



Redefining Firms in a Crisis Era: A Conceptual Framework for a Humanistic Approach Post-COVID-19

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Abstract

The fight against COVID-19 has been a significant global challenge with profound health, economic and social consequences, launching a VUCA (‘volatility’, ‘uncertainty’, ‘complexity’, ‘ambiguity’) era. The crisis highlighted resource shortages and uncertainty, prompting a reevaluation of the role of firms in society. Abandoning the guise of a mere profit generating tool, firms emerged as essential social actors, able to provide crucial resources during economic and relational famine. This shift determined a rethinking of capitalism, where the challenge was not just profit maximization for shareholders, but the inability to generate profits or to change the way to generate profits. To overcome the crisis, a common organizing approach was developed, enabling communities of people to work together for the common good. Analyzing the literature on corporate finalism, the paper explores how the fight against COVID-19 has reshaped the conception of firms as real entities dedicated to promoting the common good of stakeholders and society at large. The result is a more holistic model of firm and human being, aligned to the personalist principle, which overcomes both shareholder and stakeholder theories. Indeed, while these approaches have neglected crucial individual and corporate behavior to counteract the pandemic, the proposed theory seems to better address these issues, guaranteeing durability and growth during a profound economic and social crisis, such as COVID-19. Thus, the discussion contributes to the ongoing debate on the corporate purpose and provides useful insights for managers and corporate governance bodies, inspiring a more virtuous form of capitalism that promises a better future.

Keywords COVID-19 · Shareholder theory · Stakeholder theory · Real entity theory · Common good · Primary interest of the firm

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Introduction

The fight against COVID-19 (or COVID) undoubtedly represents one of the biggest and most demanding global challenges of recent decades (World Health Organization 2020). The health, economic, and social consequences for the lives of people and organizations have gone beyond calculation (Cohen and Kupferschmidt 2020). The struggle for public health (Motta Zanin et al. 2020; Sulmasy 2020) was waged against an invisible (sometimes asymptomatic), sneaky, and aggressive enemy, of which very little was known at the beginning (e.g., channels of transmission, virulence). This made it difficult to deal with, often due to inadequate resources (e.g., masks, intensive care) (Emanuel et al. 2020). Many have argued that it will no longer be the same due to the experience of a ‘new normal’ era (Bhusal 2020; Bianco 2020; Mather 2020). Indeed, the pandemic determined the advent of a VUCA (‘volatility’, ‘uncertainty’, ‘complexity’, ‘ambiguity’, Murugan et al. 2020) era that affected society and businesses (Chen and Wu 2022). Faced with a lack of resources (financial, public, health, and food) and uncertainty about the future, economic consequences (e.g., global recession, unemployment, Shibata, 2021; business failures, Amankwah-Amoah et al. 2021; supply chain disruptions, Moosavi et al. 2022) and social consequences (e.g., inequality, Furceri et al. 2022; mental health, Vindegaard and Benros 2020; education, Rashid and Yadav 2020; change in work patterns, Shibata, 2021) of the COVID crisis have prompted a shift in how firms are perceived within society. Shedding their role as mere profit-generating entities, firms have emerged as essential social actors due to their ability to provide critical resources during a time of severe economic and social scarcity (Sirola 2020).

This shift also inspired a rethinking of capitalism that, prior to the pandemic, seemed difficult, if not impossible (Barton and Wiseman 2014; Bower et al. 2011, 2020; Freeman 2017; Friedland 2020; Garicano 2021; Henderson 2020; Krugman 2009; Natali 2022; Rock 2020). Indeed, this crisis fundamentally challenged the prevailing assumptions of corporate market capitalism – based on the idea that profit is the unique purpose of business, and that opportunism is the key feature of managers’ behavior (Rocha et al. 2020, p. 1) – and undeniably prompted a reevaluation of neoliberal paradigms, previously called into question by financial failures of the early 2000s (e.g., Enron, Worldcom, Parmalat) and global economic crisis (i.e., the mortgage subprime crisis in 2008, Tse 2011).

Although at that time the main enemy was recognized to be profit maximization for shareholders (Friedman 1970) and alternative theories that also consider social aspects (e.g., stakeholder theory – Freeman 1984) were developed, during the pandemic period, the main financial challenge experienced was precisely the inability to generate profits or to change the way to generate profits (Chen and Wu 2022). This was also due to regulations implemented to mitigate the contagion, which led to a suspension of demand for numerous businesses during lockdowns (Amankwah-Amoah et al. 2021; Assefa 2023). The risk was a situation of resource scarcity and inability to create profit due to the lack of factors of production (the so-called ‘*cannibal capitalism*’, Fraser 2023). Therefore, during the pandemic, a common organizing approach (Gomez-Alvarez and Morales-Sánchez 2021) was developed, resulting fundamental in helping people and organizations to overcome the crisis (Albareda and Sison 2020). Indeed, the way in which communities of people worked together in the pursuit of the common good was fundamental, solving tensions between social and economic goals (Crane et al. 2014; Chen and Wu 2022). In some ways, the pandemic has forced the construction of different social relationships with different categories

of stakeholders, leading to a more humanistic management, that, considering the firm as a “community of people”, aims to go beyond individuals (Schlag and Melé 2020). Therefore, to survive the COVID crisis, managers had to ensure the sustainability of their organizations while continuing to deliver economic benefits (Chen and Wu 2022). This involved prioritizing only social responsibility initiatives that could generate a positive impact on economic performance (Porter and Kramer 2011).

Analyzing the actual literature on corporate finalism, the paper explores whether and how the fight against COVID may favor a change in the conception of the firm, prompting its consideration as a real entity, a community of people with a vested interest in promoting the common good of stakeholders and society at large. As a result, the paper provides a more complete model of firm and human being, closer to the personalist principle (Melé 2009), overcoming both shareholder and stakeholder theories. Indeed, while these approaches have neglected individual and corporate behaviors that were necessary to counteract the spread of the pandemic, the proposed theoretical model considers these issues, ensuring durability and growth at a time of deep economic and social crisis, such as the COVID period.

Thus, the discussion contributes to the ongoing debate on the purpose of the firm and provides useful insights for managers and corporate governance bodies, inspiring a more virtuous form of capitalism that promises a better future.

The paper is organized as follows. Section “[The Model of Firm and Human Being, According To Shareholder and Stakeholder Theories](#)” delves into the debate around nature, objectives of the firm, and the human model within shareholder and stakeholder theories. Section “[A Humanist Management Approach Oriented Towards the Common Good](#)” proposes a distinct conceptual framework, examining how COVID-19 has changed the perception of firms, portraying them as real entities serving both their own interests and the broader social common good, and leading to a more comprehensive human model in the actual context. Section “[Conclusions](#)” provides conclusions, limitations, and future research, as well as theoretical and practical implications.

The Model of Firm and Human Being, According to Shareholder and Stakeholder Theories

In the last twenty years, several financial crisis and corporate failures have raised a growing economic, political, social, and academic debate on what should be the objective of firms (Di Carlo 2020; Fontrodona and Sison 2006; Freeman et al. 2004; Hart and Zingales 2017; Jensen 2001; Keay 2008; Sundaram and Inkpen 2004), questioning their role in society and the model of capitalism (Barton and Wiseman 2014; Bower et al. 2011; Canals 2010; Krugman 2009; Lin-Hi and Blumberg 2012). This debate, which might initially appear as an academic exercise, extends significantly its implications also to practical realms (Paine and Srinivasan 2019).

