CSR for Happiness: Corporate Determinants of Societal Happiness as Social Responsibility

Austin Chia

Faculty of Business and Economics
The University of Melbourne
Level 6, 111 Barry Street,
Melbourne, 3010

Email: austin.chia@me.com

ORCID: <https://orcid.org/0000-0002-0729-0114>

Margaret L. Kern

Centre for Positive Psychology,
Melbourne Graduate School of Education,
The University of Melbourne,
Level 2, 100 Leicester Street
Melbourne, 3010

ORCID: <https://orcid.org/0000-0003-4300-598X>

Benjamin A. Neville

Department of Management and Marketing
Faculty of Business and Economics
The University of Melbourne
Level 9, 198 Berkeley Street,
Melbourne, 3010

ORCID: <https://orcid.org/0000-0002-7933-0373>

Abstract

Over the past decade, societal happiness has increasingly been considered important to public policy initiatives globally, supported by interdisciplinary scholarly efforts spanning the social sciences, economics, and public health. Curiously, despite for-profit corporations being core social institutions of modern societies, scant attention has been given to the social role and responsibilities of corporations in relation to societal happiness. In this article, we review and integrate research from positive psychology and related disciplines to examine happiness as a social outcome of corporate activity. We propose that corporations have a social responsibility to respect, preserve, and advance people's right to, and experience of, happiness – which we term *CSR for Happiness*. Within the existing literature, stakeholder happiness has generally been narrowly conceptualized in hedonic terms and has failed to consider the broader impacts of corporate activities on societal happiness. Drawing on advances in psychological theory and research, we provide a holistic conceptualization of happiness, which includes objective, subjective, hedonic and eudaimonic dimensions of happiness. We offer an integrative conceptual framework, which includes the macro-to-micro and micro-to-macro pathways through which corporations directly and indirectly impact upon societal happiness. Finally, we consider implications of happiness research for the intersections of business and society.

Keywords: corporate social responsibility (CSR), societal happiness, positive psychology, subjective wellbeing, stakeholder happiness

CSR for Happiness: Corporate Determinants of Societal Happiness as Social Responsibility

Happiness—defined here as a subjective state in which people feel good and function well (Organization for Economic Co-Operation and development [OECD], 2013)—has garnered significant scholarly and public policy interest in recent years, as the limitations of exclusively using economic metrics to assess social welfare have become clear (Diener, 2006; Jones et al., 2016). Discourse has led governments in over 40 countries and intergovernmental agencies such as the OECD, the United Nations (UN) and the World Health Organization (WHO) to consider happiness as an important societal outcome that should be directly monitored and enhanced (Diener & Seligman, 2018; Stiglitz, Sen, & Fitoussi, 2009). Recent reorientations of public policy focus to encompass measures of societal happiness coincide with calls by organizational scholars to widen conventional notions of social welfare beyond economic welfare alone (Mitchell, Weaver, Agle, Bailey, & Carlson, 2016). However, while the social sciences, public health, and economics have been at the vanguard of scholarly and policy debates on societal happiness, organizational scholars have, to date, only weighed in from the fringes (Judge & Kammeyer-Mueller, 2011).

Within this macro context, we believe that organizational scholars can meaningfully intersect with and contribute to extant interdisciplinary scholarship and public policy discourse by exploring and examining the outcomes of various corporate determinants of societal happiness. All legal forms of social institutions (e.g., public, non-for-profit, media, business of government) have the potential to shape societal happiness. In this article, we specifically focus on the contributions of proprietary for-profit corporations to societal happiness. Corporations are pervasive social institutions and what they do and how they engage with people within the communities in which they operate inevitably contribute to how the general public feels and functions. As observed by Harrison and Wicks (2013, p.

113), “happiness is just as important to a supplier or customer as it is to an employee.” Given the embeddedness of corporations in daily life, notions of CSR need to broadly encompass the dynamic ways in which corporations impact upon human development and the quality of life of societal constituents (Renouard & Ezvan, 2018). We suggest that societal happiness is relevant to organizational scholars, business practitioners, and society at large, as it is something that is universally valued, impacts upon numerous socially valued outcomes, and is ethically imperative.

We contend that corporations have a social responsibility to respect, preserve, and advance people’s right to, and experience of, happiness, which we call *CSR for Happiness*. While we recognize that organizational researchers have made great strides in the study of happiness within intra-organizational contexts (cf. Fisher, 2010), less attention has been given to the boundary- and level-spanning effects of corporate activities on the happiness of society overall. Notably, important work on *stakeholder happiness* by Harrison and Wicks (2013) and Jones and Felps (2013a) have leveraged happiness concepts to offer new insights on how stakeholders’ appropriate value and how organizations might manage value creation. However, we argue that while stakeholder happiness is managerially useful, existing concepts of stakeholder happiness are narrowly conceptualized in hedonic terms and are primarily concerned with enhancing instrumental outcomes for firms. CSR research has tended to overuse corporate financial performance (CFP) as the dominant rationale for legitimatizing corporate social initiatives, which has constrained intellectual imagination and insights around the dynamic relationships between corporations and society (Margolis & Walsh, 2003). As such, we question the adequacy of the stakeholder happiness concept for understanding the breadth and reach of corporations in shaping societal happiness. Drawing on theory and research stemming from the psychological sciences, we offer a more holistic

conceptualization of happiness to demonstrate how corporate effects on objective societal conditions might cascade to subjective happiness outcomes at the individual level.

We propose *CSR for Happiness* as a new concept that gives primacy to the interests of society and aims to expand the boundaries of CSR scholarship to include activities that directly benefit the happiness of societal constituents. We aim to provide an expansive perspective and richer understanding of happiness at the interface of business and society that has not previously been addressed in the literature. We examine how corporate interactions with society at the individual level might translate to improvements in objective societal conditions. In doing so, we highlight the conceptual limitations of stakeholder happiness and demonstrate the relevance of societal happiness as a CSR concern.

Importantly, while it is conceivable that there is a link between *CSR for Happiness* and firm performance, we suggest, along with numerous other scholars (e.g., Diener & Seligman, 2018; Waddock, 2014), that happiness is a valuable outcome in and of itself, not as a means to a financial end. Rather, this article serves as a springboard for an alternative scholarly agenda on societal happiness whereby instrumental societal outcome serves as the generative core of the *CSR for Happiness* concept.

We begin by unpacking the holistic conceptualizations of happiness that have arisen over the past several decades across a range of disciplines, which extends far beyond the common hedonic-focused conceptualizations of happiness that appear in the extant stakeholder happiness literature. We situate stakeholder happiness within this discourse and reveal its limitations for directly addressing societal happiness. We review numerous individual- and societal-level benefits of happiness and provide a more nuanced explanation of the conceptual features of happiness. Next, we articulate the need for *CSR for Happiness* and highlight how it addresses the insufficiencies of stakeholder happiness by identifying societal benefit as the primary concern. Specifically, we incorporate research on the various benefits of happiness to

demonstrate the dynamic micro-to-macro and macro-to-micro pathways in which corporations affect the various dimensions of happiness. We conclude with an integrative conceptual framework for *CSR for Happiness* and discuss its implications for practice and research.

CONCEPTUALIZING HAPPINESS HOLISTICALLY

‘Happiness’ is an abstract and complex phenomenon that is perceived differently across cultures, and historical contexts (Oishi, Graham, Kesebir, & Galinha, 2013), yet it is also something that is generally universally desired by individuals and societies. Many Western governments are founded in part on the utilitarian object of providing the greatest happiness to the greatest number of people (Duncan, 2010). Indeed, intellectual and philosophical endeavors to understand the nature and cultivation of happiness date back to antiquity and remains a focal topic of contemporary philosophical and scientific inquiry (Haidt, 2006). Depending on one’s ethical philosophical allegiance, the nature of happiness can be argued as comprising of pleasurable experiences (e.g., Benthanism), living virtuously (e.g., virtue ethics), or a combination of the two. Here we use the term ‘happiness’ to describe feeling and functioning well across various domains of life. Others have labelled this concept as “wellbeing,” “flourishing”, “thriving”, or “optimal functioning”, with little consistency or consensus within or across fields (Kern et al., in press). Across history, philosophers of various traditions have questioned the nature of and pathways to happiness, with little reconciliation (Kern et al., in press; Kesebir & Diener, 2008). It is beyond the scope of this article to review the philosophical landscape, advance a particular philosophical position, or identify distinctive terms. Instead, we predominantly draw on conceptualizations of happiness from the behavioral and social sciences, with a particular focus on the positive psychology perspective. We opt to use the term “happiness”, except when specifically quoting others.

In recent decades, interdisciplinary scholarship spanning psychology, medicine, public health, and economics have offered rich conceptualizations and important empirical insights on happiness that have informed public policy considerations to measure and enhance societal happiness (Diener & Biswas-Diener, 2018; Diener & Seligman, 2018). Organizational research has generally applied an intra-organizational lens, focusing on the happiness of employees and the organizations they are a part of (Fisher, 2010), rather than considering broader notions of how organizations impact upon the happiness of people beyond the firm (Judge & Kammeyer-Mueller, 2011).

