus colaboradores e a procura crescente por RSC (Responsabilidade Social Corporativa). O presente estudo visa encontrar uma nova forma de satisfazer as necessidades desses colaboradores através de estratégias de RSC. Portanto, este estudo tentará encontrar a resposta para a pergunta: É possível obter uma reciprocidade positiva entre estratégias de RSC direcionada aos colaboradores e satisfazer suas necessidades visando obter maior envolvimento? Baseado nos estudos da Hierarquia das Necessidades de Maslow, a Pirâmide da RSC de Carroll e os fatores de envolvimento dos funcionários, dois estudos de caso foram conduzidos com um método de pesquisa qualitativa de entrevistas semi-estruturadas e analisadas com base em fatores determinados. A análise das entrevistas indicou a existência de uma reciprocidade tanto positiva quanto negativa no Paralelogramo de Responsabilidades, que foi derivado como uma nova abordagem modelo, vinda das descobertas feitas na literatura. O resultado indica que aumentar a satisfação das necessidades leva a uma maior procura por RSC. Com base nisso, conclui-se que as empresas que desejam atrair e manter uma força de trabalho altamente qualificada, necessitam de uma estratégia de RSC direcionada ao seus colaboradores.

**Keywords:** Pirâmide Dupla, Paralelogramo de Responsabilidades, dinâmica da RSE e motivação dos funcionários, interferências de Maslow e Carroll

**JEL Classifications:**

M1 Business Administration

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## **1. INTRODUCTION**

### **1.1. Employee Engagement in Times of Competition for Highly Skilled Workforce**

The “war for talent” is a vital challenge for corporations nowadays in order to pursue successful and sustainable business in the future. Factors like demographic change and globalised employment markets intensify the competition of companies to attract and retain the best workforce (DDI, 2015). Especially highly skilled specialisations like for instance in the IT sector have a high leverage for demanding a better work-environment. In addition to the competition of skilled workforce, several studies about employee engagement show that a lot of business potential is not unfold through low or disengaged employees: 85 percent of employees worldwide are not engaged or are actively disengaged in their job (Gallup 2017) whilst the higher engaged the employees the higher the performance of an organisation (DDI, 2015). Not only are organisations confronted with the challenges of attracting the best workforce, they also must find solutions for improving the overall employee engagement in order to increase the business performance. To replace the current strong generation, which will be retired by 2030, with a specialised and qualified workforce of the younger generations it becomes necessary understanding why and how the demands of the employees will change and how they can be met most efficiently to maintain an engaged and hence competitive workforce. At the same time the needs of society regarding Corporate Social Responsibility (CSR) activities are on the rise: 79 percent of Millennials expect business to improve their CSR efforts (Cone, 2017b) while being a good employer is the number one priority for positive CSR activities for both the Gen-Z and the Millennial generation (Cone 2017a). Another study found that American consumers prioritise companies with the reputation that they are responsible (86 percent) and caring (85 percent) (Porter Novelli, 2018). So how can organisations react to those trends?

### **1.2. Research Problem & Question**

The future challenges businesses will face through a shortage of highly skilled workforce will lead to the problem on how to acquire, retain and thus engage employees? The trends for CSR activities addressing the employees’ welfare require business organisations to implement new CSR strategies. Bringing the two challenges of a high competition in highly skilled labour markets and a raising demand for CSR regarding employees together, forms a new opportunity: When the lack of employee engagement can be connected to a lack of CSR activities arising

the question if an implemented CSR strategy reinforces and increases the level employee engagement?

One attempt of investigation how CSR activities can increase employee engagement will be conducted with this thesis through two similar models which will be connected: Maslow's Hierarchy of Needs (Maslow, A., 1954) and the responsibility of businesses based on Carroll's Pyramid of Responsibilities (Carroll, A., 2016). Both models are well-known in their fields and similar in their display as pyramids and have several similarities which indicated a potential connection. This connection led to the idea of the "Parallelogram of Responsibilities", which is supposed to give insights on how to use CSR strategy in order to increase employee engagement.

### **1.3. Research Method**

In order to answer the research questions a proper research method must be determined. The analysis will be executed with the qualitative research method of semi-structured interviews, conducted in two companies and hence analysing two case studies. The responses of the interviews will be transcribed and coded according to relevant criteria in a factor analysis. The results will be displayed, ordered by the cases and research questions, followed by a cross analysis. The overall results will then be discussed with the findings from the literature research.

### **1.4. Thesis Structure**

Starting with the literature research, the reasons for the employee engagement gap will be examined based on recent studies related to this field. After a detailed evaluation of the motivational theory of Maslow, these findings will be projected to Maslow's pyramid of needs. Within this projection several recent studies will explain how Maslow's theory is connected to employee's current needs and what is necessary to fill these gaps in order to increase employee engagement. During the second part of the literature review the concept of Corporate Social Responsibility will be explained with a focus on a stakeholder management approach. Resulting the concept of Carroll's Pyramid of CSR and its effects especially on employees will be presented and eventually mapped with how CSR activities can affect employee engagement. Deriving from the key findings of both models in the context of employee engagement the model of the "double pyramid" will be explained. The idea will be presented, if a reciprocity can be found based on similar effects between both pyramids and will be explored how using this reciprocity might be an opportunity to increase overall employee engagement and therefore business performance. Following with identifying the research gap and formulating the accurate

research questions under the idea of the “Parallelogram of Responsibilities” the interdependencies will be analysed through the presented research methods. During the analysis, the results of the factor analysis will be presented in order of the main and sub research questions, analysing each case individually and finally analysing the overall findings in a cross analysis. Eventually the results of the analysis will be discussed with the findings from the literature research and lead to the final answer of the research questions. At last the whole work will be summarised in the conclusion where the main findings will be stated and a statement of contribution to research will be given. Eventually the limitations of this thesis will be reflected and a potential for further research is given.

## **2. LITERATURE REVIEW**

After giving a first introduction into the issue of employee engagement and the structure of this thesis, the following chapter of literature review will give elaborate information about the current state of research, sorted into the three different parts of employee engagement, Maslow's hierarchy of needs and Carroll's pyramid of CSR. After the theory is presented, the research gap will be detected for further assumptions of relevant research in the next chapter.

### **2.1. The Employee Engagement Gap**

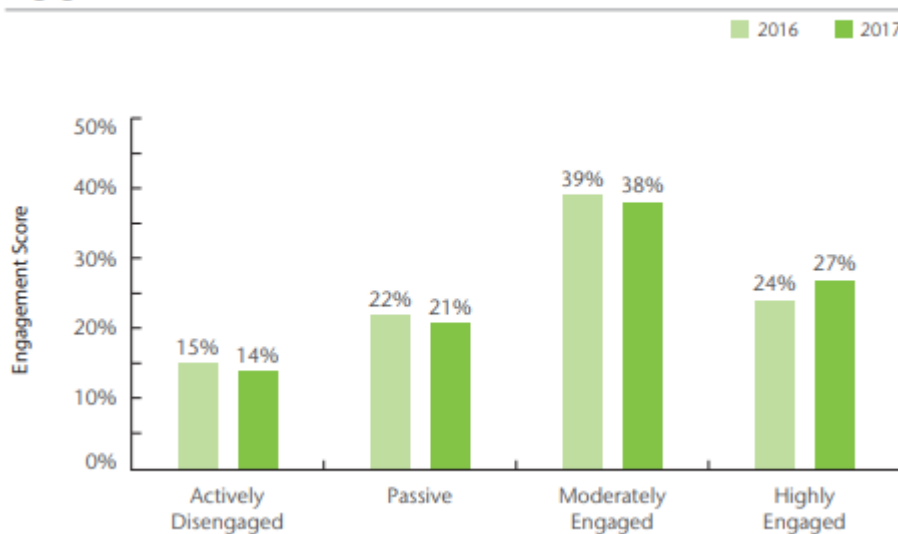
One of the main challenges modern businesses have to face today is the attraction and retention of a skilled and engaged workforce. Employees are the key driver of success and the organisations' performance: "...the quality of an organization's talent, its passion and commitment, is nearly impossible to replicate. Engagement is the fuel that drives the value of intangible assets." (DDI Inc., 2015), employees and their talent are therefore a competitive advantage for a successful company. Employee engagement is a very important factor in modern management and leadership: a satisfied and motivated workforce will be highly productive and therefore improve the organisational performance (Kaur, 2013). As already mentioned in the introduction, the workforce market is highly competitive because companies understand the impact a productive workforce has. Through the factor of demographic change the competition of companies retaining the most productive workforce increases (DDI Inc., 2015). One way to have a competitive workforce is to attract and hire talent, another way to increase performance is through employee engagement.

As Mirvis states that employee engagement is not only a competitive advantage in recruiting and retention and a more effective human resource management (Mirvis, 2012) but also refers to the Tower Perrin Global Workforce Study 2007-2008, which demonstrates that there is a strong relationship between employee engagement and a company's stock price, income growth, and overall financial performance (Tower Perrin Global Workforce Study 2007-2008 cited in Mirvis, 2012). Several studies about employee engagement show that there is a lot of room for improvement when it comes to engaging employees and therefore increasing their performance: Aon's research in 2018 "Trends in Global Employee Engagement" with more than 8 million employee responses in 2016 and 2017 in more than 1,000 companies around the globe, proves that in 2017 only 27 percent of employees are highly engaged, whilst on the opposite 38 percent are moderately engaged, 21 percent are passive and 14 percent of employees are actively disengaged (see Figure 1). In turn, across 155 countries the collected

data from Gallup indicates that only 15 percent of employees are engaged, while 67 percent are not engaged and 18 percent are actively disengaged (Gallup Inc., 2017). Those actively disengaged employees are a high risk for every business. Not only are these employees less productive than engaged employees, additionally they are more likely to leave the company for a better job. Aon plc. introduces their findings from their “Workforce Mindset Report” in 2016 with the fact and resulting question that “of the 52 percent who would leave their current company for another job, 44 percent are actively looking. Consider the impact that kind of turnover could have on productivity and company culture - as well as the cost to replace lost talent.” (Aon plc., 2016: 1).

Summarising all results, companies have to face the huge challenge of increasing their employee engagement in order to stay competitive and avoid opportunity cost though lost talent. At the same time this factor is a great opportunity for employers. If they are able to evaluate strategies of how to unfold the potential of a higher employee engagement, they will increase their business performance with the same workforce, that is currently disengaged or passive.

**Engagement Profiles: 2016 vs. 2017**



*Figure 1: Engagement Profiles: 2016 vs. 2017 (Aon plc., 2018: 7)*

In order to find potential strategies how to increase employee engagement it might be interesting having a closer look into the definition of engagement. DDI Inc. (2015) defines engagement as: “the extent to which people enjoy and believe in what they do and feel valued for doing it.” (DDI Inc. 2015:2). Gallup Inc. (2017: 22) describe engaged employees as “highly involved in and enthusiastic about their work and workplace. They are psychological “owners,” drive performance and innovation, and move the organization forward.”. Forbes.com defines: “Employee engagement is the emotional commitment the employee has to the organization and

its goals.”<sup>1</sup>, which indicates that engagement includes motivation, satisfaction and commitment and goes one step further to claim that the employee becomes fully engaged with his work and workplace. Gallup’s research shows that, across industries and countries, teams with highly engaged members are, on average, 17 percent more productive than those with lower average engagement. (Gallup 2018b: 7)

In order to find factors on how to improve the work and workplace for employees, so they have the space and motivation to become actively engaged, the current situation has to be analysed. What factors are missing, and which needs have to be met, so that employees become more engaged. The following chapter will examine this question first on the basis of Maslow’s motivational theory and second under the perspective of corporate social responsibility.

## **2.2. Maslow’s Hierarchy of Needs**

Originally published in 1943 in his paper “A Theory of Human Motivation”, the psychologist Abraham Harold Maslow first presented his motivational theory of the “Hierarchy of Needs”. This hierarchy of needs was later visualised through the well-known pyramid (as is displayed in Figure 2) and, until today, has had a considerable impact on management and educational theory (Frame, 1996). “Indeed, the powerful visual image of the pyramid of needs has been one of the most cognitively contagious ideas in the behavioural sciences.” (Kenrick et al., 2010: 292).

Though various factors of Maslow’s theory are criticised and are endeavoured to be falsified as well as verified, his idea was ground breaking in reference to time and perspective: As one of the first psychologists Maslow focused his research on the human potential rather than on psychopathology (like e.g. Freud) and presented a positive theory of human motivation, which he revised through the years of his research (Maslow, 1943). It should be emphasised that the hierarchy of needs was and is a theoretical concept and not a definite, rigorous nor universal law on human motivation (Maslow, 1943). Motivational theory is until today an ongoing, complex field of research.

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<sup>1</sup><https://www.forbes.com/sites/kevinkruse/2012/06/22/employee-engagement-what-and-why/#5cc6d0d67f37>



Figure 2: Maslow's Hierarchy of Needs (illustration according to McLeod, 2018)

In the following chapter, Maslow's pyramid of needs and its evolution, as well as common criticism and its validity, will be presented and discussed. Through various literature the model will be evaluated and referred to its contemporary relevance. Eventually, the theory will be mapped with research about the needs of employees in their context of employee engagement.

### 2.2.1. The Pyramid of Needs

Originally divided in five stages, Maslow's hierarchy of needs was introduced as a motivational theory which implies that human beings will naturally try to aspire fulfilling certain groups of needs in a hierarchical order. Displayed in the form of a pyramid, which underlines their character of prepotence, meaning that a lower group of needs has to be satisfied to some degree before the individual will start to aspire to meet the next level of needs (Maslow, 1943; Frame, 1996; McLeod, 2018).

Since the word and concept of 'need(s)' are crucial for further discussion, its relevance and meaning will be briefly explained. While Maslow used drive and need seemingly as synonyms (referring himself to the limitation of lack of redefinition (Maslow, 1943)), this context will follow the drive theory approach: drive is defined as "an activity of the total organism resulting from a persistent disequilibrium" (Seward and Seward, 1937: 349 cited in Taormina and Gao, 2013: 156), which results from an insufficiency of a certain thing. Meaning that first a disequilibrium appears, something is 'lacking', the need to find an equilibrium arises and leads to the drive to take the action to restore the equilibrium which eventually leads to the satisfaction



of the need (Taormina and Gao, 2013). “This means that it is not the feeling of need that should be correlated; rather, it is the satisfaction of the needs that should be correlated”. (Taormina and Gao, 2013: 157). What Maslow calls the “degree of relative satisfaction” is thus important, that though the word “need” will occur as the motivator, but eventually the satisfaction of the need is the important outcome; “Every drive is related to the state of satisfaction or dissatisfaction of other drives” (Maslow, 1943: 370). Hence, the fulfilment of needs has three major steps: from acknowledging the disequilibrium (current state), resulting in the need of changing the disequilibrium towards the fulfilment or equilibrium which then should create the drive to take action which finally leads to the fulfilment in form of the re-gained equilibrium.

The first and basic level of needs are *physiological needs*, like oxygen, food (or more specific macro- and micronutrients), water, constant temperature and sleep. Needs which are biological requirements to sustain basic body functions and therefore survival. The absence of things that meet the physical needs will eventually lead to physical death of the organism (Taormina and Gao, 2013). Therefore, Maslow considered all other needs as secondary and physiological needs as the most prepotent of all needs (Maslow, 1943; McLeod, 2018). If all needs of an individual are deprived, the search for satisfaction would always start on the physical level (Maslow, 1943; Jerome, 2013). In most modern, peaceful societies deprivation of physiological needs no longer exists and thus is no longer a motivator itself. Though it is an interesting factor for understanding motivations through generations: when dominated by a certain group of needs, the perception of future of a deprived organism changes (Maslow, 1943). This means, that while generations of war were satisfied with a life without hunger and in safety, later generations create a different vision, because they never felt the lack or deprivation of the basic needs and strive for the satisfaction of higher groups of needs. “Each succeeding generation was expecting more from business and life” (Carroll, 2015: 88).

“It is quite true that man lives by bread alone — when there is no bread. But what happens to man’s desires when there is plenty of bread and when his belly is chronically filled? At once other (and “higher”) needs emerge and these, rather than physiological hungers, dominate the organism. And when these in turn are satisfied, again new (and still “higher”) needs emerge and so on. This is what we mean by saying that the basic human needs are organized into a hierarchy of relative prepotency” (Maslow, 1943: 375)

When the physiological needs are mostly satisfied, *safety needs* emerge. The individual starts seeking for a secure and stable external environment, in which it will not experience harm from the outside and is able to live with freedom from fear (McLeod, 2018). Safety needs include

the need for shelter and physical integrity. While children express a direct need for physical safety due to insecurity (Maslow, 1943; Jerome, 2013), adults show a more complex set of needs regarding safety and can be defined as the lack of protection from environmental/personal/physical/financial/legal effects or everything that “make the world look unreliable, or unsafe, or unpredictable” (Maslow, 1943: 376). The degree of satisfaction on this level depends on the structural environment: in times of economic wealth the lack of a job could already cause the need for safety, while in times of war the lack of shelter will trigger the need (Taormina and Gao, 2013; Jerome, 2013). The level of need for safety, or in other words the avoidance of uncertainty, can furthermore be culturally different, as the Hofstede-Index indicates: “Countries exhibiting strong uncertainty avoidance index (UAI) maintain rigid codes of belief and behaviour, and are intolerant of unorthodox behaviour and ideas. Weak UAI societies maintain a more relaxed attitude in which practice counts more than principles.” (Hofstede Insights, 2019) While for instance Portugal scores in the UAI 99, which indicates that the need for safety regarding rules and security is a more important element for individual motivation than in Germany with an index of 65, which is still high but already tolerates more uncertainty<sup>2</sup>.

The third level of needs are the needs for *belongingness and love*. After fairly gratifying the internal physical needs and the external needs for safety, the individual starts looking for social integration and feels the needs to love and be loved and be part of a friendly and supportive social environment (Maslow 1943; McLeod, 2018). The need for social affiliation is referred to as a psychological need, and therefore not absolutely necessary for survival. Nevertheless “human beings are exquisitely sensitive to cues of social rejection, and they respond to such cues using some of the same neural circuits used to register physical pain” (Eisenberger, Lieberman, & Williams, 2003; MacDonald & Leary, 2005 cited in Kenrick et al., 2010: 296). Hence, the consequent deprivation of the need for safety and the need for belonging can have the same psychopathological consequence for the individual. Since social exclusion is considered “the most common and important cause of anxiety” (Baumeister and Leary, 1995: 506 cited in Taormina and Gao, 2013: 158). The lack of social integration will result in the natural need for attachments with other individuals or groups (Taormina and Gao, 2013). Maslow grouped all kinds of relationships (e.g. family or romantic) into this group of needs but excluded the need of sex, which he considered a physical need (Taormina and Gao, 2013).

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<sup>2</sup> <https://www.hofstede-insights.com/country-comparison/germany.portugal/>

Once striving in a loving social environment, the individual will feel the need to achieve a stable and positive *esteem*. The esteem level is classified by Maslow into two related sets: the self-esteem (esteem for oneself) which can be aspired through self-worth, mastery and achievements, and the esteem from others which results from reputation, status and respect within peer-groups (Kenrick et al., 2010; McLeod, 2018). The fulfilling sense of esteem requires the respect of others, which will be received by engaging in socially desirable behaviour, while engaging in a socially undesirable behaviour will result in less esteem from others (Taormina and Gao, 2013). As the need for belonging, the need for esteem is a psychological need, which cannot be fulfilled by the individual alone but needs some form of interaction and reaction by the surrounding society and peer-groups. When the needs for self-esteem are satisfied, the individual will show self-confidence and self-worth; is the evolution of self-esteem deprived, the individual will struggle with feeling worthy and feel inferior or helpless (Jerome, 2013).

Finally, after achieving to meet all different levels of needs to some degree, the individual has the possibility to reach the final level of needs: The need for *self-actualisation*. In this stage the individual pursues personal growth, self-fulfilment and peak experiences. In Maslow's words, self-actualisation is described as "the desire to become more and more what one is, to become everything one is capable of becoming" (Maslow, 1943: 163). The final step of evolution, as the hierarchy of needs implies, is the self-actualising personality, consecutively referred to as S.A.P (Frame, 1996). It is still not clear how people become self-actualised. During the four foregoing level of needs, it is usually clear, what the individual is missing (food/love/prestige etc.). This clarity finds its end on the level of self-actualisation because on this level the needs become so fluent and individualised, that only the individual itself can figure out how to fulfil this special need (Jerome, 2013).

While the first four needs are considered deficiency needs, the last stage of self-actualisation is considered a growth need. Deficiency needs are motivating the individual when they are not met. Due to the lack of, and therefore the need for food, sleep, belonging or esteem the individual will motivate its actions towards achieving these states. The longer these deficiency needs are denied, the higher the motivation and drive of an individual to fulfil this need. When a deficiency need has become somewhat satisfied, the drive will lead naturally towards the next level of needs (McLeod, 2018). Whilst deficiency needs disappear as long as they are met and become salient since they result from a lack of something, growth needs work in a different way: Once being able to work on the need for self-fulfilment, the individual will continue to have the desire for growth and the urge may even become stronger due to internal motivation

so that the individual is able to reach the last stage of needs: self-actualisation (McLeod, 2018). Deficiency needs are negative motives engaging in negative freedom (freedom from) whereas the S.A.P. is engaging in positive freedom (freedom to). “In this sense the motivation of S.A.P.s is just the opposite of the motivation of average personalities” (Frame, 1996: 18). Hence, the growth need of self-actualisation is not a need, since the individual is not lacking anything. The growth need is a desire for growth and the motivation continually increases the more this desire for growth is met.

Though in a hierarchical order, the levels of needs and the hierarchy is not absolute. An individual is already able to aspire the next level of needs although still working on a lower level. There is no strict line between every set of needs as there is no absolute 100 percent fulfilment of a group of needs. Maslow stated that it is a “false impression that a need must be satisfied 100 percent before the next need emerges” (Maslow, 1987: 69 cited in McLeod, 2018: 2). It is important to notice that Maslow himself emphasised that the hierarchy and its prepotency is not nearly as rigid as might be understood today. The individual peculiarity of the different needs diverges from individual to individual. This results from multi-motivated behaviour where several or all needs motivate the individuals’ behaviour simultaneously (Maslow, 1987: 71 cited in McLeod, 2018). Another important fact is that the hierarchy of needs and the individual’s urge to meet these needs is not rigidly linear. Due to external circumstances an individual might “fall down” the hierarchy temporarily and needs to work on deficiency needs again, which were already fulfilled in the past. On the long term though the individual will always “strive up” the hierarchy in order to be able to reach the last stage of self-actualisation (McLeod, 2018).

During the years of his work, Maslow expanded his pyramid regarding the differentiation of growth needs to an eight-stage model as depicted in Figure 3 (McLeod, 2018). He implemented four growth needs: *cognitive needs* where the individual seeks for knowledge through internal curiosity and looks for meaning in himself and life in general (McLeod, 2018). Following by *aesthetic needs* which motivates the individual to find appreciation in beauty and the already mentioned need for *self-actualisation* in order to realise personal potential and finally *transcendence needs*, which imply that an individual becomes motivated beyond its personal self through spirituality or service to others (McLeod, 2018). The expanded model is less known in the business environment than the five-stage model, hence in the following discussion it will always be referred to the five-stage model, implying the four growth needs summarised in the needs for self-actualisation.