The answers to the firm’s objective have become central during and after COVID-19, considering the need to build a ‘new normal’ (Bhusal 2020; Bianco 2020; Mather 2020). In fact, in times marked by profound crisis and unpredictability, the firm’s objective is a guiding compass (Clarke 2020). It is critical to direct efforts to overcome obstacles that threaten the survival and growth of firms and embrace factors that support their progress (Gartenberg et al. 2019; Mayer 2021). In this scenario, shareholder and stakeholder theories represent

the main approaches to the view of the firm, its objective, and the relative model of human being. Despite their widespread popularity, these approaches do not seem to have responded adequately to the COVID-19 crisis. In fact, shareholder theory demonstrated the inadequacy of an extremely simplistic and rational view of human beings, especially in a period of crisis when psychological and social variables are relevant. On the other hand, stakeholder theory suffered from a lack of a clear conception of nature and objective. In both cases, these approaches neglected certain individual and corporate behaviors that were necessary to counteract the spread of the pandemic.

Shareholder Theory

According to the shareholder theory (Friedman 1970), the firm is a legal fiction aimed at maximizing profit for shareholders. According to this, the human being is self-serving and rational.

Nature of the Firm: A Legal Fiction

Firms are instruments (nexus of contracts, artificial persons, aggregation of individuals; Phillips 1992) owned by shareholders to satisfy their desires. Thus, being artificial and not real entities, firms may not have interests (Jensen and Meckling 1976). Indeed, the interest of shareholders is the unique interest that managers, as employees of the former, must satisfy (Friedman 1970). Jensen and Meckling recommend not making the mistake of “thinking about organizations as if they were persons with motivations and intentions” (1976, p. 311). Companies are not real persons, so they do not have responsibilities for externalities or social problems (Ripken 2009; Velasquez 1983). As Jensen stated, the solution for externalities “lies not in telling firms to maximize something other than profits” (2001, p. 11–12). If society wants a more sustainable business, it has to add more laws and enforce regulation (Handy 2002). Legal and ethical constraints are seen as external to the interest of the firm (Bazerman and Tenbrunsel 2011; Harris and Freeman 2008; Milgram 1974; Nickerson 1998).

However, in a period where there is a stronger need to be compliant with the law and ethical norms (e.g., anti-COVID regulations and procedures), the absolute focus on profitability and the poor attention to legal and ethical norms could question the continuity of the firm (Ahmad et al. 2023). Moreover, in crisis periods, there could be social problems that also require the responsibility of individuals and firms (also the private sector) to solve them (Wolff 2010). In that sense, compliance cannot be separated from business, being an integral part of it and a condition for its survival.

Objective of the Firm: To Maximize Profit for Shareholders

The objective of the firm is to satisfy the interest of shareholders (Friedman 1970). Managers have the single social responsibility of satisfying the desire of shareholders, according to ethical and legal rules. Indeed, if managers increase profits for shareholders, the latter will increase their investments, allowing companies to grow and innovate, favoring economic development and the whole community (Friedman 1970). Thus, profit becomes the end of the business, always being a benefit to society (Brief et al. 2001). The control rights

are attributed to shareholders (Friedman 1970). According to the diffusion of shareholder supremacy (Stout, 2012), this objective function is extremely simple (Daily et al. 2003; Harrison et al. 2020, p. 1226).

However, having a single purpose (i.e. maximizing profit for shareholders) and a specific objective function might appear straightforward and unambiguous (Melé 2008, p. 22), especially in situations of crisis, such as the pandemic period. The application of maximization of shareholder value can lead to instances of exploitation, environmental harm, and even compromises the long-term financial viability of the firm. Therefore, it is important to understand how to harmonize economic and social aspects to ensure the long-term survival of the firm and the well-being of its stakeholders and society (Cavalieri 2010). Indeed, if profit is considered as the only short-term goal and the firm as an instrument of shareholders in crisis periods, conflicts between the firm and stakeholders (e.g., creditors, Leland 1998) and society as a whole (e.g., financial, social, and environmental scandals) could be verified, damaging the legitimacy of the firm itself. Considering the contract as the instrument that allows stakeholders with conflicting interests to voluntarily cooperate, during a crisis, a firm may require extraordinary contributions from stakeholders to navigate the challenges, often asking for greater support than is contractually stipulated (Gromis di Trana et al., 2022).

Model of Human Being: A Self-Serving Individual

Human beings are self-serving and rational. They cannot be trusted (Jones et al. 2007). Ethical egoism focuses on maximizing the individual welfare, considering the attitude of the human being who cares only for their own good. Freedom, considered as the absence of constraints (Bellazzi and Boyneburgk 2020), and individualism lead to prosperity (Rocha et al. 2020). Therefore, all that promotes individual good is right, “even if the interests of the corporation and its shareholders, for whom managers nominally work, must be sacrificed” (Jones et al. 2007, p. 144). Regarding the principal-agent relationship provided by the agency theory (Jensen and Meckling 1976), the interest of managers has to be aligned with that of shareholders. It is possible through an incentive system linked to profit maximization, and monitoring of managers, who, despite a fair remuneration, may continue to behave opportunistically (Jensen and Mackling, 1976). The risk of opportunistic behavior of managers (the so-called ‘managerial entrenchment’, Shleifer and Vishny 1989) combined with the idea that by their nature humans take care of their private interests and tend to extract private benefits when the opportunity arises (Jensen and Meckling 1994), seems to have led Friedman to argue, contrary to what Berle and Means (1932) indicated, that shareholders, even if they do not control, are still the owners of the company. For this reason, the latter must be managed in their exclusive interest, as the stakeholders most interested in profitability, a necessary condition for the survival and growth of the firm. Being amoral agents, managers are not morally guilty of their deviant behavior, since the fault lies with the malfunctioning of the incentive schemes and monitoring system (Jones et al. 2007). Indeed, incentives, based on extrinsic goods (e.g., bonuses, stock options), lead individuals to consider not the moral aspect of their actions but rather their personal interests, which becomes the only yardstick to understanding if an action is right or wrong (Bronars and Deere 1991; Heath 2009; Osterloh and Frey 2004). For instance, the provision of ever-expanding stock options has paradoxically intensified their concentration on personal interests, primarily centered around artificially inflating share prices, subsequently reaping substantial personal

rewards (Clarke 2020). Leverage is also not a good tool for monitoring managerial behavior. In fact, considering the tendency of managers to stimulate it because they are remunerated by profit maximization (Low 2008), if it becomes excessive, it reduces the percentage of equity used to finance investments leading to default (Bronars and Deere 1991). Excess debt could be one of the causes of firm financial distress, as in the case of the 2008 financial crisis (Mahoney 2018), as well as an element of weakness, especially when, in a period of economic crisis, the losses cannot be covered by the low level of equity (García-Sánchez and García-Sánchez 2020).

