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A little starter:

In your opinion: What are the 5 main values which should shape the common good?

Please write them down and keep this sheet of paper...
Agenda

Public Value – Basic ideas and concept

- Application I: The Public Value Atlas – Taking the pulse of society

- Application II: Public Value Scorecard – An Instrument for Management

- Application III: The Austrian Common Good Balance – A critical evaluation

- Outlook: The Leipzig Leadership Model
"[F]ree enterprise cannot be justified as being good for business. It can be justified only as being good for Society.”  
Public Value: Yet another fashionable term?

- Common Weal
- Bonum commune
- General Interest
- Common good
- Public Interest
- Public Good
There are no uncontested management paradigms

Societal needs

Shareholder Value
Stakeholder Value
Corporate Social Responsibility
Customer Value
Sustainability
Shared Value

Public Value
What «is» Public Value?
Public value describes the value contribution and the benefit which an organization generates for a society, therefore contributing to the common good. Public value is only created or destroyed if the individual perception and behavior of people and groups is influenced in a way which has a stabilizing or destabilizing effect on the assessment of social cohesion, the sense of community and the individual’s self-determination in a social environment.

- Focus on the **common good**
- Public value is created in the **core business**
- Organizations from **different sectors** create public value
- Contribution to the common good as an **extended performance notion**
- **Descriptive approach**: What impacts do organizations have?; **not**: What should they do?

Source: Meynhardt, 2015; 2016a
Public value evaluations are grounded in basic needs

Source: Meynhardt, 2009; Meynhardt and Bartholomes, 2011.
Challenge 1: Public Value is created in the eye of the beholder

People are not disturbed by things, but by the view they take of them.

Epictetus

Public value is what the public values.
Challenge 2: Public Value and Customer Value may be in conflict

1985: Coca Cola introduces «New Coke»

...and faces a shit-storm...

Fidel Castro: «...a sign of American capitalist decadence»

Challenge 3: New Themes «grow into» Public Value

1967

Sustainability

Public Value

2017

Sustainability

Public Value
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The Public Value Atlas – Calling a public into existence

www.gemeinwohl.ch and www.gemeinwohlatlas.de
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Organisations have started to apply Public Value Scorecard

- **Instrumental-utilitarian** (Is it useful?)
- **Moral-ethical** (Is it decent?)
- **Political-social** (Is it politically acceptable?)
- **Financial-economic** (Is it profitable?)
- **Hedonistic-aesthetical** (Does it contribute to well-being?)

![Diagram showing the Public Value Scorecard with various dimensions and organizations' logos.](image-url)
FC Bayern Munich’s Public Value: «Mia san Mia»

Source: Meynhardt, Timo; Strathoff, Pepe; Beringer, Lorenz & Bernard, Sebastian (2015) FC Bayern Munich: Creating Public Value Between Local Embeddedness and Global Growth, Case Centre
RB Leipzig’s Public Value: The first post-modern club

Source: Meynhardt, Timo; Frantz, Eduard (2017): Der Public Value des RB Leipzig: eine Untersuchung des Gemeinwohlpotenzials des RB Leipzig
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The Common Good Balance Sheet proposes five values

1. Human Dignity
2. Solidarity and Cooperation
3. Ecological Sustainability
4. Social Justice
5. Democratic Co-Determination and Transparency
Our study shows*: The approach provides important triggers...

The approach illustrates the importance of Common Good reporting tools

- Increasingly **in demand by society**
- Increasingly **relevant for private organizations**

The approach can serve as a case example for implementing Common Good reporting tools

- **User-friendly:** well-accepted and easily implemented by organizations

- **Effective:** managers reported positive short- and long-term effects on awareness, and on the development of their organizations along the balance’ dimensions

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Interpretation of "Common Good" has **no theoretical legitimacy**

- Selection of values is arbitrary, i.e. not justified by scientific theory
- Different value-sets would be possible too, as well as different numbers or interpretations of values

Interpretation of "Common Good" has **no democratic legitimacy**

- Selection of values and their interpretation would be justified if **resulting from a broad societal consensus**
- This "democratic legitimization" is **still missing**, hence the tool represents only particular interests
Source: Meynhardt (2009)
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Outlook: The Leipzig Leadership Model
How the C-Suite thinks about values in society – Opening the black box

Examples of sample

- Deutsche Telekom
- GOETHE-INSTITUT
- Berliner Flughäfen
- Julius Bär
- DAIMLER
- SIX GROUP
- Investitionsbank Berlin
- SwissLife
- Bundestagen für Arbeit
- telegate
- Berlinwasser
- HOCHBAHN

- 38 C-Level/board members of both public and private organizations

- Main questions:

  1. What makes your organization valuable to society?
  2. Do you think the general public shares your view?

It is a matter of style: The «How» matters

Cognitive style...

“...organizing experience into meanings, values, skills and strategies” (Hayes & Allinson, 1994, p. 54).

“The fox knows many things, but the hedgehog knows one big thing.” (Berlin, 1953, p. 7)

Cognitive Style: «hedgehog»

«No real alternatives»
- Logic, coherence, truth

Cognitive Style: «fox»

«Real alternative»
- Plurality, ambivalence, multiple truths