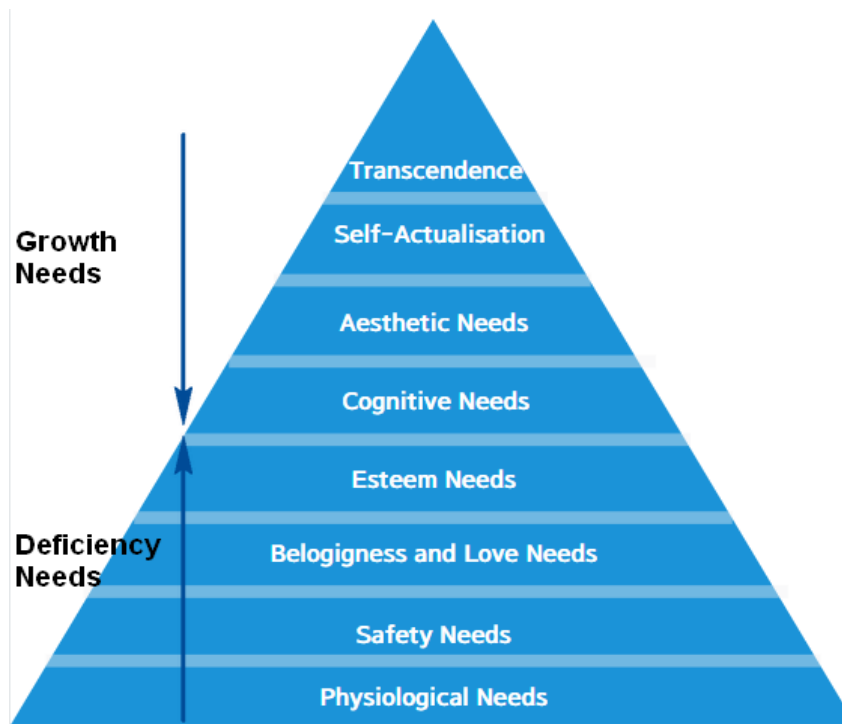


Figure 3: Maslow's Extended Hierarchy of Needs (illustration according to McLeod, 2018)

### 2.2.2. Self-actualisation

Since Maslow was interested in how individuals work in a positive way and how people reach their personal potential, his focus was set on the highest level, the level of self-actualisation. While the element “self” means an individual’s conscious and unconscious core identity, the “term “actualisation” refers to the process of converting something into what it really and essentially is” (Taormina and Gao, 2013: 160). So that the linguistic meaning of the term self-actualisation is: "the desire to become more and more what one idiosyncratically is, to become everything that one is capable of becoming." (Maslow, 1970: 46).

Every individual human being is different and aspires different goals, the level of self-actualisation is a personal and individual process. What works for one person will not necessarily work for another person, therefore the process of self-growth is an individual process. “The term self-actualisation [...] can have as many meanings as there are selves” (Frame, 1996: 15). This process is never static, since it is an intrinsic motivation of the S.A.P. The process of self-growth towards self-actualisation is a continuous and life-long process of becoming one self’s highest self and can never be completed (McLeod, 2018).

“It refers to the person’s desire for self-fulfilment, namely, to the tendency for him to become actualized in what he is potentially. The specific form that these needs

will take will of course vary greatly from person to person. In one individual it may take the form of the desire to be an ideal mother, in another it may be expressed athletically, and in still another it may be expressed in painting pictures or in inventions” (Maslow, 1943: 382–383). Though the process of self-actualisation is an individual and unique process, Maslow identified 15 characteristics of self-actualised people by studying 18 people he considered already being self-actualised (Maslow, 1970; McLeod, 2018)<sup>3</sup>:

1. Efficient perception of reality; 2. Acceptance of self, others and nature; 3. Spontaneous in thought and action; 4. Problem-centred; 5. Need for privacy; 6. Autonomy; Independence of environment; 7. Capable of deep appreciation of basic life-experience; 8. Peak experiences; 9. Gemeinschaftsgefühl<sup>4</sup>; 10. Deep interpersonal relationships with a few people; 11. Democratic attitudes; 12. Strong moral and ethical standards; 13. Philosophical, unhostile sense of humour; 14. Highly creative; 15. Resistant to enculturation

Maslow also identified certain patterns of behaviour that lead to the stage of self-actualisation (McLeod, 2018):

- (a) Experiencing life like a child, with full absorption and concentration; (b) Trying new things instead of sticking to safe paths; (c) Listening to your own feelings in evaluating experiences instead of the voice of tradition, authority or the majority; (d) Avoiding pretence ('game playing') and being honest; (e) Being prepared to be unpopular if your views do not coincide with those of the majority; (f) Taking responsibility and working hard; (g) Trying to identify your defences and having the courage to give them up.

Since self-actualisation is not an absolute process, there might be individuals do not inherit all characteristics but are still self-fulfilled, as well as individuals showing some of the characteristics but are not yet self-fulfilled. Self-actualisation is not being perfect, it is an individual continuous process (McLeod, 2018). The interesting dynamic is, that what motivates an S.A.P., demotivates and even frightens a person on a lower level of needs (e.g. uncertainty) (Frame, 1996). Until today it is still not certain, how the S.A.P. evolve. There seems to be a “quantum leap” (Frame, 1996) between the stage of self-esteem and the stage of self-

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<sup>3</sup> A more detailed description of the 15 characteristics of self-actualised people can be found in Appendix I

<sup>4</sup> ENG: corporate feeling; the feeling of community or association

actualisation: it is estimated that only 1-2 percent of a society achieve the final step to become an S.A.P. (Frame, 1996). Additionally, in our culture of consumerism, lower needs are triggered and eventually rewarded through the aspiration for rapid, basic need gratification on a purely materialistic level (Frame, 1996). As given through the prepotency of needs the reason for this “quantum leap” has to be found in the underlying level of needs, the needs for esteem.

One trait of an S.A.P. is that they choose a task for themselves beyond their personal benefit. They “have some mission in life [...] not necessarily a task that they would prefer or choose for themselves; it may be a task that they feel is their responsibility...” (Maslow, 1950/1973: 186-187 cited in Frame, 1996: 20). This underlines the different behaviour from S.A.P.’s towards freedom: “where freedom is not an escape from discipline but an internalising of it.” (Frame, 1996: 20). With this self-chosen assignment, the S.A.P. finds its meaning of life through a positive and responsible approach to freedom and independence. Hence, the evolution of becoming an S.A.P. is a logical evolvement through the hierarchy: the experience of development of consciousness is already implied in the first stage of needs and becomes clearer and stronger through the hierarchy - “the need to be rational” (Frame, 1996: 22). Referring this and the other traits of the S.A.P. character to the corporate context of workforce means that S.A.P.s are supposed to be the most profitable employees: “This is because self-actualised employees are likely to work at their maximum creative potentials. Therefore, it is important to make employees meet this stage by helping meet their needs.” (Kaur, 2013: 1063)

### ***2.2.3. Criticism on Maslow’s Model***

The major criticism of Maslow’s motivational theory regards his methodology. Maslow conducted his approach with a qualitative biographical analysis of 18 individuals, who he personally identified as self-actualised. The election of these 18 individuals was biased by Maslow’s subjective election as well as the methodology of biographical analysis is a very subjective scientific method and hence lacks validity. His sample focused on privileged, western, white males, which raises the question of transferability to other ethnic groups, females or individuals from lower social classes (McLeod, 2018). Due to the subjective and individual perception of motivational factors the validity of any data obtained is reduced in order to verify or falsify Maslow’s theory (Jerome, 2013). Nevertheless, Jerome (2013) states that Maslow’s theory, though not being fully scientific and difficult in application, has a high relevance in modern business organisations regarding organisational culture, human resource management and employee’s performance.

Another criticism is the rigid hierarchy itself. An individual might live in poverty but is still capable of love or even self-fulfilment. The most famous example might be Vincent van Gogh, who pursued self-actualisation through his painting though not being able to feed and sustain himself. “Consequently, the hierarchy is not a matter of valuing what is “important” but, rather, whether one is physiologically “deprived” of something, which, when sufficiently lacking, gives rise to the need” (Taormina and Gao, 2013: 157). Projecting this to van Gogh leads to the assumption, that he personally did not feel deprived in his primary needs, but in his individual self-actualising need for painting. Taormina and Gao (2013) were able to evaluate in their research that the “satisfaction of the lower-level need immediately below any given need in the hierarchy predicted satisfaction of the next higher-level need, yielding strong evidence for the hierarchical nature of Maslow’s theory of need satisfaction” (Taormina and Gao, 2013: 169). Thus, the hierarchy is relevant but not as rigid as it is perceived and taught. If a lower group of needs is somewhat satisfied, the higher needs emerge and the more the lower needs are satisfied, the higher the satisfaction on the next level of needs. Following this approach, the underlying reason for the “quantum leap” between the level of self-esteem and the level of self-actualisation has to be found on the level of self-esteem. Maslow himself tried to give a better understanding of the not absolute prepotency:

“For instance, if I may assign arbitrary figures for the sake of illustration, it is as if the average citizen is satisfied perhaps 85 percent in his physiological needs, 70 percent in his safety needs, 50 percent in his love needs, 40 percent in his self-esteem needs, and 10 percent in his self-actualization needs.” (Maslow, 1970: 54)

A further common point of criticism regarding the applicability of Maslow’s theory is its focus on western, privileged, white males. Which means that Maslow’s theory is not applicable for women, less wealthy individuals or other ethnic groups (e.g. Eastern cultures). McLeod (2018) refers to a study conducted from 2005 to 2010 by Tay and Diener (2011) where 60,865 participants from 123 countries were analysed with a close approach to Maslow’s theory. The results show that these human needs are independent from cultural differences. Supporting the cultural generalisability, Taormina and Gao (2013) were able to find supporting data for Maslow’s hierarchy of needs in an Eastern culture, by evaluating questionnaires from 386 adults who were all ethnic Chinese. Similarly, Taormina and Gao (2013) could not find a relevant difference between male and female participants, which leads to the conclusion, that Maslow’s model is applicable to all genders and cultures.

Especially the need for self-actualisation is criticised, as it is first not a need by definition but rather a desire and secondly highly differs to see it as a common human need. Kenrick et al.



(2010) evaluated the pyramid of needs in a biological framework of life-history theory and renovated the pyramid regarding three criteria: (a) ultimate evolutionary function, (b) developmental sequencing, and (c) cognitive priority. Within their functional analysis it is evaluated “that self-actualisation is not a functionally distinct need at all” and therefore has to be removed from the pyramid. “By removing self-actualization from the pyramid, we simply recognize that its privileged position cannot be compelled nor justified by the functional logic of human evolutionary biology” (Kenrick et al., 2010: 298). Replacing self-actualisation with the three reproduction needs “mate acquisition”; “mate retention” and “parenting”, they point out “that no human need can be meaningfully separated from biology” (Kenrick et al., 2010: 297). Furthermore, in their analysis they conclude that “human displays of creative and intellectual capacities are directly linked to reproductive success” (Kenrick et al., 2010: 298). The importance of the reproduction process as self-actualisation is also evaluated by the research of Taormina and Gao (2013) who found out that the demographic of “number of children” is a positive predictor in the regression of self-actualisation satisfaction. Secondly in their analysis of the pyramid, Kenrick et al. (2010) changed the display of the hierarchy itself as is presented in Figure 4. “Rather than depicting the goals as stacked on top of one another, we instead depict them as overlapping” (Kenrick et al., 2010: 293). This adaptation reflects their analysis of life-history theory and the reference that humans are an iteroparous species, who mate repeatedly during a life span and therefore continue to require basic need fulfilment (Kenrick et al., 2010). Hence, the overlapping triangles visualise that developmental needs are added to existing needs, rather than replace them (Kenrick et al., 2010), which at the same time supports the idea of relative prepotency of Maslow’s original theory, that basic needs will not just disappear after they are met. They must be continually considered and continually gratified, so that the lower and the higher needs are satisfied in a continuously balanced way.

Following the findings of Maslow’s theory and the criticism as well as measures of verification of this particular model, which were evaluated through this chapter the following key points can be concluded: The hierarchy of needs is a valid concept in the evolutionary, commune, individual, cultural, and gender perspective, while the prepotency of the different level of needs is given in a relative way: the more the underlying group of needs is met, the more the next group of needs can be fulfilled and the more a group of needs is fulfilled the less it motivates. While model and the occurrence of prepotency should be projected and considered in the

individual's context and if issues occur in the development within the hierarchy, the problem has to be found in the underlying group of needs.

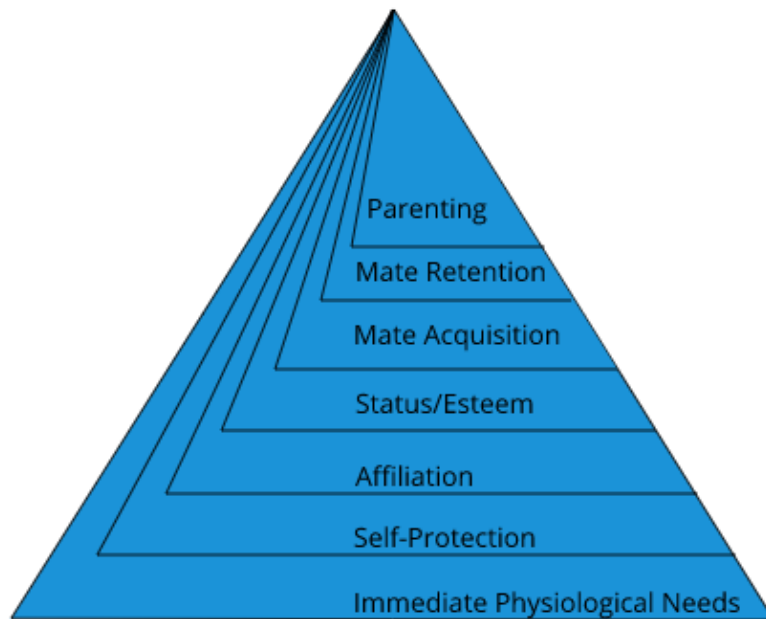


Figure 4: Hierarchy of Human Motives (illustration according to Kenrick et al., 2010)

As the last stage of S.A.P. is a highly individual process and differs not only by its definition as a need (as it actually is a desire) but also in the expression of the individual itself.

#### ***2.2.4. Maslow and Employee Engagement***

As already shortly referred to in chapter 2.1. employee engagement is a very important factor in modern management and leadership: a satisfied and motivated workforce will be highly productive and therefore improve the organisational performance (Kaur, 2013). Greenberg & Baron (2003, cited in Jerome, 2013) suggest that managers can lead their employees in their growth up the hierarchy of needs to become eventually self-actualised, implying that both the organisation and the employee decide on the performance of the organisation utilising a set of values through corporate culture. This indicates on the reverse side, that if the employee's needs are not reflected in the organisation's values, performance will be not as high as its potential to be: "When employees discover that their organization cares so much about their developmental status, employees will offer their best to the service of the organization" (Jerome, 2013: 42).

Thus, in order to attract and maintain a skilled, motivated, committed and eventually engaged, efficient workforce, which is one key driver for the organisation's success, the values of the organisation need to reflect the values of the employee and the other way round: the values of the employee need to reflect the company's values. Since Maslow's hierarchy of needs is a

motivational model of individuals, it must be applicable in some adapted form to the business context. Employees are at the same time individuals and need to be considered as such. The resulting question is, how can the motivation theory from Maslow help organisations and employees to find the maximum fit in order to increase the company's performance and therefore its success?

When starting their exploratory research on workforce commitment in 1997, D. Stum and his team from Aon Consulting plc. found strong parallels to Maslow's hierarchical, motivational concept. The study focused on exploring how organisations can increase employee commitment, expressing these results in the workforce commitment index through the elements productivity, pride and retention. The results indicated that it would be possible to display a pyramid of commitment needs, the Performance Pyramid (see Figure 5). While Maslow's theory focuses on the individual and its relation to itself and its total environment, the performance pyramid looks at the employee's relation to its employer and workplace, thus of the individual in its business context. The hierarchy of the performance pyramid is quite similar to Maslow: Safety-; Rewards-; Affiliation-; Growth and eventually Work/Life-Harmony-Needs.

The employees' needs for *safety*, similar to Maslow's pyramid, demand an environment that is safe from fear and intimidation. Especially in the modern, fast changing work-environment the need for a stable and secure position within the corporation is essential. The study identified that in organisations, which recently downsized, merged or have been acquired show a depression in the work commitment index (Stum, 2001). This gives the important recommendation of taking special actions in regard to the employee's needs for security, specifically in peculiar times of organisational instability and change. Carrying the employee's need for safety further, includes actions from the organisation's side referring to financial security like profit sharing or financial outplacement service (Kaur, 2013), health security through health insurance and health benefit programs (staff meals/ gym memberships) or general physical protection especially in the field of construction but also through healthy office equipment (Jerome, 2013).



Figure 5: Performance Pyramid (illustration according to Stum, 2001: p.6)

Within the next level of employee commitment, the needs for *rewards*, Stum (2001) refer to the problem that compensation and benefits have a major impact as a differentiator during the hiring process but become entitlement rather than motivators very quickly once an employee is hired. Nevertheless, rewards are crucial for the development of higher needs. These needs for rewards can be fulfilled through the recognition of employee's accomplishments as an individual or as teams (Kaur, 2013) with general positive interaction and integration of organisational culture and human resource management as well as through a promotion system that is based on achievements rather than seniority (Jerome, 2013).

Following with the third set of employee's needs, the need for *affiliation*, where the most crucial part is to have a feeling of being involved in the bigger picture. "Being part of something larger than oneself has been understood as part of human psychology for decades and translates into being more than just a "worker" when on the job." (Stum, 2001: 7). Putting this need into an operational strategy means for an organisation to define and live a strong vision and mission which is executed in an open, transparent way through strong leaders who involve employees through candid communication (Stum, 2001). This can be operationalised through socialising opportunities in form of events (Kaur, 2013), or in an environment of team spirit and feeling of acceptance (Jerome, 2013).

Successively to the affiliation needs are the needs for *growth* within the corporate environment. "Employees want opportunities to change, learn and have new experiences on the job" (Stum, 2001: 7), which exposes employers to the challenge of providing continuous organisational

growth and improvement of work processes in efficiency, effectiveness, quality and productivity and moreover the opportunity for personal growth for the individual employee as well as for teams (Stum, 2001). This can be accomplished through pre- and on-job training and coaching or through business development and customer focus (Jerome, 2013). Congruent to Maslow's last set of needs, the needs self-actualisation, employees want to fulfil their needs not only as part of the workforce but also reach their potential as a private individual within the needs for *work/life harmony* (Stum, 2001). As an essential driver for personal support is the need for "being seen as a person, not just a worker" (Stum, 2001: 8).

Similar to the results of the analysis regarding Maslow's pyramid, Aon's study showed that following a period of economic stability, the needs of employees grow through the pyramid in the sense that basic needs usually are met, and higher needs evolve (Stum, 2001). One particular interesting result of the workforce commitment study is, that the relative prepotency of the hierarchy of needs was validated: only employees, whose expectations on lower levels were met, developed higher needs such as needs for growth and work/life balance. This result permits the proposition to employers and leaders to manage the pyramid from "bottom up". This applies especially to companies which are going through forms of change like mergers, acquisitions or downsizing: even when the workforce was considered to work within a higher set of needs, in turbulent phases the lower needs have to become a higher priority again (Stum, 2001). "Building a new employee/employer social contract that enables organisations to improve employee commitment and retention is a challenge of blending some well-established truths with innovative approaches that fit new circumstances" (Stum, 2001, p.9).

Aon Consulting's survey was pursued until today within the framework of the "Trends in Global Employee Engagement" survey, which they execute on a yearly basis. In the Aon Hewitt's Workforce Mindset™ Study, conducted in November 2015, 2,009 U.S.-based employees working in companies with at least 1,000 people completing the online survey, Aon plc. evaluates the trends of employee experience within their workplace through the criteria: workplace characteristics, total reward, performance and pay. As evaluated before, a competitive workforce is essential for the overall performance of a company and therefore is one of the main stakeholders which must be given high priority in strategic management decisions (the stockholder concept will be explained in chapter 2.3.2.). In order to avoid the risk and costs of employee turnover, employers must be aware of the needs and desires of employees. Or to follow Maslow's approach of positive development: In order to have the most engaged and efficient workforce companies are ought to meet the needs and desires of employees. The trend analysis of Aon plc. is therefore a valuable indicator for future

management and leadership strategies with the goal of fulfilling the needs of their employees. In order to develop these management strategies, the current needs of the workforce first have to be identified, both needs that are already met and needs that are still desired by employees. In Aon's study this comparison of current and desired experiences was surveyed through 26 different criteria displayed in Figure 6 (Aon plc., 2016: 12).

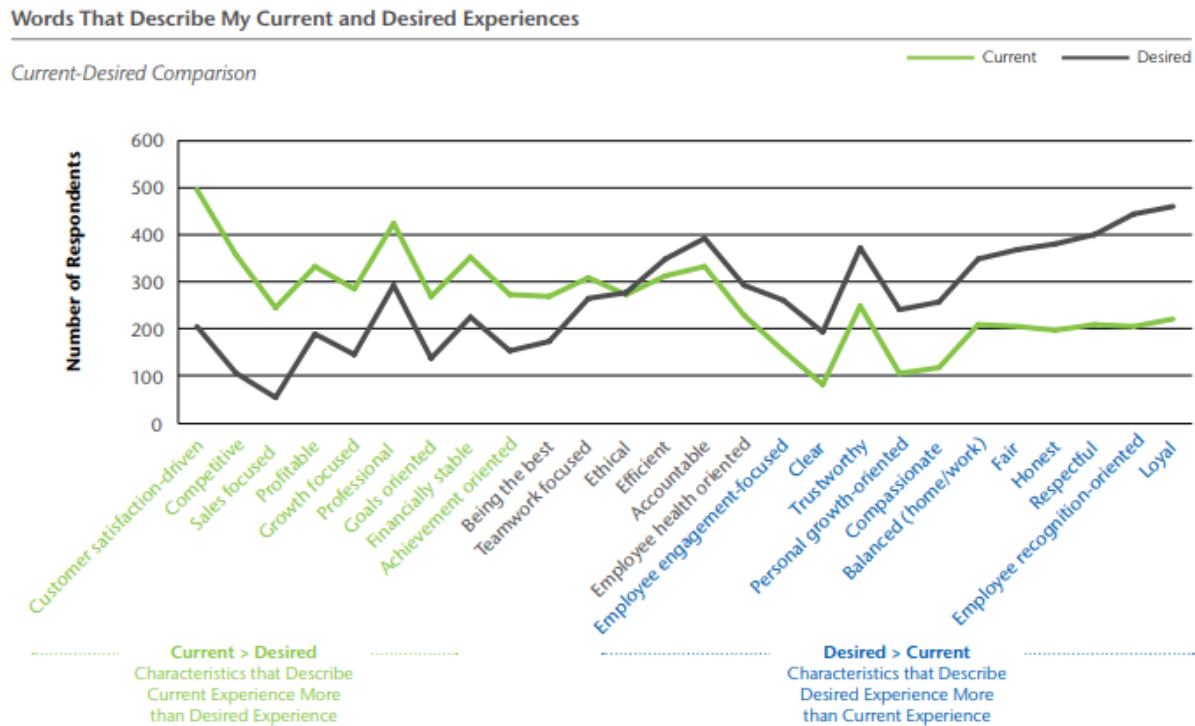


Figure 6: Current-Desired Comparison of Employment-Experiences (Aon plc, 2016, p. 12)

Reflecting the results of employee's current vs. desired experiences in nine criteria, out of 26 criteria overall, the current state is higher than the desired state, which means those needs of employees are fulfilled. Looking into these already met needs shows that they mainly focus on the direct success of the company (e.g. competitive/sales-/growth-focused/goals-oriented/financially stable) and thus the economic sustainability of the organisation which for the employee means that the workplace is safe and probably will be safe in the future. Meaning that the needs for safety are perceived as met by employees. The following six criteria in which the current state is more or less meeting the desired state are already more complex. While the need for "Being the best", "Accountable" and "Teamwork focused" can be organised in the set of affiliation and rewards or directly into Maslow's belonging and esteem needs, "Ethical" and "Efficient" are still a bit lower in the set of needs. An unethical or inefficient company might not be competitive in the future and therefore affect the need for safety. The next eleven criteria are more desired by employees than they are currently met. "Employee engagement focused" is essential for the needs of affiliation/ belonging as are "Trustworthy", "Fair", "Honest",

“Respectful” and “Loyal”, which are all positive attributes of how to live and work together in a team and therefore affects the needs for belonging and eventually for self-esteem especially the esteem from others, in this case the work environment. “Employee recognition oriented” can be sorted into the needs for self-esteem or rewards, because a not recognised individual does not feel needed and taken seriously as the person itself or its work. “Personal growth-oriented” and “Balanced (home/work)” are clearly desires for the fulfilment of higher sets of needs, for Maslow’s self-actualisation or can be sorted in Aon’s pyramid directly into the needs of “growth” and “work/life harmony”. Accordingly, these findings give a first indicator that in general the individual’s hierarchy of needs is mostly fulfilled in the lower needs like physical and safety needs, marginally met in the middle levels like belonging and esteem needs and are lacking in the higher level of needs like esteem and self-actualisation. Hence, in order to maintain a competitive, engaged workforce and avoid costs of employee-turnover, these needs have to be met through active management decisions and strategies.