Albeit incomplete, recent work on the stakeholder happiness concept has begun to elucidate the significant potential of applying a broader conceptualization of happiness at the intersection of business and society. In this section, we review how happiness has been used to inform arguments in support of stakeholder happiness as a corporate objective and to expand conceptual boundaries of stakeholder value (i.e., what it is and how it should be conceptualized). We observe that the stakeholder happiness concept (cf. Harrison & Wicks, 2013; Jones & Felps, 2013a) has typically defined and applied happiness in an overtly reductionist and incomplete way. To redress this, we draw on the psychological sciences to offer a more holistic conceptualization of happiness that includes objective, subjective, hedonic, and eudaimonic dimensions and discuss happiness as an important collective pursuit that is beneficial to society rather than a goal that is only instrumentally relevant to corporations.

Stakeholder Happiness

In their two-part utilitarian critique of Shareholder Wealth Maximization (SWM), Jones and Felps (2013a, 2013b) highlighted the inadequacies of SWM in yielding social welfare outcomes and proposed Stakeholder Happiness Enhancement (SHE) as an alternate, superior, normative objective for corporations. In a sequence of logical arguments informed by

utilitarian philosophy and prominent works in positive psychology (e.g., Diener & Seligman, 2004), Jones and Felps (2013a) concluded that SHE offers a viable single-valued objective function for corporations that addresses the shortcomings of non-specificity of other normative stakeholder theories. Although SHE, as a single-valued objective, has received some critique (see Mitchell et al., 2016), the notion of SHE prompts broader deliberations about the corporate determinants of stakeholder happiness and is consistent with our central contention that societal happiness should feature more prominently as a social responsibility of corporations.

In finding common ground in debates on corporate objectives, scholars generally agree that the purpose of business is to create value (Donaldson & Walsh, 2015), even as they disagree on what value means and for whom it is created. Freeman and colleagues (2010) noted that: “business is about how customers, suppliers, employees, financiers (stockholders, bondholders, banks, etc.), communities and managers interact and create value” (p. 24). Broadly defined, stakeholder value refers to “anything that has the potential to be of worth to stakeholders” (Harrison & Wicks, 2013, p. 100), which includes subjective forms of value (e.g., affective outcomes).

The growing interest in stakeholder value has corresponded with growing cross-fertilization of research from positive psychology, broadening the notion of what constitutes value. From this perspective, for stakeholders, ‘value’ is not merely embodied within the products, services, and financial resources of a firm, nor can value be narrowly construed in economic terms. For instance, customers that pay a premium for ethical products stand to gain little in objective economic terms but derive significant personal satisfaction from their perceived social contribution and for engaging in buying behaviors that align with their personal values (Escadas, Jalali, & Farhangmehr, 2019; Villa Castano, Perdomo-Ortiz, Duenas Ocampo, & Duran Leon, 2016; Yacout & Vitell, 2018) – that is, by paying more for

ethical products, customers experience subjective happiness, even at the expense of economic value. When stakeholders are presented with alternative options or opportunities, their decisions hinge on the extent to which their choices increase (or decrease) their desired outcomes. Thus, a firm with nuanced understandings of the factors that affect the way stakeholders' appropriate subjective value is thought to have a distinctive source of competitive advantage (Harrison, Bosse, & Phillips, 2010).

These recent works on stakeholder happiness as a form of stakeholder value have begun to shine a light on the role of corporations in societal happiness. After all, as Elms, Johnson-Cramer, and Berman (2011, p. 27) suggested, "if firms create value and treat their immediate stakeholders appropriately, they might well contribute to societal wellbeing". The aggregated happiness of individual stakeholders might conceivably constitute societal happiness. However, we suggest that aiming to create value for the firm by treating stakeholders appropriately — with potential *indirect* benefits to the broader society — is not the same as *directly* aiming to benefit society. The former approach is instrumental with respect to the firm and societal benefits are a by-product (i.e., stakeholder happiness); the latter approach is instrumental with respect to society as a whole (i.e., CSR for Happiness).

Another notable limitation of the stakeholder happiness concept is that happiness has mostly been defined in hedonic terms (i.e., how stakeholders *feel*), ignoring eudaimonic aspects of happiness (i.e., how stakeholders *function*), concepts that we unpack below. For instance, Jones and Felps (2013a, p. 33) define happiness as "the sum of positive *feelings* (e.g., contentment, satisfaction, pleasure, joy) net of negative *feelings* (e.g., agitation, anxiety, fear, anger, pain)" (italics added). Similarly, Harrison and Wicks (2013, p. 133) state "we define happiness in terms of the way stakeholders *feel* about the intangible and tangible utility they receive through their association and interactions with the firm" (italics added).

In our view, the hedonic focus of existing stakeholder happiness concepts stem from the economic concept of ‘utility’—consumption satisfaction— upon which stakeholder value has generally been based. While hedonic notions might be important for providing stakeholders with momentary pleasures, it undervalues aspects such as loyalty towards and trust of the organization, which are critical for cultivating long-term commitment to the organization. Indeed, from a hedonic perspective alone, corporations might create an illusion of happiness while fostering dissatisfaction, so that stakeholders can keep seeking greater pleasures. Utility neglects the evaluative aspect critical to the way people create meaning from their social worlds. Further, utility emphasizes the rights of the individual, while ignoring the social structures and relationships that individuals are embedded within, which can result in pleasure for those with authority and power at the expense of others within the social system (Kern et al., in press). Thus, expanded perspectives of stakeholder happiness are needed.

Psychological Perspectives of Happiness

Defining and conceptualizing happiness is complicated, and an exhaustive review of the literature is beyond our scope. We focus specifically on psychological conceptualizations and operationalizations of happiness. Within psychology, the term ‘happiness’ has been used interchangeably with various conceptual manifestations of happiness such as subjective wellbeing (Diener, 1984), psychological wellbeing (Ryff, 1989), flourishing (Huppert & So, 2013; Keyes, 2002; Seligman, 2011), and authentic happiness (Seligman, 2002). Across conceptualizations, two distinctive dimensions appear—objective-subjective and hedonic-eudaimonic—which we believe are relevant for considering happiness at the business-society interface.

Objective conditions and subjective experiences. *Objectively*, happiness can be understood in terms of the objective circumstances that surround people’s lives, which are independent of their subjective awareness and experiences (Veenhoven, 2002). This

perspective assumes that the existence and/or degree of objective conditions (see Table 1) correspond with commensurate levels of happiness (Huppert, 2014). For example, a person who is employed, has a high income, and lives in an affluent, low-crime suburb in a developed country could be *objectively* described as happy. As Blanchflower and Oswald (2011) note, the objective perspective suggests that happiness can be represented as,

$$\text{happiness} = f(\text{personal characteristics}, \text{region characteristics}, \text{country characteristics}).$$

 Insert Table 1 about here

However, while the objective approach highlights the circumstances of people's lives and societal progress, it reveals little about the things in life that people value or their actual lived experiences (Diener & Tov, 2012). *Subjectively*, happiness reflects the way people experience their lives and their cognitive and affective evaluations of their objective circumstances (Forgeard, Jayawickreme, Kern, & Seligman, 2011). From this perspective, objective conditions alone do not ensure happiness. Indeed, although national income inequality is inversely related to happiness (Oishi & Kesebir, 2015), studies indicate that 'unhappiness' among lower-income sub-populations can be explained by their subjective perceptions of unfairness and distrust towards other people and institutions in society (Oishi, Kesebir, & Diener; 2011; Oishi, Kushley, & Schimmack, 2018). Population surveys find that while Western countries like the United State have become richer and their citizens live longer with each passing decade, their citizenry are not happier than they were sixty years ago (Blanchflower & Oswald, 2011; Layard, 2006). Subjective experiences such as a person's sense of belonging to a community and their social relationships have a larger positive effect on happiness than objective indicators such as one's household income (Diener & Biswas-Diener, 2018; Steel, Taras, Uggersley, & Bosco, 2018).

The interactions between objective states and subjective experiences of happiness are complex and remain a central focus of ongoing interdisciplinary scholarly attention, which is beyond our focus here. There is broad scholarly acknowledgement that both objective and subjective perspectives serve a critical role in monitoring and understanding the happiness of society and its people. As subjective elements are within the scope of influence of corporations, we specifically focus on subjective happiness here.

Subjective experiences: Hedonic and eudaimonic dimensions. Subjective experiences can be further divided across two dimensions. *Hedonic happiness* refers to how individuals feel about their lives (Keyes & Annas, 2009) and relates to the maximization of pleasure and minimization of pain (Peterson, Park, & Seligman, 2005). *Eudaimonic happiness* concerns people's assessments of how they are psychologically functioning in life (Keyes & Annas, 2009) and relates to whether a person is living his or her life in sync with self-concordant goals and deriving a sense of meaning, purpose, and fulfillment in that process (Ryan & Deci, 2001). Both forms of happiness are recognized as equally relevant, and have been comprehensively examined, operationalized, and assessed (Delle Fave, Brdar, Freire, Vella-Brodrick, & Wissing, 2011). Table 2 summarizes some of the indicators that have been used in the literature.

