Gordon Institute
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Operationalising Shared Value

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Abstract

The state of global corporate affairs, failures of powerful corporations and the negative social and environmental impacts as a results of business have raised a heated debate regarding the role of business in society. Attempts to address these issue have to a large extent been unsuccessful in terms of sustainability. Creating Shared Value (CSV) argues that by addressing these issues, presents an opportunity to create mutually beneficial value while aligning societal and business objectives. CSV gained significant attention from both business and academia, but was however heavily criticised with various limitation with regards to the lack of an operationalised framework, measurement criteria and the socio economic link. The study therefore outlines the different concepts regarding the role of business in society and how shared value differentiates itself.

The study involved qualitatively analysing numerous national and multinational organisations involved in shared value, with particular emphasis on the operationalising of shared value and associated success. The study also addresses claims made against the integrity and validity of shared value through organisational results. The findings indicated that shared value increased the success of the organisation while contributing towards solving societal issues with various positive correlations identified between economic and social value. The amalgamation of results contributed towards an enhanced complete shared value framework (SVF) and measurement criteria. Given the lack of practically operationalising shared value, the study therefore provides a contribution to the both business and academia.

Keywords

Creating Share Value, Operationalising, Strategic Business Driver, Sustainability, Social Responsibility, Competitive Advantage

Declaration

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.
The name and the original signature of the student and the date should follow the declaration.

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1.1 Background to the Research Problem

Financial crises, failures of powerful multinational corporations and their associated government bailouts, environmental destruction together with corporate scandals have raised a debate about the function of business in our modern society (Corazza, Scagnelli, & Mio, 2017; McIntosh, Sheppy, & Zuliani, 2016; Vaara & Durand, 2012). Globalisation, freedom, and access to information together with businesses that are driven to optimise short-term financial performance with their legitimacy reducing over time has added to this phenomenon (McIntosh et al., 2016; Porter & Kramer, 2011). Environmental disasters, global poverty and malnutrition, and elevated levels of inequality have placed capitalism, as Porter has stated, under siege (Corazza et al., 2017; Porter & Kramer, 2011).

Corporations are, in fact, blamed for various societal failures and are accused of being mostly concerned with the maximisation of shareholder value (Corazza, Scagnelli, & Mio, 2017; McIntosh, Sheppy, & Zuliani, 2016; Vaara & Durand, 2012). the maximisation of only economic profit has detrimental social and environmental impacts. As Mcintosh et al. (2016) has stated, there might be two possible reasons for this. Firstly, social responsibility and ethics are not aligned with business' core objectives and secondly, existing business policies and practices are implemented in a sub-optimal manner. He argues that the core business objective is to use the available resources in a manner that increases profits but remains within the larger legislative and ethical framework. All societal problems create costs and increase waste, a challenge that will not dissipate in the near future. This, although a problem, represents an opportunity to think outside of the box, reduce costs, and gain market share while creating new opportunities and value for all stakeholders: the business, society, and the environment (Wójcik, 2016; Porter & Kramer, 2011).

This issue however is not new and academics together with business practitioners have developed various theories and frameworks to address the moral purpose of business in society. Theories and concepts such as stakeholder theory, the triple bottom line, social innovation, blended value, inclusive markets, corporate social responsibility (CSR), conscious capitalism, hybrid companies, and stakeholder engagement have existed for an extended period of time (Nicholson, 2017; McIntosh et al., 2016; Crane, Palazzo, Spence, & Matten, 2014). The golden thread that all the above theories and concepts have in common is that they attempt to address the gap between business, society, and the environment and aim to define the role of business in society. Lenssen and van Wassenhove (2012) have argued that the role of business is to address the shortfall of governments and institutions while enabling the social environment in which it operates. Businesses has the strongest mechanisms and cohorts to achieve the involvement from the private sector effectively to improve governance and bridge the gap between the public, civic, and private sector. Therefore, the exorbitant power of business should be categorised in terms of the common good for all stakeholders. Frèmeaux and Michelson (2017) suggest that organisations should provide the conditions that enhances the environment for the thriving of all stakeholders by conducting business practices accordingly. Although there are various conflicting outcomes and objectives organisations can be transformed into a win-win situation without impacting their financial returns therefore improving the sustainability and managing the triple bottom line, namely: profit, people, planet (Cubas-Diaz & Martínez Sedano, 2018; Hussain, Rigoni, & Orij, 2018; Detomasi, 2007; Drucker, 1973).