This model of a self-serving and rational human being disseminates an individualistic culture (Shi and Veenstra 2021) that has led to harmful management practices (Ghoshal 2005). Individualism is particularly harmful when, in a moment of crisis, such as during COVID, it is necessary to sacrifice and cooperate for a superior interest (e.g., when the continuity of the firm requires reducing the wages of employees and, even before, that of managers) (Bian et al. 2022).

Stakeholder Theory

For the stakeholder theory (Freeman 1984), the firm is a legal entity that considers the expectations of all stakeholders. The human being is a *homo reciprocans* (Bosse et al. 2009).

Nature of the Firm: A Legal Fiction

The company is a fictitious entity, a sum of individual interests held together through contracts, and, for this reason, it cannot have moral responsibilities (Lozano et al. 2015). Unlike shareholder theory, the interests of stakeholders (and not only shareholders) are essential (Rendtorff 2017) and the corporation is a “clearing house or nexus of activity where stakeholders satisfy their desires” (Freeman 2000, p. 176). Managers are agents of all stakeholders, and they must serve their desires (Hill and Jones 1992).

Within the stakeholder view, some argue that stakeholders must be considered because it is ethically right (i.e. normative approach, Phillips et al. 2003), compared to those who believe it is the best way to create value for shareholders in the long term (i.e. instrumental approach, Donaldson and Preston 1995; Jensen 2001). Both approaches are based on the idea of firm as an artificial entity, or rather an instrument used by stakeholders (normative) or by shareholders (instrumental) to pursue their own interests (Melé 2009). For instance, according to the latter approach, the idea of creating value for stakeholders would still be part of the shareholder approach: “Milton Friedman [...] could have written this paragraph: ‘the primary responsibility of an executive is to create as much value as possible for stakeholders because that’s how you create as much value as possible for shareholders’” (Freeman 2008, p. 166). Thus, this approach does not to be an alternative to shareholder theory, but a suggestion to better achieve the interests of shareholders. Indeed, in line with shareholder theory, compliance with ethical and legal norms is an external constraint (Bellazzi and Boyneburgk 2020). On the contrary, “creating shared value presumes compliance with the law and ethical standards, as well as mitigating any harm caused by the business” (Porter and Kramer 2011, p. 75). Crane et al. state that “it is a remarkable piece of finessing to ‘presume’ such compliance rather than integrate it within the concept itself, especially given their espoused aims of restoring trust in capitalism and reinforcing business” (2014, p. 139).

Generally, stakeholder theory focuses on the duties of the company toward its stakeholders (Fassin 2012; Bonnafous-Boucher and Rendtorff 2016). But stakeholders are not only bearers of rights towards the company. They have duties that are not only contractual (Zattoni 2011), but also moral. In fact, it is of particular importance that stakeholders, including shareholders, are willing to sacrifice for the company's survival, a course of action that ultimately serves their own interests (Gromis di Trana et al., 2022). This commitment must remain relevant even if their contributions overcome the immediate rewards they attain. However, fueling the proliferation of individualistic values, stakeholder theory leads some stakeholders to obtain greater results from the firm than the contribution made (Chugh et al., 2005).

Moreover, responding to the needs of different stakeholders, each with potentially conflicting interests, can introduce greater complexity into management decision-making. Despite a more European vision of stakeholder theory seeks to promote justice, equity and collective welfare to foster decision-making processes that balance the interests of different stakeholders with the common good (Bonnafous-Boucher and Rendtorff 2016), this complexity can give rise to intricate ethical problems that are not directly managed (e.g., prioritizing shareholder concerns over employee concerns when these interests clash) (Argenti 1997). Although stakeholder theory criticizes shareholder theory for its inability to resolve, in favor of shareholder value creation, tensions that arise when economic aspects compete with social ones (Hahn et al. 2015), it does not offer a solution capable of balancing these factors. In fact, stakeholder theory proposes a culture that considers the company as a tool to create value for all stakeholders, without defining a hierarchy of individual interests. However, especially in times of crisis, such as the COVID period, precisely the opposite approach is required due to the need to manage a lack of resources, to define order, and to guarantee the survival of the firm. In addition, an unbridled and undisciplined focus on the interests of all stakeholders can generate undesirable results (Sundaram and Inkpen 2004). In fact, due to the so-called 'social desirability bias' (King and Bruner 2000; Middleton and Jones 2000; Paulhus and Reid 1991), which leads to providing the most socially acceptable thinking (i.e. the 'right thing for others') rather than expressing one's true feelings and knowledge, it is plausible to believe that there is a more formal than substantial bias toward the interest of all stakeholders. Therefore, creating value for all stakeholders can be perceived as an external constraint, rather than as a true interest, which may lead to greenwashing policies (Di Carlo and Cervi 2023). In the case of competing interests and crisis periods, it is important to find a superior interest to resolve them (Di Carlo 2020).

Objective of the Firm: To Satisfy the Interests of All Stakeholders

The intention of stakeholder theory (Freeman 1984) is to consider the expectations of all stakeholders in business management. According to this approach, managers have the duty to prevent the satisfaction of shareholders' interest for short-term profit from jeopardizing the interests of other stakeholders. This would indeed undermine the survival of the company and the satisfaction of the shareholders themselves (e.g., British Petroleum scandal). Although considered vital, profit is not the supreme goal: "concern for profits is the result rather than the driver in the process of value creation" (Freeman et al. 2004, p.364). The consideration of stakeholders comes from the two aforementioned approaches. The normative one (Phillips et al. 2003) recognizes the existence of an ethical dimension to add to the

economic and legal ones, namely the moral duty to respect the rights of all stakeholders. This means that “each group of stakeholders merits consideration for its own sake and not merely because of its ability to further the interests of some other group, such as the shareholders” (Garriga and Melé 2004). Thus, shareholders are placed on an equal footing with other stakeholders: no stakeholder can be considered a principal with higher authority, and the managers’ duty is referred to all stakeholders. In contrast, the instrumental approach (Donaldson and Preston 1995; Jensen 2001) suggests paying attention to all stakeholders because it is the most convenient thing to do in the interest of the shareholders (Plender 1997).

However, the recognition of the interests of all stakeholders highlights the risk of attributing too many objectives to managers, amplifying their opportunistic behaviors (Phillips et al. 2003). Thus, a synthesis of several interests has been identified in the maximization of the long-term market value of the firm through the ‘enlightened value maximization’ (Jensen 2001). According to this theory, the objective of the firm is represented by the maximization of the stock market value. In this way, Jensen protects not only the interests of shareholders but also the long-term profitability of the company for the benefit of its survival and growth and that of all stakeholders and the whole society. The enlightened value maximization serves as the criterion for managing trade-offs among the firm’s stakeholders (Garriga and Melé 2004), shifting the focus from short-term to long-term. This approach requires recognizing that stakeholders expectations are instrumental to the goal of stock market value maximization. However, it still treats stakeholders as means to an end rather than as ends in themselves, prioritizing values that impact stock prices while neglecting those that, although they may not directly influence market value, contribute to the well-being of stakeholders and the broader community (Di Carlo 2020). Despite their widespread appeal, these approaches do not provide clear guidance on defining the firm’s objective. For instance, the normative approach suggests creating value for all stakeholders but does not clarify how. The instrumental approach focuses on shared value creation, often prioritizing shareholders interest. A more European view of stakeholder theory (Bonnafeus-Boucher and Rendtorff 2016) seeks to define the common good as a corporate goal but then does not provide clear references on how to achieve that goal. Consequently, stakeholder theory suffers criticism and misunderstandings (Bebchuk and Tallarita 2020; Clarke 2020; Garriga and Melé 2004), complicating its application, especially during crisis periods because of a confused interplay of interests. Indeed, the limitation to stakeholder value creation is ultimately tied to the conditions necessary for a company’s survival and growth, suggesting that social concerns can never take precedence over the simultaneous achievement of economic, financial, and monetary equilibrium (Di Carlo 2020).

