

From “Double Pyramid” Thoughts to Corporate Social Responsibility for Enterprise Employees

Guiling Wei

School of Business, Sias International University
Renmin Road NO. 168, Xinzheng 451100, Henan, China
E-mail: zdwgl@sina.com

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Abstract

The purpose of this paper is to study corporate social responsibility for staffs based on the pyramid of Maslow's hierarchy of human needs and the pyramid of Carroll's corporate social responsibility. This research takes advantage of “double pyramid” thoughts to discuss some enterprises lack of corporate social responsibility for their employees. Today, we are building of a harmonious society, each enterprise should not only realize the profit maximization, but also to meet the individual needs of employees. All enterprises should not only undertake financial responsibility, but also undertake social responsibility. In a word, those enterprises that their employees' personal needs and social welfare are all brought into the enterprises' agenda, can have the favorable development, and will grow much bigger and stronger.

Keywords: “Double pyramid” thoughts, Corporate social responsibility, Enterprise employees

1. Introduction

Financial storm of the United States swept across the world, the top investment banks crumbled. Economy in Eastern Europe, South America countries is on the verge of bankruptcy, whose financial system and capital market are facing a huge threat. In addition, export enterprises of China, Thailand, Japan, Brazil and other countries crack down by the U.S. financial crisis drag (Guoping Wu, 2010). Some of small and medium-sized enterprises will go out of business. Delaying wages and unreasonable deductions from paychecks are widespread phenomenon. Salary is to maintain a man's basic survival needs, without which workers can't survive. They'll have much difficulty in sustaining themselves and their family's basic life, let alone to their children's education and training. The enterprise owners' wealth that those business owners docked employees' wage are established above the employees' sweat and toil. They split the close relation between Maslow's hierarchy of needs and Carroll's corporate social responsibility (CSR), namely, so-called “double pyramid” thoughts. Today, corporate social responsibility for staffs should be put on the agenda in order to construct a harmonious society (Brammer, S., Williams, J., 2007 (3): pg229-243).

2. “Double Pyramid” Theories Analysis

2.1 *The Pyramid of Maslow's Hierarchy of Human Needs*

Maslow's hierarchy of needs is a well-known theory in psychology, proposed by Abraham Maslow in his paper “A Theory of Human Motivation (Maslow, 1943: pg370).” Subsequently, Abraham Maslow extended the idea to include his observations of humans' innate curiosity. His theories parallel many other theories of human developmental psychology, all of which focus on describing the stages of growth in humans. Maslow used the terms: physiological needs, safety needs, love and belongings, esteem, and self-actualization needs, to describe the pattern that human motivations generally move through. The physiological needs are the largest and most fundamental level of needs at the pyramid bottom of Maslow's hierarchy needs. The self-actualization needs are at the pyramid top of Maslow's hierarchy needs (Figure 1) (Maslow, A.H., 1943).

For the most part, physiological needs are obvious - they are the literal requirements for human life. If these requirements are not met, the human body simply cannot continue to function well.

With physical needs relatively satisfied, the individual's safety needs take precedence and dominate behavior. Safety and security needs include personal security, financial security, health and well-being, safety net against accidents

and their adverse impacts.

After physiological and safety needs are fulfilled, here come the third layer of human needs which are interpersonal and involve feelings of love and belonging.

All human have a need to be respected, and they have self-esteem and self-respect. Esteem presents the normal human desire to be accepted and valued by others. People need to engage themselves to gain recognition, a sense of contribution and self-valued by accomplishing an activity or activities assigned to the person, be it a profession or hobby. Imbalance at this level can result in low self-esteem or an inferiority complex. People with low self-esteem need respect from others. They may seek fame or glory, which again depends on others. Note, however, that many people with low self-esteem will not be able to improve their view of themselves simply by receiving fame, respect, and glory externally, but must first accept themselves internally. Psychological imbalances such as depression can also prevent one from obtaining self-esteem on both levels (Maslow, 1943: pg372).

Self-actualization is the level of need pertains to what a person's full potential is and realizing that potential. Maslow describes this desire as the desire to become more and more what one is, to become everything that one is capable of becoming. This is a broad definition of the need for self-actualization, but when applied to individuals the need is specific. As mentioned above, in order to reach a clear understanding of this level of need, a person need to not only achieve the previous needs, physiological, safety, love, and esteem, but master these needs (Maslow, 1943: pg373).