Insert Table 2 about here

Although hedonic and eudaimonic happiness are related, they are conceptually distinct from one another (Delle Fave et al., 2011). There are many occasions in life where there is a high-level of consistency between the way a person feels and how they function in life, but there are times when hedonic-eudaimonic discordance may arise. For instance, businesses such as Google often publicize various employee fringe benefits as workplace happiness initiatives. Although these initiatives may elevate employees' hedonic happiness (i.e., feelings

of excitement and fun at work), they may not necessarily lead to actual improvements in eudaimonic happiness (e.g., a sense of purpose in one's work) (Kopperud & Vittersø, 2008).

Private organizations can undertake various activities to enhance hedonic happiness, eudaimonic happiness, or a combination of the two. For instance, Civera, Colle, and Casalengno's (2019) recent case study of Lavazza—a private Italian coffee company—highlights how the company's empowerment program for smallholder farmers can potentially enhance the way farmers both feel *and* function. The company's infrastructure initiatives, which includes building nurseries to support Ethiopian families with employment, conceivably enhances the quality of life and subjective experiences of community members. In providing employment, people are able to experience greater joy and pride in their lives (i.e., hedonic happiness) while possessing a greater sense of environmental mastery (i.e., eudaimonic happiness).

Organizational researchers have long recognized that occupational work—both its form and nature—is a prominent determining factor of people's life (dis)satisfaction and (un)happiness (Caza & Wrzesniewski, 2013), and hedonic and eudaimonic notions of employees' happiness have received relatively balanced attention (see Fisher, 2010). Whereas economists have tended to focus on hedonic dimensions (e.g., Kahneman & Krueger, 2006), marketing scholars have offered counterbalancing insights on how business practices and products can improve both hedonic and eudaimonic dimensions for consumers (see Anderson et al., 2013; Schmitt, Brakus, & Zarantonello; 2015; Sirgy & Lee, 2008). However, we are not aware of scholarly work to date that comprehensively examines the impacts of business activities on the subjective happiness of stakeholders beyond employees and consumers.

As previously discussed, we recognize stakeholder happiness is an important managerialist concept for understanding how stakeholders appropriate value in the form of hedonic happiness. But we contend that the concept is inadequate for explaining the firm's

effects on objective societal conditions that enable and sustain happiness and ignores eudaimonic happiness as an important dimension. For instance, stakeholder happiness addresses customers' hedonic experiences via the provision of physical goods and services (cf. Harrison & Wicks, 2013), but the influence of firm activities on objective societal conditions (e.g., natural environment, equality, freedom) and the cascading effects of those conditions on people's subjective experiences are not addressed. As such, we propose that *CSR for Happiness* provides a distinct yet complementary concept to *stakeholder happiness*.

CSR FOR HAPPINESS

CSR refers to the voluntary efforts of firms to incorporate social considerations into their decision-making, productive activities, and interactions with society at large with the aim of contributing to some social objective. CSR initiatives broadly address various societal issues such as public health, human rights, environmental preservation, and social security (Scherer & Palazzo, 2011). Although CSR has attracted critiques in the past (Freeman & Liedtka, 1991; Friedman, 1970; Karnani, 2011), unresolved academic tensions have not impeded CSR from flourishing as a mainstream concept in the business world. For instance, in a global survey of over 1,400 Chief Executive Officers, 76% indicated that corporate success is defined by more than just financial profits (PricewaterhouseCoopers, 2016). Studies suggest that CSR can harmoniously support the strategic goals of organizations (Porter & Kramer, 2006) and improve their financial performance (Wang, Dou, & Jia, 2016). Given this mainstream and growing scholarly support, we suggest that CSR provides the ideal vehicle to place important social goals and issues – including societal happiness – on the corporate radar.

Work in the CSR literature has hinted at the idea of happiness as a corporate responsibility. For instance, in describing the rationale of CSR, Robins (2008, p. 338) stated,

“it makes more sense to encourage firms to ‘do good’ and, thereby, add directly to human happiness and social and environmental well-being”. There have been growing calls for corporations to engage pro-socially with local and global communities to not only preserve or improve the objective conditions of society, but also to enhance the subjective experiences and outcomes of those who live within them (e.g., Mindell, Reynolds, Cohen, & McKee, 2012). Consistent with the preconditions and experiences of happiness that we summarized in Tables 1 and 2, Margolis and Walsh (2003) argue that corporate social initiatives should address universal factors that enhance human functioning, including physical health, environmental mastery, human emotions, and meaningful relationships.

However, we are not aware of any scholarly works that have seriously examined societal happiness as a CSR concern. Concepts and initiatives, such as corporate social performance and the Global Reporting Initiative (GRI), have failed to incorporate the various social outcomes pertaining to people’s happiness and subjective experiences. *CSR for Happiness* seeks to address this oversight in the extant research and is premised on the observation that corporate activities have the potential to affect various objective facets of social life as well as the subjective experiences of its societal constituents. *CSR for Happiness* advocates for firms to proactively engage in activities that directly contribute to holistic societal happiness—including objective, subjective, hedonic, and eudaimonic dimensions—by respecting, preserving, and advancing people’s rights to and experiences of happiness.

Benefits of Happiness

An expansive body of research in the psychological sciences, economics, public policy, and public health reveals that happiness correlates with numerous positive outcomes for individuals and society (Diener & Seligman, 2018; Lyubomirsky, King, & Diener, 2005). People with higher levels of reported happiness have been found to be more successful across school, work, and life domains (Boehm & Lyubomirsky, 2008; Proctor, Linley, & Maltby,

2010); live longer (Danner, Snowdon, & Friesen, 2001; Diener & Chan, 2011); have better overall health and fewer chronic diseases (Howell, Kern, & Lyubomirsky, 2007); experience higher-quality social relationships (Diener & Seligman, 2002); engage in socially beneficial behaviors (Aknin, Dunn, & Norton, 2012); and reduce the public burdens associated with poor physical (Lawless & Lucas, 2011) and mental (Bray & Gunnell, 2006) health. It has also been argued that a happier society is a more productive society (Judge & Kammeyer-Mueller, 2011), which may translate into improvements in a nation's gross domestic product (GDP).

We acknowledge that while there is a converging line of research supporting happiness as an important outcome for people and society, there is far less consensus around the benefits of deliberately pursuing happiness. A growing body of literature finds that intentionally seeking happiness (especially hedonic happiness) is self-defeating and may lead to various maladaptive consequences, including depressive symptoms, social disconnection, and loneliness (e.g., Ford, Mauss, & Gruber, 2015; Ford, Shallcross, Mauss, Floerke, & Gruber, 2014; Gruber, Mauss, & Tamir, 2011; Mauss et al., 2012). However, while this body of literature raises concerns over the value of pursuing subjective happiness in and of itself, it does not preclude the clear benefits that exist at individual and societal levels when happiness exists. That is, there is a distinction between happiness as a *pursuit* that drives one's life, versus happiness as an *outcome* that people experience. While governments and corporations cannot, and arguably should not, prescribe how people ought to pursue happiness, they are important institutions in shaping the macro social conditions that facilitate experiences of happiness. *CSR for Happiness* advocates that corporations are responsible for facilitating happiness and allowing for it to occur, rather than requiring the pursuit of happiness.

Moral Justifications for Happiness

Why might corporations volitionally take on the mantle of promoting happiness? Subscribing to Margolis and Walsh's (2003) reasoned approach, we pose four specific

questions to establish the moral underpinning for the *CSR for Happiness*: (1) Do the activities of corporations contribute to societal happiness? (2) Are corporations proximally connected to societal happiness? (3) Do corporations possess the resources and capabilities to contribute to societal happiness? and (4) Do corporations benefit from contributing to societal happiness?

We contend that the answers to these questions are affirmative. Across modern societies, corporations intersect with all aspects of daily life; people earn their livelihoods from them, they use their services and products; and they see, read, and hear about them across all forms of media (Wiist, 2010). By virtue of their embeddedness in society, corporations have high proximity to societal happiness, whereby their activities bear consequences for both objective and subjective dimensions of happiness. The propensity of corporations to address societal happiness is determined by their priorities, inclinations, and resolve, rather than constraints from their resources and capabilities. While corporate social initiatives to enhance happiness *may* reduce overall net profit, these initiatives are morally permissible so long as they do not debilitate or impair a corporation's productive capacity (Margolis & Walsh, 2013). Various streams of organizational research, including the instrumental premise of Harrison and Wick's (2013) *stakeholder happiness* concept, suggest that promoting happiness may yield numerous benefits for corporations (e.g., Fisher, 2010; Jones & Felps, 2013a; Meyer, 2015; Sirgy & Dong Jin, 2008).

Importantly, although pursuing a *CSR for Happiness* agenda and profitability are not necessarily mutually exclusive, we suggest that happiness is an instrumental outcome for society as a whole – of which organizations are a part of and contribute to – not as a means toward profit and financial gain. This proposition aligns with growing voices among organizational scholars such as Waddock (2014), who argues that organizations need to orientate their purpose towards enabling thriving societies by growing wellbeing rather than wealth. We acknowledge that *CSR for Happiness* asks organizations to critically reflect upon

their role in society, and may require some corporations to shift their values and approaches to business away from selling evermore products and services for profit to considering how their products or approaches help cultivate wellbeing and happiness (Waddock, 2014). *CSR for Happiness* offers an expansive perspective of the dynamic interactions between business and society and how those interactions translate into enhancements to both objective and subjective dimensions of happiness, with instrumental outcomes for society as a whole, rather than the firm specifically.