So far, the very important factor of payment has been neglected in the research of how Maslow’s hierarchy of needs are reflected in the work environment and how it can affect employee engagement. As mentioned before compensation and benefits are a differentiator during the hiring process, but become less motivating after hiring (Stum, 2001). The following question is, how payment motivates an already hired employee to become more engaged. Aon plc. found out that “Employees who know what they need to do to make more money are 8X more likely to be engaged. Employees who see a clear link between performance and pay are nearly 4X more likely to be engaged.” (Aon plc., 2016: 50). This indicates that the understanding about the payment structure is crucial for the employee engagement and therefore performance which eventually leads to the factor of transparent communication from managers. Furthermore, Aon plc. discovered, that the engagement of employees also effects on how appropriate they perceive their pay. 65 percent of engaged employees see the correlation between pay and performance and 61 percent want to improve their performance based on their pay adjustment, while only 20 percent of not engaged employees see the correlation of pay and performance and only 18 percent want to improve performance (see Figure 7).

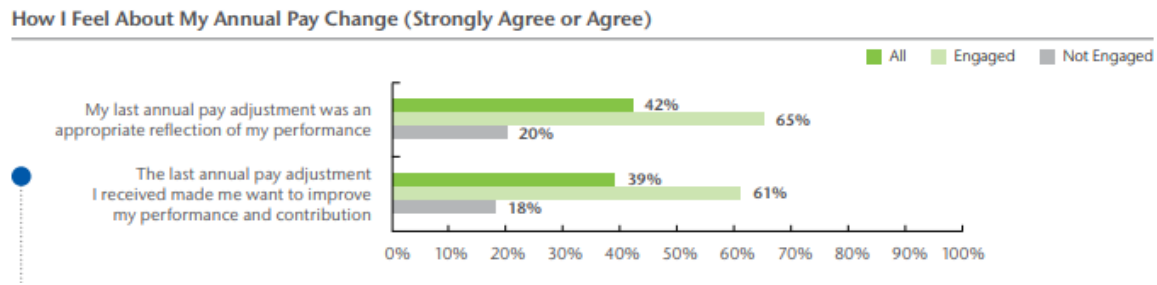


Figure 7: Pay-for-Performance Perception (Aon plc., 2016: 51)

According to these findings an increase in payment is much more efficient if given to an already engaged employee who understands the correlation between both payment and performance, since an unengaged employee is less likely to see the adjustment as appropriate or to increase performance after the adjustment. The key driver for this engagement is the understanding about the link between payment and performance and the understanding about the process in how to increase payment through performance. Furthermore, the survey detected that “Significantly, only 54 percent of middle managers [...] say they see how their performance impacts their pay. If they question the link, employee conversations about the performance-pay connection may sound inauthentic, undermine managers’ credibility, and leave employees dissatisfied.” (Aon plc., 2016: 44). This indicates that the issue of not transparent communication which leads to the gap of understanding the correlation between performance and pay, already starts at the level of middle managers, which made 41 percent of all respondents of the survey (individual contributors 53 percent, senior manager 6 percent) (Aon plc., 2016: 63). In conclusion about the motivation of payment can be said that the engagement of employees is a crucial factor for the efficiency of payment adjustments so that the focus of this thesis will continue on the factors of employee engagement and motivation, not focusing with more detail on the factor payment. Nevertheless, adequate payment is a top priority in order to motivate employees.

The factor that employees do not get enough information through corporate or middle management communication, is as severe as that 34 percent of employees feel a lack of information about the performance management process (Aon plc., 2016: 40). The survey found out that employees desire more frequent feedback conversations so that they understand how to increase their performance. Their suggestions for improvement of transparent communication are that managers should have a better understanding of their work and the performance evaluation processes should be simpler and more individualised (Aon plc., 2016: 45). This indicates a lack on the levels of motivation of self-esteem, cognitive understanding, as well as affiliation. The need for more affiliation expresses itself in the most frequent



suggestions to the question on how to make the corporate communication more effective, which are 1. strengthen the connections between the employer, employees, and customers; 2. connect the individual with the team with the company; 3. holistic, transparent communication (Aon plc., 2016: 33). All those answers indicate that the respondent employees expressing their needs on the higher level of needs, affiliation, self-esteem and even self-actualisation with the demand for more individualised processes. Employees desire to be reviewed in their individual performance and to be recognised as an individual person and its talents and as part of the holistic picture of the company. Aon's research (2016: 38) suggests: "Employers have an opportunity to define and reinforce mission, vision, and values during the goal-setting process, and ensure the "how" is measured during the performance management process and throughout the year." In conclusion, the needs of employees are to be found in the higher level of needs and with an individual and frequent approach of performance evaluation in order to find efficient ways to increase their level of engagement and therefore their individual performance.

Concluding the analysis on how Maslow's hierarchy affects employee engagement it can be said, that the pyramid can be transferred to the business environment while the pyramid can be adapted to relevant factors of the business environment (e.g. Stum, 2001). While the prepotency of needs is also given for the needs of an employee in its business environment a higher satisfaction of needs results in higher employee engagement and therefore in higher performance. While pay is a priority factor for employee engagement, payment adjustments are more efficient for already engaged employees who are more likely to understand the correlation between payment and performance and also more likely to share mission and vision of the business. Overall, employees desire a stronger connection internally and externally, a holistic and transparent communication and information, and a more individualised performance management process.

The previous chapter had a close look at Maslow's well-known motivational concept of the hierarchy of needs and how it can be transferred to the engagement of employees. After analysing various sources, it can be stated that Maslow's approach is a valid concept for the motivation of an individual as well as the employee and can also be projected to the needs of a community. The pyramid of needs is also generalisable in the factors of gender and culture. Additionally, the prepotency of the level of needs could be validated in different analyses and seems to work in a relative way in both private life and business environment where the satisfaction of a lower level of needs results in the capacity to fulfil the next level of needs. This

effect causes that the more a set of needs is satisfied, the less it motivates and the individual starts focusing its motivation on the next set of needs. Further, it causes that a satisfaction of needs and the evaluation of deficiencies through the pyramid has to be executed “bottom up”, starting with the lowest level and working its way through the pyramid until the top. Through this process it also helps to understand that a problem in the development up the pyramid is always caused by a lack of satisfaction of the underlying set of needs, which is especially important for businesses which go through a phase of merger/acquisition/downsizing and observe a decrease of the employee’s motivation and engagement. These businesses have to consider the basic needs again, although they might have been fulfilled in the past. The higher the development of the individual, the higher the consideration of the individual’s context becomes necessary, especially in the highest level of self-fulfilment where generalisation is not possible. Especially in the business environment, the levels of needs can be adapted to the specific demands of environment and still meet the validated points of prepotency and individuality. The higher the satisfaction of needs, the higher the engagement of employees and therefore the higher the performance of the business. When it comes to employee engagement, a very important factor is that payment adjustments are much more efficient for already engaged employees, who also are more likely to share the mission and vision of the company. In order to help employees to become more engaged, they desire a more individualised performance process and a more connected work-environment, where they know what they are doing, what and how the company is doing and where they feel a holistic and transparent form of communication. Following this conclusion, there has to be a correlation between the individuals’ growth within the pyramid and the mission and vision of the company which forms the businesses strategies in order to fulfil the needs of employees.

“More than ever before, I want a more human work experience.”

(Aon plc., 2016, p.12)

## **2.3. The Concept of Corporate Social Responsibility**

The following chapter is the second theoretical part of the literature review and will discuss the concept of Corporate Social Responsibility (CSR) with a focus on Carroll's Pyramid of Corporate Social Responsibilities. In order to fully comprehend Carroll's concept, a brief introduction into the history of CSR and a short description of the stakeholder concept will be given. The goal is to identify the role of employees within the business context as well as to reflect on the business' social responsibilities towards employees.

### ***2.3.1. History & Definitions***

Responsibility in and of businesses is a widely and long discussed construct, which was conceptually intensified during the past-world war era and scientifically as well as practically developed during the past seventy years (Carroll, 1999). This evolvement formed alternative thematic frameworks of which the most relevant will be presented in the following sub-chapter with regards to differentiation of common terms.

Social responsibility already existed in the past in form of individual contributions from business owners to their societies, but the conceptualisation of CSR started with the rising power of corporations (Carroll, 2008). Carroll refers to Howard Bowen as the "Father of Corporate Social Responsibility" (1999: 270; 2008: 25). Bowen initially started the discussion of business social responsibility in 1953 in his book "Social Responsibilities of the Businessman", whereas 93.5 percent of businessmen agreed to a query, "that businessmen were responsible for the consequences of their actions in a sphere somewhat wider than that covered by their profit and loss statement." (Bowen, 2013: 44). Bowen referred to social responsibility (SR) as "the obligation of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of society" (Bowen, 2013: 6). After becoming a conscious question in the fifties, the sixties were dominated by the attempt of defining the construct of CSR and raising the question of long-term profitability of philanthropic and responsible actions (Carroll, 1999). Keith Davis' "Iron law of Responsibility" became relevant that "social responsibilities of businessmen need to be commensurate with their social power" (Davis, 1960: 71) and "If power and responsibility are to be relatively equal, then the avoidance of social responsibility leads to gradual erosion of social power" (Davis, 1960: 73). This idea was brought further with Joseph W. McGuire's (1963) interpretation: "The idea of social responsibilities supposes that the corporation has not only economic and legal obligations but also certain responsibilities to society which extend beyond these obligations" (Joseph W. McGuire's, 1963: 144 cited in Carroll, 1999: 271) and

was brought another step further again by Davis: “The substance of social responsibility arises from concern for the ethical consequences of one’s act as they might affect the interests of others.” (Davis, 1967: 46). At this point, the factor of economic responsibility, which was already given as the overall goal for profit, the legal responsibility for businesses as well as the ethical responsibility towards society were brought into the conceptualisation of corporate social responsibility. Even Milton Friedman, though always considered as the biggest proponent for the “profit first - profit only”-strategy, said that the general desire of a business owner will be “to make as much money as possible while conforming to their basic rules of the society, both those embodied in the law and those embodied in ethical custom” (Friedman, 1970: 122) and hence referred to a certain form of social responsibility embedded in the responsibility for profit-maximisation. Culminating from this initiated concept, Harold Johnson brought the concept of “utility maximisation” (Carroll, 1999: 274) into the field: “A socially responsible entrepreneur or manager is one who [...] is interested not only in his own well-being but also in that of the other members of the enterprise and that of his fellow citizens.” (Johnson, 1971: 68 cited in Carroll, 1999: 274). Johnson’s thought about the well-being of other citizens could already be considered as the fourth step of CSR, philanthropy, which will be explained with more detail during the next chapter.

While during the 70s the conceptualisation of CSR went further through numerous different definitions, a major contribution to the topic came from the Committee for Economic Development (CED) which formulated a concept of social responsibility in response to the social movements of the late 1960s through concentric circles: The inner circle focuses on the basic economic responsibilities of businesses regarding products, jobs and growth; the intermediate circle comprises responsibilities of changing social values e.g. environmental conservation, fair treatment of employees and customers. The outer circle outlines further responsibilities of businesses getting actively involved in improving social environment (Committee for Economic Development (CED), 1971). Parallel the ideas of corporate social responsiveness and corporate social performance (CSP) came up during the seventies as competing ideas to CSR. Corporate social responsiveness is understood as the process of adaptation of corporate behaviour towards changing social needs and which is mainly focused on action and practices in response to societal issues, rather than proactive or intrinsically motivated as CSR (Carroll, 2015) but became a competing concept to CSR (Carroll, 2008). “With a performance perspective, it is clear that firms must formulate and implement social goals and programs as well as integrate ethical sensitivity into all decision-making policies, and actions” (Carroll, 1991: 40). CSP as corporate social responsiveness avoided the motivational

factor of CSR and only focused on the end-results (Carroll, 2015) but made CSR more accessible in regard to quantity, quality, effectiveness and efficiency (Carroll, 1999). In 1979 Archie B. Carroll first introduced his concept of CSR, differentiated in a four-part definition that society has economic, legal, ethical, and discretionary expectations of organisations (Carroll, 2008). He continued evolving his concept during the eighties and more differentiating models like the stakeholder-concept and business ethics came up (Carroll, 1999; 2008). In 1984 R. Edward Freeman published his book on stakeholder theory and while the eighties were a period of ethical scandals, business ethics became a focus point of societal expectation (Carroll, 2008). Business ethics “is concerned with the rightness or fairness of business, manager and employee actions, behaviours and policies taking place in a commercial context” (Carroll, 2015: 92). First scientific research started evolving out of numerous theories, especially regarding the factor of the profitability of CSR-actions and continued to examine the correlation of CSP and financial performance during the 1990s (e.g. Aupperle et al., 1985 cited in Carroll 1999; 2008). Furthermore, the concept of CSR started being operationalised into the practice of business (Carroll, 1999). “During the 1990s, CSR practices became commonplace, more formalised, varied, and more deeply integrated into business practices” (Carroll, 2015: 88). Additionally, during the 1990s the concept of CSR was further splintered into the concepts of sustainability and corporate citizenship (Carroll, 2008). Sustainability started with the natural concern for environment; “Development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (Brundtland Commission 1987 cited in Carroll, 2015: 92). John Elkington described sustainability through the triple bottom line: the pursuit of economic prosperity, environmental quality, and social equity (Carroll, 2015). This concept is quite logical and more neutral than the other concepts and is likely to be more accepted, even by managers of businesses who do not feel appealed by the ethical part of CSR. Nowadays sustainability is used in a very broad sense, peaking in big companies publishing their sustainability reports annually, which includes CSR activities (Carroll, 2015). In turn corporate citizenship emphasises the relation between businesses and communities, either local, regional, or even global (Global Corporate Citizenship) and focuses mostly on the discretionary part of CSR. “If you think about companies as citizens of the communities and countries in which they reside, corporate citizenship means that these companies, like people, have certain duties and responsibilities they must fulfil to be perceived as legitimate and to be accepted.” (Carroll, 2015: 93).

Entering the new century by the 2000s, the concept of CSR was taken further into empirical research on the topic and its related topics stakeholder theory, business ethics, sustainability,

and corporate citizenship (Carroll, 2008). Best practices gained awareness and CSR became a global phenomenon in which the development of consensus on business conduct norms emerged (Carroll, 2008). A socially conscious business movement started taking place:

“If one considers surveys of business practitioners, the business benefits of carefully implemented CSR policies help companies win new business; increase customer retention; improve relationships with customers and suppliers; attract, motivate, and retain a satisfied workforce; save money on operating and energy costs; manage risk; differentiate itself from competitors; provide access to investment and funding opportunities; and generate positive publicity and media opportunities.” (Carroll, 2015: 89).

Within this movement CSR became a tool not only to integrate a responsible approach to business but also to expand the idea of CSR towards corporate social advancement: “The primary fronts on which CSR practices grew expanded beyond philanthropy and community relations to embrace advancement of minorities and women, consumer practices, and environment and sustainability initiatives” (Carroll, 2015: 89). Companies which have a social purpose, which are not necessarily non-governmental organisation (NGOs), and at the same time pursue profit with their products or services which directly have a positive impact and advance social issues.

Generally all different terms are still in use, sometimes even interchangeably, since there are either no concrete definitions or so many different definitions which evolved through time, that businesses tend to use the phrase which is most appealing to the external perception by customers or society (Carroll, 2015). However, all phrases relate to the overall concept of CSR: to consider how to deal with external as well as internal groups of interest in a responsible way. Generally, the acceptance of CSR is growing rapidly all over the world and especially in Europe, once by general societal interest as well as demand, and second by academic proliferation and will be expected to grow even more in emerging markets (Carroll, 2015). CSR represents the need and want for conscious capitalism and has endured and continues to grow in importance and impact (Carroll, 2015; 2016), where creating shared value (CSV) becomes a profound and vital concept in the business world where interconnections between and among societal and economic progress are emphasised as a connecting goal (Carroll, 2015).

### ***2.3.2. The Stakeholder Concept***

Having presented the historic evolution of the concept of CSR, the question remains how to address the “social” part of the CSR concept in a concrete manner. Corporations have to define to whom they are responsible in order to implement measures to fulfil their responsibilities. The

concept of stakeholders is a way of identifying specific groups or persons companies want to consider in their CSR activities (Carroll, 1991). Since this thesis focuses closely on the stakeholder group of employees, the concept will only be presented cursorily to give a better understanding of the context.

The stakeholder concept began to raise awareness as a strategic approach during the 1980s with Richard Edward Freeman and his work “Strategic Management - A Stakeholder Approach” (R. E. Freeman, 1984), which is perceived as the fundament of stakeholder theory. Freeman (1984: 46) defined stakeholders as “any group or individual who can affect or is affected by the achievement of the organization’s objectives”. Hence, groups which have a stake in the company, and which should be included strategically and instrumentally into the business management within the framework of businesses goals. Freeman framed his idea later with the words: “No matter what you stand for, no matter what your ultimate purpose may be, you must take into account the effects of your actions on others, as well as their potential effects on you.” (Freeman, 2006: 231). Clarkson (1995, cited in Preble, 2005) defines stakeholders as persons or groups that have, or claim, ownership rights, or interests in a corporation and its activities, be they past, present, or future and expands this model into the differentiation between primary stakeholders and secondary stakeholders. Where primary stakeholders are inevitable for the further existence of the business and have a direct mutual interdependence, secondary stakeholders are affected by or affect the business but are not directly engaged with the company and are not fundamental for the survival (Preble, 2005; Fontaine, Haarman and Schmid, 2016). This strategic approach was a result of the continuous change of the external environment through globalisation, increasing complexity in governmental control and societal activism and its purpose was to identify and actively manage the different relationships of a business in a strategic manner (Fontaine, Haarman and Schmid, 2016). Eventually, the stakeholder concept broadens the shareholder concept where the only objective of a company is to maximise the profit for shareholders, the stakeholder approach includes responsibilities towards different stakeholder groups. Eventually this inclusion of all stakeholders leads to a sustainable, successful business and is then naturally meeting the demands of shareholders for profit (Fontaine, Haarman and Schmid, 2016). Carroll identifies this complexity and the challenges for active management: “To be sure, thinking in stakeholder-responsibility terms increases the complexity of decision making and may be extremely time consuming and taxing, especially at first” (Carroll, 1991: 44). Primary stakeholders have a direct stake in the business such as owners and investors and shareholders, employees, customers, governments, and suppliers (Carroll, 1991; Preble, 2005). These groups have an active interdependence, e.g. the employee

depends on a secure workplace and the business depends on its workforce in form of employees. Secondary stakeholders include groups that have an indirect interest in the business like also the government, competitors, the environment, social interest groups and activists or the media (Carroll, 1991; Preble, 2005). Those groups are not fundamental for the future survival of the company but affect or are affected by the economic activity and the results of the business.

Employees are considered as a primary stakeholder group which has an essential influence on the company's existence and performance. Employees can be found in every part of a business: in production of goods, customer service and sales, logistics, processing, finances, programming and IT; without employees a business will not be able to operate and eventually will stop existing. As it comes to interdependence, the employee is reliant on the business as well. The monetary compensation in the form of salary or other forms like for instance health insurance) are essential for the employee in a way that it is the basis in order to fulfil its needs for physiologic satisfaction (e.g. food) or its needs for safety (e.g. housing), as presented in chapter 2.2.4.. This interdependence also continues in a positive way, meaning that the more employees are actively managed as a stakeholder group so that employees become maximally satisfied and engaged, the higher the performance for the company in the forms of a higher productivity, higher customer satisfaction through better customer service, and greater flexibility and eventually leads to a general better financial performance (Pfeffer, 1998 cited in Bridges and Harrison, 2005). Hence, employees as a stakeholder group are having a measurable positive impact on the other primary stakeholder groups: customers and shareholders. Even if a business is focusing primarily on other stakeholder groups like shareholders or customers in order to maximise profit, eventually the performance of employees create value for all groups (Bowden, 2000 cited in Bridges and Harrison, 2005). Following this importance of employee management as a stakeholder group with the objective of employee engagement and the result of better performance of a business in the form of customer satisfaction or shareholder value, a lot of research has been done since the idea of the stakeholder concept first came up and active management of employees gained an important role in organisations.

With this basis of understanding the employee's importance for successful business and its relation to other stakeholder groups, paired with the framework of corporate social responsibility, it becomes clear that a strategic approach to employee engagement through CSR activities is a key factor for long-term success of business. During the next step it will be explored how Carroll's concept of CSR can contribute insights on how to approach employee engagement through CSR.



### 2.3.3. Carroll's Pyramid of Corporate Social Responsibility

Published initially in 1979 as an idea of a systematic approach of Corporate Social Responsibility in the journal *Academy of Management Review*, nowadays “Carroll’s CSR Pyramid is probably the most well-known model of CSR” (Visser, 2006 cited in Carroll, 2016), is in use for several decades already (Carroll, 2016) and has become “one of the most widely cited articles in the field of business and society” (Lee, 2008 cited in Carroll, 2016). Archie B. Carroll’s idea was that “for CSR to be accepted by a conscientious businessperson, it should be framed in such a way that the entire range of business responsibilities are embraced” (Carroll, 1991: 40). Carroll suggested four categories of social responsibility to be considered in the corporate environment: economic, legal, ethical, and philanthropic and depicts those four components in form of a pyramid (Carroll, 1991) as it is displayed in Figure 8.

While the evaluation and implementation of CSR as a concept is still an ongoing process, Carroll’s conceptual approach in form of the pyramid of CSR was revolutionary in the way that he categorised the responsibilities of businesses and connected these responsibilities with the stakeholder concept. Additionally, Carroll’s research regarding CSR is still ongoing, which makes him one of the biggest contributors in this field. During the next chapter, Carroll’s pyramid of CSR will be explained, critically evaluated and eventually deduced why and how his theory will be used in the context of this research.