All levels of needs rely on each other and overlap, high level of needs developing, low levels of needs still existing, but with the lower influence degree.

2.2 The Pyramid of Carroll's Corporate Social Responsibility

Carroll, Archie B. researches all sorts of responsibilities of enterprises to study the relationships of them, and finally puts forward the pyramid thought of corporate society responsibility (CSR) (1979). They are economic responsibility, legal responsibility, ethical responsibility and social responsibility (Figure 2) (Carroll, Archie B, 1991: pg39).

Figure 2 shows that economic responsibilities are at the CSR pyramid base. Carroll considers that economic responsibilities are the base of the CSR pyramid, the beginning of a fair and just social responsibility. At the early beginning of the social establishment, businesses are maintained solely as an economic structure. The exchange of money for goods and services are the main goal of a business, earnings predicate all other attributes. Laws were implemented to require just and fair responsibilities to every facet of a business. The importance of the individual and society supersedes a profit-only outlook.

Legal responsibilities are the next layer of the CSR pyramid. Although this legal aspect is a tier on its own, it merges with the economic responsibilities. Earnings are still important, but a legal guideline is established to ensure fairness while maintaining profits. Legal guidelines state that businesses are required to comply with laws and regulations set by the government while still maintaining profitable economic gains (Carroll, Archie B, 1991: pg40).

The third layer of the CSR pyramid is ethical responsibilities. Ethical responsibilities regard the standards, expectations and norms that are seen as fair by all entities involved, such as the community, consumers, shareholders and employees. These are the agreed-upon moral obligations of the business. Ethics are controversial and often are the basis of constant debate. What one person sees as unethical, another sees as perfectly fine. These debates of ethics are ever-changing and lead to the introduction of new regulations and laws.

The top of the CSR pyramid is social responsibilities (philanthropic responsibilities). Social responsibilities regard the expectations of corporate citizens, encouraging the promotion of concern and well-being of the community. These are not actions that are required by law, but rather actions to build a secure community. Although greatly desired, social responsibilities are not required and considered less important than the economic, legal and ethical expectations.

3. The Lack of Corporate Social Responsibility Based on "Double Pyramid" Theories

Each enterprise, as an economic entity with independent operation, bears profits and losses. Its competitive strengths are pursuing profit. That profit is the motive power of business management. However, there are contradictions among enterprises, society, and individual. Some enterprises don't undertake social responsibilities based on the "double pyramid" theories. The following aspects are mainly showed.

Firstly, some of enterprises, especially small and medium-sized enterprises, merely pursue profit. Their operation philosophies are venalities. From an economic point of view, there are two ways to approach profit maximization. One is to save internal management cost. General forms speed up the assembly line, lower the piece-rate wage, increase daily workload and so on. The other is to reduce social spending as much as possible. At present, most of

private enterprises only pay attention to enterprise interests, neglect employee's benefits. They don't provide endowment insurance, medical insurance, injury insurance and others well-being for their employees.

Secondly, some of private enterprises have paid high price because of not keeping their words. These are mainly showed in two ways. On the one hand, there are no economic promises between owners and employees. The owners didn't carry out the labor contracts, casually extended the working hours, which causes lots of labor disputes. Chinese Human Resources and Social Security Ministry Career Development Statistical Bulletin showed that there were 1.315 million pieces personnel disputes cases dealt at all levels and the arbitration organization of labor all over China by the end of 2011. Some organizations of Chinese labor security supervision and law enforcement have ordered the employers to sign labor contracts with 8.801 million workers, and instructed to reissue wages 15.51 billion Yuan to 5.335 million laborers. They urged 128, 000 employers to repay social insurance premiums 5.28 billion Yuan. On the other hand, some of operators broke their promises with shareholders. They hid the real profit in the reports to them, and secretly diverted fund and investment income in order to cut share out bonus.