However, apart from the perceived role of business in society the continuing and growing unease and non-acceptance of societal issues reveals that the success of the above mentioned perceptions and theories has been significantly limited. As abuse of managerial power emerges, there is also increased pressure on organisations to ensure sound governance principles. Due to the continuation of these global issues, Michael Porter and Mark Kramer claimed to have developed a concept bridging the gap between social responsibility, philanthropy, and general business practices (Corazza et al., 2017; Porter & Kramer, 2011). This initiative is called **creating shared value (CSV)** and has gained significant popularity and also controversy from both the academic and business world.

Various definitions relating to shared value exist whereby the majority is derived from the original. Porter and Kramer (2011:6) defined shared value as “policies and operating practices that enhances the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates”. Michelini and Fiorentino (2012) similarly indicated that shared value is mutually dependent between corporations and society with choices benefiting both sides through the integration of a social outlook into the organisational DNA to understand competition and develop a corporate strategy. The core of shared value is highlighted by Lee, Moon, Cho, Kang, & Jeon (2014) in the sense that shared value is financial benefit for organisations through social value creation. Most definitions are therefore consistent with the critical overlapping of aspects of economic and social value.

Shared value argues that by addressing societal issues strategically, the business can achieve greater economic profits and create shared value, not share created value (Porter & Kramer, 2011). The focus is therefore on strategy and integration within business spheres. Shared value is a strategic approach for organisations to identify societal issues, address them, and generate economic value for the organisation and increase societal and environmental value. Its stretches between the different objectives that companies, society, and the environment have and creates value amongst them. Shared value is a long term sustainability approach and innovative organisations can transition from creating shareholder value to stakeholder value to long term capitalism (Lenssen & Van Wassenhove, 2012). It has been argued that shared value presents the next major transformation of innovation, business thinking, strategy, and growth in a global context through the identification of societal issues, solving them while generating value and linkages amongst society and the economy (Corazza et al., 2017; Crane et al., 2014).

Porter and Kramer (2011) indicated that shared value has strategic and operational functions based on three main areas namely: reconceiving products and markets, redefining productivity in the value chain, and enabling local cluster development. The traction shared value has gained over the last few years has been significant from an academic, organisational, and even institutional perspective (McIntosh et al., 2016). Many consulting firms specialising in shared value have emerged in recent years due to it being a relatively new field with the many associated uncertainties that have to be addressed (Martin, 2016; Daw, 2013). The concept has sparked lively debates both in favour and against the notion (Visser & Kymal, 2015; Crane et al., 2014). The ambiguity around shared value being a successful and legitimate concept thus still provides many research opportunities. Although this concept has been researched, the success, effectiveness, and operationalising of shared value has yet to be formulated into a generally accepted and viable framework that organisations and executives can easily utilise.

Porter et al. (2011) have developed a framework but is still in its infancy, especially with regards to the measurement and linking of social and business activities that demonstrate a positive impact on both. The various concepts in the field relating to shared value have been explored and defined with some similarities and differences. Some practical applications have been identified but are still very much in their elementary phase. The major concern regarding shared value was highlighted by a multitude of businesses and academics as a lack of an existing legitimised framework for identification, implementation, and measurement of shared value initiatives (SVI) (Crane et al., 2014; Szmigin & Rutherford, 2013; Aakhus & Bzdak, 2012; Porter and Kramer, 2011). The operationalising of shared value along with the skills and knowledge to be developed to achieve company productivity and maximum profit has not yet been achieved (Dembek, Singh & Bhakoo, 2015 as cited in Wójcik, 2016; Porter & Kramer, 2011). Without these issues being addressed, the true success and potential of shared value as a revolutionary concept may remain unanswered.

If shared value is going to be widely accepted and implemented, the importance of providing frameworks and models are critical to offer executives the guidance and assistance to transform the organisation (McIntosh et al., 2016). Porter and Kramer (2011) provided an elementary framework with Pfitzer et al. (2013) expanding on the existing framework with certain additions made. However, both frameworks are very similar and still do not offer much value in terms of operationalising of shared value. This underpins the business problem since, if a shared value framework and measurement criteria is vague, how will SVI be implemented and measured to determine whether the concept has a positive correlation to greater economic and social value as Porter and Kramer have claimed.