Model of Human Being: A Reciprocal Conception

The model of human being underlying by the stakeholder theory remains grounded in an individualistic conception. Although more comprehensive compared to the shareholder theory, human being is a naturally reciprocating being (*homo reciprocans*; Bosse et al. 2009) who gives help while waiting for the other to do the same. The relationship is based on the recognition of belonging to the same nature and the joint interest in evolving the situation in a certain direction. As highlighted by Melé (2008, p. 21), the stakeholder perspective neglects the human capacity to act not solely driven by self-interest but also by reciprocity.

Furthermore, it does not acknowledge the personal growth and development of virtues and skills. Therefore, for both stakeholder theory approaches, the human being is considered as a means rather than an end. Furthermore, stakeholder theory does not offer a definitive resolution to the challenge of curtailing managerial opportunistic conduct (Phillips et al. 2003, p. 496), an issue extensively tackled by shareholder theory and its corresponding agency theory (Jensen and Meckling 1976). As noted by Clarke, a prominent critique of stakeholder capitalism is that any objective aside from shareholder profits can potentially cause a lack of concentration and pave the way for corruption (2020, p. 24).

In times of acute crisis, where human beings can be called upon to make sacrifices that exceed what they receive in return, the concept of a *homo reciprocans*, who, even if, differently from shareholder theory, feels trust, has expectations from what he/she does, could pose a danger. On the contrary, altruism and gratuity could prove pivotal both for company continuity and for societal well-being. Furthermore, achieving a balance between economic and social aspects can only be ensured by referring to a human being as an end rather than a means.

A Humanist Management Approach Oriented Towards the Common Good

Several theories (including shareholder and stakeholder theories) have been proposed on the objective (e.g. creating value for shareholders or stakeholders) and the nature of the company and human being. The problem is that certain theories, such as shareholder theory, have also been applied in contexts that would have required different ideas about nature and objective of the firm, and even another model of human being. This has created scandals and financial disruptions (among others, Enron, Worldcom, Parmalat). In fact, each context is characterized by specific forces, internal and external, that can favor or hinder the survival and development of the firm (Giannessi 1960). In order to accommodate the favorable forces, neutralizing or eliminating the opposing ones, it is necessary to adapt, on the basis of a guiding principle, the ideas of nature and objective of the firm in order to find the composition that allows firms to satisfy various interests, contributing to the common good. The context influences also the model of human being, which can be self-interested (e.g., where greater efforts are not equated with return and do not benefit others) rather than altruistic and motivated by gratuity (e.g., where regardless of return, greater efforts increase the welfare state of others). Shortly, the survival and development of firms and the integral growth of human beings require a dynamism that leads to adapt, according to the context, the idea of firm and human being. This approach is in line with the guiding principle of the common good, which within it must nevertheless consider the need for the company to survive and develop, since it represents a “lasting source of common present and future well-being” (Ferrero 1968, p. 63). The tendency should be to do everything possible to bring the company to be managed as a community of people who, in addition to pursuing their legitimate personal interests, also operate with reciprocity and gratuity. This aim is also stated in the Statement on the Purpose of a Corporation (Business and Roundtable 2019), presented by the American Business Roundtable only a few months before the pandemic (19 August 2019). This document was signed by 181 of the most influential CEOs of US companies, which show, after a period of strong criticism of shareholder value theory (among

others, Blair 2002; Bower and Paine 2017), how profit maximization should no longer be the top priority of corporations (Paine and Srinivasan 2019). After becoming aware of the damage caused by this logic (for example, inequalities, unemployment, poverty, climate disasters; Bower et al. 2011; 2020), the statement proposes a multidimensional mission that simultaneously considers economic, social, and environmental objectives and that leads the company to contribute to the growth of the community in which it lives and operates. “The BRT statement serves as an important signal that the tide has shifted, replacing shareholder primacy with a multistakeholder purpose for corporations” (Harrison et al. 2020, p. 1225), but garnered a multitude of reactions, encompassing both commendations and critiques. A notable drawback appears to be the failure to elucidate the inherent nature of the firm (e.g., whether it is perceived as a contract nexus of contracts or as an autonomous real entity) and the human model (e.g., solely egoistic or also altruistic). These two dimensions, crucially clarified by shareholder theory, remain unaddressed in the statement. Furthermore, it did not offer concrete details on the mechanisms through which it intends to implement newly articulated principles, presenting more of a broad mission statement rather than a detailed action plan (Gelles and Yaffe-Bellany 2019). Indeed, the potential concern lies in the fact that despite introducing an attractive new purpose, the fundamental perspectives on the nature of the firm and the model of human behavior might persist in alignment with those diffused by the shareholder theory (Di Carlo and Cervi 2023). Therefore, there seems to be an urgent need to construct a theory on corporate finalism, which, in the face of a change in the purpose of the firm, also defines its nature and the model of human being adherence. In this paper, we propose the model of the ‘primary interest of the firm’ (Fig. 1) that, based on the real entity theory, may consider the company a stakeholder with its own interest in survival and development, which can contribute to the common good (Di Carlo 2020).

In this perspective, according to the personalist principle, the human being is central. Human being is not an individual, but a person with an individual interest who is able to cooperate with a spirit of service, altruism, reciprocity, and gratuity. The human being is not considered an instrument but an end, achieving dignity and flourishing.

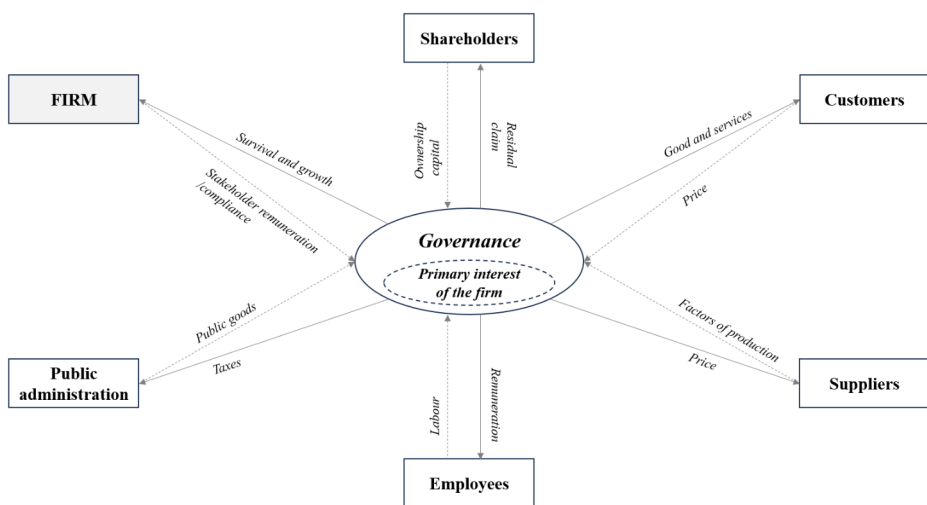


Fig. 1 The model of the primary interest of the firm. Source: elaboration of the authors

Nature of the Firm: A Real Entity with a Particular and Primary Interest

The company is a distinct institution in relation to its stakeholders, endowed with its own rights and duties and characterized by a multidimensional interest (the so-called ‘primary interest of the firm’, Di Carlo 2020) orientated toward the common good.