Corporate Determinants of Societal Happiness

Having framed a case for the benefits of happiness and rationale for why societal happiness should be construed as a CSR concern, we propose a conceptual framework that illustrates the way corporations can affect objective conditions and subjective experiences of happiness as well as the second-order outcomes of those effects.

The studies that outline the benefits of collective happiness suggest that individual happiness can be affected by activities that directly impact the individual (i.e., targeting subjective experiences) or by impacting the objective conditions that enable or limit the potential for happiness, with flow on effects to other correlated socially-valued outcomes, including physical health, worker productivity, social relationships, and civic engagement. Applied to corporate activities, Figure 1 uses the indicators from Tables 1 and 2 to depict the reciprocal flow of outcomes between objective conditions and subjective experiences that may arise from corporate activities. Figure 1 broadly conceptualizes societal happiness as objective conditions, subjective experiences, and the interactions between the two. This expands on conceptualizations of what it means to be socially responsible by accounting for the effects of corporate activities on: (a) objective conditions and the cascading second-order effects on people's subjective experiences, and (b) subjective experiences and the ascending second-order effects on people's objective conditions. Further, we define corporate activities

as encompassing both discretionary CSR-specific initiatives (e.g., cause-related marketing, community volunteering, social projects, and philanthropy) as well as core business-as-usual (BAU) practices that occur across the value chain of a firm.

Insert Figure 1 about here

The linkage of direct corporate activities and second-order effects across multiple dimensions of happiness provides a more nuanced and comprehensive perspective of corporate social impact than extant CSR or stakeholder happiness theories. In many instances, the absence of a nuanced perspective has led to skewed reporting of the social benefits of corporate decisions and activities on people's happiness. For example, with Hindustan Lever Ltd's (HLL) skin-whitening cream, Fair & Lovely, Hammond and Prahalad (2004, p. 36) described their female customers as "feeling empowered because of an affordable consumer product formulated for her needs". But claims of benefits conflicted with research evidence demonstrating the social and psychological harms of skin-whitening products (Peltzer & Pengpid, 2017). HLL's product strategy was criticized because the company was knowingly profiting, reinforcing, and exploiting racial prejudices by employing marketing tactics that portray fair-skinned people as being happier and more successful in their personal and professional lives (Karnani, 2007). HLL's social responsibility was called into question not because of their impact on objective societal conditions but due to the adverse effects that 'Fair & Lovely' may have had on how people think and feel about themselves.

The evaluation and reporting of corporate effects on societal happiness has been limited and selective. In concurrence with Bhattacharya and Sen (2004), we observe that within the CSR literature, positive subjective outcomes that cascade from firm contributions to objective conditions of society are often overlooked as desirable corporate social contributions. Similarly, Beal and Neesham's (2016) perspective on systemic CSR emphasizes the need for

more research that examines the linkages between individual- and system-level outcomes. In the following section, we elaborate further on the path-dependencies and second-order effects of corporate activities on objective conditions and subjective experiences which we label as macro-to-micro pathways and macro-to-micro pathways.

Macro-to-micro pathways. The macro-to-micro pathway describes corporate activities that affect objective conditions and cascade to second-order effects on individuals' subjective experiences. Via the macro-to-micro pathway, a firm may engage in activities that improve the objective conditions of happiness that in turn enhance people's subjective experiences in the form of hedonic and eudaimonic happiness. To illustrate this process, Figure 2 depicts the macro-to-micro pathway of a recent CSR initiative by the global advertising giant, Clear Way International (CWI). In November 2018, CWI partnered with the city of Stockholm to deploy its extensive network of digital kiosks to direct homeless people to the nearest shelters when temperatures fall below 7 degrees Celsius (Wilson, 2019). The social benefits of this initiative would clearly map onto improvements to objective conditions of happiness such as housing (temporary reduction in homelessness) and health (reduction in homeless deaths and illnesses). Often, the social impact evaluation and reporting of such initiatives is based on indicators of objective conditions, with subjective benefits assumed to occur. Albeit a simplistic representation, the right side of Figure 2 illustrates that across hedonic and eudaimonic domains, the results of the initiative could be beneficial or harmful, depending on how the person experiences and interprets the initiative.

Insert Figure 2 about here

Micro-to-macro pathways. The micro-to-macro pathway describes corporate activities that affect individuals' subjective experiences, which have ascending second-order effects on objective conditions. Via the micro-to-macro pathway, firms may engage in activities that

enhance individual-level subjective experiences, which in turn may lead to improvements to objective conditions surrounding people's lives. From this perspective, micro-level outcomes conceptually resemble stakeholder happiness, except for two characteristics: (1) micro-level outcomes incorporate *both* hedonic and eudaimonic happiness, and (2) the flow-on benefits of subjective experiences to objective conditions of happiness are included. To illustrate, Figure 3, depicts micro-to-macro pathways for employee engagement practices at Procore Technologies, a global technology company that earned fourth spot in the 2019 best company to work (Gassam, 2019). As Harrison and Wicks (2013) noted, interdisciplinary research has demonstrated that work practices that promote organizational justice, such as work-life balance, are critical to value creation and the enhancement of subjective experiences. It is conceivable that such practices enhance the way employees feel (i.e., hedonic happiness) and function (i.e., eudaimonic happiness). However, the question becomes whether happiness increases for those beyond the organization, or if value is confined with the boundaries of an organization. We contend that the benefits can be much more far-reaching, and the impacts on society more broadly need to be considered.

Insert Figure 3 about here

We propose that corporate activities that enhance people's subjective experiences—whether they be employees, suppliers, customers, shareholders, or community members—yield many benefits across various dimensions of a stakeholder's life and for society at large. In the case of Figure 3, if employees are happy at work, these benefits are likely to spillover across other life domains, such as education, civic engagement, and health. Organizational research has demonstrated that happy workers have better cardiovascular health (Wright, Cropanzano, Bonett, & Diamond, 2009) and are more likely to engage in prosocial behaviours (Ackfeldt & Wang, 2007). In this regard, the subjective experiences of employees

might enhance the objective conditions in their lives and aggregately contribute to societal-level outcomes.

A Social Responsibility for What and to Whom?

A perennial challenge of CSR research is answering the question: “Social responsibility for what and to whom?” In addressing ‘for what’, our earlier discussion of the objective conditions and subjective experiences of happiness offer initial guidance. *CSR for Happiness* subscribes to an expansivist view of social responsibility, whereby happiness is construed as a natural right that should not be impeded on by corporations and as a desirable end and ideal that should be promoted by corporations (Brenkert, 2016). We suggest that this social responsibility encompasses corporate activities and initiatives affecting objective conditions that indirectly cascade on people’s happiness (e.g., safety, health, civic engagement environment, education, employment, housing, income) as well as direct effects on subjective experiences themselves (e.g., BAU activities affecting hedonic and eudaimonic happiness)¹.

In addressing ‘to whom’, we concur with Wood (1994), who draws on stakeholder theory to argue that corporations should only be concerned with social issues to the extent that those issues arise as a result of their operations or are related to their business interests.

Accordingly, we do not propose that corporations have a responsibility for everyone’s happiness, but they are responsible to create conditions for and not impede the right to happiness for those who are affected by their activities and decisions. We suggest that stakeholder theory can provide a useful heuristic to identify ‘for whose happiness’ corporations should be responsible to and by focusing on happiness outcomes within corporation-stakeholder relationships whereby stakeholders are defined as any individual

---

¹ Our conceptualization of ‘objective conditions’ and ‘subjective experiences’ of happiness provides an initial inexhaustive list of what corporations could potentially be responsible for in relation to societal happiness. We heed Ruggie’s (2008) caution that any limited list on matters related to rights and responsibilities will inevitably overlook pertinent correlates for any given set of circumstances. As such, this list serves as an initial guide rather than a prescription.

“who can affect or [are] affected by the achievement of the organization’s objectives” (Freeman, 1984, p. 46). Although different opinions over the merits and problems of applying stakeholder theory to CSR have appeared across the literature (e.g., Freeman & Liedtka, 1991), normative stakeholder theory has been recognized as a complementary theoretical approach in CSR research (Garriga & Melé, 2004), which can bring the “abstract idea called society to home” (Wood, 1991, p. 697) and help specify and operationalize various CSR concepts (Elms et al., 2011). Specifically, aligned with Schwartz and Carroll (2003), we apply the stakeholder heuristic to define society as being synonymous with a corporation’s stakeholders, which include (but are not limited to) customers, employees, suppliers, shareholders, and general citizens.

From a firm’s perspective, stakeholders can be readily identified by the existence of transactional relationships through which value exchange occurs. However, beyond the economic value derived from transactional relationships, there are psychological components of transactional relationships that influence stakeholders’ subjective experiences (Bosse & Coughlan, 2016). For instance, research shows that when suppliers trade with businesses, they are not only interested in the transactional terms of an exchange (e.g., payment terms, order quantities), but also form psychological contracts with the business whereby perceived violations correspond with negative subjective experiences (Hill, Eckerd, Wilson, & Greer, 2009). More generally, Lankoski, Smith, and Van Wassenhove (2016) illustrated that for any given business transaction or interaction, transactional stakeholders project psychological expectations that affect the way they perceive and appropriate their experienced utility.