Figure 8: The Pyramid of CSR (illustration according to Carroll, 2016)

Divided in four different groups of responsibilities, Carroll's pyramid of CSR was developed to find a structural and conceptual approach on the sometimes diffuse concept of Corporate Social Responsibility. While earlier concepts referred to CSR as only philanthropic or ethical, Carroll included economic responsibilities and legal responsibilities and found a way to build a bridge from the business demand for profit and economic growth and the societal demand for responsibility (Carroll, 1991).

Based on his pyramid of corporate social responsibility, Carroll presents *economic responsibilities*. These economic responsibilities are resulting out of historical and logical factors: the core purpose of every business is to provide products or services in exchange for money. The resulting profit from this exchange was and is the main motivator for entrepreneurship and investment (Carroll, 1991). During history and as a consequence of the shareholder concept, the motive for profit became a notion of maximum profit (Carroll, 1991), where shareholders demand a maximum return for their investments, disregarding moral or ethical trade-offs. Carroll depicts economic responsibilities of businesses "as a fundamental condition or requirement of existence, businesses have an economic responsibility to the society that permitted them to be created and sustained." (Carroll, 2016: 3). Resulting Carroll conveys five sub items regarding economic responsibilities of businesses: 1. consistent maximisation of shareholder revenue; 2. maximum profitability; 3. maintain competitive position; 4. maintain high operating efficiency; 5. successful organisations provide consistent profit (Carroll, 1991: 40). The economic responsibilities of businesses are the basic requirement in business, since without a sustained profit, the business would fail and would not be able to operate in the future, so that without a business, the whole idea of business responsibilities becomes invalid. Therefore, economic responsibility is a "baseline requirement" (Carroll, 2016: 3) which works precedent to all other responsibilities.

The second layer of the pyramid of corporate social responsibilities are *legal responsibilities*. Every corporation is obligated to operate within the legal framework of its governmental environment, so that the law is always obeyed and sets the ground rules for business operation (Carroll, 1991; 2016). The compliance of legal regulations are a condition of business operation (Carroll, 2016) and include the expectation of: 1. operate consistently with government and law; 2. comply with federal, state, and local regulations; 3. be a law-abiding corporate citizen; 4. fulfils legal obligations to societal stakeholders; 5. provide goods and services at least to the minimum legal requirement (Carroll, 1991; 2016). Especially in developing countries, an existing legal framework significantly affects the willingness of investment into CSR, since a stable legal infrastructure assures business growth (Carroll, 2016). As the economic

responsibilities, legal responsibilities are fundamental for the existence of a business and hence consistent with the economic responsibilities as basic requirements. A very important aspect of legal responsibilities within the pyramid of responsibilities is that they are dynamic and ever changing in correlation with ethical responsibilities: Legal responsibilities and therein the current, valid law, are “codified ethics” as they are codified ethical norms within a society (Carroll, 1991: 41; 2015; 2016).

Which leads to the third layer of responsibilities are *ethical responsibilities*. “Ethical responsibilities embrace those activities and practices that are expected or prohibited by societal members even though they are not codified into law” (Carroll, 1991: 41). Since laws are “codified ethics”, the ethical responsibility of businesses are normative expectations within a society (Carroll, 2016). This is what reflects the dynamics between legal and ethical responsibilities: norms and expectations of all stakeholders have to be considered within the business-context even though they might not (yet) be required by law and mean a higher standard of operational context (Carroll, 1991). Ethical values are continually debated within societies and might be difficult to be evaluated by an enterprise or organisation in contrary to already established laws, which are already fixed and not interpretable (Carroll, 1991). “That is, it is constantly pushing the legal responsibility category to broaden or expand while at the same time placing ever higher expectations on businesspersons to operate at levels above the required law.” (Carroll, 1991: 41). Carroll gives again five subitems to better understand the layer of ethical responsibilities: 1. perform consistently with expectations of ethical norms; 2. evolving ethical norms within a society have to be recognised; 3. companies should not compromise ethical norms as a trade-off for corporate goals (e.g. profit maximisation); 4. corporate citizenship is to be defined as acting in the expected ethical way; 5. corporate integrity goes beyond compliance with the law. (Carroll, 1991; 2016). Especially in a global environment it can be challenging to identify ethical norms and how to react to them. While the ethical standards in home markets demand a certain business behaviour, it might be difficult to practice them in operating emerging markets, where legal structures are missing (Carroll, 2015) and due to the transparency of technology, social media and e-commerce, it can even have a bigger negative impact for the ethical perspective of the society in the home market. “The dilemma of global businesses became one of balancing and reconciling the conflicting pressures, demands, and expectations of home and host country stakeholders” (Carroll, 2015: 88). In summary the ethical responsibilities can be described as: “The ethical responsibility of business embodies the full scope of norms, standards, values and expectations that reflect what consumers,

employees, shareholders and other stakeholders regard as fair, just and consistent with respect for protection of stakeholders' moral right" (Carroll, 2015: 90)

The last group of responsibilities on top of the pyramid of CSR is *philanthropic responsibilities*. Philanthropic actions taken by a business or corporation involve discretionary engaging in activities "to promote human welfare or goodwill" (Carroll, 1991: 42) through financial or time resources. This includes the components: 1. perform in a manner of philanthropic and charitable expectations, 2. assist the fine and performing arts, 3. manager and employees participate in voluntary and charitable activities, 4. provide assistance to private and public educational institutions, 5. assist voluntarily to enhance a community's "quality of life" (Carroll, 1991). The differentiation to ethical responsibilities lies in the perception of society: while ethical responsibilities are expected by societal norms, philanthropy is not expected, but rather desired (Carroll, 1991). In consequence this means that companies who do engage in philanthropy are distinguished by stakeholders and society. Businesses which do not engage in philanthropy are not regarded as unethical (Carroll, 1991). While business ethic scandals have a negative impact on the businesses' reputation and therefore profitability, a lack of philanthropy will not impact the business outcome in a negative way. Thus, the discretionary responsibilities can be described as "good citizenship" (Carroll, 2016: 4).

Though Carroll depicted his concept in a pyramid, he emphasises that the pyramid is to be seen as a whole, rather than in a hierarchical way. The concept indicates that all four layers of responsibility are expected to be fulfilled simultaneously (Carroll, 1999; 2016). Though especially the economic responsibilities are precedent, since when they are not fulfilled the business stops existing. Also, as the layer of legal requirement can be evaluated as precedent to ethical and philanthropic responsibilities, since an infringement of legal regulations can dramatically influence the business outcome or even endanger its existence. Nevertheless, economic, legal, ethical, and philanthropic responsibilities have to be seen from the stockholder's perspective in an equal and concurrent way (Carroll, 2016). "Though the components have been treated as separate concepts for discussion purposes, they are not mutually exclusive and are not intended to juxtapose a firm's economic responsibility with its other responsibilities" (Carroll, 1991: 42). Carroll identifies the major tension points between economic and legal, economic and ethic, and economic and philanthropic (Carroll, 1991), which complicates the management approach because managers have to prioritise the different categories and have to make trade-offs at these tension points. Carroll states that his selection of displaying his concept in a pyramid is based on the simple and intuitive perception of the geometric design (Carroll, 2016). "The pyramid of corporate social responsibility gives us a

framework for understanding the evolving nature of the firm's economic, legal, ethical, and philanthropic performance" (Carroll, 1991: 47). Each of the four categories of responsibilities affect different stakeholders in different quality: while economic responsibilities mostly affect owners/ shareholders and employees, legal responsibilities mainly affect consumers, employees and owners, ethic responsibilities typically affect the environment, employees, customers and shareholders, and the government at the same time, philanthropic actions mostly affect the community and NGOs (Carroll, 2016).

With these attributes, Carroll's concept of CSR can be seen as a helpful tool in order to strategically manage stakeholder groups and CSR activities in a holistic way. "No metaphor is perfect, and the CSR pyramid is no exception. It is intended to portray that the total of CSR of business comprises distinct components that, taken together, constitute the whole" (Carroll, 1991: 42).

#### ***2.3.4. CSR and Employee Engagement***

As deduced in the foregoing chapter, CSR is an important factor for sustainable success in modern business. Through a reinforced stakeholder approach towards employees, employers are able to use a strategically implemented CSR practice "as a "tool" to recruit, retain, and engage employees." (Mirvis, 2012: 94). Thus, the insights of how a CSR strategy can actively contribute to increase employee engagement will be evaluated during the next chapter.

The basis on how to engage employees through CSR is how the company is considering its employees as a stakeholder group. Mirvis refers to a study of GolinHarris where the number one factor in the ratings of the perception of a company's citizenship is if the company is treating its employees fairly and well (GolinHarris surveys cited in Mirvis 2012: 95). Another way to engage employees is to build a corporate commitment to CSR and therefore build a reputation as a socially responsible business through a strategic CSR program. Employees prefer to work for a socially responsible company and this reputation attracts talent (Mirvis, 2009 cited in Mirvis, 2012). A very implemented way to engage employees through CSR is to engage them directly with responsible activities either through volunteerism or through their direct work activities where the employee is enabled to produce value both for society and for business at the same time. (Mirvis, 2012). Mirvis suggests three approaches of employee engagement through CSR: the *transactional approach*, the *relational approach*, and the *developmental approach* (Mirvis, 2012). The transactional approach focuses on the employee benefit programs to meet the needs and interests of those employees who want to take part in CSR efforts in order to recruit and retain talented employees and therefore maintain the most

competitive workforce. The relational approach goes one step further and the organisation and its employees make a shared commitment to CSR activities and CSR becomes a central part of the shared identity between company and employees. Finally, the developmental approach integrates CSR as a joint opportunity to fully activate and develop its employees through continuous learning in order to produce greater value for business and society (Mirvis, 2012: 96).

In order to implement a holistic CSR strategy, Carroll suggests a stakeholder/responsibility Matrix (1991: 44). In the first step a company defines its stakeholders and identifies their stakes they have towards the corporation. In the next step, opportunities and challenges are to be classified for each identified stakeholder group which lead to the conclusion of which corporate social responsibilities the company has towards the identified stakeholder groups and their stakes. After identifying stakeholders, their stakes and the resulting responsibilities, concrete strategies and actions are evaluated in order to deal with these responsibilities. Displayed in a matrix where one column represents all identified stakeholder groups and then mapping the stakeholders with the four groups of responsibilities: economic, legal, ethical, and philanthropic. This conceptual approach separates the complexity of stakeholder management into valuable information which can be useful for developing prioritised management decisions regarding multiple stakeholder-groups interests. Through this method the matrix can be used by managers as an analysing tool and use the findings for stakeholder management decisions (Carroll, 1991).

A common way of implementing CSR strategies is through a company's mission and vision statement and a code of ethics. While codes of ethics define a shared behaviour inside of a company and sanction infringements against this regulatory, value programmes assert the company's culture and emphasise positive shared values (Collier and Esteban, 2007). The values of mission statements and codes of ethics are the codified values of the company and have to be implemented as the business culture by every manager and employee of the firm (Collier and Esteban, 2007). "As it is the employees [...] who carry the main burden of responsibility for implementing ethical corporate behaviour in the daily working life of the company, the achievement of those outcomes will largely depend on employee willingness to collaborate" (Collier and Esteban, 2007: 19-20). Thus, in order to implement CSR strategies, employees play an important role as well as their managers in between. Middle managers have the special role of being a representative of the company and in this manner have to act in the company's interests. At the same time, they are individuals with their own set of beliefs, which can lead to trade-offs between personal and the company's interests. However, middle

managers eventually have to act according to the business' codes and values in order to embed all ethics policies into practice. This commitment to the company's ethical values cannot be forced on employees, it has to be cultivated and nourished (Collier and Esteban, 2007). This effect shows that "organizations are social systems where the collective creation of shared meanings socializes participants as they strive to make sense of their environment" (Weick 1995 cited in Collier and Esteban, 2007: 27).

After presenting several forms of analysing and implementing CSR responsibilities, the necessity for a strategic approach to CSR should be pointed out through recent trends and findings of literature, in order to make clear how important an integrated CSR approach is for retaining a competitive workforce.

Mirvis already stated that the millennial generation sees CSR as an important factor of choosing the workplace, while three out of four want to work for a socially responsible company (Mirvis 2009, cited in Mirvis, 2012). In a recent study Deloitte Global (2019) found out that 46 percent of millennials and 47 percent of GenZs have the ambition of making "positive impacts on community or society" (Deloitte Global, 2019: 5). This indicates the trend which was already mentioned in the introduction, that the new generations demand social activities not only from themselves and their work but also from businesses and organisations: 33 percent of millennials think businesses should try to enhance the livelihoods of its employees, 32 percent think business should try to improve society, and 27 percent think businesses should try to improve and protect the environment (Deloitte Global, 2019: 11). These demands from the millennial generation to business are a trend which reassures the importance of CSR activities regarding the stakeholders' environment, communities, and employees.

Having another look into the already mentioned current-desired comparison of employee experiences which Aon plc. evaluated through their research (2016) (compare Figure 7, chapter 2.2.4.) the desired attributes can also be related to CSR as well. The factors of "clear", "trustworthy", "compassionate", "fair", "honest", "respectful" and loyal can be sorted according to Carroll's pyramid into the levels of ethical responsibilities. If those desires of employees would be met with CSR related activities, their overall engagement would increase. Thus, an integrated CSR approach towards employees might be able increase employee engagement

Summarising the chapter about corporate social responsibility, it became clear how vital the role of CSR is in today's management practice. CSR and its related concepts are growing in research and in practice and are meeting modern trends. Especially Carroll's model is well

known and finds a way to identify, prioritise and implement CSR in a strategic manner through the four levels of responsibilities and the reflection of stakeholders' interests. CSR activities increase employee engagement through implementation of mission, vision, and ethics codes which result in concrete measurements and activities. The implementation of an integrated CSR strategy will play a vital role in employee engagement in the future. Several sources presented that CSR activities regarding employees have a positive impact on employee engagement which becomes even more important through the rising demands for social responsibilities of the next generations. For the millennial and GenZ generations social and environmental factors play a vital role in their lives and demands as consumers as well as employees. Thus, companies need to include CSR activities in their strategic management process in order to stay competitive in the future and attract the most productive workforce.



### 3. THE PARALLELOGRAM OF RESPONSIBILITIES

After presenting both models during the previous chapter of literature research, Maslow's pyramid of needs and Carroll's pyramid of CSR, and how both are positively related to and affecting employee engagement, those findings will be discussed during the next chapter within the term "Double Pyramid" (see Figure 9) and later under the idea of "The Parallelogram of Responsibilities". It will be examined how both approaches have commonalities in their effects on the engagement of employees, how they differ in their approachability, and how both models can be merged in regard to how to intensify employee engagement.

#### 3.1. The Double Pyramid

The term "Double Pyramid" is the connection of both independent models and the essence of the concept relates to the fact that employees' needs should be managed following Maslow's hierarchy of needs through corporate management following Carroll's CSR pyramid (Ciprian-Dumitru, 2013). "Comparing Maslow's hierarchy of needs with Carroll's CSR, "two pyramids" theories have integration of thought: business owners and their employees should harmoniously coexist, mutually beneficial to each other while developing. [...] Work forces are free to flow. Job seekers have choices for right positions." (Wei, 2013: 111).

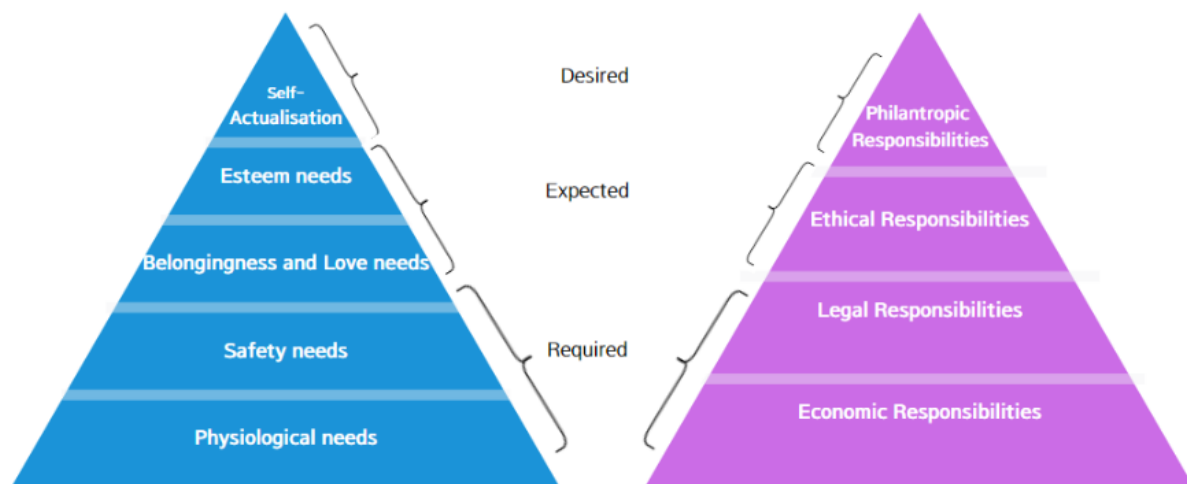


Figure 9: Double Pyramid (own Illustration)

As was examined in the analysis of the pyramid of needs, one of the main characteristics are the effect that employee engagement increases with a higher satisfaction of needs. When employees are deprived in satisfying their needs and desires, they will change workplaces eventually and therefore cause replacement costs for employers (see chapter 2.1.). When their needs are met and employees are satisfied with the lower and medium needs, the employee engagement tends to increase. This effect implies that the higher the fulfilment of employee's

needs, the higher the engagement and therefore performance of the business. A similar effect can be found within the pyramid of CSR from Carroll: Increased CSR activities, especially for and with employees, increase the employee engagement (see chapter 2.3.4.). The more integrated a CSR strategy is within a company; the more employees identify with their employing organisation and their work. Expressed in the negative way this means that the lower a company is in the pyramid of CSR, for instance a company which is strategically only focused on profit maximisation, the less engaged is the workforce. This shared effect that in both pyramids a higher involvement leads to a higher employee engagement leads to the assumption that one pyramid might affect the other.

Ciprian-Dumitru (2013: 1680) stated that a certain positive interaction between the approach of both concepts could be found:

“When an interest for CSR actions related to employees was generated, we observed that we have in front of us a double win situation, according to the idea prescribing that pyramids (i.e. the pyramid of Maslow’s hierarchy of human needs and the pyramid of Carroll’s corporate social responsibility) put together generate mutual and positive feedback related to companies’ and employees’ reactions in respect of CSR.”.

Following these findings and the conclusion of Wei (2013: 111) that

“Based on [...] Maslow’s hierarchy of needs analysis, each business enterprise should provide equal promotion and education opportunities for his employees. Every employee should not be discriminated due to gender, age, race, colour or faith. The enterprise should also create favourable working conditions for employees and improve their scientific and cultural levels at the same time, which will promote the employees’ development and perfection. In addition, the enterprise should respect staff’s needs and provide their democratic participation business channel, which helps employees have master consciousness in enterprise.”

enough valid starting points are given in order to start the attempt of deepening the research on the interaction of both pyramids.

### **3.2. Research Gap & Justification**

Through the literature review, it became clear why and how both Maslow’s and Carroll’s concepts are relevant in the context of employee engagement. Each concept and its effects on the stakeholder group employees are explored through various theoretical as well as practical research which shows their relevance until today. Through the idea of a “Double Pyramid” a

first attempt of bringing both concepts together and indicating a certain interdependence between the management of each pyramid and the effects on the other was already contemplated but so far, no further research has been done on this topic. Staying with the factor of employee engagement, no evident research could be found which examines the interdependence of both pyramid-concepts under the criterium on how it could impact the engagement of employees and therefore their job-performance.

Because of the relevance of filling the employee engagement gap, which was introduced during the introduction and concretised in chapter 2.1., it is important to find new ways of approaching and filling this gap in modern management. After deducing various similarities of both concepts regarding employee engagement through the literature research as well as detecting indicators of a certain interdependence, it seems a valuable option to pursue this idea. Since until now, no research has been done on this special topic, the relevance of this research is to fill this research gap and find a first prove for the interdependence of both pyramids and its potential impact on the factor employee engagement.

In order to find a successful first research approach, in the next step the relations of both concepts will be examined in detail so they lead to relevant assumptions which eventually will help to derive in concrete research questions which will be analysed during the following chapter.

### **3.3. Research Assumptions**

Starting with the first assumption that both pyramids have a certain interdependence: it became evident for both concepts, that the higher the satisfaction of the levels, the higher the employee engagement is. The higher an employee is satisfied within the pyramid of needs; the higher the desire will be to work for an organisation that is meeting its higher CSR responsibilities. Or from the organisations' perspective: the higher the organisation is strategically involved in CSR activities regarding employees, the more it will attract employees within their higher needs and a higher level of engagement.

Assumption I: The higher the need satisfaction of employees, the higher the demand for an integrated CSR strategy of their employer. - The higher the CSR approach of a business, the more evolved and engaged the attracted workforce.

Another similar characteristic between both models is the perception of fulfilment within both hierarchies. The basic needs of individuals in regard to Maslow's model are required for sustaining life. The same characteristic can be applied to Carroll's model regarding business organisations; if a company is not meeting the requirements of profitable business and legal

correctness, the business will fail and go bankrupt in the long term. Hence, economic and legal responsibilities are required responsibilities (Jerome, 2013). The next layer of the middle levels of both pyramids shows a similar effect. On Maslow's side, the satisfaction of the needs for love and belonging as well as needs for esteem are expected from individuals within our societies. It is expected that healthy employees are meeting this stage of needs. The same happens with expectations in regard to Carroll's pyramid, the responsibilities of ethical activities and partially the philanthropic activities are expected by different stakeholder groups. Social needs are met within an organisation through a committed human resource management and "the tone set" in the organisational culture, comparable to ethical behaviour according to Carroll, which eventually leads to a strong mission and vision which improve, if positively executed, in self-esteem and perchance in self-actualisation (Jerome, 2013). The last stages of both pyramids, self-actualisation and philanthropy, can be both classified as desired levels. While the research showed that the highest needs

of individuals, the self-actualisation is still a desired process (compare chapter 2.2.2.) the same can be found regarding the responsibilities of organisations, integrated philanthropic strategies are still desired responsibilities (see chapter 2.3.3.). For the organisation, self-actualisation would mean reaching all set goals (profitability, mission, vision) (Jerome, 2013). Thus, both pyramids and their level of needs/ responsibilities can be sorted in "required", "expected", and "desired" levels of needs or respectively responsibilities. While the required levels are usually fulfilled in both pyramids, the expected levels are considerably met, and the desired levels are partially met. Since the management of both pyramids is able to positively affected employee engagement, companies have to find strategies to meet higher needs and responsibilities in order to increase engagement.

Assumption II: Both pyramids have a similar cluster of required/ expected/ desired levels. Since the expected and desired levels are not or only partially met, companies can increase employee engagement with finding measures for these expected and desired levels.

This assumption is also supported by the factor of prepotency of the levels in each pyramid. While in Maslow's pyramid the prepotency is given and the literature research showed that a lack of a higher need is caused by a deprivation of the satisfaction of the underlying need (compare chapter 2.2.1.), the same but less distinct prepotency can be found in Carroll's pyramid of CSR. Without a long-term profitability, the business will not exist in the future, hence the profitability has an overall prepotency, similar the legal responsibilities which can also lead to business failure. The ethical responsibilities still have a slight prepotency before

the philanthropic activities, since they directly affect the reputation as ethical behaviour is expected by stakeholders, while philanthropic activities are not (see chapter 2.3.3.). This suggests, that both models should be managed “bottom up”.

Assumption III: In order to increase employee engagement both pyramids should be analysed and managed “bottom” up, respecting a certain prepotency.