This perspective derives from the awareness that no stakeholder has an interest that impartially considers all the dimensions necessary for the company to survive and develop, enabling it to contribute to the common good. Indeed, all stakeholders obtain special interests that bind them to corporate affairs, but no one taken individually has a superior interest that overrides the corporate interest (Argandoña 2012; Arthur 1987; Gandz and Hayes, 1998; Treviño et al. 1998). Therefore, this framework suggests considering the company as a distinct stakeholder (as a real person, Mark 1987) that has a particular interest and simultaneously represents also a multidimensional interest. Specifically, the former corresponds to the survival and growth of the firm that can be achieved through the generation of profit. This is a necessary condition because, if the firm does not generate profit, cannot survive (thus not to satisfy its own interest), it is not able to satisfy other stakeholders interests and consequently the common good. Simultaneously, the firm embodies a ‘primary interest’ that synthesizes the various particular interests of its stakeholders, including its own. This primary interest reflects the firm’s contribution to the common good. As illustrated in Fig. 2, the interests are stratified: the ‘primary interest of the firm’ arises from the synthesis of the interests of different stakeholders (e.g., shareholders seeking a residual claim, customers wanting products or services at fair prices, suppliers requiring timely payments, employees wanting adequate salaries, and public authorities interested in tax payments from the firm). Thus, this primary interest represents a higher level of interest (Level 2) compared to the individual interests of stakeholders (Level 1), including the firm’s own particular interest in survival through profit generation.

It follows that the particular interest of the firm is always of an economic nature, that is to satisfy the needs of customers by making sure that the utility produced is greater than the utility consumed in the production process. Furthermore, companies, whether public or private, and regardless of capital concentration, share also the same primary interest: economically satisfying needs in pursuit of the common good. The distinction among companies lies in the purpose of their shareholders. However, governance (i.e., board of directors), which represents the firm’s mind, must balance all the particular interests of stakeholders (especially shareholders, Zattoni 2011) to achieve the primary interest. The primary interest, aligned with the common good, can satisfy the interests of each stakeholder simultaneously.

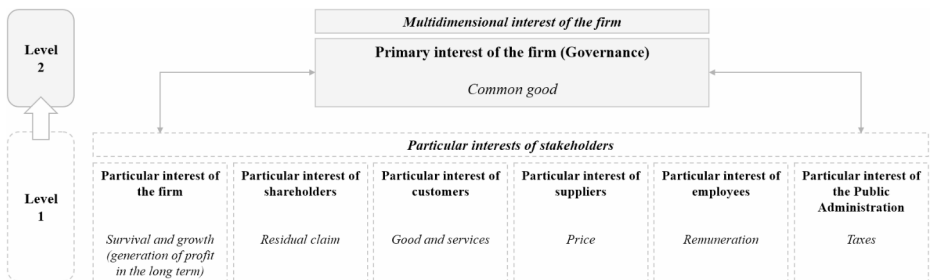


Fig. 2 The stratification of interests in the model of the primary interest of the firm. Source: elaboration of the authors

Thus, the firm is the only ‘person’ interested in balancing a plurality of legitimate special interests in an impartial manner (Melé 2009). This is in line with the conception of the company as a real entity or as a community of people (Lozano et al. 2015; Ripken 2009), with its own interest in serving the common good (Melé 2012). This interest is distinct from the interests of its stakeholders (Argandoña 1998; Schall 2006) but satisfies them indirectly. In fact, for stakeholders, acting in the interest of the company also means acting in their own interest.

The vision of the company as a distinct entity with rights, duties, and a multidimensional interest orientated toward the common good provides a robust conceptual framework for addressing the challenges of a crisis like COVID-19. Indeed, the COVID crisis increased tensions among the interests of stakeholders (e.g., employees, customers, suppliers, local communities, etc.). Viewing the company as an entity with a primary interest allows one to balance these interests and prevent conflicts. This vision also encourages the balance between economic and social aspects and carefully considers a stronger and reasonable commitment to corporate social responsibility (Garcia et al. 2017). In crisis situations, it is crucial to make decisions that help the company survive so that it can then contribute to the common good. For example, during the COVID-19 period, many companies converted their production lines to manufacture personal protective equipment or ventilators (for example, FCA and Ferrari adapted some production lines to produce surgical masks and support respirator manufacturers; Prada, Geox, and H&M started producing medical gowns). This allowed business continuity and also supported social needs. The adaptability has also led to greater consideration of legal rights and duties, reinforcing the concept of moral responsibility (Ripken 2009). Indeed, during the pandemic, many companies faced ethical and legal challenges, such as ensuring employee safety and operational continuity (e.g., Alphabet, Amazon, AT&T, Costco Wholesale, Hon Hai Precision Industry, Honda Motors, Margherita and Heikkilä 2021). Maintaining high ethical standards, especially in times of crisis, facilitates a strong and trusting relationship with stakeholders. Viewing the company as a community of people encourages the building of relationships based on cooperation and mutual trust, which are essential to overcome difficulties.

Objective of the Firm: Towards Ethical Profit and Common Good in the Short, Medium and Long Term

As a real person, the firm has its own particular interest (survival and growth), but it is responsible for a superior multidimensional interest (the ‘primary interest of the firm’) that corresponds to the contribution to the common good of its stakeholders and the larger community within it. The gap between the particular and the primary interest of the company arises when to better survive and growth the company is not compliant with the law and the ethical costume, damaging its stakeholders and society.