Firm-stakeholder psychological relationships are central to conceptualizing *CSR for Happiness*; after all, happiness at the individual-level is a psychological outcome. Here, we apply a broad definition of stakeholders to include anyone who has a transactional and/or psychological relationship with a firm. Considering the globalized and interconnected nature

of the modern business world, it is important that businesses consider the full reach of those who are affected by their actions and decisions. As Phillips (2010) notes, who constitutes a ‘stakeholder’ is prone to perceptual asymmetries and will differ depending on whether ‘stakeholders’ are determined by a firm or self-circumscribed by societal constituents. A general citizen who has no explicit transactional relationship with a firm may well have psychological expectations of a firm, and thus their happiness can be affected by the decisions and actions of the firm. In the integrative conceptual framework that follows, we operationalize society as comprising firm stakeholders whereby a stakeholder as determined by self-circumscription by societal constituents based on the existence of transactional and/or psychological relationships.

An Integrative Framework

CSR for Happiness seeks to shed a focal light on the way and means that corporations affect societal happiness. ‘Happiness’ and ‘society’ clearly are notoriously nebulous terms. Drawing on an interdisciplinary research base, the preceding sections have sought to operationalize both terms in a parsimonious way and have illustrated interrelationships between the constructs. In defining ‘societal happiness’, the societal component refers to self-circumscribed stakeholders of an organization, which includes customers, employees, suppliers, shareholder, and general citizens. ‘Happiness’ refers to both the objective conditions surrounding people’s lives as well as their embodied subjective experiences, including hedonic and eudaimonic dimensions.

Figure 4 synthesizes our operationalizations of society and happiness to present an integrative conceptual framework of *CSR for Happiness*. As societal happiness is a latent construct that cannot be observed or measured directly, it is approximated based on the combination of indicators of objective conditions and measures of subjective experiences. In the macro-to-micro pathway, corporate activities have the capacity to affect various objective

conditions of happiness (e.g., safety, environment, housing, etc.) with cascading second-order effects on people's subjective experiences. In the micro-to-macro pathway, corporation may affect individuals' subjective experiences (i.e., hedonic and eudaimonic happiness), with ascending second order effects on the objective conditions of happiness. Such effects constitute a social outcome of corporations and thus should inform their broader social responsibilities beyond mere profit-oriented goals.

Insert Figure 4 about here

Our integrative framework provides some initial boundaries for the *CSR for Happiness*. While Figure 4 suggests multiple ways that corporations can impact upon societal happiness, we do not assert that corporations are the sole (or dominant) determinant of societal happiness nor do we assume that corporate actions will affect all societal constituents in equal measure. The breadth of happiness research in the health sciences and economics clearly indicates that there are a myriad of ecological factors, unrelated to corporations, that affect happiness (e.g., socioeconomic differences, geographic influences, political characteristics, genetic heritability). In practical terms, happiness as a social outcome will be most salient in corporate decisions where it consequentially arises from corporations' productive activities or relates to their business interests (Wood, 1994). In the same way that public health or the preservation of the natural environment is a shared responsibility of government, the public, and the private sector, we posit that corporations bear similar collective responsibilities for societal happiness. As such, *CSR for Happiness* does not unduly ascribe corporate responsibilities for societal happiness but implores broader consideration of the ways in which corporations directly and indirectly impact upon individual and societal happiness.

IMPLICATIONS FOR RESEARCH AND PRACTICE

Building from this integrative conceptual framework, we offer some insights from the psychological sciences on measurement considerations to guide future empirical work on happiness constructs pertaining to our integrative framework and discuss the implications of *CSR for Happiness* for organizational research and practice.

Measurement Considerations

Currently, there are hundreds of measurement instruments for happiness, which vary significantly in terms of their underpinning conceptualizations, operational definitions, and psychometric properties (Cooke, Melchert, & Connor, 2016; Linton, Dieppe, Medina-Lara, Watson, & Crathorne, 2016). For organizational researchers, the recommended approach to measuring happiness depends on what dimensions of happiness are being measured (Cummins, 2013). We believe that it is helpful to think about the objective, subjective, hedonic, and eudaimonic dimensions described above, anchoring measures and expected outcomes within these domains. Regardless of the definitions and conceptualizations used, researchers from all disciplines need to articulate clearly and precisely what they mean by happiness and the specific constructs that are used to define it.

Assessments of happiness can range from simple single- or multi-item scales through to sophisticated physiological, neurological, and machine learning techniques (cf. OECD, 2013). Survey-based measures of self-reported happiness are by far the most common way to assess happiness and the most practical for organizational researchers, but are also prone to numerous response biases. Despite their limitations, self-report measures are useful in revealing and measuring the effects that corporate activities have on the happiness of stakeholders, so long as the surveys are designed and administered in a credible way.

As a new concept, for *CSR for Happiness*, further theorizing and empirical evidence is needed to support the reliability and validity of the choice of measures and/or future

development of measures. The measures that are most appropriate will depend upon the micro and macro domains that are included, and may vary depending on the context, organization, and issue. Measurement accuracy depends less on the specific form of the instrument and more on the timeliness of its administration, including whether the assessment captures reported feelings and thoughts of societal constituents at the time of, and in direct reference to, their interactions with a business (Kahneman & Krueger, 2006). Approaches such as experience sampling method (ESM) and day reconstruction method (DRM) can be used to capture thoughts and feelings as they occur, as opposed to reflection, which occurs in typical self-report measures.

Societal happiness is inclusive of various epistemological and ontological perspectives. The nature of business-society relationships and their resulting effects on societal happiness demand methodological innovations and invite both quantitative and qualitative approaches. ESM and DRM approaches can be used to provide unique idiographic insights into the way stakeholders experience their interactions with corporations and how those interactions affect the way they feel, think, and function in their lives and their engagement with society. For instance, using DRM with 120 jobholders, Kopperud and Vittersø (2008) found that certain job characteristics had clear differential effects on the hedonic and eudaimonic happiness of employees. The application of these approaches to other stakeholder roles promises to yield unique and interesting insights into the correlates, nature, and functions of happiness.

Societal happiness is not something that can be directly observed, as it may only be inferred from indirect measures of happiness that are developed from interdisciplinary theories. Diener (2006) offers some insightful, general guidance regarding the development, choice, and use of happiness measures:

“Even though the existing measures of subjective wellbeing are imperfect, useful conclusions can be drawn from them. All scientific measurement includes error. Thus,

users of the measures should understand the biases and artifacts that are inherent in the measures, and, when possible, take steps to correct for them. Furthermore, conclusions should be reached that respect the limitations of the measures, and the conclusions should be expressed in terms of these limitations.” (p. 153)

Diener’s (2006) comments provide reassurance and encouragement that the imperfect nature of measures for societal happiness do not undermine the merits of happiness as a scientific endeavor in organizational scholarship. The importance of understanding societal happiness has prompted national statistic offices, intergovernmental agencies, and scholars around the world to rise to the challenge of advancing knowledge about happiness and its various causes (Michaelson, Seaford, Abdallah, & Marks, 2014); this is a call that organizational scholars have yet to heed in a concerted way.

Research and Practice Opportunities

Through the cross-fertilization of interdisciplinary scholarship, we have reviewed the numerous benefits of happiness for individuals and society and have conceptually mapped the corporate determinant of societal happiness. Given that societal happiness is a novel line of inquiry in organizational research, we foresee that our conceptualizations, integrative framework, and propositions will provoke new questions and, hopefully, spur further research on areas unaddressed in our article. We recognize that while our conceptualization of objective conditions and subjective experiences of happiness provides an initial list of potential social responsibilities pertaining to happiness, further theorizing and debate is required regarding the extent and level of social responsibilities that corporations should bear in relation to societal happiness. Further, disparate streams of research have demonstrated instrumental links between happiness and various instrumental firm outcomes. For instance, happy customers tend to be more profitable because they are more loyal, less price sensitive and likely to buy more (Hellén & Sääksjärvi, 2011) and happy employees are more effective

and productive at work and display lower levels of absenteeism and turnover (Fisher, 2010).

Using this base of literature, future research may seek to examine how *CSR for Happiness* might translate into economic or desirable performance outcomes for firms.

From a stakeholder frame of society, significant scholarly attention has been given to the study of happiness of employee and consumer groups, but there has been minimal inquiry on how corporate activities directly and indirectly affect the happiness of suppliers, shareholders, and general citizens. In fact, studies have revealed that while a supplier's financial health is an important consideration in business decision-making, the happiness of suppliers is not a decision criterion of prominent concern for businesses, even though it should perhaps be (Jones, Fawcett, Fawcett, & Walling, 2010). To ascertain a more holistic understanding of the impacts that corporations have on societal happiness, future scholarly efforts in the study of happiness need to be more equally distributed across multiple stakeholder groups and should fully examine the breadth of direct and indirect impacts that might arise through corporate activities.