Having a closer look into the correlation of an S.A.P. character regarding Carroll’s pyramid of CSR in order to lead to a more integrated view on the topic on how interweaved both constructs are. The ideal of the S.A.P.-character, as already explained in chapter 2.2.2. “Self-actualisation”, inherits certain characteristics and behaviours. Looking from the perspective of the responsibilities for profit, the S.A.P. contributes to the business performance by taking responsibility and working hard, their efficient perception of reality and the problem-cantered approach which makes the S.A.P. a solution-oriented person, who will actively engage into the business performance. On the level of legal responsibilities, the S.A.P. shows democratic attitudes, which implies that this character will work within the legal framework. Through their autonomy and resistance to enculturation, they might be less affected by corruption. In regard to ethical responsibilities of a business, the S.A.P. inherits the factor of avoiding pretence and being prepared to be unpopular if views do not coincide with those of the majority. This indicates a certain behaviour of an honest and fair approach of life. Combined with the attribute of intrinsic strong moral and ethical standards, the S.A.P. seems to be self-sufficient and able to assert ethical activities. The philanthropic responsibilities can be reflected in the S.A.P.’s attribute of being able of deep interpersonal relationships and their Gemeinschaftsgefühl. They have an interest in welfare of humanity and therefore desire a philanthropic connection with their environment. Hence, the S.A.P.’s ideal character would contribute to all levels of responsibility and at the same time intrinsically demand or desire those actions. Especially in high skilled working environments, which demand solution-oriented thinking and problem-solving abilities, creativity and the integrated work with people and their needs (e.g. in Sales, Human Resources (HR) or IT) where the characteristics of the S.A.P.-character are needed, those needs and behaviours of those characters have to be met. Consequently, when organisations are looking for talent in the higher level of needs, they have to deliberate the equivalent needs and demands.

Assumption IV: In order to attract and engage highly skilled workforce, companies have to satisfy the higher levels of needs through providing a strategic implementation on all levels of the hierarchy of CSR.

Though this strategic implementation has certain limitations, especially considering the degree of individualisation of the level self-fulfilment. These individualised desires cannot be met by a company through strategic management, especially in large corporations. Some forms of self-individualisation might be regulated, like for instance parental leave is usually regulated by law, or some forms might be possible to be realised within the business environment, e.g. if an employee desires to accomplish a skill which is related and useful for its work. But other desires of S.A.P.s might not be relevant nor feasible in the business context. In this case the employee needs to fulfil its desire in the private environment. Hence, a certain way of freedom has to be given to the employee, in order to provide the space and capacity for self-fulfilment.

Assumption V: Through the degree of individualisation in the highest desires, and hence the complexity of managing these, the company is not necessarily able to nor responsible of meeting these desires. Even so the company then needs to provide the freedom and space for the individual to fulfil its desires by its own capacity.

Another critical factor in the interdependence of both pyramids is the role of the leader and the members of the management-team. As presented in chapter 2.2.4., the leader is a representative of the company and in its role responsible to exemplarily execute the values and norms of the business so that all employees work and behave according to these values in order to reach the overall business goals. Hence, managers have to be considered as representatives of the company and have to be considered as part of Carroll's model, fulfilling the company's responsibilities. At the same time, every manager is an individual human being with the same hierarchy of needs. This conflict can lead to a dissonance in behaviour, if for instance a manager does not share a core value and practices norms dissentient to the corporate ones. This conflict is automatically transferred to the managed employees who now have to follow two divergent or even opposite norms. And "only in the harmonious environment the employees would offer maximum potential of their capabilities." (Ciprian-Dumitru, 2013: 1679).

Assumption VI: Though managers are representatives of the business, they have personal needs at the same time, which can lead to conflicts. The leader has a diverse role in building the bridge between the companies' values and its own.

At the latest at this point the idea of a certain interdependence between the individual's hierarchy of needs and the company's responsibilities becomes obvious. In order to further investigate the derived assumptions will now be confronted with a new approach of increasing employee engagement.

### 3.4. Parallelogram of Responsibilities

The idea of the Parallelogram of Responsibilities is to combine Maslow's pyramid of needs, which looks into the individual's responsibility of fulfilling its needs for growth, with Carroll's pyramid of CSR, which reflects the business side of responsibilities towards stakeholders and take the idea of the "Double Pyramid" one step further, based on the previous stated assumptions. Since a corporation exists out of many different individuals, Maslow's pyramid is relevant for each of those individuals who form the total organisation. Looking from the other side, the company's responsibilities regarding Carroll's pyramid of CSR have to be conducted and realised in practice by all individuals involved, primarily all individuals internal of the corporation, and secondary all individuals involved externally, therefore all stakeholder groups (see chapter 2.3.3.). Since the employee is affected through both pyramids and has the responsibility of actively fulfilling the levels of both pyramids, once for the satisfaction of own individual needs and secondly of implementing the levels of the company's responsibilities, the idea is to connect both sides of responsibilities and find an easier and more approachable projection. Through the analysed similarities of both pyramids a connected approach of fulfilling the levels of both pyramids might lead to a simplified and more efficient way to address employee engagement management.

As already evaluated in chapter 2.2.1., individuals have the intrinsic tendency to improve the satisfaction of their needs and thus always aspire to "climb up" the pyramid of needs. Following the inference that in an optimal world the obstacles of "climbing up" the pyramid would be fewer and minor, and the growth of the individual would be less prohibited through inefficient and negatively affecting systems and institutions (e.g. school, societal structures, work-environment) (Maslow, 1970), the process of growth would be less of a climbing act of effort, but more a natural evolution through an environment that is positively supporting the individual's growth. Using this idea of natural growth with just little or no external barriers, the effort of "climbing up" the pyramid of needs would be more of a "falling through" the different stages. Visualising this assumption that the individual's growth within the pyramid would rather be a natural, inevitable process and could happen with more ease in a supportive environment, the display of the Maslow pyramid of needs will be turned head-down, displaying the "falling through" effect. The result of this thought is that the two pyramids together, Carroll's upright and Maslow's head-down, form a parallelogram as depicted in Figure 10.



Figure 10: The Parallelogram of Responsibility (own Illustration)

Following the assumptions made in the previous chapter that both pyramids are supposed to be managed “bottom up” in order to increase employee engagement, integrated into the concept of the Parallelogram of Responsibilities might now be visually displayed through a managing circle. While the circle goes up through the pyramid of responsibilities, indicating the “bottom up”-management of stakeholder group employees, it goes down through the Maslow pyramid of needs also in the sense of “bottom up” management, respecting the prepotency of needs (see Figure 11). Through this visual presentation the idea of a certain reciprocity between the management of both pyramids becomes evident and is supported by the third assumption that the higher evolved an employee is in its pyramid of needs, the higher the demand for a sophisticated approach of CSR activities of the employee.

Taking now the assumption into account that both pyramids can be divided into required, expected and desired levels where required levels are predominantly met, expected levels are moderately met and desired levels are not or just little met, indicating that the focus of the strategic management within the Parallelogram of Responsibilities is supposed to lay on the expected and desired levels. Though this assumption has to consider a certain restraint in extraordinary situations where disruptive external events lead to an erosion of the satisfaction of lower level of needs like merger and acquisitions, as referred to in chapter 2.2.4.

In those cases, the management has to refocus on the “bottom up” management starting with the basic, required needs respectively responsibilities. Additionally considering now the fourth assumption that the engagement of skilled workforce demands a strategic implementation of all levels of responsibilities regarding Carroll’s pyramid those two assumptions will be displayed through three circles indicating the different layers of required, expected, and desired levels and implies that the most dense reciprocity happens on the desired levels (see Figure 12).





Figure 11: Reciprocity within the Parallelogram (own Illustration)

This visual approach is inspired by the approach of the concentric circles of the CED (1971, see chapter 2.3.4.) though transferred to both pyramids. The outer, red circle displays the basic and required responsibilities for profitability and law obedience in Carroll's pyramid and at the same time the required physical and safety needs of Maslow's pyramid. The intermediate, blue circle visualises the interdependence of the expected levels of ethical and partially philanthropic responsibilities and the expected levels of affiliation and esteem. The inner, green circle refers to the desired levels and its potential reciprocity between the level of philanthropy and self-actualisation or respectively growth and work/life balance in the business environment.

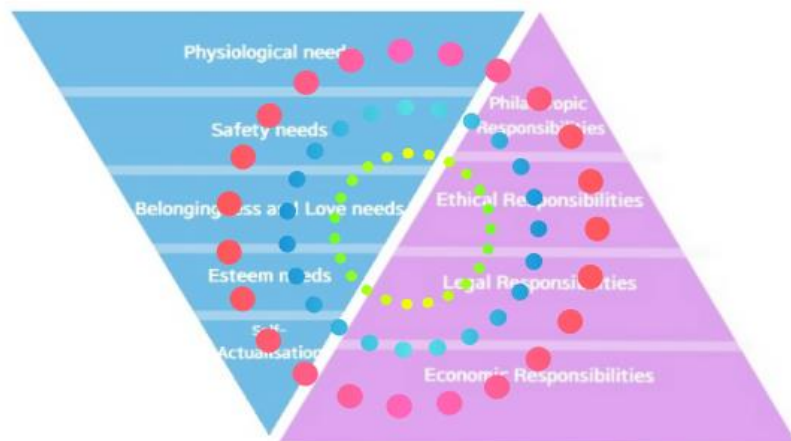


Figure 12: Three-folded Reciprocity within the Parallelogram (own Illustration)

Following the basic idea of the Parallelogram, the employee engagement is supposed to be at its highest when the desired levels in both pyramids are fulfilled. When both the individual's set of values is congruent with the company's values and the individual has the space to grow.

### **3.5. Research Questions & Factors**

After identifying the similarities and differences of the two pyramids through the literature research and after stating the idea of the potential interdependence of both pyramid within the form of a parallelogram through several deductive assumptions, research questions are necessary for attempt of validation of the concept. Those research questions will be the basis for the next step of analysis.

First the hypothesis of an interdependence between both pyramids has to be examined and tried to be verified. Inferential the first and main research question has to be: Is it possible to find a reciprocation between both pyramids and within the Parallelogram? It will be analysed, if the effects of the fulfilment of the levels of one pyramid does affect the satisfaction of the levels of the other pyramid. Which leads to the two sub questions: how does the fulfilment of responsibilities with Carroll's approach affect the satisfaction of needs in Maslow's theory? And in turn: how does the satisfaction of the levels of needs according to Maslow affect the demands for corporate social responsibilities following Carroll's approach? Since the thesis focuses closely on the factor employee engagement and already examined how each concept is linked to the possibility of increasing employee engagement, in the second step the effects of the potential interferences between both pyramids will be examined under the criteria employee engagement. Following, the second main research question is: How do the interferences within the double pyramid affect employee engagement? This question will be analysed through the two sub research questions, again investigating the effects of each pyramid regarding the criteria employee engagement. Thus, the questions "How does the satisfaction of needs affect employee engagement?" and how does a "fulfilment of corporate social responsibilities affect employee engagement?" will be analysed in order to lead to an interdependence answering the second main research question.

Additionally, to the two main research questions and four sub research questions, two secondary research questions will be added in order to understand the correlating factors of strategic implementation and the role of the leader. As presented in the chapter before the role of the leader is a vital one in regard to communication and thus affiliation and esteem needs as well as for the transportation of a company's values. The leader is seen as a representative of the business rather than an individual employee, since the first role of a leader is to lead employees into the directions of achieving the company's goals. Hence, the direct contact of employees with the business' values and goals occurs on the level between employee and its leader.

Therefore, the secondary research questions on how the role of the leader affect employee engagement will be examined.

The last secondary research question is concerned with the factor of the implementation of a concrete strategy. As examined in the literature research, the way of how a CSR is addressed and is implemented through strategic approaches of a corporation, e.g. mission and vision or codes of ethics, can have a vital effect on employee engagement (see chapter 2.3.4.). Hence, the correlation between the degree of active, strategic implementation of CSR will be analysed under the criteria employee engagement. Which leads to the secondary research question of: How does the strategic implementation (Mission/Vision/CSR-Strategy) affect employee engagement?

To find a simplified presentation, all research questions and their emphasis are displayed in Figure 13. The first column contains the priority and nomenclature of the research questions, the second column states each research question. The third column presents the references to the underlying literature regarding each research questions, while the fourth column refers to each factor which will be analysed in order to answer the relating research question.

Priority	Research Question	Reference	Factor
<b>RQ I</b>	<b>Is there a reciprocity within the parallelogram? How does it work?</b>		needs; responsibilities;
<b>RQ I.I</b>	<b>How does the fulfilment of responsibilities (Carroll) affect the satisfaction of needs (Maslow)?</b>	Ciprian-Dumitru, 2013; Wei, 2013: 111; Carroll, 1991; 2016; Maslow, 1970;	level of responsibilities (ethical/philanthropic); satisfaction of needs (physical/affiliation/esteem/growth/work-life balance);
<b>RQ I.II</b>	<b>How does the satisfaction of the levels of needs (Maslow) affect the demands for responsibilities (Carroll)?</b>	Ciprian-Dumitru, 2013; Wei, 2013: 111; Carroll, 1991; 2016; Maslow, 1970;	satisfaction of needs (physical/affiliation/esteem/growth/work-life balance); demand for responsibilities (ethical/philanthropic);
<b>RQ II</b>	<b>How do the interferences within the parallelogram affect employee engagement?</b>	Aon 2019; DDI, 2015	needs; responsibilities; employee engagement
<b>S-RQ I</b>	<b>How does the role of the leader affect employee engagement?</b>	DDI, 2015; Aon, 2018; Gallup, 2018	role of leader; employee engagement
<b>S-RQ I</b>	<b>How does the strategic implementation (Mission/Vision/CSR-Strategy) affect employee engagement?</b>	DDI, 2015; Mirvis, 2012;	strategy; mission; vision; CSR-measures; employee engagement

Table 1: List of Research Questions with References and Factors (own Illustration)

After coming the long way from the literature review, identifying the research gap and presenting a potential solution based on several assumptions, now the basis for the following analysis is given through concrete research questions which will be methodologically evaluated in the next part of this thesis.

## 4. METHODOLOGY

In order to conduct an elaborated investigation on the research topic to answer the research question and verify or falsify the research assumptions, a methodology must be determined. During the following chapter the chosen research method will be presented as well as the choice of explored cases will be justified. Eventually the precise interview questions will be presented according to the factors which were determined by the research questions.

### 4.1. Research Method

In order to investigate the research questions stated in the foregoing chapter a suitable methodology has to be determined. The basis for this certain analysis will be a qualitative research method of semi-structured interviews analysed through a factor analysis. Since the topic of this thesis and the resulting research questions are targeted to examine the individual perceptions of employees towards their needs and desires as well as their perception of their employer's responsibilities, the answers are expected to be quite individual and intangible. As was stated in chapter 2.2.2. the perception of satisfaction of needs is a highly individual process. Hence, the research on these individual perceptions has to be as individualised as the topic itself. Semi-structured interviews have the advantage of gathering detailed information through open questions and additionally give the opportunity for the interviewer to control the process of the interview and to have the chance of asking clarifying questions if necessary. In turn the disadvantages of semi-structured interviews are that they are time consuming and it is difficult to organise in regard to time capacity of the sample group members to conduct the interviews (Research-Methodology, 2019). As both companies which will be introduced in the following sub chapters, agreed to the time expenditure of their interviewed employees and this method is explicitly appropriate for the subjective perception which are to be analysed, this thesis will use semi-structured interviews as the chosen research method.

The interviews will be realised either in a personal face-to-face or a digital video interview, except for one interview. which was conducted via email out of organisational reasons (parental leave/vacation). In case of a personal interview the answers to the interview questions will be recorded by windows audio-recorder and in case of the video interview, the interview will happen with the tool Skype<sup>5</sup> and will be recorded with the windows audio-recorder. The audio

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<sup>5</sup> Skype, 2019. Digital Communication [Computer software]. Luxembourg, Luxembourg: Skype Communications SARL. Retrieved from <https://www.skype.com>

files will be transcribed into written form first through the digital software-tool Happy Scribe<sup>6</sup> and then manually reviewed and completed if necessary, according to the original spoken word. All audio files and their transcripts can be reviewed upon request. The final transcripts will be analysed regarding the factors, which are based on the research questions and therefore the foundation of the interview questions, through the text analysis research software tool MAXQDA<sup>7</sup>. This software allows to flag each criterion in the transcripts and to sort and screen the marked parts of the transcripts regarding the factors. The final document with all marked transcripts and coding can also be reviewed upon request. The filtered and coded results of the answers to the interview questions will be summarised through a table, sorting the answers according the criteria based on the research questions. This chart can be found in Appendix III “Interview Results sorted by Factors”. and is used as the basis for the analysis. The cases will be analysed each separately regarding the factors and the results of the analysis will be presented in order of the research questions. After both analyses a cross analysis will be executed in order to map the findings of both cases regarding their differences and similarities. The results of the cross analysis will also be presented regarding the research questions.

### 4.2. Choice of Cases

In order to evaluate the research questions, case studies have to be elected according to certain criteria. One criterion for a suitable case is a highly skilled workforce, which can change workplaces without effort. In addition, the criterion of a certain hierarchy and hence a certain size of the analysed companies play a vital role for the analysis. A management hierarchy is necessary for answering the sub research question of how the leader impacts employee engagement. The cases were chosen out of volunteerism and interest of the manager of both companies. The managers were interested in approaches for the increase of employee satisfaction and retention, both companies fulfilled the criteria for size as well as the demand for qualified workforce, since both companies operate in branches with high specialisation in digital products.

Respecting the different sizes of the companies, fewer interviews are conducted in the smaller organisation, hence for the case FinTech five employees, two leaders and a HR manager were

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<sup>6</sup> Happy Scribe, 2019. Transcription of Audio Files [Computer online software]. Dublin, Ireland: Happy Scribe Ltd. Retrieved from <https://www.happyscribe.co>

<sup>7</sup> MAXQDA, 2019. Qualitative Data Analysis [Computer software]. Berlin, Germany: VERBI GmbH. Retrieved from <https://www.maxqda.de>

interviewed and in the case of OnTech three employees, one leader and a HR manager were interviewed. An overview about all interviewees is given in Figure 14, including their role within their company, their official title, their seniority and furthermore they are given a code which will be used whenever a reference is made to the according interview.

Company	Role	Title	Seniority	Code
<b>FinTech</b>	HR	HR Manager	6 months	HR_I
	Leader	Head of Sales	6 years	L_I
	Leader	Head of Sales	4 years	L_II
	Employee	Sales Manager	4 years	E_I
	Employee	Sales Manager	2 years	E_II
	Employee	Sales Manager	4 months	E_III
	Employee	Sales Manager	1 year	E_IV
	Employee	Sales Manager	1 month	E_V
<b>OnTech</b>	HR	HR Manager	6 years	HR_II
	Leader	Group Director	14 years	L_III
	Employee	Routing Analyst	6 years	E_VI
	Employee	Trading Manager	3 years	E_VII
	Employee	Routing Analyst	15 years	E_VIII

Table 2: Interviewees with Role, Title, Seniority and Code (own Illustration)

The cases and all included information are completely anonymised out of confidentiality reasons. Both companies agreed to the interviews under the requirement that their identity stays anonymous and all data stays confidential. Hence, all used sources or references in the context of the companies' identity are anonymised as well.

### 4.3. Interview Questions and Factors

In order to investigate on the research questions through the interviews, suitable interview questions must be evaluated. The connecting link between the research and the interview questions are the designated factors. These factors are criteria based on the literature review, which must be evaluated through the case studies so that a result on the research questions can be given. The interviews address three different kinds of members of the organisation: employees, leaders and a human resources manager of each company.

A self-explanatory overview of the interview questions for employees including the considered factors and the underlying reference can be found in Figure 15. Through the analysis of the factors the satisfaction of the needs, or the lack of satisfaction of needs will be evaluated and mapped with the fulfilled responsibilities, or the lack of fulfilment, in order to find

interdependencies between both pyramids. The perceptions of the employees have the highest priority in order to find gaps and opportunities to more satisfaction and engagement.

Employee		
Interview Question	Reference	Factor
What does [Company] provide for your physical & mental health? What would you like to see improved?	Stum, 2001; Aon, 2018; Maslow, 1970	physical/safety
How does [Company] value you as a person and how is the connection between you, your team and the company? What would you like to see improved?	Stum, 2001; Aon, 2018; Maslow, 1970	esteem; affiliation
How do you describe your work/ life balance? What is provided by [Company] for personal growth? What would you like to see improved?	Stum, 2001; Aon, 2018; Maslow, 1970	work/life balance; growth;
What do you perceive about [Company] ethical activities (towards you and in general)? What would you like to see improved?	Carroll, 1991; 2016	ethics;
How do you perceive [Company] philanthropic activities (towards you and in general)? What would you like to see improved?	Carroll, 1991; 2016	philanthropic
What are the Mission and Vision of [Company]? How do you identify with them personally?	DDI, 2015; Mirvis, 2012;	strategy; identification of values;
What role plays your leader/ manager in your job performance and motivation? What would you like to see improved?	DDI, 2015; Aon, 2018; Gallup, 2018	role of management; leader needs;

Table 3: Interview Questions Employees with References and Factors (own Illustration)

The subjective awareness about all factors have to be mapped with the current state and current concrete measurements of and for employee engagement. For this reason, the interview questions for the HR manager contain five additional questions regarding the current measurements. Apart from these four questions the interviews are similar to the interviews for the managers. Those interview question focusing on how leaders perceive their role and their representation regarding the values of the company as well as strategic approaches and an estimation of the current situation of employee satisfaction and engagement. All interview questions sorted by the addresses can be reviewed in Appendix II “Interview Questions with References and Factors”.

In summary, this thesis will make use of the qualitative research method of semi-structured interviews with two case studies, which will be analysed through a factor analysis during the next chapter of the analysis.

## 5. ANALYSIS

The next chapter is the second part of this thesis, confronting the theoretical findings from the foregoing part of the literature review and its resulting research questions with a practical approach through concrete research. During this part the research questions will be investigated through the presented research methods and the results of the exploration will be analysed before the findings will be discussed in the following chapter.

### 5.2. Case I – FinTech

During this subchapter the first of two cases will be analysed through an inner-case analysis sorted according to the research questions. In the end of this chapter the findings of the inner case analysis will be presented and after the next subchapter will be cross analysed with the second case analysis before the overall results are presented.

#### 5.2.1. Introduction

The first case which will be analysed according to the research questions is the case of the company FinTech. Since all data in this thesis is anonymised, the correct name of the company and all sources used can be reviewed upon request.

FinTech was founded in 2010 and is operating in a highly competitive market of the banking sector (Gründerszene, 2016). Though FinTech is operating exclusively online, its competitors include online and offline banks and banking-services specialised on the product FinTech sells its service for. Resulting of this high competition and the complexity of product, service, and branch, one major challenge is to win customer awareness and trust. FinTech faces this challenge through direct customer contact and a customer-oriented mission. Its largest department is the sales department with 216 employees, who are responsible for customer contact, service and major of all sales, followed by the second largest and equally important department of “IT Product” with 40 employees, which takes care of the development and enhancement of the product (FinTech, 2019a). Overall dated to the 30th of September 2019 the company has 370 employees in all departments including employees on parental leave (Fintech, 2019b)

The object of the company is: “We believe in a world with transparent, simple and consumer-centred financial solutions. For everybody.” which already implies the FinTech’s vision: “The be the financial home. For everybody.”. In order to reach this vision, the company defined the



supporting mission as follows: “We individualise financial solutions to the maximum, in order to meet the needs of every consumer perfectly.” (Fintech, 2019a).