The principle considers the firm as a real entity composed of a “community of persons who work in common, based on cooperative activity to provide goods and services in an efficient, competitive, and profitable way in favor of the common good” (Albareda and Sison 2020, p. 728). However, since society legitimates the existence of an organization when it serves the common good (Suchman 1995) and stakeholders (including owners) do not always converge with this orientation, it is necessary to distinguish a superior interest of the corporate institution from the interests of its stakeholders. Satisfying this superior

interest, governance guarantees the alignment of particular interests with social expectations, enabling the harmonization of goals between people, firms, and society in the short, medium, and long term (Di Carlo 2020). However, to ensure the survival of the firm, it may be compulsory to require the sacrifice of certain stakeholders in certain periods (e.g., lower salaries for employees). This can occur in the event of financial difficulties of the firm, such as in the COVID-19 period. In fact, during the pandemic, many companies were forced to prioritize social initiatives, which were essential for their short-term survival. Therefore, the balance of interests between the firm and its stakeholders must be understood in the long term, in the sense that a short-term imbalance (e.g., the company reduces salaries of employees due to COVID) must be reabsorbed sooner or later. In fact, an excessive short-term orientation can negatively impact firm sustainability, competitiveness, and overall value, neglecting the long-term interests of all stakeholders. It is the role of an economic institution interested in enduring that leads concretely from a short-term perspective to a long-term one. Corporate scandals (e.g. Parmalat, Mariella Burani, and Fonsai) provide clear evidence of the damage caused by short-termism, not only in future profitability but also on the survival of the company.

Therefore, governance should have short- and long-term needs in order to guarantee the satisfaction of particular interests and the primary interest of the firm. This perspective underscores the idea that companies have a multifaceted role to play and that a multidimensional interest is needed. Firms are expected to generate profits to sustain themselves and facilitate growth (Garcia et al. 2017), but their pursuit must be coupled with a commitment to societal well-being and the creation of value beyond financial gains (Argandoña 1998; Doxa 2020). Not forgetting the importance of profit for their survival, companies put needs at the center (Truong and Truong 2022). Indeed, behaviors during the COVID crisis demonstrated that corporate purpose could lie in serving the needs of society by generating value and contributing positively to the well-being of people and the broader community. Thus, the concept of profit extends beyond simply representing positive net income (the difference between revenues and costs). It serves as compensation for the company, enabling its preservation and growth (Cassandro 1967; Onida 1971, p. 237). Undistributed profit, by strengthening the company's assets, indirectly benefits all stakeholders. Profit occurs when revenues adequately compensate all factors of production, including capital owned and the entrepreneur's efforts (Amaduzzi 1948, p. 305), thereby maintaining their connection to the company's economy. Viewing profit as an essential means for the existence and development of the company also addresses the criticisms from those who, driven by outdated ideologies (Freeman 2017, p. 453), attack profit from a moral standpoint, deeming it reprehensible (Cassandro 1969, p. 828; Coda 2020). Profit should not be conflated with the enterprise's purpose; it would be akin to claiming that, since one must work to live, the purpose of life is merely work.

Therefore, profit represents the firm's remuneration for serving the welfare of the community (Cassandro 1969). Indeed, in contrast to the 'separation thesis' (Harris and Freeman 2008; Sandberg 2008), which associates economic values only with an individualistic meaning (economic values are linked to individualistic behavior that the 'invisible hand' of the state then transforms into public virtues, Smith 1776), according to the model of the primary interest of the firm, economic values can also be linked to ethical and social ones. Indeed, profit can be interpreted as the ability of the virtuous entrepreneur to increase the value of the resources consumed by creating a product (output) that has a value recognized

by the market that is greater than the resources consumed (input). Therefore, since profit is a condition of survival and not an end and considering the human being as a person and not as an individual (i.e., the personalist principle, Melé 2009), economic values can be individualistic and socially responsible. Therefore, it is essential that all stakeholders take care of the firm's profitability, considering that in failure events, such as COVID-19, all stakeholders (including the community) suffer damage. The result of applying the common good perspective to the company is to regard people as members of the same corporate community, and consequently, the pursuit of their particular interests must go hand-in-hand with the recognition and promotion of the community of which they are part. Stakeholders must understand that, although they have different particular interests that motivate them to contribute to the business, their contribution serves the common interest, thus including themselves. In this sense, they are not only bearers of rights, having a moral duty to contribute to the common good. On closer examination, it is often the need for survival that drives companies toward responsible behavior, where ethical, social, and environmental responsibility become levers for economic sustainability.

This conception of profit also includes compliance with the law and ethics that are conditions of the existence of the firm. Compliance is an integral part of the primary interest of the firm, orientated toward the common good. In fact, when collective efforts strongly advocate for adherence to regulations, those rules evolve into a corporate interest. This shift occurs in part because, in numerous cases, complying with these regulations has become a competitive advantage (Peterson 2013). For example, customers who favored dining establishments that rigorously implemented anti-COVID protocols (Hu et al. 2021). Their preference has led these protocols to integrate into the core of the business. Consequently, adherence to regulations and the pursuit of profitability are aligned at the same level.

Being multidimensional, actions taken in the primary interest of the firm can have positive external effects, and vice versa, actions aimed at societal well-being can also contribute to the success of the company. The alignment between what benefits the company, its stakeholders, and the broader society is a crucial dynamic that has been highlighted by the pandemic. The COVID-19 crisis has vividly illuminated these connections in unprecedented ways. For example, the pandemic emphasized the importance of prioritizing employee well-being. Companies that took proactive measures to protect health and safety demonstrated a commitment not only to their workforce, but also to overall social health. In fact, options that benefit the company internally can lead to better stakeholder relationships and social trust. Similarly, actions that aim to address external social challenges, such as contributing to public health initiatives during the pandemic, can improve the reputation of the company and the support of stakeholders. Many companies participated in corporate social responsibility initiatives to provide support to communities and individuals affected by the pandemic (Chen and Hang 2021). These actions showed recognition of their responsibilities beyond profit making and highlighted their role as contributors to the common good.

However, as stated by Arjoon et al. (2018), contemporary business models and corporate governance mechanisms often promote separation between economic and social purposes, placing individual, corporate, and collective interests in conflict with each other. If even a few individuals and organizations do not collaborate, it could be an enormous problem for other individuals, companies, and society. This aspect underlines the so-called 'collective action problem', that is, a situation in which individual interests conflict with collective interests (Dawes 1980). On the other hand, our framework avoids conflicts between indi-

vidual interests by prioritizing the primary interest of the firm. By using the compass of the primary interest, the objective of the firm is to contribute to the well-being of the society in which it lives and operates, while simultaneously satisfying individual interests (its own and those of its stakeholders).

Model of Human Being: A Utilitarian and Cooperative Person, Not a Self-Serving and Isolated Individual

According to the personalist principle, the human being is not an individual with an isolated existence that binds to others only through contracts, but a person with dignity, motivation to interact with others, and a simultaneously autonomous and interdependent existence. Taking into account a utilitarian nature, a human being can cooperate in the spirit of service, altruism, reciprocity, and gratuity. Thus, the human being is not considered as an instrument, but as an end. Following happiness is the goal of the activity carried out.