Thirdly, a few private enterprises illegally hire child labors. The most recent estimate by the International Labor Organization (ILO) suggests that 215 million boys and girls are involved in child labor all over the world, often in hazardous and exploitative conditions. The U.S. Department of State's Country Reports on Human Rights Practices and the annual Trafficking in Persons (TIP) Report call attention to global trends in child labor each year. Statement 2012 on World Day against Child Labor: Human Rights and Social Justice. As Secretary of State Hillary Rodham Clinton has stressed, "The exploitation of children anywhere should be a concern to people everywhere". Children in situations of exploitative child labor are deprived of education, and lack the opportunities to develop their full potential and gift themselves, and they fail to help their families and communities out of poverty. Therefore, it is essential to continually strengthen efforts to abolish child labor to ensure that the world's children remain free from exploitation. Through its efforts both at home and abroad, the Department of State will continue to promote labor rights, develop and implement effective approaches to combat against exploitation of child labor (.Spokesperson Victoria Nuland, 2012)

4. Every Enterprise Is a Continuum of Economic and Social from Enlightenment of "Double Pyramid" Thoughts

In traditional society, business capital belonged to business owners and capitalists. They presided over business management. All Managing income certainly belonged to them. However, in modern society, the changes of the enterprise size and organization structure cause some new problems: the expansion of the scale of the enterprise, the fund demands increase. Most of enterprises may get loan from banks or take in society funds in order to gain continuous improvement and grow stronger. In addition, business management and operation are managed by professional managers. This business income not only belongs to owners, but also to all investors. Therefore, every enterprise is a continuum of economic and society from enlightenment of "double pyramid" thoughts in modern community (D.T., Griskevicius, V., Neuberger, S.L., & Schaller, M., 2010).

In one word, modern enterprises exist in modern society. Objectively speaking, enterprises' interests and social interests are imparted and have influences on each other. All these request every enterprise to have a common understanding with modern society, and have a "citizen" attitude to fully perform CSR.

5. Corporation and "Double Pyramid" Thoughts

Generally speaking, employee's needs follow Maslow's hierarchy of needs. Enterprise management should keep to Carroll's corporate society responsibilities. Two theories are closely tied to each other. There are contract of services between business owners and their staffs. Moreover, their relationship also includes legal and moral relationships. Contractual obligations are relationships of labor and capital. Once shortage of labors occurs, any enterprises won't keep developing. In other words, the basic economic responsibility and legal liability are ethical bottom lines for getting labor resources (Cianci, R., Gambrel, P.A., 2003).

Firstly, enterprises not only pursuit profit maximization, but also meet their employees' physical and security needs. Labor is one of the key elements of business development. Only with stable life, safe working environment can the enterprises keep employees. Otherwise, the enterprises will be faced with labor shortages for expanding development (Tang, T. L. P., Ibrahim, A. H. S., & West, W. B., 2002).

Secondly, business owners should respect and meet employees' social needs. They must abide by law. They shouldn't insult, abuse, scourge, and punish employees. Moreover, they should also have some rights in lawful break, vacation, birth and maternity leave.

Thirdly, Proprietors should ensure their employees to have the right of insurance, welfare, education and training.

These can make them wholeheartedly work for the enterprises without any trouble back at home. All those can also arouse employees' work enthusiasm. They will contribute their ideas and efforts to firms' future development.

Comparing Maslow's hierarchy of needs with Carroll's CSR, "two pyramids" theories have integration of thought: business owners and their employees should be harmoniously coexistent, mutually beneficial to each other while developing. In a market economy, every enterprise, all but the capital, raw materials, also needs lots of labor production elements for its uninterrupted development. Work forces are free to flow. Job seekers have choices for right positions.

Job seekers and enterprises can talk things over with each other, and then they may sign labor contracts. However, there appears labor supply excesses demand in labor market all over the world. Job hunters may hardly have opportunity to choose firms, so there may occur something unfair and unreasonable between job hunters and enterprises. Even so, the enterprises should still meet basic survival requirement and improve employees' rights for the long-term development. Only in the harmonious environment will employees give full play to their intelligence.

In modern society, different people do different things because of division of labor. People devote themselves to all kinds of affairs, and they undertake different responsibilities. Although employees work for enterprises in order to gain wages, enterprises should also offer safe working environment to ensure their lives.

Based on the above 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, color or faith. The enterprise should also create favorable 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.