CSR for Happiness emphasizes multiple dimensions of happiness. Different stakeholders might value different dimensions, which may result in incommensurable outcomes across stakeholder groups. Although happiness measures currently exist for specific stakeholder groups, there are substantial differences in the relative emphasis provided by different sub-disciplines to the hedonic and eudaimonic dimensions. Further, emerging discourse on the stakeholder happiness concept outlined earlier rely predominantly on hedonic notions. Future research on societal and stakeholder happiness should include objective, subjective, hedonic, and eudaimonic dimensions of happiness, identifying which dimensions are most important to different stakeholders, and how the different dimensions of happiness come together across the society. Intellectual convergence among organizational scholars is needed on what

constitutes happiness, and general measures of stakeholder happiness will need to be developed that are commensurate across stakeholder categories.

The implication that corporations should be concerned about societal happiness raises fundamental and critical questions about the role and existential purpose of corporations. Drawing on philosophy and research from psychology and economics, there are already some stakeholder scholars who have argued fervently for stakeholder happiness enhancement to be instated as the objective purpose of corporations (see Jones & Felps, 2013a). To achieve a broader sociological explanation of societal happiness, we call for greater consideration of happiness as a relevant and important social outcome for all forms of businesses.

Practically, a growing body of research in industrial epidemiology has shown that the activities of corporations have significant and far-reaching implications for physical and psychological wellbeing (Hastings, 2012). Although the decisions, actions, and activities of corporations can have deleterious effects on public health, there are also many notable instances where corporations have made positive contributions to the health and happiness of society. In recognizing the psychological nexus between societal constituents and corporations, policymakers should give greater credence to the role and function of corporations as, what Huppert (2004, p. 697) terms, ‘positive population interventions’ to enhance public wellbeing and to ameliorate psychological languishing in society. For business practitioners, a greater appreciation and understanding of the effects that their activities have on the subjective experiences of societal constituents provides a new dimension for evaluating and reporting social impact. Building on research by Bhattacharya and Sen (2004, p. 16), who found that business activities do affect stakeholders’ general sense of subjective happiness, we also contend that businesses would do well to “at least acknowledge if not assess the contribution of their CSR efforts to the subjective well-being of their target markets” and broader society.

CONCLUSION

Happiness is a topic with alluring appeal to the general public and scholars alike. The past decade has brought considerable consideration of societal happiness across multiple disciplines but has received scant attention within organizational research and has only minimally featured on the radar of the CSR domain. Drawing on relevant related disciplines, this article ushers CSR research into broader policy discourse taking place on happiness by examining the contributions of corporations to happiness as an important societal goal. In holistically defining and operationalizing the happiness construct, we contribute to more refined understandings of what happiness is, beyond the narrow conceptualizations previously offered by the CSR and stakeholder literatures. *CSR for Happiness* illuminates the boundary- and level-spanning effects of corporate activities on societal happiness, frames those effects as corporate social responsibilities, and provides an interdisciplinary framework for examining the contributions of firms to societal happiness.

At its core, *CSR for Happiness* is a humanist concept with aspirations to provoke, challenge and expand conventional notions of the social role of corporations in creating thriving societies and, as Ishikawa (1985, p. 97) would argue, in fulfilling their essential purpose: “In management, the first concern of the company is the happiness of people who are connected with it. If the people do not feel happy and cannot be made happy, that company does not deserve to exist”.

References

- Ackfeldt, A. L., & Wong, V. (2006). The antecedents of prosocial service behaviours: An empirical investigation. *The Service Industries Journal*, 26(7), 727-745.
- Aknin, L. B., Dunn, E. W., & Norton, M. I. (2012). Happiness runs in a circular motion: Evidence for a positive feedback loop between prosocial spending and happiness. *Journal of Happiness Studies*, 13(2), 347-355.
- Anderson, L., Ostrom, A. L., Corus, C., Fisk, R. P., Gallan, A. S., Giraldo, M., et al. (2013). Transformative service research: An agenda for the future. *Journal of Business Research*, 66(8), 1203-1210.
- Beal, B. D., & Neesham, C. (2016). Systemic corporate social responsibility: Micro-to-macro transitions, collective outcomes and self-regulation. *Social Responsibility Journal*, 12(2), 209-227.
- Bhattacharya, C. B., & Sen, S. (2004). Doing better at doing good: When, why, and how consumers respond to corporate social initiatives. *California Management Review*, 47(1), 9-24.
- Blanchflower, D. G., & Oswald, A. J. (2011). International happiness: A new view on the measure of performance. *Academy of Management Perspectives*, 25(1), 6-22.
- Boehm, J. K., & Lyubomirsky, S. (2008). Does happiness promote career success?. *Journal of Career Assessment*, 16(1), 101-116.
- Bosse, D. A., & Coughlan, R. (2016). Stakeholder relationship bonds. *Journal of Management Studies*, 53(7), 1197-1222.
- Bray, I., & Gunnell, D. (2006). Suicide rates, life satisfaction and happiness as markers for population mental health. *Social Psychiatry and Psychiatric Epidemiology*, 41, 333-337.
- Brenkert, G. G. (2016). Business ethics and human rights: An overview. *Business and Human Rights Journal*, 1(2), 277-306.
- Caza, B. B., & Wrzesniewski, A. (2013). How work shapes well-being. In S. A. David, I. Boniwell, I. & A. C. Ayers (Eds.), *The Oxford handbook of happiness* (pp. 693-719). Oxford, UK: Oxford University Press.
- Civera, C., De Colle, S., & Casalegno, C. (2019). Stakeholder engagement through empowerment: The case of coffee farmers. *Business Ethics: A European Review*, 28(2), 156-174.
- Cooke, P. J., Melchert, T. P., & Connor, K. (2016). Measuring well-being: A review of instruments. *The Counseling Psychologist*, 44(5), 730-757.
- Cummins, R. A. (2013). Measuring happiness and subjective well-being. In S. A. David, I. Boniwell, I. & A. C. Ayers (Eds.), *The Oxford handbook of happiness* (pp. 185-200). Oxford, UK: Oxford University Press.
- Danner, D. D., Snowdon, D. A., & Friesen, W. V. (2001). Positive emotions in early life and longevity: Findings from the nun study. *Journal of Personality and Social Psychology*, 80(5), 804-813.
- Delle Fave, A., Brdar, I., Freire, T., Vella-Brodrick, D., & Wissing, M. P. (2011). The eudaimonic and hedonic components of happiness: Qualitative and quantitative findings. *Social Indicators Research*, 100(2), 185-207.
- Diener, E. (1984). Subjective well-being. *Psychological Bulletin*, 95(3), 542-575.

- Diener, E. (2006). Guidelines for national indicators of subjective well-being and ill-being, *Applied Research in Quality of Life*, 1(2), 151–157.
- Diener, E., & Biswas-Diener, R. (2018). Social Well-Being: Research and Policy Recommendations. In Global Happiness Council (Ed.), *Global Happiness Policy Report 2018* (pp. 128-157). New York: Sustainable Development Solutions Network.
- Diener, E., & Chan, M. Y. (2011). Happy people live longer: Subjective well-being contributes to health and longevity. *Applied Psychology: Health and Well-Being*, 3, 1-43.
- Diener, E., & Seligman, M. E. P. (2002). Very happy people. *Psychological Science*, 13, 81-84.
- Diener, E., & Seligman, M. E. P. (2004). Beyond money toward an economy of well-being. *Psychological Science in the Public Interest*, 5(1), 1-31.
- Diener, E., & Seligman, M. E. (2018). Beyond money: Progress on an economy of well-being. *Perspectives on Psychological Science*, 13(2), 171-175.
- Diener, E., & Tov, W. (2012). National accounts of well-being. In K. C. Land, M. J. Sirgy, & A. C. Michalos (Eds.), *Handbook of social indicators and quality of life research* (pp. 137–157). Dordrecht, Netherlands: Springer.
- Donaldson, T., & Walsh, J. P. (2015). Toward a theory of business. *Research in Organizational Behavior*, 35, 181-207.
- Duncan, G. (2010). Should happiness-maximization be the goal of government? *Journal of Happiness Studies*, 11(2), 163-178.
- Elms, H., Johnson-Cramer, M. E., & Berman, S. L. (2011). Bounding the world's miseries: Corporate responsibility and freeman's stakeholder theory. In R. A. Phillips (Ed.), *Stakeholder theory impact and prospects* (pp. 1-53). Cheltenham, UK: Edward Elgar.
- Escadas, M., Jalali, M. S., & Farhangmehr, M. (2019). Why bad feelings predict good behaviours: The role of positive and negative anticipated emotions on consumer ethical decision making. *Business Ethics: A European Review*, 28, 529-545.
- Fisher, C. D. (2010). Happiness at work. *International Journal of Management Reviews*, 12(4), 384-412.
- Ford, B. Q., Mauss, I. B., & Gruber, J. (2015). Valuing happiness is associated with bipolar disorder. *Emotion*, 15(2), 211-222.
- Ford, B. Q., Shallcross, A. J., Mauss, I. B., Floerke, V. A., & Gruber, J. (2014). Desperately seeking happiness: Valuing happiness is associated with symptoms and diagnosis of depression. *Journal of Social and Clinical Psychology*, 33(10), 890-905.
- Forgeard, M. J. C., Jayawickreme, E., Kern, M. L., & Seligman, M. E. P. (2011). Doing the right thing: Measuring wellbeing for public policy. *International Journal of Wellbeing*, 1(1), 79-106.
- Freeman, R. E. (1984). *Strategic management: A stakeholder approach*. Boston, MA: Pitman Publishing.
- Freeman, R. E., Harrison, J. S., Wicks, A. C., Parmar, B. L., & De Colle, S. (2010). *Stakeholder Theory: The State of the Art*. New York: Cambridge University Press.
- Freeman, R. E., & Liedtka, J. (1991). Corporate social responsibility: A critical approach. *Business Horizons*, 34(4), 92-98.