Our framework is based on the concept of human being followed both by the common good approach, which involves a social dimension (Argandoña 1998; Fontrodona and Sison 2006; Melé 2009, p. 235) and a utilitarian approach that includes human reciprocity (Bosse et al. 2009). In particular, from the former, our framework incorporates the personalist principle (Melé 2009). Different from the individualist logic of the neoliberal approach, it emphasizes the value of humans as people with intrinsic and transcendent motivations to develop collaborative relationships for the common good of the community (Frémeaux 2020; Melé 2009). Therefore, while in neoliberalism both individual growth and collective welfare are derived from the satisfaction of self-interest (Friedman 1962), according to the common good, “the flourishing of individuals is based on the flourishing of the community” (Frémeaux 2020, p. 1). This recognition stems from the understanding that human beings require social connections and possess non-material needs beyond the mere utilitarian aspects (Argandoña 2009). Then, for our framework, the human being is also a self-interest utility maximizer, namely maximizes the utility conforming to the norm of reciprocity (Bosse et al. 2009). Friedman pointed out that there is a “broad meaning that must be attached to the concept of ‘self-interest’. It is not myopic selfishness” (Friedman and Friedman 1980, pp. 18–19). Indeed, although people act with selfish motivation, they are able to generate social order and economic development (Smith 1776). Therefore, this assumption does not imply that people abandon their pursuit of utility maximization rather they strive to achieve this goal while adhering to the norm of reciprocity, namely norms and fairness.

The pandemic forced the establishment of the personalist principle (Alfaro et al. 2020) and the bounded self-interest approach (Jolls et al. 1998), leading to a more humanistic approach to management. This vision considers individual interests, but also emphasizes the creation of communities within firms, acknowledging them as a collective of people (Rocha et al. 2020, p. 6; Schlag and Melé 2020, p. 1). Indeed, a battle against a shared enemy such as COVID has undeniably demonstrated that the sense of belonging to a community can significantly amplify altruistic behaviors (Cheng et al. 2020). Numerous people opt for cooperation due to their expectation that others will similarly participate in collaborative endeavors (Thöni and Volk 2018). These outcomes challenge the traditional view of humans as merely self-serving individuals who might seek to maximize their own interests if not closely monitored and incentivized. Collaborative efforts among people do not always arise solely from a pure utilitarian perspective driven by the economic incentives outlined in contracts. They

can also have intrinsic motivation (Melé 2009, p. 234). In the business context, work allows people to achieve not only material external benefits (such as financial rewards), but also intangible external benefits (such as recognition from others), intrinsic rewards (such as personal fulfilment), and even transcendent rewards (such as virtues) (Argandoña 2009). Together, these contributions promote human well-being and happiness.

Although individuals bear a moral responsibility to contribute to the common good, these aims are possible only if the personalist approach strongly rejects any violation of human rights in the name of presumed benefits for the company. Consequently, forcing employees to work without ensuring their safety and justifying such actions as beneficial for company efficiency is unjustifiable (Di Carlo 2020). Such practices prioritize the particular interests of the firm over its primary interest, which should encompass the well-being of all stakeholders. The welfare of the corporate community, as well as the wider community, only becomes meaningful when it actively promotes the well-being and advancement of people functioning within those communities. This viewpoint emphasizes the need for individuals within a company to prioritize the well-being of the business community and vice versa, transcending the potential pitfalls highlighted by stakeholder theory, which at times places stakeholder rights above their responsibilities. During the pandemic, companies were unable to adequately satisfy the interests of all stakeholders, as recommended by stakeholder theory. However, with solidarity, reciprocity, and gratuity, stakeholders have continued to sacrifice for the continuity of the firm (Córdoba et al. 2021; Friedland 2020). In many companies, executive remuneration was also voluntarily. “Some CEOs have voluntarily reduced their base salaries by a larger percentage than has been applied to other executive” (DeJong 2020), giving good examples. The voluntary reduction in executive remuneration further signifies a shared understanding that certain sacrifices were necessary for the greater good. This action reflects a commitment to maintaining stability and preserving jobs, rather than prioritizing individual financial gains. Stakeholders demonstrated a remarkable level of engagement by going beyond their contractual obligations and helping beyond what was expected (Ebrahim and Buheji 2020). This willingness to extend their support beyond the confines of formal agreements underscores the importance of the firm’s survival and growth as a paramount goal for them. In this case, the employees understood the importance of the interest of the firm that, if satisfied, could guarantee its survival and growth, and consequently their interest. This trend affirms the notion that within an organization, genuine commitment and eagerness to collaborate for shared goals can exist, even in the presence of diverse individual motives for participation. Indeed, some scholars provide evidence that stakeholders of the firm generally have a common interest in ensuring its success (Heath and Norman 2004; Kochan and Rubinstein 2000). As Hill and Jones stated, “Obviously, the claims of different groups can conflict (e.g., stockholder demands for greater dividends conflict with employee demands for higher wages). However, on a more general level, each group can be seen as having a stake in the continued existence of the firm” (1992, p. 145).

The pandemic has undoubtedly fostered the struggle for common goals shared by all stakeholders (Latemore 2021; Allain-Dupré et al. 2020). This willingness to collaborate may involve acts of reciprocity, in which the effort received is reciprocated, and even acts of gratuity, where any kind of assistance is selfless, without expecting immediate returns. The circumstance of COVID-19 demonstrated such commitment and willingness to act together for mutual benefit, reinforcing the idea that firms are not driven merely driven by individual motives, but can foster a sense of shared purpose and collective action. Therefore, com-

panies that were governed and managed as communities of people with different singular interests and a common purpose exhibited greater dynamism and likelihood of survival compared to those governed by a mere aggregation of individual interests solely focused on pursuing personal benefits (Rocha et al. 2020). This approach highlights qualities such as trust (Pirson and Malhotra 2011), respect for stakeholders (including the firm), reciprocity, and selflessness, which are pivotal factors, particularly in times of deep crisis.

Furthermore, the pandemic prompted simultaneously a reevaluation of freedom and cooperation concepts. An illustrative example is the decision making around vaccination, where people declined vaccination as an expression of their personal freedom, despite the known negative consequences for themselves and others due to no vaccination (Colgrove and Samuel 2022). However, the majority of people accepted vaccination and understood freedom not only as the absence of restrictions. Many individuals did not perceive government-imposed restrictions, such as lockdowns, as unjust infringements on freedom because these rules mirrored what they would have chosen for the well-being of themselves and others (Bellazzi and Boyneburgk 2020). This perspective aligns with the idea that virtue ethics and a nuanced understanding of freedom can provide an alternative framework to utilitarianism. It paves the way for a consequentialist ethical theory that defines a correlation between individual autonomy and collective responsibility. The phenomenon of reciprocal decision making is described as bounded self-interest, since the pursuit of maximum utility is restricted by norms and fairness (Bosse et al. 2009). Consistent with the common good, it is necessary to take actions that benefit companies, stakeholders, and the community at large. Therefore, virtue ethics and common good are intrinsically interconnected (Arjoon 2000, p. 144) and, adding a reciprocity utilitarian approach, may represent an excellent weapon against a merely self-serving vision of human being.

Table 1 summarizes the differences among shareholders, stakeholders, common good, and the primary interest theories.

Conclusions

The COVID-19 pandemic highlighted the vulnerabilities and interdependencies of the world, forcing companies to adapt and innovate in unprecedented ways. Companies have emerged as dynamic entities that showcase flexibility, agility, and empathy. The pandemic emphasized the value of nurturing social relationships within companies and connecting with stakeholders. Decisions made for the common good had positive internal and external effects. Meanwhile, the crisis questioned the nature of freedom, revealing its nuanced relationship with collective responsibility. Genuine freedom involves considering the impact of individual actions on others and the community. This shared crisis offers a unique opportunity to promote a collective orientation toward a common purpose, highlighting the intrinsic link between corporate success, stakeholder well-being, and societal flourishing. This symbiotic relationship shows that actions that benefit the firm also support stakeholders and the broader community, creating a virtuous cycle. Post-pandemic, the concept of the firm as a real entity orientated toward the common good stands as a beacon of ethical and sustainable business practice, guiding towards a future where economic success and societal welfare are intertwined goals.