In total eight interviews were conducted, five with employees from the sales department, two with leaders from the sales departments, and a final interview with a HR manager. In case of the HR manager the interview was conducted via email, out of organisational reasons. All other interview partners were selected on the basis of free capacity and voluntarism and were interviewed in person. The presentation of all results is structured by the research questions, following in the next sub-chapters.

### ***5.2.2. Interferences of the Fulfilment of both Pyramids within the Parallelogram***

Before the interconnections and a potential reciprocity between the level of satisfaction of both pyramids can be investigated, both pyramids have to be analysed separately. In the first step each pyramid and how each level is met in the perception of employees and their management will be presented, mentioning single measurements which are either already implemented or desired. Through the following sub-questions the effects of one pyramid on the other will be analysed in both directions. The satisfaction of the level of needs regarding Maslow’s model is examined through the factor of *needs*. The factor *needs* includes sub-criteria regarding each level, taking into account if each level is met or if there is still a need for satisfaction.

On the basis of the hierarchy of needs, the criterion *physical* was answered by the interviewees as overall satisfied. All respondents listed the ergonomic office equipment (height-adjustable desks and ergonomic chairs) as very supportive, while most added the offer of free fruits, drinks, and beverages as beneficial factors. Regarding improvements only one participant expressed the need for more movement and gave the suggestion of a subsidised gym-membership. All other answers said, they are satisfied regarding their physical needs.

Within the next level of needs, the criteria *affiliation* was analysed in regard to the belongingness and social affiliation needs. All respondents emphasised the strong and reliable relationship inside of their teams, whereas most answers also stated a good connection between the different teams and within the company as a whole. As beneficial factors all interviewees mentioned different types of events (quarterly team-events, semi-annually company parties, after-work activities), which are organised and subsidised by the company. One respondent referred to the “Buddy-Programme” which made the social integration easier as a new hire. In this programme every new hire gets a personal “buddy” who is a trustful contact person in form of a volunteering employee with longer seniority. Nevertheless, the majority answered regarding their needs for affiliation, that through the fast growth of the company, the affiliation

becomes harder and expressed their needs for more collective actions and Gemeinschaftsgefühl beyond their own teams.

Following with the third level of analysed needs, the needs for *esteem*, the responses consistently agreed on a positive and fulfilled esteem level. The majority referred to their leaders as giving enough appreciation and living a culture of direct feedback (weekly with team lead and semi-annually with manager) and positive handling of errors. The overall environment is described as very open, so that colleagues and team leads are responsive to questions and insecurities, so that a high work quality is ensured. Additionally, the majority attributed their esteem to the expansion of work responsibilities, the autonomy of their work, and the trust of their leaders to deliver good results. No respondent gave a direct reply for improvements, only one interviewee mentioned potential for improvement of the communication within the management in another indirectly in another interview questions. Hence, the needs for esteem are fulfilled and the next layer of *growth* was examined. Again, all respondents gave a positive estimation about their growth perspectives. The majority referred to the extension of work responsibilities, while the respondent with the longest seniority already depicts a title change and also points out the positive change, that vacancies are first announced internally, so that all employees have the possibility to apply before externals. Again no one claimed any factor for improvement, indicating an overall satisfaction.

The last analysed level, the level for *work/life balance*, again showed an overall satisfied impression. The respondents with flexible working time were overall satisfied and had no needs for improvement. The respondents who are working in a shift system claimed flexibility problems especially in respect to the time with their families. One interviewee referred in this context to a personal adaptation. After her private circumstances changed, she was not able to work all shifts anymore, so that she explained that she got scared of losing her position or even her workplace. Her leader immediately found an individualised solution, meeting the new circumstances, so she could keep her position, which she expressed with gratitude towards her leader.

Overall the replies to all analysed levels show a high satisfaction on all layers. Only marginal improvement is requested regarding physical needs, affiliation needs, and work/life balance needs. The comprehensive consensus of all respondents is that they are mainly satisfied even in their higher needs.

Complementary to the satisfaction of the hierarchy of needs, the fulfilment of Carroll's pyramid of CSR has to follow in order to investigate on the Parallelogram of Responsibilities. In order to gather all measurements FinTech has implemented affecting the stakeholder group

employees, the HR department gave all information in addition to the general interview questions. In regard to *economic* responsibilities, FinTech works with Objective and Key Results (OKR) and Key Performance Indicator (KPI) which are transparently communicated with all employees on a monthly basis. Regarding *legal* responsibilities FinTech focuses especially on data security for customers and other external stakeholders, but besides fulfils all legal requirements (e.g. working contracts/ working times/ insurances) concerning employees. For *ethical* responsibilities several different measurements are already implied. Employees are granted more than legally required vacation by contract, partially the organised company events are considered and ethical, and therefore expected responsibility. Additionally, the company subsidises the public transportation pass of its employees. The differentiation to philanthropic activities is quite subjective in this case, since for instance the public transportation pass might be considered as philanthropic in other circumstances. In this case it is a common and expected activity, since the subsidisation of transportation passes is supported by the government and thus an expected benefit in that region. In addition, the HR department pointed out an overall effort for growth opportunities, which is not strategically recorded. On the last stage of Carroll's pyramid, the *philanthropic* responsibilities, FinTech offers several activities: free fruits, drinks, and beverages, a subsidised lunch programme, an internal medical counsellor for activities like incentivised vaccines or the optimal adjustment of office equipment. Further the factor of company and team events is specified again. FinTech offers besides the general, annually company Christmas party, a summer party and subsidised quarterly team events. Moreover, FinTech plans on implementing further actions in the near future: incentivised blood and bone marrow donations, a Christmas donation project involving all staff members, subsidised gym memberships, and a bike rental service co-orporation.

To recapitulate, all levels of Carroll's pyramid of CSR are met and through various measurements fulfilled. Especially in the philanthropic sector a lot of investment is made in regard to the employees' welfare.

Mapping the current state of the CSR activities regarding the stakeholder group employees, with the subjective perception of the interviewed employees, only ethical and philanthropic responsibilities are reflected. In respect of the factor *ethical* activities, all respondents gave a positive feedback regarding first of the ethical behaviour of the company in management. Especially the criteria of equality (ethnicity/age/gender) was depicted as a core value of the company and its managers. Secondly, most interviewees referred to the positive feedback and error culture as a very important impact on their work experience. Some of the interviewed

employees also referred explicitly to the behaviour of their leader in regards of the factor trust and personal relation as an expected and motivating factor. No potential improvements were expressed at all, which indicates an overall satisfaction with FinTech's ethical activities. Lastly, the *philanthropic* factors are analysed in the perception of the affected employees. All respondents mentioned the company and team events, the free fruits, drinks & beverages and the good office equipment as not expected measurements which have positive impact on their work experience. Additionally, single responses were given, mentioning different activities as not expected and thus philanthropic (afterwork/ additional monetary benefits/ table football/ personalisation of work times). When asked for improvements all interviewees replied in a societal approach and everyone gave an individual suggestion for positive interaction with external stakeholder groups. One factor was the lack of sustainability efforts taken into account the environment, other responses suggested sponsoring, volunteerism (homeless/city clean ups/ donation runs) and one even suggested a product related volunteerism of company and employees (free counselling). Especially the suggestion of volunteerism expressed the factor of affiliation in this context. Voluntary activities were seen as a collective experience without external force.

Mapping these findings now with the current state of *employee satisfaction* and engagement, the interviews with the middle managers and the HR manager are analysed. The overall satisfaction was ranked as good, with the constraint that the level of satisfaction depends on the team. FinTech uses a yearly survey in order to evaluate the employee satisfaction, ranking from zero to five, where five is the maximum. The whole sales department ranked positive with 4.1 out of five, while two divisions ranked higher and two divisions ranked lower. As additional measurements, the Employee Net Promoter Score (ENPS) are mentioned, which is a tool through which employees can give direct feedback on tablets, distributed in the whole company, and direct feedbacks (semi-annually with middle manager and weekly with team lead). Moreover, FinTech established a "culture club" facing a direct interaction with volunteering employees. This culture club is concerned with different topics regarding employees' satisfaction needs and can be compared to an employee delegation. In every working group representatives of different departments are working on topics in order to improve factors which lead to a higher overall satisfaction.

In turn *employee engagement* is not directly measured as a factor. Both leaders replied, that it is their responsibility to subjectively identify lack of or a potential for a higher engagement. In the semi-annually feedback sessions this factor is tried to be examined by the question "How is your passion for your team?". The overall engagement is perceived as mixed, depending on the

individual employee. Though the total engagement is perceived as good, considering that especially working in sales means that an employee is supposed to make less money when engaging in extra and not directly work-related activities. When asked for the correlation between the level of engagement and the level of performance all respondents agreed that a high level of engagement has a positive impact on performance. One leader (L\_II) even referred to an example, where an employee shifted 30 percent of his working time to coaching activities but even so improved his overall sales performance.

Summarising and answering the main research question on how the fulfilment of one pyramid affects the other pyramid it can be said, that each level of each pyramid affects one or more level in the other pyramid.

Giving examples, the philanthropic actions of high-quality office equipment or drinks and fruits have a high impact on the satisfaction of physical needs. Ethical activities positively influence the overall esteem of the employees through regular feedback systems and a good relationship with the manager. Philanthropic activities like the frequent events are valued by the respondents as a tool for affiliation within the company. Philanthropic activities on how to expand the flexibility of working times contributes to the level of work/life balance needs. In turn the satisfaction of the level of needs regarding Maslow's pyramid also has effects on the perception of the CSR pyramid. All respondents were fulfilled in their higher level of needs and most of their expressed desires were measured regarding external stakeholders, so in the highest level of Carroll's pyramid. The three additional desired improvements were on the levels of affiliation (knowing the colleagues from other teams better), physical (subsidised gym membership) and work/life balance (flexible working times). All those three desires are already acknowledged by the management, which is looking for solutions regarding these issues. Thus, it can be said that the only desires regarding CSR activities left, when the whole hierarchy of needs is satisfied, are philanthropic activities to external stakeholders.

In order to eventually answer the main research question, if a reciprocity can be found within the Parallelogram, it can be said that in case of FinTech a positive reciprocity occurs between both pyramids. The fulfilment of all levels of responsibilities is leading to a high satisfaction of needs and this high satisfaction of the level of needs is leading to a demand in the highest level of philanthropic responsibilities.

### ***5.2.3. Effects of the Parallelogram on Employee Engagement***

After evaluation that in FinTech's case a positive reciprocity can be found within the Parallelogram of Responsibilities these effects and findings are to be mapped with how they affect the employee engagement.

The engagement of employees is not measured through the management of FinTech and only subjectively perceived through the managers. Both interviewed managers responded that the level of engagement is very different, depending on the individual employee, but also pointed out that the openness regarding the support of other colleagues or the willingness to participate in extra activities like the culture club is very high. Both referred in this context to the fact, that these not directly work-related activities mean in sales, that the individual is losing pay. Taken into account this high opportunity costs for sales employees, the level of engagement is even higher, considering that the majority interviewed employees referred to the openness for questions and a positive error culture as a positive factor. The interviewed employees all had a high level of motivation and engagement, becoming evident through the voluntary participation in the interviews. Also, the majority of the interviewed employees at some point of the interview related the benefits of FinTech with former work experiences and concluded that they have never had a better workplace than now.

Since none of the interviewed employees was actively disengaged no conclusion can be drawn why other individuals are less satisfied and less engaged in the same workplace. Since those unengaged employees have the same environment and the same benefits, another factor has to be important for their overall engagement. One leader and the HR manager refer in this context to a phenomenon they call "inflation of demands": "Whatever you give on top, after a short time it becomes a given and new things are demanded" (L\_I). This inflation of demands might be one factor why single individuals are less engaged than others. Though as stated before the motivation is highly dependent on the team, which indicated another factor being relevant for the employees' engagement, the role of their leader.

### ***5.2.4. Role of Leader***

All interviewed employees expressed a positive relation to their leaders and managers and especially pointed out how important the level of trust is for their well-being: "This is a great company, but if it was not for both of my leaders, I do not know if I felt so comfortable as I do. They contribute a lot that I am feeling good." (E\_I); "She is always there for me, it does not matter if I have a work related or a personal problem" (E\_IV); "I feel appreciated and I feel well motivated to work at my best" (E\_V). For work related issues the widely implemented

feedback system gives the employees the space to express needs and opportunities for growth. Both leaders emphasised how important the recognition and endorsement of growth opportunities is: “It is my responsibility to support my staff members in their growth” (L\_II); “It is my responsibility to detect the hidden diamonds and to look what they would like to do if they knew how” (L\_I). This approach is reflected in the employees’ responses, that their leaders have major impact on their levels of esteem, affiliation, and growth and the perception of overall ethical behaviour. All managers referred though to the restraint, that the employee satisfaction survey showed that the level of satisfaction depends heavily on the team and moreover on the team’s manager. Though all employees are in the same organisational context and profit from the same CSR benefits, the satisfaction is dissimilar by the teams; “Then we had to project the results on the team’s manager that he or she is more or less able to convey topics or treats their team better or worse.” (L\_I).

It is to say that the leader plays a crucial role in how the satisfaction of needs is perceived personally by each individual employee. As proven through the statement of the employees without their positive relation to their leaders, they would be less satisfied with their overall work experience and since the leader has an impact on the levels of affiliation, esteem and growth, the satisfaction of the higher needs would not be as fulfilled as they are.

### ***5.2.5. Role of Strategic Implementation***

When asked for an explicit strategy regarding CSR towards employees all managers negated this factor. Though as a stakeholder group, employees have a very high priority in the company’s actions, no strategic approach is realised yet. The Mission and Vision of the company exclusively focus on customer and product. Nonetheless, the value system which is practiced through culture includes employees and their needs as a top priority. The founder and CEO of FinTech answered to the question on how FinTech differs from its competitors, that “the human individual is not missed out. I am convinced that we are most successful, when we focus first on our employees, then on the customer and eventually on shareholders.” (FinTech, 2019c). This approach can be found in the various benefits on all levels of responsibilities, as was evaluated in the current situation analysis of CSR activities towards employees. Nevertheless, both leaders referred to social values regarding employees: “I feel there is a social responsibility, so that we take retention decisions seriously” (L\_I); “We do not have a concrete strategy, everyone is doing their thing, but we actively engage in activities like the culture club...” (L\_II). This again shows a certain subjectivity of every leader in their strategy towards their employees and indicated that precisely on this level the differences occur between engaged

teams and unengaged teams. Without further investigation, a first conclusion is that a lack of strategic implementation of CSR activities regarding employees persuades leaders to follow their subjective interpretation of the lived values.

Summarising the main findings of the first case study of FinTech a positive reciprocity between the two pyramids and hence in the Parallelogram could be found. Every level of responsibilities affects one or more level of needs and their satisfaction. In turn, the satisfaction of the higher needs leads to a higher demand for CSR activities, with the threat of an inflation of demands. All interviewed employees were satisfied in their higher level of needs and also very satisfied with the CSR activities only desiring further activities for external stakeholders. The leader plays a vital role in the employees' motivation and their satisfaction of higher needs of affiliation, esteem and growth and their main responsibility is to provide an open space for feedback and trust. The lack of a concrete CSR strategy towards employees inflicts on the leaders their subjective interpretation of the practiced values and hence subjective measurements for esteem and growth opportunities.

### **5.3. Case II - OnTech**

In the second inner case analysis another case study of another company regarding the interdependencies of the Parallelogram of Responsibilities will be analysed. The results will again be presented in the order of the research questions and will be cross analysed with the findings from the first case in the next sub chapter.

#### ***5.3.1. Introduction***

OnTech was founded in 2002 and is offering mobile solutions in the business to business sector<sup>8</sup>. In 2016 OnTech was acquired by its now group organisation. With the acquisition the company and the products were re-branded, and values and mission were adapted to the group's values. The group has more than 24 locations worldwide and over 500 employees in total, with the headquarter in Norway, while the OnTech unit has 35 employees at the moment (OnTech 2019a). The OnTech group does not refer to a concrete mission, only states a three-folded value codex of "Innovative, Trustworthy and Commitment". A total of five interviews were

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<sup>8</sup> <https://dasauge.de>



conducted, three with employees (E\_VI; E\_VII; E\_VIII) one with a middle manager (L\_III) and one with a HR manager (HR\_II) on voluntary basis.

### ***5.3.2. Interferences of the Fulfilment of both Pyramids within the Parallelogram***

Again, both pyramids and the satisfaction of their levels of needs respectively responsibilities have to be evaluated each in order to map the findings with the perception of each employees and manager.

Starting with the first set of needs in Maslow's pyramid the physical needs, the responding employees partially mentioned the benefits of height adjustable desks and chairs, free fruits, drinks, and beverages as well as an opportunity for bike parking (E\_VI) and partially an internally organised run and the possibility of psychological consulting (E\_VII). When asked for improvements all respondents suggested a better offer of health related activities like subsidised gym memberships (E\_VII) and referred in this context to activities which were implemented in the past and they would wish to be re-implemented like sport lunch breaks (E\_VI). On the level of affiliation all employees ensured the good connection within the team and the local unit (E\_VI; E\_VII; E\_VIII). One respondent emphasised on the good hiring process, which leads to a good personal fit (E\_VI) and another one mentioned the company events but restricted his response to the fact, that those events are internally organised and not actively encouraged by the OnTech Group organisation. All interviewees stated that in regard to the group organisation no affiliation is perceived (E\_VI; E\_VII; E\_VIII). Which led to the expression of needs from all employees, that they would desire a stronger connection between all regional units and the group corporation: "I think we've become such a big organisation so quickly that sometimes when I get a request from someone on one of the teams in Bulgaria for example that I met once, I am not as close with them as I am with a lot of my customers and external partners who I see quarterly for example." (E\_VII). Another expression of affiliation needs came regarding the presence of the manager: "What is demotivating me is the absence of my manager. [...] It does not support the team spirit if someone who is supposed to be present is unexpectedly absent." (E\_VI). When asked for the satisfaction of the needs for esteem factors, all interviewees mentioned the positive feedback culture (E\_VI; E\_VII; E\_VII) while the sales manager additionally referred to monetary benefits (E\_VII). While all respondents expressed the need for more frequent coaching and feedback sessions (E\_VI; E\_VII; E\_VII), one employee wants the former transparent pay raise model back, which is not implemented anymore through the acquisition (VI). In response to the questions what OnTech provides for the personal growth opportunities, all respondents negated any personal growth measurement

.(E\_VI; E\_VII; E\_VII) but expressed the need for work related growth opportunities: “I now have the responsibility for a temp, to whom I delegate tasks. This is no serious leadership. I would like to have more input.” (E\_VI) and “I think courses or education that would help us be able to grow in that regard as well would be really interesting.” (E\_VII). In regard to work life balance all respondents were satisfied with their time flexibility and trust working times and had no direct needs for improvement (E\_VI; E\_VII; E\_VII). An extended need for a better work life balance came from the sales manager who added the wish to be consulted regarding workload decisions. He stated the problem, that the group management does not consider the current resources and their capacities when making decisions regarding integrations of other units which produces additional workload in already labour-intensive times (E\_VII).

Analysing the current state of the different levels of responsibilities of the CSR pyramid, the HR manager gave the information that for economic factors the group as well as the local unit regularly check the KPI and OKR and also all legal requirements are fulfilled, especially focusing in data security due to the online communication branch at the risks for clients. On the level of ethical responsibilities, the HR manager refers to a code of conduct reflecting the values Trustworthy, Committed and Innovative, and is based on the ten principles provided by the United Nations (UN) Global compact. As philanthropic activities mentioned within the local unit are good office equipment, free fruits, drinks and beverages, a shower in the office, a bike parking possibility, a yearly company event, and a weekly free lunch after the review. Thus, all levels of responsibilities of Carroll’s pyramid are to some degree fulfilled, with the emphasis that the philanthropic measures are all regulated from the local unit and not from the group organisation.

Mapping the current state of CSR activities regarding employees the employees’ perception of the sufficiency of those activities is relevant. In consent the respondents emphasised that the ethical behaviour was better before the acquisition (E\_VI:) “Our former CEO understood, that satisfied people bring better results” (E\_VII; E\_VIII). Especially the communication from the group organisation led to situations when trust was lost for instance: “There were some what the fuck moments [...] A new organisation chart was presented, and they moved me into another team. I could not find myself on the chart, so I thought, they had fired me...” (E:VI). Another interviewee pointed explicitly out that the human factor is missing: “They’ve been at these big initiatives for the employees to develop whatever the next product coming out is. And that’s not that’s a fundamental lack of leadership as far as I’m concerned.” (E\_VII). When asked about their perception of philanthropic activities all employees negated concrete activities, respecting that the yearly events and afterwork activities are organised either by the local unit or of

individual employees. The factors of measurements like the office equipment and free drinks and fruits were mentioned only by one respondent (E\_VI), which indicated that the awareness of benefits is lower, when the overall motivation and engagement is low. As philanthropic desires very individual answers were given. From helping refugees, giving donations, and use work related resources for social impact (E\_VI) to city clean-ups, giving donation runs (E\_VII). Summarising the analysed factors of both the satisfaction of Maslow's hierarchy of needs and Carroll's pyramid of CSR, the results of the second case show that the satisfaction, or in this case the lack of satisfaction affects the fulfilment of one or more level of the other pyramid. In the case of OnTech the lack of ethical responsibility leads to a lack of security and trust and the lack of philanthropic activities effect especially the needs for growth in a negative way. Nevertheless, through internal activities, disregarding the group's activities about CSR, the needs for affiliation and esteem are still somewhat satisfied. This downfall of the satisfaction of needs is reflected in the expressed needs for CSR activities. All employees expressed a lack of satisfaction in every level of needs, which were fulfilled before the acquisition and hence refer as needs to the activities which were implemented before. Finishing with answering the main research question, a reciprocity within the Parallelogram of Responsibilities could be identified, though in this case in a mostly negative way.

### ***5.3.3. Effects of the Parallelogram on Employee Engagement***

After examining that a mostly negative reciprocity could be found in case of OnTech's Parallelogram, these effects will be mapped with the overall employee satisfaction and engagement.

The current state of the employee satisfaction and engagement is analysed through the interviews with the leader and the HR manager. So far, no approaches of measuring employee satisfaction or engagement were implemented at OnTech. The leader refers to a subjective evaluation of satisfaction through documented one-to-one meetings which are not analysed (L\_III). The overall perception of the current level of employee satisfaction is medium to low, resulting from the lack of security through the group corporation: "Security is a very important factor for employee satisfaction. Only when this factor is ok, all those addons like the fruits and the lunch become important" (HR\_II). Eventually both managers confirmed the statements of the employees that the "clash between umbrella corporation and local unit" (L\_III) has tremendous negative impact on the overall satisfaction. "What is coming from the group is questionable for us in the local unit. Correspondingly, I see employees 'drop the pen' at 1630. I have no doubt that they did their job, but they did not do anything further than that." (L\_III).

This effect was confirmed by the response of an employee: “I try to maintain that I'm behind my computer from 9 to 6.” (E\_VII).

Though the HR manager refers to the still ongoing engagement and identification of the work itself: “Though a lot of motion is coming from the group, the engagement is still there because the team identifies with their tasks.” (HR\_II). The factor of identification with work came up again by both respondents regarding the correlation of employee engagement and performance. Both see a high relation of the identification of work tasks, and the business products and the final engagement and hence a maximum performance (L\_III; HR\_II).

Therefore answering the second research question how the reciprocity within the Parallelogram affects employee engagement, in OnTech's case it has a high relevance. The low engagement is attributed to a lack of security and a not supportive behaviour from the group organisation through a lack of CSR regarding employees. Most employees gave the feedback that they still identify with their work tasks, so that they fulfil their duty but do not engage further in not work-related activities.