- Friedman, M. (1970, 13 Sept). The social responsibility of business is to increase its profits. *New York Times Magazine*, 173–178.
- Garriga, E., & Melé, D. (2004). Corporate social responsibility theories: Mapping the territory. *Journal of Business Ethics*, 53(1-2), 51-71.
- Gassam, J. (2018, December 7). *The best places to work in 2019*. Retrieved January 9, 2019 from <https://www.forbes.com/sites/janicegassam/2018/12/07/the-best-places-to-work-for-2019/#561675a1528f>
- Gruber, J., Mauss, I. B., & Tamir, M. (2011). A dark side of happiness? How, when, and why happiness is not always good. *Perspectives on Psychological Science*, 6(3), 222-233.
- Haidt, J. (2006). *The happiness hypothesis: Putting ancient wisdom and philosophy to the test of modern science*. London, UK: Random House.
- Hammond, A. L., & Prahalad, C. K. (2004). Selling to the poor. *Foreign Policy*, (142), 30-37.
- Harrison, J. S., Bosse, D. A., & Phillips, R. A. (2010). Managing for stakeholders, stakeholder utility functions, and competitive advantage. *Strategic Management Journal*, 31, 58-74
- Harrison, J. S., & Wicks, A. C. (2013). Stakeholder theory, value, and firm performance. *Business Ethics Quarterly*, 23, 97-124.
- Hastings, G. (2012). Why corporate power is a public health priority. *British Medical Journal*, 345, 1-5.
- Hellén, K., & Sääksjärvi, M. (2011). Happiness as a predictor of service quality and commitment for utilitarian and hedonic services. *Psychology & Marketing*, 28(9), 934-957.
- Hill, J. A., Eckerd, S., Wilson, D., & Greer, B. (2009). The effect of unethical behavior on trust in a buyer–supplier relationship: The mediating role of psychological contract violation. *Journal of Operations Management*, 27(4), 281-293.
- Howell, R. T., Kern, M. L., & Lyubomirsky, S. (2007). Health benefits: Meta-analytically determining the impact of well-being on objective health outcomes. *Health Psychology Review*, 1(1), 83-136.
- Huppert, F. A. (2004). A population approach to positive psychology: The potential for population interventions to promote well-being and prevent disorder. In P. A. Linley & S. Joseph (Eds.), *Positive psychology in practice* (pp. 693-709). Hoboken, NJ: John Wiley & Sons.
- Huppert, F. A. (2014). The state of wellbeing science: Concepts, measures, interventions, and policies. In F. A. Huppert & C. L. Cooper (Eds.), *Wellbeing: A complete reference guide, interventions and policies to enhance wellbeing* (pp. 1-49). West Sussex, UK: John Wiley & Sons.
- Huppert, F. A., & So, T. T. C. (2013). Flourishing across Europe: Application of a new conceptual framework for defining well-being. *Social Indicators Research*, 110, 837-861.
- Ishikawa, K. (1985). *What is Total Quality Control? The Japanese Way* (D. J. Lu, Trans.). Englewood Cliffs, NJ: Prentice-Hall.
- Jones, T. M., Donaldson, T., Freeman, R. E., Harrison, J. S., Leana, C. R., Mahoney, J. T., & Pearce, J. L. (2016). Management theory and social welfare: Contributions and challenges. *Academy of Management Review*, 41(2), 216-228.

- Jones, S. L., Fawcett, S. E., Fawcett, A. M., & Wallin, C. (2010). Benchmarking trust signals in supply chain alliances: Moving toward a robust measure of trust. *Benchmarking: An International Journal*, 17(5), 705-727.
- Jones, T. M., & Felps, W. (2013a). Stakeholder happiness enhancement: A neo-utilitarian objective for the modern corporation. *Business Ethics Quarterly*, 23(3), 349-379.
- Jones, T. M., & Felps, W. (2013b). Shareholder wealth maximization and social welfare: A utilitarian critique. *Business Ethics Quarterly*, 23(2), 207-238.
- Judge, T. A., & Kammeyer-Mueller, J. D. (2011). Happiness as a societal value. *The Academy of Management Perspectives*, 25(1), 30-41.
- Kahneman, D., & Krueger, A. B. (2006). Developments in the measurement of subjective well-being. *The Journal of Economic Perspectives*, 20(1), 3-24.
- Karnani, A. (2007). Doing well by doing good—Case study: ‘Fair & Lovely’ whitening cream. *Strategic Management Journal*, 28(13), 1351-1357.
- Karnani, A. (2011). “Doing well by doing good”: The grand illusion. *California Management Review*, 53(2), 69-86.
- Kern, M. L., Williams, P., Spong, C., Colla, R., Sharma, K., Downie, A., Taylor, J. A., Sharp, S., & Oades, L. G. (in press). Systems informed positive psychology. *The Journal of Positive Psychology*, 1-11.
- Kesebir, P., & Diener, E. (2008). In pursuit of happiness: Empirical answers to philosophical questions. *Perspectives on Psychological Science*, 3(2), 117-125.
- Keyes, C. L. M. (2002). The mental health continuum: From languishing to flourishing in life. *Journal of Health and Social Behavior*, 207-222.
- Keyes, C. L. M., & Annas, J. (2009). Feeling good and functioning well: Distinctive concepts in ancient philosophy and contemporary science. *The Journal of Positive Psychology*, 4(3), 197-201.
- Kopperud, K. H., & Vittersø, J. (2008). Distinctions between hedonic and eudaimonic well-being: Results from a day reconstruction study among Norwegian jobholders. *The Journal of Positive Psychology*, 3(3), 174-181.
- Lankoski, L., Smith, N. C., & Van Wassenhove, L. (2016). Stakeholder judgments of value. *Business Ethics Quarterly*, 26(2), 227-256.
- Lawless, N. M., & Lucas, R. E. (2011). Predictors of regional well-being: A county level analysis. *Social Indicators Research*, 101(3), 341-357.
- Layard, R. (2006). Happiness and public policy: A challenge to the profession. *The Economic Journal*, 116(510), 24-33.
- Linton, M., Dieppe, P., Medina-Lara, A., Watson, L., & Crathorne, L. (2016). Review of 99 self-report measures for assessing well-being in adults: Exploring dimensions of well-being and developments over time. *British Medical Journal*, 6(7), 1-16.
- Lyubomirsky, S., King, L., & Diener, E. (2005). The benefits of frequent positive affect: Does happiness lead to success? *Psychological Bulletin*, 131(6), 803-855.
- Margolis, J. D., & Walsh, J. P. (2003). Misery loves companies: Rethinking social initiatives by business. *Administrative Science Quarterly*, 48(2), 268-305.

- Mauss, I. B., Savino, N. S., Anderson, C. L., Weisbuch, M., Tamir, M., & Laudenslager, M. L. (2012). The pursuit of happiness can be lonely. *Emotion*, 12(5), 908-912.
- Meyer, M. (2015). Positive business: doing good and doing well. *Business Ethics: A European Review*, 24(S2), S175-S197.
- Michaelson, J., Seaford, C., Abdallah, S., & Marks, N. (2014). Measuring what matters. In F. A. Huppert & C. L. Cooper (Eds.), *Wellbeing: A complete reference guide, interventions and policies to enhance wellbeing* (pp. 561-598). Chichester, UK: John Wiley & Sons.
- Mindell, J., Reynolds, L., Cohen, D., & McKee, M. (2012). All in this together: the corporate capture of public health. *British Medical Journal*, 345(8028), 1-5.
- Mitchell, R. K., Weaver, G. R., Agle, B. R., Bailey, A. D., & Carlson, J. (2016). Stakeholder agency and social welfare: Pluralism and decision making in the multi-objective corporation. *Academy of Management Review*, 41(2), 252-275.
- Oishi, S., Graham, J., Kesebir, S., & Galinha, I. C. (2013). Concepts of happiness across time and cultures. *Personality and Social Psychology Bulletin*, 39(5), 559-577.
- Oishi, S., & Kesebir, S. (2015). Income Inequality Explains Why Economic Growth Does Not Always Translate to an Increase in Happiness. *Psychological Science*, 26(10), 1630-1638.
- Oishi, S., Kesebir, S., & Diener, E. (2011). Income inequality and happiness. *Psychological Science*, 22(9), 1095-1100.
- Oishi, S., Kushlev, K., & Schimmack, U. (2018). Progressive taxation, income inequality, and happiness. *American Psychologist*, 73(2), 157-168.
- Organisation for Economic Co-operation and Development (OECD) (2013), *OECD Guidelines on Measuring Subjective Well-being*. Paris, France, OECD.
- Organisation for Economic Co-operation and Development (OECD) (2015) *How's Life? 2015: Measuring Well-being*. Paris, France: OECD.
- Peltzer, K., & Pengpid, S. (2017). Knowledge about, attitude toward, and practice of skin lightening products use and its social correlates among university students in five Association of Southeast Asian Nations (ASEAN) countries. *International Journal of Dermatology*, 56(3), 277-283.
- Peterson, C. M., Park, N., & Seligman, M. E. P. (2005). Orientations to happiness and life satisfaction: The full life versus the empty life. *Journal of Happiness Studies*, 6, 25-41.
- Phillips, R. A. (2010). Ethics and network organizations. *Business Ethics Quarterly*, 20(3), 533-543.
- Porter, M. E., & Kramer, M. R. (2006). Strategy and society, the link between competitive advantage and corporate social responsibility. *Harvard Business Review*, 85, 78-92.
- PricewaterhouseCoopers. (2016). *Redefining business success in a changing world: CEO survey*. <http://www.pwc.com/gx/en/ceo-survey/2016/landing-page/pwc-19th-annual-global-ceo-survey.pdf>
- Proctor, C., Linley, P. A., & Maltby, J. (2010). Very happy youths: Benefits of very high life satisfaction among adolescents. *Social Indicators Research*, 98(3), 519-532.
- Renouard, C., & Ezvan, C. (2018). Corporate social responsibility towards human development: A capabilities framework. *Business Ethics: A European Review*, 27(2), 144-155.