Table 1 Comparison among shareholders, stakeholders, common good and the primary interest theories

	Nature of the firm	Objective of the firm	Model of human being	Impact of the theory on the COVID-19 crisis
Shareholder theory	The firm is a legal fiction	To maximize the interest of shareholders	A self-serving and rational individual	Business continuity is questioned by an absolute focus on profitability and non-compliance with legal / ethical norms and the contribution of absent stakeholders to overcome the crisis. The model of a self-serving and rational human being spreads an individualistic culture that has led to harmful management practices
Stakeholder theory (normative approach)	The firm is a legal fiction	To create value for stakeholders	<i>Homo reciprocans</i>	Considering the firm as a tool to create value for all stakeholders, without defining a hierarchy of individual interests, can generate undesirable results. No resolution is provided for managerial opportunistic conduct. The concept of a reciprocal human being could pose a danger if people are called upon to make sacrifices that exceed what they receive in return
Stakeholder theory (instrumental approach)	The firm is a legal fiction	To maximize the interest of shareholders	<i>Homo reciprocans</i>	Considering the firm as a tool to create value for all stakeholders through maximization of shareholders' interests can generate undesirable results. The concept of a reciprocal human being could pose a danger if people are called upon to make sacrifices that exceed what they receive in return
The common good theory	The firm is a real entity	To contribute to the common good	A person with dignity and motivation, able to cooperate with altruism	Viewing the firm as a real entity with the purpose of common good allows to balance different interests, preventing conflicts. Lack of attention to the economic and financial balances of the firm places its survival and growth at risk, avoiding the possibility of satisfying the interests and the common good. The model of an altruistic, cooperative, and free human being collaborates to achieve a short-term common good
The primary interest of the firm theory	The firm is a real entity with its own interest	To contribute to the common good, satisfying the survival and growth of the firm, through the achievement of equilibrium conditions	A person with dignity and motivation, not only utilitarian, but also able to cooperate with reciprocity and gratitude	Viewing the firm as an entity with a primary interest allows the purpose of the common good to be achieved, balancing different interests (including the survival of the firm) and preventing conflicts. Profit is the condition of survival and growth of the firm, coupled with the value of social and economic creation. The model of an altruistic, cooperative, free and utilitarian human being collaborates to achieve a long-term common good

Source: elaboration of the authors

Beyond conventional notions of capitalism, the pandemic challenged traditional paradigms, such as shareholder and stakeholder theories. Although these theories provided valuable insight into the understanding of corporations, they proved insufficient to address the multifaceted crises that COVID exposed. Indeed, the pandemic has revealed the limitations of viewing businesses as mere aggregates of individuals motivated solely by self-interest and reciprocity. The complexity of human behavior goes beyond these narrow motivations, extending to acts of gratuity and altruism for higher purposes. As economic and social crises deepen, neither shareholder nor stakeholder theory seems sufficient to explain the behavior of companies and people. In light of this gap, the primary interest of the firms theory is proposed. Based on the theory of the common good and a reciprocity utilitarian approach, this framework considers the firm as a real entity which aims to contribute to the common good through the achieving of a multidimensional superior interest. Identified as a new element, this interest synthesizes the individual interests of all stakeholders, including that of the company to survive and develop. It represents the compass by which corporate governance is guided in its choices. This framework gains relevance as a more holistic model, including also a different conception of human being. Rather than viewing individuals as isolated beings solely driven by self-interest, it recognizes humans as interconnected entities with intrinsic motivations for collaboration and altruism. Although individuals still possess the nature of utility maximizers, they engage in collaborative efforts to achieve the common good, guided by reciprocity and gratuity.

Based on this, our framework seems better suited to address global issues, including those aligned with the United Nations Sustainable Development Goals. Disseminating a culture that internalizes these goals could lead companies to consider them as an integral part of their primary interests, expanding their sense of purpose. Also participating in this change are stakeholders who realize that the company has its own interest, on which the fulfillment of their interests also depends. This trend is emphasized during a crisis. In fact, during the COVID period, companies seemed to operate with a greater interest in the common good. At the same time, stakeholders' concern for the company's welfare was also greater, considering that their survival derived from that of the company. However, once the crisis passed, this tendency to look after the interest of the company and thus the common good may disappear, considering that there was no longer a need for it. In fact, there is no empirical evidence that firms pursued this attitude even after the COVID-19 crisis. Presumably, then, the behavior adopted by firms and stakeholders during the pandemic was instrumental to their survival. According to this, what is intended to be argued in the article is that if they continued to act in this way even after the crisis, making the primary interest a constant firm's interest, the likelihood of solving the overall problems would have been greater. Indeed, if companies consistently operated as they did during the COVID-19 period, they would likely foster not only their own growth but also the well-being of all stakeholders.

To spread a new culture, it is necessary to change the dominant mental model. Therefore, it is not sufficient to simply assign a multidimensional, economic, social, and environmental purpose to the company, as previous theoretical approaches have carried out. The paradigm shift requires the alignment of the logic of the common good with a coherent concept of the purpose of the company, as well as a redefined model of human being. This shift implies the recognition not only of stakeholder interests but also of the inherent interest of the firm in its own survival and development, a goal in which everyone has a stake.

The use of the theoretical framework of the primary interest of the firm has important theoretical and practical implications. From a theoretical point of view, it represents an enrichment of the literature on corporate finalism, providing an unconsidered view of firm and human being. From a practical point of view, the research suggests practical insights for managers to achieve the common good, a winning goal, especially in times of crisis. Furthermore, through the primary interest of the company, corporate governance bodies should balance the diverse and sometimes conflicting interests of stakeholders (including the firm itself) so as to promote the common good. This involves understanding the ethical meaning of profit, which is recognized as essential for corporate survival and growth, but also as a means of contributing to the common good. Therefore, the framework contributes to the adoption of business models that harmonize economic performance with social responsibility, thus mitigating potential conflicts between profit motivations and social expectations. In addition, the primary interest of the firm fosters a cycle of positive reciprocity and gratuity, which supports an alternative view of human beings to that propagated by shareholder and stakeholder theories. With this framework, managers value gratuity and recognize the importance of ‘gifts’ or contributions worthy of moral praise and appreciation. It triggers a recognition of stakeholders as valuable members of a community, acknowledging their dignity and motivation, as well as the intrinsic value of their contributions. This also reinforces a culture of transparency and trust.

Although the analysis presented in this paper sheds light on significant insights into corporate perspectives during the COVID pandemic, there are certain limitations that must be acknowledged, such as the lack of empirical data and the ongoing consequences of the pandemic. Further research could proceed with empirical evidence on the corporate finalism in the pre/post COVID period, studying whether companies that adopted a more common-good approach continued even after the crisis.

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