### ***5.3.4. Role of Leader***

The fact that the employees of OnTech still identify with their work itself can also be found in how they perceive their manager. All referred to their leader as an important contact person for work related issues. Through the flat hierarchies the leader is necessary in a more work-related, supportive role. “She is less of a manager than a colleague. She is available whenever I need something from her” (E\_VI). In addition one employee emphasised on the personal relationship: “So I think that other than the fact that we're friends and I don't want to create more work for her or to make her life more difficult because we have a good interpersonal relationship” (E\_VII).

Considering the fact, that the group organisation's behaviour is causing a decrease in engagement, in the case of OnTech the leader has the task of mediating between the demands and order from the group and the needs and capacities of the local unit. “Because we managed to shield our staff member. For instance [L\_III] insulates her team very well and let them focus on the purpose of their work tasks” (HR\_II). Through feedback sessions, the management tries to keep up with the demand of the employees, but the needs for more frequent feedback session show, that the lack of management through the struggle between group and local unit already led to an internal downgrade of culture (E\_VI; E\_VII). Seeing in OnTech's case the role of a leader as more of a shield and protector from the corporation's management in order to maintain

a space of trust and transparency, the leader herself describes her role as “leading by example” (L\_III).

Summarising the role of leader at OnTech shows a conflict between the corporate value system and the lack of supportive CSR responsibilities, which the leader is supposed to solve. Though the personal relation is still impacting the positive work efforts, the overall conflict in culture is leading to a low engagement, which the manager is not able counteract. Answering the relevance of the role of the leader it can be said, that the engagement and the motivation might be even lower if it was not for the shielding and in turn professional, supporting activities and thus the leader plays a major role regarding the employees’ satisfaction and engagement.

### ***5.3.5. Role of Strategic Implementation***

In regard to any strategic approach either for employee engagement or for CSR strategy, all respondents, employees as well as manager, negated any strategic effort from the part of the group corporation, except for an official code of conduct. The key values of “Innovative, Trustworthy, and Commitment” are only “a bunch of buzzwords” (E\_VII) which are not lived in practiced culture. “It is nice, that those values stand there [...]. But there are zero measurements.” (L\_III). Again, references to the state before the acquisition were made: “We switched our electricity to an ecological friendly provider. That was what we perceived as CSR: But that was three, four years ago.” (L\_III); “In the past we did a lot of external social responsibility” (E\_VI). Which shows a desire back to the past state, before the acquisition: “Not only testing fast, new things but also finding the way back to things that already worked in the past” (E\_VI).

In the case of OnTech the lack of a consistent implementation of the corporate strategy into the local unit led to a low identification and low engagement with the company, where the leader is trying to protect its employees and maintain a former space of trust and open feedback culture and therefore forms a sub-culture. Through a lack of concrete measurements from the corporation, all levels of needs show a lack of satisfaction through not actively approached higher CSR responsibilities. The effort of the local management to maintain former measurements is keeping some activities alive but are not supported by the groups’ management. Answering the secondary research question how a strategic implementation affects the reciprocity within the Parallelogram it can be elaborated that the overall lack of implementation of a strategy led to a low satisfaction of every level of the hierarchy of needs.

## 5.4. Cross Analysis

After analysing both case studies, very different interferences within the Parallelogram could be identified. Following the overall goal of answering the research questions, all findings will be brought together and cross analysed during the following chapter.

### *5.4.1. Interferences of the Fulfilment of both Pyramids within the Parallelogram*

In order to give a final answer to the main research question the factors of needs and responsibilities from all cases and their interferences have to be evaluated.

Both cases showed very different degrees of satisfaction in the hierarchy of needs. While FinTech's employees showed an overall satisfaction in all levels of needs with only selective desires for improvement regarding physical, affiliation, and work/life balance needs (E\_I – E\_V), everybody of OnTech's employees expressed needs in all levels of the hierarchy, except for the needs for growth (E\_VI-E\_VIII) with even affecting the need for safety (E\_VI). In turn the fulfilment of responsibilities in FinTech's case show a serious acknowledgement of the stakeholder group employees and various activities for the welfare of employees in every level of Carroll's pyramid (HR\_I; FinTech 2019c). This sophisticated approach of CSR activities regarding employees, leads to a positive reciprocity within the Parallelogram of Responsibilities. OnTech also offers several activities for every level of responsibilities with the limitation that all of OnTech's employees mentioned the differentiation between activities coming from the local unit, which were implemented in the past before the acquisition through the group organisation, and activities coming from the group. Strictly speaking, the group organisation does not offer precise activities in order to fulfil its responsibilities, except for financing events and providing a code of conduct. The analysis of OnTech showed that the factor of „clash of cultures“ between the local unit and the group organisation is a major issue and eventually leads to a negative reciprocity within the Parallelogram.

Analysing all responding employees of both cases regarding their satisfaction of needs, the pyramid seems to be mostly fulfilled on all levels. Physical needs were well fulfilled through the philanthropic actions of height-adjustable desks and chairs as well as free fruits, drinks and beverages. The expressed needs of some of the interviewees for philanthropic activities regarding more movement (e.g. sponsored gym membership, sport lunch breaks) in order to counterbalance the lack of movement in office work (E\_III; E\_VI; E\_VII).

Affiliation needs were met through ethical and philanthropic needs. Ethical activities like a trustful environment and a positive error culture supported the level of affiliation within the

teams. Similarly, the ethical behaviour of the leader has a major impact according to the interviewed individuals. Some respondents mentioned a responsible hiring process as a positive impact, where potential colleagues are hired according to the lived and shared values (E\_I; E\_V; E\_VII). Other ethical activities like company events are also mentioned as a supportive factor for the satisfaction of the needs for affiliation. When asked for potential improvements some of the respondents pointed out a lack of affiliation with the company's environment further than their own team or unit. In Case I, the fast growth of the company led to difficulties for the individuals to know everyone by name or affiliate with the members of other departments (E\_II; E\_V). A similar need could be identified in Case II, where the affiliation with the group organisation and other units of the group was only little or no existent at all (E\_VI; E\_VII; E\_VIII). Few respondents referred to the potential factor of insufficient communication within the middle management for a lack of affiliation with other teams and departments and their work (E\_V; E\_VIII).

In case of the factor of esteem needs, the replies on how these needs can be satisfied were already more diverse: most respondents referred to the ethical responsibility of good and positive feedback culture (E\_I; E\_III-E\_VII) supporting their satisfaction of esteem needs, while the factor of a positive error culture within the team and with leaders is creating a trustful environment. Other supporting factors were the seniority (E\_II), the extension of work related responsibilities (E\_I; E\_II; E\_V) and the esteem through the identification with the work itself (E\_I-E\_III; E\_V-E\_VIII) which can also be sorted into ethical responsibilities. When asked for potential improvements quite individual replies were given, respecting the appreciation of the team's work from other teams or units (E\_V; E\_VII) and more frequent feedback sessions, and incentives especially in OnTech's case (E\_VI; E\_VII). These factors are mostly met by ethical activities of feedback sessions and the ethical behaviour of the managers and the overall company.

The next level of needs for growth opportunities shows a very ambivalent degree of satisfaction. In FinTech's case all employees show a high satisfaction for growth through the extension of work related responsibilities and perceive their opportunities for growth as very good, mentioning for example the change of hiring process, so that first of all internal employees are able to apply for open vacancies (E\_II). Also, none of the interviewees of FinTech mentioned any potential improvement in order to satisfy their need for growth. In turn at OnTech, none of the employees saw any measurement regarding their growth at all, and thus all expressed a need work related educational or coaching activities (E\_VI-E\_VIII). In this case, the ethical responsibilities for growth either work-related or personal are lacking from the company, also

in regard to feedback sessions, which the manager as well as the employees mentioned as not frequent enough in the last time (HR\_II; L\_III; VI).

Coming to the last set of needs for work/life balance, all interviewees gave the feedback, that they are satisfied with their work/life balance (E\_I-E\_VIII), either through flexible or even trust work times<sup>9</sup>. Though the only respondent who is working in a strict, not personalised shift system is referring to the lack of self-determination as a need for more time with his family (E\_II). The improvement of work/life balance can be considered an ethical or a philanthropic measure, depending on the perception of the individual employee. When asked for overall philanthropic improvements, the majority of respondents expressed a desire for activities regarding external stakeholders like the environment or the society (E\_I; E\_II; E\_IV-E\_II).

Overall the answers of the individual employees show that it is not easy to differentiate, if activities like for instance company events or the flexibility of work times are regarded as philanthropic or ethical activities; The yearly Christmas party is mostly considered an expected and therefore ethical activity, while extra events like quarterly team events are unexpected and hence a philanthropic activity. Trust work times can be regarded as an ethical activity, or a philanthropic activity depending on the perspective of the employee and the relation to former experience. Some respondents from FinTech referred to the improvement compared to their former workplace (E\_I-E\_V), while none of the interviewees of OnTech referred to this factor. One employee of OnTech even actively stated that he expects “certain benefits like the fruits and drinks now, which I did not expected in the past”. This indicates a certain conflict that can lead to a different perception of the satisfaction of needs between company and employee. While the company considers activities as philanthropic and hence expects a higher employee satisfaction, the employees might consider a measurement as an expected and not anymore motivating factor. Mentioning an example of Case II, where an employee relegates to free drinks and beverages as an expected and hence ethical activity (E\_VIII). This dynamic was also found in some of the answers of managers, referring to what they called “An inflation of demands” (L\_I; L\_III; HR\_I).

Recapitulating the findings in order to answer the main research question, it became evident that the satisfaction of all levels of the hierarchy of needs are affected by ethical and philanthropic activities. In contrast the satisfaction of needs has an impact on how CSR

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<sup>9</sup> Flexible work times have a certain measurement and a certain time frame given, while trust work times are not recorded and are in full responsibility of the employee.



activities are perceived. The higher the satisfaction of needs, the higher becomes the demand for philanthropic activities in the sense of the desire for philanthropic activities addressing external stakeholders or causes that once unexpected, philanthropic activities are regarded expected, ethical activities.

Answering the main research question, if a reciprocation can be found within the Parallelogram of Responsibilities, can be said that interdependencies between all levels of the hierarchy of needs and the levels of responsibilities could be identified. This states that a reciprocity within the Parallelogram exists and the initial assumption that the higher the need satisfaction of employees, the higher the demand for CSR activities can be confirmed.

### ***5.4.2. Effects of the Parallelogram on Employee Engagement***

For the second research questions, the results from the main research question are put into the context of employee engagement. Since the main research question was positively answered, now those findings have to be mapped with the findings regarding employee engagement. The case studies again showed very different results regarding the satisfaction and the engagement of employees. While at FinTech the overall satisfaction was described by the managers as mixed, depending on the team respectively the team's manager, which could be elaborated through a satisfaction survey (L\_I; L\_II; HR\_I), described the overall employee engagement is not measures and subjectively described by the leaders as mixed, depending on the individual employee (HR\_I; L\_I; L\_II). At OnTech the satisfaction was described as very low, referring to the low satisfaction of the needs for safety, affiliation, and growth (HR\_II) especially through the clash of cultures with the group organisation: "Some are willing to change their workplace" (HR\_II). Nevertheless, both managers from OnTech stated that their employees still show engagement regarding their work: "Partially, we still have a certain engagement, because we are working with a high level of self-organisation and transparency" (HR\_II). When asked for how employee engagement is measured, all HR managers negated a form of measurement (HR\_I; HR\_II). While the leaders also stated the impossibility to find a concrete measurement it was pointed out that it is the role of the leader to subjectively be aware of potential lack of engagement or to increase the overall engagement. (L\_I-L\_III).

Summarizing the findings, it can be said that the reciprocity within the Parallelogram of Responsibilities impacts the employees' level of satisfaction but not necessarily the individual's engagement.

### ***5.4.3. Role of Leader***

In both analysed case studies, the impact of the leader regarding employee satisfaction and engagement became evident, though in different dynamics.

While at FinTech, the positive impact on the needs for affiliation, esteem, and growth and on the factors trust and personal relation were mentioned by the employees. At OnTech, the respondents focused mostly on the factor of work-related feedback and support. Especially at FinTech, the direct link between the manager and the employees' satisfaction became evident through an elaborate employee survey.

The findings from Case II, that the leader needs to build the bridge between the organisations' requirements and the employees' demands, made clear how a negative reciprocity within the Parallelogram influences the role of the leader to more of a shield from the organisations' activities rather than enhancing the CSR activities in a positive reciprocity, as it was stated by the managers of Case I. The leaders of FinTech saw their responsibility in eliminating barriers for employees, so that a trustful space is given, in order to let employees do their best job possible. Thus, the managers are taking care of CSR activities and their implementation and through an elaborated feedback strategy even enhancing desired activities.

The factor of feedback had a major impact on how the management is perceived and most employees referred to the interaction of a feedback strategy as positive for their esteem and growth perspective (E\_I; E\_III-E\_V; E\_VII; E\_VIII). Especially in the second case study, the lack of regular feedback is expressed as a need for esteem (E\_VI-E\_VIII).

When analysing the connection between the factors feedback and the role of the leader, two additional factors became evident, which were called "let me do my work" and "self-motivation". All interviewed employees mentioned some form of self-motivation, in consensus all mentioned their work itself as a motivational factor, which they want to achieve at the highest level. Some other expressions of self-motivation came in form of an intrinsic motivation (E\_V-E\_VII), which was funnily brought to the point with the sentence "I like to try to do my best, whether I'm making soup or at work." (E\_VII). Others mentioned the relation to the customers (E\_II; E\_IV; E\_V), while for others their colleagues were motivational (E\_I; E\_II). Overall it could be observed, that the employees in general have a positive approach to do their best at their explicit work tasks. This leads to the factor "let me do my work", where some interviewees referred to positive or negative factors which disrupt their work flow even though they are perfectly capable to do their actual job (E\_I; E\_IV; E\_VII; E\_VIII). Therefore, those barriers must be eliminated, or the supporting factors have to be reinforced, in order to create the space where employees can do their best work. This task was seen by the leader as well, either through

the described shielding factor from organisational political issues (HR\_II; E\_III) or through reinforcement: “I think, take care that your people are happy and eliminate everything which is irritating them. Then they will be motivated and engaged by themselves.” (L\_I).

To recapitulate the role of the leader is overall a very important one. Leaders have the responsibility of motivating their workforce and communicate in both directions through a good feedback structure. Leaders are supposed to eliminate barriers and reinforce a trustful and open work environment, so that employees can work at their best.

#### ***5.4.4. Role of Strategic Implementation***

In order to answer the sub research question on how the strategic implementation of a CSR strategy affects employee engagement both cases disappointed with a lack of an actual CSR or employee engagement strategy. Though the welfare of employees is a core value of FinTech, no actual strategy is written. Nevertheless, the activities regarding employees and their satisfaction, through a variety of CSR measurements and the elaboration through an employee satisfaction survey, indicate a certain lived strategy. While in OnTech’s case the group organisation provides a code of conduct and core values, very little concrete measurements are implemented from the group’s side, leading to a lack of the satisfaction of needs. The first case study indicates, that the reciprocity in the Parallelogram is working without a strategy, though a strategic implementation of measurements is evidently necessary. The second case study offers a written code of conduct but fails on both the strategic level regarding employees as well as in regard to implemented activities.

Comparing all findings, the role of a concrete strategy cannot be answered. It seems as if a strategy reinforces the reciprocity within the Parallelogram, since FinTech shows a positive reciprocity with a semi-strategic CSR approach. More focused research is needed to answer this question.

Closing the chapter of analysis, all relevant factors were evaluated first focusing on each case study individually and ultimately analysing all findings in the cross analysis. The main findings will be reflected and mapped with the findings from the literature research during the next chapter of the discussion.

## 6. DISCUSSION

Before summarising the comprehensive work of the thesis in the last chapter of the conclusion, the results from the analysis need to be interpreted and critically evaluated regarding their implications and furthermore limitations.

The main result and thus the answer to the main research question is, that the interdependencies within the Parallelogram could be verified and a reciprocity between both pyramids was proven. As was assumed through the literature review, the fulfilment of responsibilities according to Carroll's model of CSR in the context of employees led to a higher satisfaction of the hierarchy of needs according to Maslow's model. Also, the assumption, that the higher the satisfaction of needs, the higher the demands for CSR activities could be verified. Though this factor led to an inflation of demands, which was a threat for managers. This implies, that not only suitable CSR activities have to be strategically evaluated and implemented, but also reevaluated, with time according to the shifting needs and desires of the employees. This mirrors two dynamics, which were evaluated in the literature research. According to Maslow's model, once a level of needs is satisfied, the individual aspires the next level. This prepotency was reproduced through this analysis. At the same time the dynamic, that philanthropic activities become ethical activities with time, shows the same drive as ethical and legal responsibilities, where according to Carroll's model ethical responsibilities become legal responsibilities over time. This finding is thus relevant in order to actively manage employee satisfaction and their changing desires.

Suggesting from the responses of the interviewees, the desires of the employees for philanthropic actions regarding external stakeholders could be a measurement for fulfilment of the higher needs. As mentioned shortly in chapter 2.3.3., Carroll's pyramid can be expanded with a fifth responsibility of "advancement" where the purpose of the company is to increase the overall welfare of external stakeholder. This might be the next step for businesses in order to meet the employees' desires for transcendence and might be an interesting topic for further research on how to meet the raising demands for CSR of the future generations.

Overall since the idea of the reciprocity within the Parallelogram was verified and can be used as a tool for organisations on how to approach their CSR activities in form of a strategized way respecting the needs of their employees.

The second research question on how the reciprocity affects employee engagement could not be answered to a final degree. The results show a clear effect of the Parallelogram in the overall

employee satisfaction, proving that in Case I the employees had a overall higher satisfaction, where their needs were met through CSR responsibilities than in Case II where the overall satisfaction was very low and most level of needs showed a low satisfaction. Following the research assumption, the employees from Case I were supposed to have a higher level of engagement than in Case II. This assumption could not be proven through the responses of the leaders. Hence, the direct link to the level of employee engagement could not be found. However, the link to the level of satisfaction could be proven, with still the open factor, as to why employee satisfaction in the first case study differs strongly from team to team since they all have the same work environment and profit from the same CSR activities. In critical evaluation the differentiation between employee satisfaction and employee engagement did not eventually become clear. Already in the literature review the differentiation between both concepts kept being vague. Additionally, the translation of the term employee engagement into the language of the interviews turned out to be confusing, so that satisfaction and engagement were understood as synonyms by some respondents. Eventually the results still could be used in terms of employee satisfaction, but for further research a more elaborated differentiation should be conducted upfront.

Motivated by the findings of Aon's (2016) research on employee engagement, the role of the leader was included into the analysis as a secondary research question. The leader was found to have a vital role for the satisfaction of the needs for affiliation, esteem and growth, as well as being identified as crucial for the communication between the organisation and the employees. Frequent and open feedback in both directions was proven to be important for all employees, which confirms the findings of Aon plc. (2016). Relevant for this research was on how the leader impacts the employee engagement or respectively satisfaction. The interviewed teams had all a positive relation to their manager, so that the negative effects could not be evaluated. In the first case study was mentioned that the level of satisfaction is strongly depending on the team and therefore the leader. All employees interviewed were from teams with a general high employee satisfaction. In order to find a critical comparison with less engaged employees, some interviews with employees and managers from less satisfied teams would have been helpful to verify findings. But even without more data about actively disengaged employees and their relation to their managers, it is to say that the leader plays a crucial role in how the satisfaction of needs is perceived personally by each individual employee. As proven through the statement of the employees without their positive relation to their leaders, they would be less satisfied

with their overall work experience and since the leader has an impact on the levels of affiliation, esteem and growth, the satisfaction of the higher needs would not be as fulfilled as they are.

Hence, it can be said that the leader is a crucial factor in the effectiveness of CSR activities and the satisfaction of needs, but no recommendation can be given how to approach this factor in order to increase employee motivation, except for the factor of an open and trustful feedback system and to the factor of elimination of barriers so that employees can achieve their best job performance.

The last secondary research question is concerned with the degree of strategic implementation and was inspired by Mirvis (2012) statement that a more integrated strategic approach to CSR leads to a higher employee engagement. Through the inconsistency and complexity of the (semi-) strategic approaches of the analysed case studies, no final answer can be given to this research question. In FinTech's Case, the implementation of activities with a semi-strategic approach towards employees seems to work well, through a lives system of shared values. In OnTech's case an official code of conduct without measurements and activities relating to CSR, only the activities inside of the unit or team are working and no identification could be found with the corporate values. This complexity did not allow an elaborated contemplation regarding the lower priority of the research question. However, the results indicated that the lived culture is more important than the strategic evaluation of an CSR approach, which supports the findings from Collier and Esteban (2007).

Having an overall critical look on the thesis a lot of factors could have been analysed with much more detail and focus than it was possible. During the research a lot of interdependencies and additional factors like for instance the self-motivation, the formation of sub-cultures within the companies, or the seniority of the interviewed employees came up, but could not be analysed in more depth in order to stay in the guidelines of the overall research objective. Not all levels of the pyramids (safety/economic/legal) were included in the analysis out of limitation reasons, because they were assumed to be fulfilled in both case studies and hence not all interdependencies could be identified. Additionally, the selection of the cases led to difficulties which could not have been foreseen, as the clash of cultures in Case II.

Nevertheless, the overall idea of the Parallelogram of responsibilities based on Maslow's hierarchy of needs and Carroll's pyramid of corporate social responsibility could be verified as a relevant model which can be used to accomplish the identification, evaluation and strategic implementation of CSR activities respecting the relevance of the employees' needs.

## 7. CONCLUSION

This research aimed to identify the interdependency between strategic CSR approaches regarding the stakeholders group employees in order to increase employee engagement considering their hierarchy of needs, facing the future challenge of a shortage of highly skilled workforce. In the following the whole thesis will be recapitulated starting with stating the main findings.

### 7.1. Main Findings

Based on a qualitative analysis of the satisfaction of the hierarchy of needs of employees and their overall satisfaction and engagement, it can be concluded that the interdependencies between the pyramid of CSR responsibilities and the pyramid of the level of needs can lead to a positive or negative reciprocation. The results indicate that the higher the satisfaction of needs, the higher the demand for elaborated CSR activities and the higher the overall satisfaction. Thus, in order to maintain a competitive, successful business and attract and moreover retain a skilled workforce, the demands for CSR activities, which will lead to a satisfaction of the level of needs, have to be met through an implicit CSR strategy and furthermore with implemented CSR activities. The leader plays a vital role in the dynamics of the satisfaction of needs, especially regarding the CSR activities like open and trustful feedback sessions and the elimination of barriers for employees to fulfil their job. The role of the strategic implementation could not be finally answered, however the results indicated that a practiced culture of CSR is more impactful than a code of conduct with no CSR related activities, which supports the findings of the literature review. A direct link between the reciprocity within the Parallelogram and employee engagement could not be verified. Though this link was found to the effects on employee satisfaction, so that it can be said that an implemented CSR approach towards employees, respecting the level of needs of the employees, lead to a positive reciprocity within the Parallelogram of Responsibilities and increases employee satisfaction.

### 7.2. Contributions

The objective to evaluate a strategic CSR approach to increase employee satisfaction considering the hierarchy of needs was successfully evaluated through this thesis. Though the direct link of the model of the Parallelogram of Responsibilities could not directly be linked to employee engagement, the findings help understanding and approaching the interdependencies between CSR activities and the satisfaction of employees' needs. The direct link between

employees' needs and a CSR strategy towards employees is an important one, considering the challenges employers have to face in the future. The model of the Parallelogram can be used in different ways, either as the basis for further research on the topic which will be explained next or simply as a practical measure for businesses. Using the Parallelogram as a model of thoughts when approaching the internal employee satisfaction can be helpful for a strategic orientation as well as evaluation.