1.2 The Research Problem

Shared value is a relatively new, but multifaceted concept and therefore claims to create greater economic profit for the organisation, address societal issues, restore the relationship between organisations and society, create strategies to guide organisations forward, and possibly reshape capitalism (Alpana, 2014; Porter & Kramer, 2011). However, unlike Porter's five forces model, no accepted and tested framework for operationalising shared value currently exists which stands in the way of the concept being legitimised and proven credible.

Even Porter indicated that, despite the widespread acceptance of the shared value concept, the tools available for implementation and measurement criteria is still in their infancy (Porter et al., 2011). A framework that will link the correlation of social progress and economic performance is still missing (Lee et al., 2014; Porter, Hills, Pfitzer, Patscheke, & Hawkins, 2011). If the concept cannot be measured, the claim that 'by addressing societal issues organisation will achieve greater economic profit' cannot be proven and therefore Shared Value will, as it currently stands, remain a concept and have limited academic and practical impact.

1.3 Purpose of the Research

The purpose of the study is to investigate the differences and similarities in triple bottom lines concepts that attempts to address the moral purpose of business in society. Due to the ambiguity regarding the practicality of shared value, the study investigates the operationalisation and success of SVIs in terms of generating increased economical profits while addressing societal issues. The study contributes towards the formulation of an improved shared value operationalised framework and measurement criteria due to the poor current measurement offered by academia and business environment. The enhanced framework will be built on the existing framework and criteria through the evaluation of qualitative data from pioneering organisations that have implemented SVIs. The objectives can therefore be defined as:

1. determining how organisations identify SVIs,
2. identifying how organisations determine the feasibility of SVIs,
3. exploring how organisations have implemented SVIs,
4. identifying how organisations have attempted to measure the success or failures of SVIs,
5. identifying whether SVIs have contributed towards success in any form, and
6. develop an enhanced operationalised framework and measurement criteria by building on the existing framework.

The purpose of the main overarching objectives therefore is to explore and address the challenges in terms of operationalising shared value along with the contribution towards measurement. The aims may not only add value to operationalising shared value in a business context but also add to the body of knowledge.

1.4 Significance of the Research

The controversy, critique, and lack of validation regarding shared value indicates the importance of addressing the academic and practical knowledge gap. This study therefore contributes to both. The significance of the research is, as with shared value itself, also multifaceted. As with most research conducted, it contributes towards the expansion of the body of knowledge regarding shared value and other related concepts. Not only does the study expand the current knowledge, it will also contribute towards the evolution of shared value and related concepts. The study brings together all current aims of shared value plus critiques and critically evaluates each.

The research also contributes towards the testing of claims as mentioned above to further legitimise shared value. The research attempts to validate the concept and provide practical solutions and a roadmap for executives in terms of an enhanced framework and measurement criteria.

A legitimised shared value concept might also in the future lead to an increase in organisations that implement such initiatives. Apart from organisations, shared value might also cause additional global institutions to adopt shared value as part of their strategy and policy formulation. This could potentially translate into powerful corporations addressing the current and future societal and environmental issues while still having a positive impact on their bottom line. Global, societal, and environmental problems will not be addressed successfully in the manner it has been done to date and thus the significance of this study validates itself in terms of academic and business practices alike.

1.5 Scope of the Research

The scope of the research can be summarised as gaining qualitative information from organisations globally that have implemented SVIs on either small or large scale. Global organisations involved in SVIs have been evaluated from a literature review perspective, whereby the correlations and differences in literature is cross-examined to actual cases. This was done through the evaluation of local and global organisations in terms of qualitative research (semi-structured interviews) based on the specific research objectives.

The scope also includes investigating similar concepts and theories relating to the role of business in society such as shared value, the critiquing of shared value, whether practically or literature, and the validity of these claims. The study contributes to developing an enhanced framework and measurement criteria while investigating shared value and greater financial performance and organisational success.

1.6 Conclusion

Therefore, as indicated above, new methods of conducting business is critical due to the various failures of corporations in addressing social and environmental impacts. Shared value was developed to address the way organisations do business and therefore addresses the above statement. The purpose, in conclusion, is to critically evaluate shared value in terms of the literature and investigate actual organisations that have implemented shared value and cross-reference the literature to current organisational reality.

This will contribute to the body of knowledge by further expanding the concept and depending on the success of shared value in organisations add to the development of an enhanced framework and measurement criteria that can be utilised by organisations to improve the operationalising of shared value as an initiative or by forming part of their corporate strategy.