- Robins, F. (2008). Why corporate social responsibility should be popularised but not imposed. *Corporate governance: The International Journal of Business in Society*, 8(3), 330-341.
- Ruggie, J. (2008). Protect, respect and remedy: A framework for business and human rights. *Innovations: Technology, Governance, Globalization*, 3(2), 189-212.
- Ryff, C. D. (1989). Happiness is everything, or is it? Explorations on the meaning of psychological well-being. *Journal of Personality and Social Psychology*, 57, 1069-1081.
- Ryff, C. D. (1995). Psychological well-being in adult life. *Current Directions in Psychological Science*, 4(4), 99-104.
- Ryan, R. M., & Deci, E. L. (2001). On happiness and human potentials: A review of research on hedonic and eudaimonic well-being. *Annual Review of Psychology*, 52(1), 141-166.
- Scherer, A. G., & Palazzo, G. (2011). The new political role of business in a globalized world: A review of a new perspective on CSR and its implications for the firm, governance, and democracy. *Journal of Management Studies*, 48(4), 899-931.
- Schmitt, B., Brakus, J. J., & Zarantonello, L. (2015). From experiential psychology to consumer experience. *Journal of Consumer Psychology*, 25(1), 166-171.
- Schwartz, M. S., & Carroll, A. B. (2003). Corporate social responsibility: A three-domain approach. *Business Ethics Quarterly*, 13(4), 503-530.
- Seligman, M. E. P. (2002). *Authentic happiness: Using the new positive psychology to realize your potential for lasting fulfillment*. New York, NY: Free Press.
- Seligman, M. E. P. (2011). *Flourish: a visionary new understanding of happiness and well-being*. New York: Free Press.
- Sirgy, M. J., & Lee, D. (2008). Well-being marketing: An ethical business philosophy for consumer goods firms. *Journal of Business Ethics*, 77(4), 377-403.
- Steel, P., Taras, V., Uggerslev, K., & Bosco, F. (2018). The happy culture: A theoretical, meta-analytic, and empirical review of the relationship between culture and wealth and subjective well-being. *Personality and Social Psychology Review*, 22(2), 128-169.
- Stiglitz, J. E., Sen, A., & Fitoussi, J. P. (2009). *Report by the Commission on the Measurement of Economic Performance and Social Progress*. Retrieved November 27, 2017 from <http://www.stiglitz-sen-fitoussi.fr>.
- Veenhoven, R. (2002). Why social policy needs subjective indicators. *Social Indicators Research*, 58(1-3), 33-46.
- Villa Castano, L. E., Perdomo-Ortiz, J., Duenas Ocampo, S., & Duran Leon, W. F. (2016). Socially responsible consumption: an application in Colombia. *Business Ethics: A European Review*, 25(4), 460-481.
- Waddock, S. (2014). The changing social role of business in a world of collapsing boundaries. In M. Pirson, U. Steinvorth, C. Largacha-Martinez, & C. Dierksmeier (Eds.), *From Capitalistic to Humanistic Business* (pp. 48-70). London: Palgrave Macmillan.
- Wang, Q., Dou, J., & Jia, S. (2016). A meta-analytic review of corporate social responsibility and corporate financial performance: The moderating effect of contextual factors. *Business & Society*, 55(8), 1083-1121.

- Watson, D., Clark, L. A., & Tellegen, A. (1988). Development and validation of brief measures of positive and negative affect: The PANAS scales. *Journal of Personality and Social Psychology*, 54(6), 1063-1070.
- Wiist, W. H. (2010). The corporation: An overview of what it is, its tactics, and what public health can do. In W. H. Wiist (Ed.), *The bottom line or public health : tactics corporations use to influence health and health policy and what we can do to counter them* (pp. 3-72). New York: Oxford University Press.
- Wilson, M. (2019, January 8). These digital ads help Stockholm's homeless find shelter. *FastCompany*. Retrieved January 8, 2019 from <https://www.fastcompany.com/90288495/these-digital-ads-help-stockholms-homeless-find-shelter>.
- Wood, D. J. (1991). Corporate social performance revisited. *Academy of Management Review*, 16(4), 691-718.
- Wood, D. J. (1994). Essay by Donna J. Wood. In T.M. Jones (editor), *The Toronto Conference: Reflections on Stakeholder Theory*. *Business & Society*, 33(1), 82-131.
- Wright, T. A., Cropanzano, R., Bonett, D. G., & Diamond, W. J. (2009). The role of employee psychological well-being in cardiovascular health: When the twain shall meet. *Journal of Organizational Behavior*, 30(2), 193-208.
- Yacout, O. M., & Vitell, S. (2018). Ethical consumer decision-making: The role of need for cognition and affective responses. *Business Ethics: A European Review*, 27(2), 178-194.

Table 1.*Indicators of Objective Conditions of Happiness*

Indicators	Example Measures of Indicator
Housing	Homelessness and the availability of housing stock to meet shelter and safety needs of citizens.
Income	Amount of after-tax disposable income that a household earns (through employment) or gains (from social welfare) to spend on goods or services.
Employment	Levels of unemployment, rates of job creation, and the quantity and quality of jobs available to citizens.
Education	Level of educational attainment.
Environment	Quality of natural and built environments including air quality, water quality, noise pollution, and the availability of green spaces.
Civic Engagement & Rights	Participation of citizens in public and political life (e.g., voter turnout, union memberships) and equal rights (e.g., low gender-pay gaps, enactment and enforcement of antidiscrimination laws).
Health	Public health measures such as life expectancy, infant mortality, number of healthy life years, and prevalence of diseases.
Safety	Measures of physical safety such as homicide and other crime rates.

Note. Objective indicators adapted from the OECD (2015) Better Life Index. This is not exhaustive, as it is only meant to be illustrative of some of the existing indicators.

Table 2.*Indicators of Subjective Experience across Hedonic and Eudaimonic Dimensions*

Indicator	Definitions and Examples
Hedonic Happiness	
Positive Affect	General mood or emotions that reflect a level of pleasurable engagement with the environment such as joy or enthusiasm.
Negative Affect	General mood or emotion that reflects a level of unpleasurable engagement with the environment such as fear or sorrow
Eudaimonic Happiness	
Purpose in life	A personal sense of directedness, purpose, and meaning in life.
Environmental mastery	A personal sense of mastery, self-efficacy, and competence in managing one's environment in line with personal needs and values.
Autonomy	A personal sense of self-determination and independence to resist social pressure to behave or act in certain ways.
Positive relations with others	Possesses warm, satisfying, trusting relationships with others and is concerned about the welfare of others.
Self-acceptance	Possesses positive attitudes toward self and the acceptance of good and bad aspects of self.
Personal growth	A personal sense of continued development, self-knowledge, and enlightened realization of one's own potential.

Note. Hedonic happiness indicators are based on Watson, Clark, and Tellegen (1988). Eudaimonic happiness indicators are based on Ryff (1995). This is meant to be illustrative only; numerous other theories, measures, and combinations of psychological domains appear throughout the literature (see OECD, 2013, for a review).

Note

1. **Corporate activities** encompasses discretionary CSR-specific initiatives as well as core business-as-usual practices that occur across the value chain of a firm.
2. **Objective conditions** comprises of indicators of objective conditions that are known to have cascading effects on happiness (refer to Table 1).
3. **Subjective experiences** comprises of indicators of hedonic wellbeing (positive affect, negative affect) and eudaimonic wellbeing (purpose in life, environmental mastery, autonomy, positive relations with others, self-acceptance, personal growth (refer to Table 2).

Figure 1. Integrative framework of happiness pathways

Figure 2: Illustrative depiction of macro-to-micro pathway of CWI shelter directory initiative

Figure 3: Illustrative depiction of micro-to-macro pathway of Procore's work-life balance program

Figure 4: CSR for Happiness conceptual framework