### **7.3. Limitations**

Through the limitation of this master thesis, not all factors could be explored as it would be necessary to give a finite description of interdependencies of the Parallelogram. During the chapter of the discussion some limitations of the analysis are already mentioned. The factors and sub criteria for the analysis were quite comprehensive which retrospective led to sometimes imprecise results through too complex interdependencies for the scope of the research. It might be useful for further studies to combine qualitative with quantitative research method in order to identify all interdependencies in a more precise way. Especially the factor of the role of leader came short through a lack of underlying literature. The complexity and the comprehension of the topic was already considered a challenge when identifying the initial research object, but all factors were tried to give the relevant priority in the analysis in order to give a first insight of the idea of the Parallelogram of Responsibilities.

### **7.4. Further Research**

Sequential to this research, still several questions are not answered and have the potential to be explored further. Especially the concrete interdependencies and resulting consequences of each level of each pyramid can give detailed information on how to approach the effectiveness of single CSR activities. Another factor, which came to the fore, is the factor of the role of the leader between the companies' responsibilities and the employees needs and its own position and has the potential of giving more insights on how to successfully implement CSR strategies. One further attempt to elaborate the idea of the Parallelogram might be within the format of a PhD thesis, analysing different case studies in a more detailed and sophisticated way, than it was possible in the capacity of a master thesis. The cases might reflect different stages of CSR, for instance one case focusing mainly on profit maximisation, one case focusing on CSR activities regarding employees and following still following the profit maximisation, and one case of a company which implemented CSR related goals already in the company's object but still following the profit approach or even analysing an NGO in comparison. For the research



method a mixed approach of quantitative data and qualitative data approach might be reasonable for this step, analysing the explicit levels of satisfaction, engagement and perception of CSR activities in comparison with a deeper subjective approach.

One last word said, the idea of the “Parallelogram of Responsibilities” is meant to give a strategic approach on how to converge the employees’ needs and the companies’ responsibilities. The complexity of interdependencies and individualisation of stakeholders’ needs does demand for elaborated concepts meeting this complexity. Or to say it in Freeman’s words (2004: 232):

“I simply wanted to suggest that we could think about stakeholders systematically. Obviously, there are limits to our ability to analyze, and just as obviously we can use analysis to hide behind, rather than going out and actively creating capabilities for dealing with stakeholders

Nevertheless, this model is meant to be “felt” as it is meant to be systematically analysed and implemented; Every manager as well as every employee might achieve access to the opposite perspective and might become aware of the possibility, that the opposite side does not mean fighting an opponent, but rather working with an ally towards a shared goal.

Ultimately, honouring a very noble, philanthropic, and brilliant human being, whose empathic words laid the foundation of the concept of the Parallelogram, this thesis will close with a sentence, which summarises the analysed idea better, than every elaborate research could ever be able to:

“We are all small particles of yeast”

‘Herr Kruse’, 2016

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## APPENDICES

### Appendix I: 15 characteristics of self-actualised people (Maslow, 1970, p. 152-174)

**1. Efficient perception of reality:** In art and music, in things of the intellect, in scientific matters, in politics and public affairs, they seemed as a group to be able to see concealed or confused realities more swiftly and more correctly than others.

**2. Acceptance of self, others and nature:** They can accept their own human nature in the stoic style, with all its shortcomings, with all its discrepancies from the ideal image without feeling real concern. It would convey the wrong impression to say that they are self-satisfied. What we must say rather is that they can take the frailties and sins, weaknesses, and evils of human nature in the same unquestioning spirit with which one accepts the characteristics of.

**3. Spontaneous in thought and action:** Their behavior is marked by simplicity and naturalness, and by lack of artificiality or straining for effect. This does not necessarily mean consistently unconventional behaviour.

**4. Problem-centered:** In current terminology they are problem centered rather than ego centered, they generally are not problems for themselves and are not generally much concerned about themselves; e.g., as contrasted with the ordinary introspectiveness that one finds in insecure people. These individuals customarily have some mission in life, some task to fulfil, some problem outside themselves which enlists much of their energies.

**5. Need for privacy:** they can be solitary without harm to themselves and without discomfort. Furthermore, it is true for almost all that they positively like solitude and privacy to a definitely greater degree than the average person.

**6. Autonomy; Independence of environment:** relative independence of the physical and social environment. Since they are propelled by growth motivation rather than by deficiency motivation, self-actualizing people are not dependent for their main satisfactions on the real world, or other people or culture or means to ends or, in general, on extrinsic satisfactions.

**7. Capable of deep appreciation of basic life-experience:** Self-actualizing people have the wonderful capacity to appreciate again and again, freshly and naïvely, the basic goods of life, with awe, pleasure, wonder, and even ecstasy, however stale those experiences may have become to others

**8. Peak experiences:** There were the same feelings of limitless horizons opening up to the vision, the feeling of being simultaneously more powerful and also more helpless than one ever was before, the feeling of great ecstasy and wonder and awe, the loss of placing in time and

space with, finally, the conviction that something extremely important and valuable had happened, so that the subject is to some extent transformed and strengthened even in his daily life by such experiences.

**9. Gemeinschaftsgefühl:** They have for human beings in general a deep feeling of identification, sympathy, and affection in spite of the occasional anger, impatience, or disgust.

**10. Deep interpersonal relationships with a few people:** Self-actualizing people have deeper and more profound interpersonal relations than any other adults, they tend to engage with peers who are on the path of self-actualisation themselves and therefore are very selective about their relationships.

**11. Democratic attitudes:** They can be and are friendly with anyone of suitable character regardless of class, education, political belief, race, or colour. As a matter of fact, it often seems as if they are not even aware of these differences, which are for the average person so obvious and so important. [...] For instance they find it possible to learn from anybody who has something to teach them-no matter what other characteristics he may have.

**12. Strong moral and ethical standards:** these individuals are strongly ethical, they have definite moral standards, they do right and do not do wrong. Needless to say, their notions of right and wrong and of good and evil are often not the conventional ones.

**13. Philosophical, unhostile sense of humor:** They do not consider funny what the average man considers to be funny. Thus, they do not laugh at hostile humor (making people laugh by hurting someone) or superiority humor (laughing at someone else's inferiority) or authority-rebellion humor (the unfunny, Oedipal, or smutty joke). Characteristically what they consider humor is more closely allied to philosophy than to anything else.

**14. Highly creative:** Each one shows in one way or another a special kind of creativeness or originality or inventiveness that has certain peculiar characteristics.

**15. Resistant to enculturation:** or transcendence of any particular culture: They get along with the culture in various ways, but of all of them it may be said that in a certain profound and meaningful sense they resist enculturation.

**Appendix II: Interview Questions with References and Factors**

Employee		
Interview Question	Reference	Factor
What does [Company] provide for your physical & mental health? What would you like to see improved?	Stum, 2001; Aon, 2018; Maslow, 1970	physical/safety
How does [Company] value you as a person and how is the connection between you, your team and the company? What would you like to see improved?	Stum, 2001; Aon, 2018; Maslow, 1970	esteem; affiliation
How do you describe your work/ life balance? What is provided by [Company] for personal growth? What would you like to see improved?	Stum, 2001; Aon, 2018; Maslow, 1970	work/life balance; growth;
What do you perceive about [Company] ethical activities (towards you and in general)? What would you like to see improved?	Carroll, 1991; 2016	ethics;
How do you perceive [Company] philanthropic activities (towards you and in general)? What would you like to see improved?	Carroll, 1991; 2016	philanthropic
What are the Mission and Vision of [Company]? How do you identify with them personally?	DDI, 2015; Mirvis, 2012;	strategy; identification of values;
What role plays your leader/ manager in your job performance and motivation? What would you like to see improved?	DDI, 2015; Aon, 2018; Gallup, 2018	role of management; leader needs;
Leader		
Interview Question	Reference	Factor
How do you perceive employee satisfaction? How is it measured?	DDI, 2015; Aon, 2018; Gallup, 2018	employee satisfaction;
How do you perceive employee engagement? How is it measured?	DDI, 2015; Aon, 2018; Gallup, 2018	employee engagement;
How is the factor "employee engagement" included in [Company] strategy? Which measures are already implemented to increase engagement?	DDI, 2015; Aon, 2018; Gallup, 2018; Mirvis, 2012;	strategy; engagement;

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How do you perceive [Company] CSR strategy?	Carroll, 1991; 2016; DDI, 2015; Mirvis, 2012;	strategy, CSR strategy;
How do you perceive the relation between employee engagement and job-performance? What measures are already implemented to increase job-performance?	DDI, 2015; Aon, 2018; Gallup, 2018	engagement; performance;
How do you describe your responsibility as a middle manager to engage your staff members?	DDI, 2015; Aon, 2018; Gallup, 2018;	engagement; role of management
What are the biggest challenges of being a good & responsible employer? What challenges/opportunities do you see for the future?	Aon, 2018; Gallup, 2018;	desires; trends
<b>HR</b>		
<b>Question</b>	<b>Reference</b>	<b>Factor</b>
How do you perceive employee satisfaction? How is it measured?	DDI, 2015; Aon, 2018; Gallup, 2018	employee satisfaction;
How do you perceive employee engagement? How is it measured?	DDI, 2015; Aon, 2018; Gallup, 2018	employee engagement;
How is the factor "employee engagement" included in [Company] strategy? Which measures are already implemented to increase engagement?	DDI, 2015; Aon, 2018; Gallup, 2018; Mirvis, 2012;	strategy; engagement;
How do you perceive [Company] CSR strategy?	Carroll, 1991; 2016; DDI, 2015; Mirvis, 2012;	CSR strategy;
How do you perceive the relation between employee engagement and job-performance? What measures are already implemented to increase job-performance?	DDI, 2015; Aon, 2018; Gallup, 2018	engagement; performance;
How do you describe your responsibility as an HR manager to engage your staff members?	DDI, 2015; Aon, 2018; Gallup, 2018;	engagement; role of management
What are the biggest challenges of being a good & responsible employer? What challenges/opportunities do you see for the future?	Aon, 2018; Gallup, 2018;	desires; trends
What measures are already implemented for mental and physical health improvement?	Stum, 2001; Aon, 2018; (Maslow, 1970)	physical/safety



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What measures are already implemented for appreciation and social connection inside and cross the teams and with the company?	Stum, 2001; Aon, 2018; (Maslow, 1970)	esteem; affiliation
What measures are already implemented for personal growth opportunities and to improve work/life balance?	Stum, 2001; Aon, 2018; (Maslow, 1970)	work/life balance; growth;
What measures are already implemented for ethical responsibilities are already implemented?	Carroll, 1991; 2016	ethics;
What measures are already implemented for philanthropical responsibilities are already implemented?	Carroll, 1991; 2016	philanthropic

**Appendix III: Interview Results Employees sorted by Factors**

	FinTech					OnTech		
	E_I	E_II	E_III	E_IV	E_V	E_VI	E_VII	E_VIII
Fruits & Drinks	x	na	x	x	x	na	x	x
Office Equipment	x	x	x	x	x	na	x	x
Parties	x	x	x	x	x	x	x	x
Other activities	na	na	tabletop football; afterwork	scooter	na	shower; bike parking	na	afterwork
Hiring Process	character fit, integration of team, equality	internal openings,	na	na	already met leaders in Hiring Process	na	personal fit criteria in hiring process	na
Error Culture	everyone open for questions	na	no bad feelings with asking questions	everyone open for questions and ideas	good prejob training, everyone open for questions	exchange of personal s/w	no bad feelings with asking questions	no bad feelings with asking questions; no pinpointing;
Working Times	flexible work time; home office	shifts	flexible work time	fixed shifts (by to personal situation)	shifts	trust work time; home office	na	trust work times; barrier of not doing over hours; home office;
Self-Motivated	work, envorinment, colleagues	work, colleagues, customer	work	work; ethics; customer; values;	work; intrinsic; customer;	work; intrinsic; responsibility/free dom	work; intrinsic; long-time issues	work; wants to focus on actual work, not politics
Feedback	daily personal, direct;	na	daily personal, direct; weekly one-to-one with team lead;	one-to-one with team lead; on call	one-to-one with team lead	frequently, direct (less atm)	frequently, direct (less atm)	frequently, direct (less atm)

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Let me do my work	always contact person for questions (no dependence on leader)	na	na	leader takes care of personal all-day stuff	na	na	not enough resources and capacities	no interest in political group interactions; leader as a shield
<b>Trust</b>	trust of managers (work & personal)	trust of managers	trust of managers	trust of managers (work & personal)	trust of managers & colleagues (work & personal)	LOST trust through behaviour of umbrella and leader	trust of managers (work & personal)	colleagues through positive error culture;
Physical	office equipment; fruits; drinks	office equipment	office equipment; fruits; drinks	office equipment; fruits; drinks	office equipment; fruits; drinks	office equipment; fruits; drinks; bike parking; stand up meetings	psychological coaching;	office equipment; fruits; drinks
Physical Improvements	none	none	more movement; gym membership	none	na	more movement; sports break (was implemented in the past)	coaching/ trust person (was implemented in the past); gym membership; company hikes	na
Affiliation	intraTeam strong; hiring process; leader	intraTeam strong; interTeam & company through Events;	intraTeam strong; leader; company	intraTeam strong; team events; interTeam & company; events; leader	buddy; intraTeam strong; interTeam; leader;	intraTeam strong; hiring process; little/none with group	intraTeam strong; leader; events; company; little/none with umbrella corporation & other units	internally good, little/none affiliation with group
Affiliation Improvements	none	knowing everyone, fast growth; more personal interaction instead of digital	none	more Gemeinschaftsgefühl in regard to responsibilities (cleaning kitchen)	collective social actions	presence of manager; affiliation with group	affiliation with all units & group corporation	more affiliation with colleagues (afterwork);
Esteem	leader; error culture; feedback culture; work responsibilities;	team; seniority; more work responsibilities;	leader; error culture; feedback culture; good work;	feedback culture; ideas are taken seriously;	leader; error culture; feedback culture; more work responsibilities;	feedback culture; work;	monetary benefits; feedback culture; kick-off in Oslo	work and affiliation with colleagues; kick-off in Oslo

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Esteem Improvements	none	none	none	none	communication between middle manager; acknowledgement of other teams	more frequent coaching/feedback ; transparent pay raise system (was implemented before)	more frequent coaching/feedback; consultation of capacities regarding higher management decisions; salary/stock/vaca tion incentives (no target plan; flat hierarchies)	more frequent coaching/feedb ack; transparent non- hierarchical communication with group and other units
Growth	extension of work responsibilities; good opportunities	extension of work responsibilities with title; good opportunities (team lead; specialisation); internal vacancies;	extension of work responsibilities ; good opportunities	extension of work responsibilities; good opportunities	extension of work responsibilities; good opportunities	none	none	none known (but impression that possible when actively demanded)
Growth Improvements	none	none	none	none	none	coaching (leadership of working student)	work related educational opportunities (MIT course)	work related educational opportunities as an active programme, so it's not on demand but by offer
Work/Life	good (flexible working times)	good	good (flexible working times)	good (personalised working times; benefit fruits)	good (benefits fruits)	good; flat hierarchies (vacation)	good	good
Work/Life Improvements	none	no shifts, self- determined	none	none (got special treatment because of personal circumstances)	none	none	consultation of capacities regarding higher management decisions	none
Ethic	good (gender/age/nationality)	good (gender/age/nationality); error &	good (friendly/familiar)	good (gender/age/nationality)	good (gender/age/nationality)	good in company; not good in umbrella	ok in company; worse than in the past;	more focus on internal politics than work;

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		feedback culture; leader		y); error & feedback culture;	ity); trust; leader; error culture;	(intransparent firing process)		employee is not "heard" in group; fruits, drinks; company events; feedback sessions:
<b>Ethic Improvements</b>	none	none	none	none	none	behaviour of umbrella corporation (intransparent firing process)	understanding of umbrella corporation; only product not people oriented	communication with other units and group;
<b>Philanthropic activities</b>	Events; Fruits & Drinks; Office Equipment; other activities (cinema/tours)	Events; Office Equipment; other activities (monetary benefits)	Events; Fruits & Drinks; Office Equipment; other activities (table football; afterwork)	Events; Fruits & Drinks; Office Equipment; work time adaptation out of personal circumstances;	Events; Fruits & Drinks; Office Equipment	none (have been implemented in the past)	none (events organisations are more driven by employees)	Office equipment; bis meeting in Oslo (mixed feelings)
<b>Philanthropic desires</b>	waste separation, sustainability of company and individual employees	sponsoring of events, volunteering (debt counselling)	none	sustainability	city clean-ups, helping homeless (volunteering & money), donations marathons	donations, helping refugees, positive impact through use of resources	city cleanups, donations marathons	na
<b>Mission/Vision</b>	na	na	na	na	"To become the financial home. For everybody"	na (only the past mission)	na "bunch of buzzwords"	na
<b>Values</b>	employee satisfaction; equality; ethical behaviour;	customer orientation; equality; ethical behaviour;	employee satisfaction; feedback culture;	na		customer orientation; respect; work quality; fun at work; identification with local principles;	identification with local principles;	identification with local principles;
<b>Identification of Values</b>	high	high (customer orientation)		high (communication/feed	high (customer orientation/ethics)	identification with local principles;	identification with local	identification with local

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				back; customer orientation)		low with umbrella corporation;	principles; low with umbrella corporation;	principles; low with umbrella corporation;
<b>Leader - Role</b>	appreciation; esteem; personal relation; trust	appreciation; esteem; growth;	appreciation; esteem; personal relation; trust; feedback	appreciation; esteem; trust; ethical behaviour; personal relation	appreciation; esteem; friendship; trust; feedback; error culture;	low hierarchy; contact person for work related issues;	personal relation; contact person for work related issues;	keep space for work; shield from internal politics;
<b>Leader - Needs</b>	none	none	none	none	none	coaching, more frequent feedback, more presence;	none; umbrella corporation reallocation of resources;	more work-related support (back to flat hierarchies, not politics)

#### Appendix IV: Interview Results Managers sorted by Factors

	FinTech	FinTech	OnTech	FinTech	OnTech
	L_I	L_II	L_III	HR_I	HR_II
<b>Employee Satisfaction</b>	mixed (depending on team/head) but overall good;	mixed (depending on team/head) but overall good (4.1/5 from survey)	medium (clash between local unit and umbrella corporation)	mixed level of satisfaction (depending on team/head)	low (threat of safety through umbrella corporation)
<b>Satisfaction Measurements</b>	yearly survey;	yearly survey; ENPS (Employee Net Promoter Score); culture club;	documented one-to-one feedback session	yearly survey; ENPS (Employee Net Promoter Score); culture club;	none
<b>Employee Engagement</b>	mixed (depending on individual) but good regarding sales (not work-related efforts mean less pay)	mixed (depending on individual) but good regarding sales (not work-related efforts mean less pay)	low (clash between local unit and umbrella corporation; change of CEO)	mixed (identification and autonomy of work)	medium (identification and autonomy of work)
<b>Engagement Measurements</b>	none; subjective through special attention of leader;	none; subjective through special attention of leader; "Passion in your Team" question in semi-annual feedback; personal-growth opportunities;	none (subjective through open culture & feedback)	none	none
<b>Engagement Performance</b>	when an employee is satisfied, it is engaged, and it works at its best; eliminate barriers	when an employee is satisfied, it is engaged, and it works at its best; monetary benefits; do what you are good at;	when an employee identifies with the value and product of a business, they are automatically engaged and perform well	very high correlation; in sales monetary benefits	when an employee sees the big picture and the identifies with their work they will be engaged and perform well
<b>Performance Measurement</b>	one-to-one coaching; workshops; skill related growth; autonomy; retrospectives	one-to-one coaching; workshops; skill related growth; autonomy;	none; as a unit within the umbrella good performance	none	none
<b>Employee Strategy</b>	none	none	Strategy from umbrella corporation (not put	none	none (was implemented in the past)

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			in practice e.g. growth)		
<b>CSR Strategy</b>	none	none	none (was implemented in the past e.g. eco-electricity)	none	none
<b>Role Leader / HR</b>	engagement is depending on leader (because satisfaction was depending on team); engagement; identification & support of growth opportunities; employee retention (individualised (skill/personal) internal change); to identify & develop skills so leader becomes redundant; understand employees' work;	engagement is depending on leader (because satisfaction was depending on team); engagement; identification & support of growth opportunities; employee retention (individualised (skill/personal) internal change); to identify & develop skills so leader becomes redundant; understand employees' work;	engagement through leading by example; feedback; build trustful and transparent environment; ask for employee's needs;	very important role for satisfaction and engagement; space of trust;	very important role for satisfaction and engagement; space of trust (compensating insecurity by umbrella corporation)
<b>Future Challenges</b>	Inflation of Demands; working times flexibility; personal growth (not everyone can be a leader);	working times flexibility; personal growth; employee retention; employee hiring; new work; personal flexibility;	the integration of corporate and local strategies and values; competitive market of qualified employees; flexibility, transparency;	sustainability (public transport/lunch/bikes); individualisation of demands (offers have to be accepted);	Values of transparency, trust, identification; demand for socially responsible companies (not profit first);
<b>Physical Measures</b>				office equipment; Health Day; (past no demand: sports lunch break); future: subsidised gym membership/ bike renting	office equipment;
<b>Esteem Measures</b>				one-to-one feedbacks; monetary benefits;	one-to-one feedbacks;
<b>Affiliation Measures</b>				team events (quarterly);	afterwork;
<b>Growth Measures</b>				internal & external coaching;	internal & external coaching;



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<b>Work/Life Balance Measures</b>				flexible working times vs. shift system (with option of self-dependent individualisation);	flexible working times;
<b>Economic Responsibilities</b>				OKR/KPI measurement; transparency to employees	regular check on OKR/KPI;
<b>Legal Responsibilities</b>				fulfilled (data-security of external stakeholder); employee contracts;	fulfilled (GDPR)
<b>Ethical Responsibilities</b>				subsidised monthly pass; more than legally required vacation; working times (flexible/shifts); company events; possibilities for growth not systemised;	code of conduct based on the ten principles provided by the United Nations (UN) Global compact from umbrella corporation
<b>Philanthropic Responsibilities</b>				fruits & drinks; subsidised lunch; team events; internal doctor (table & chair adaptation/ incentivised vaccinations); future: incentivised blood/bone marrow donation; donation; Christmas donation project (employees & company); subsidised gym; bike renting;	fruits; drinks & beverages; shower; bike parking; company events; afterwork; free lunch after review
<b>Inflation Demands</b>	new benefits become normal in short time	na	na	demands are rising (events)	na
<b>Hiring Process</b>	giving chances to unconform individuals; careful hiring regarding values;	careful hiring regarding values;	na	na	na
<b>Feedback</b>	semi-annually one-to-one; with team lead weekly;	open space; culture club; semi-annually one-to-one; with team lead weekly;	documented one-to-one and team feedback sessions	open space; culture club; semi-annually one-to-one; with team lead weekly; trust person in HR;	weekly team review; coaching; one-to-one feedback;
<b>Let me do my shit</b>	eliminate all barriers (work/personal); everyone wants to do their best;		ask for needs and eliminate barriers; create open and transparent space;		no measuring of results, because motivation to do good job is intrinsic

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<b>Trust</b>	employees primarily want to deliver good results;	"trust-person" in HR & in each team	leader and external not related trust person	"trust-person" in HR & in each team	HR & external not related trust person
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