Although employees are laborers and managed in position, they have been participating in the enterprise management and have been making important decisions for it. Business owners should pay attention to employees' opinions and demands. These will arouse staff's labor enthusiasm and enhance work efficiency. Therefore, realization of employee's self-worth and achievement of the enterprise's economic benefits can be maximized at the same time.

6. Conclusion

All analysis above, the enterprise must take the social responsibility as the pursuit of long-term profit maximization. The different stages of enterprises' development will undertake different responsibilities according to the double pyramids theories of Maslow's and Carroll's. The enterprise's goal is to seeking for survival and maximization of profit, and even they won't sacrifice the interests to others and break the laws. He must comply with the order of the market economy, and legal liability any time. So, the enterprise should pay attention to the training of the staffs and education as creating economic benefit. Every enterprise should pay all insurances for employees, and ensure the staff's social welfare (Tay, Louis; Diener, Ed., 2011). These are the important basis of the social stability, and also significant contributions to society. In fact, two pyramid theories of Maslow's demand principle and Carroll's CSR all lead to Rome. Today, we are building of a harmonious society, each enterprise should not only realize the profit maximization, but also to meet the individual needs of employees. All enterprises should not only undertake financial responsibility, but also to undertake social responsibility. In a word, those enterprises that their employees' personal needs and social welfare are all brought into the enterprises' agenda, can have the favorable development, and will grow much bigger and stronger.

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Note

Note 1. The word of “Double pyramid” is that the author to give thesis name according to writing needs. “Double pyramid” mainly refers to the pyramid of Maslow’s hierarchy of human needs and the pyramid of Carroll’s corporate social responsibility.

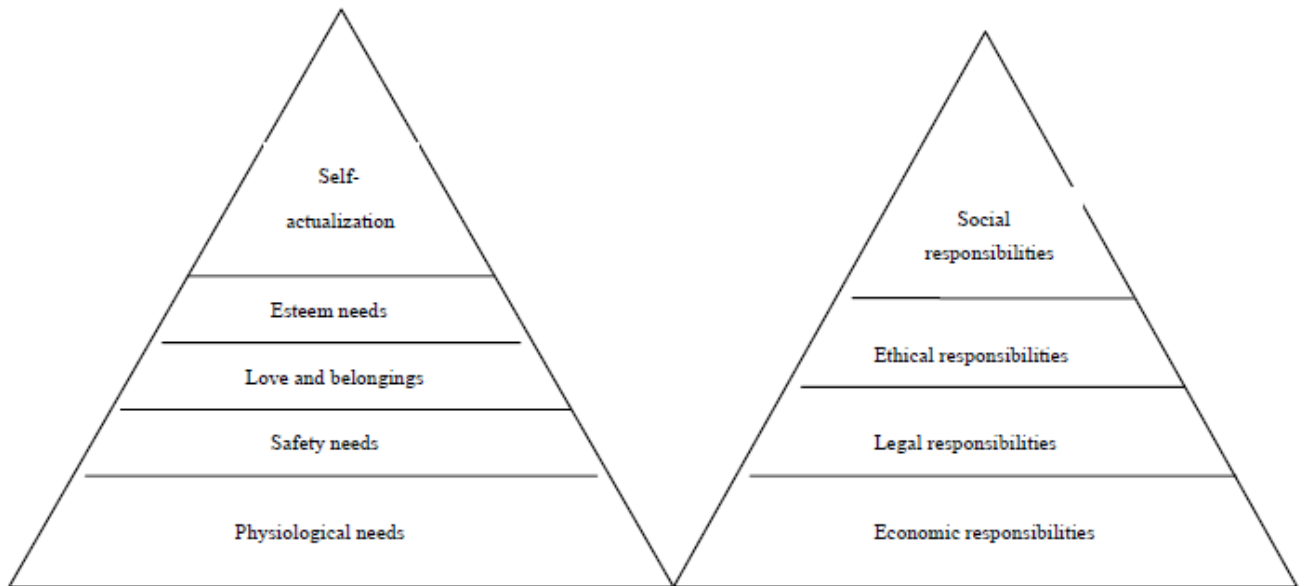


Figure 1. The pyramid of Maslow’s hierarchy of human needs Figure 2. The pyramid of Carroll’s corporate social responsibilities