2. LITERATURE REVIEW

2.1 Introduction

Shared value has since its first actual conceptualisation in a 2011 article by Michael Porter and Mark Kramer in *Harvard Business Review* ignited significant excitement and controversy (Corazza et al., 2017). Shared value has since sparked an ongoing debate of what is the actual role of businesses in society with conflicting views. The role of business and the triple bottom line is evaluated by identifying the numerous concepts that attempted to either define or address this. Strategic corporate social responsibility CSR in particular attracted a lot of attention and therefore is contested from various academic and practical examples. The answer according to Porter et al. (2011) is shared value and he goes so far as to say that capitalism is under siege.

However, due to the numerous conflicting viewpoints and critiquing of shared value, a holistic academic review presents the benefits and disadvantages of shared value. The strategic and operational functions of shared value along with the importance if any is reviewed. As stated in the background of the research problem, the operationalising of shared value in totality is a concern and therefore a critical review attempting to highlight how identification, feasibility, implementation, measurement, and success of shared value has been done. However, the lack of the operationalising aspect of shared value and various other limitations in the literature is also discussed. All of the above gives a holistic overview of shared value and the role of business in society, otherwise known as the triple bottom line nexus.

2.2 The Triple Bottom Line Nexus

As previously stated, the current situation where business, society, and the environment meet is plagued by worldwide business scandals, social inequality, and environmental disasters and thus represent a dramatic call to solve the social situation within the standard and ethical business practices representing the nexus between them (Schaltegger & Burritt, 2018; Corazza et al., 2017; Lenssen & van Wassenhove, 2012; Scherer & Palazzo, 2011). In order to address these conflicting issues, which parties will be tasked, or willingly accept, this responsibility? The modern multinational corporation (MNC) is perhaps the most powerful as no single body of influence stretches over the geographical landscape as MNCs do. As Detomasi (2007) states, the MNC's products and services span over multiple countries and represent billions of dollars of' assets and have a significant impact on shaping the state we currently find ourselves in. The nexus is highlighted to find a triple win situation, especially with the MNC being the most powerful (rivalling most developing countries), they should play an integral role in the discussion (Schaltegger & Burritt, 2018; Detomasi, 2007).

Apart from the discussion mentioned, MNCs are increasing in influence and as their economic power expands, so does the expectations of society, governments, and international organisations for MNCs to contribute towards the eradication of social and environmental issues (Detomasi, 2007). However, one of the main issues is the lack of accountability or the power exerted by these corporations due to limited regulatory influence from single governing bodies. No international authority exists which can perform legislative, executive, and juridical functions upon MNCs (Detomasi, 2007) and therefore limits the extent to which these organisations will have any concern if the maximisation of profits is not an objective.

Contrary to this Matten & Crane (2005) state that corporations have also been known for charitable donations or community actions that alleviate significant social and environmental issues and are still evident today, but the question remains that, although these are deemed needed, it cannot legitimise the corporate activities as the intention is unknown and cannot be normatively measured (Scherer & Palazzo, 2011). Based on the issues not being addressed, it is evident that organisations are created primarily for economic gains with positive changes driven by moral or ethical leadership. This is substantiated by literature that indicates voluntary social and environmental activities in organisations are based on a philanthropic character of the organisation itself (Schaltegger & Burritt, 2018; Beschorner, 2013).

Therefore, private organisations struggle with the conflict of the right thing to do, profit, and ultimately, shareholder motives. As Detomasi (2007) indicated, there are three actors in the pursuit to sustainability. Actor one represents the private organisation which is mainly profit driven. Actor two represents public institutions that have limited influence to address all social and environmental problems and only have the capacity to address these issues within their sphere of influence regarding trade and policy and actor three, activists/civil society which have power of influence on both the public and private sector. The main question therefore is what the most desired nexus between these actors is and then also whether a positive link exists between social, environmental, and economic activities (Schaltegger & Burritt, 2018; Detomasi, 2007). One might argue that there is no positive link in the current capitalistic method of organisational operations as social and environmental activities represent a capital outflow where economic activities represent a short-term inflow and hence the issue and questions of the role of business in society (Ghasemi, Nazemi, & Hajirahimian, 2014; Porter et al., 2011; Detomasi, 2007; Drucker, 1973).

Although controversial, the world-renowned management consultant Peter Drucker argued that the objective of business is not profit maximisation but rather to create value while still maintaining profit enough to be sustainable. He claimed that "there is an inherent contradiction between profit and a company's ability to make a social contribution" (Drucker, 1973:59). This is also in line with the traditionalist view that argues there will also be a trade-off between social and environmental responsibility and lower economic performance (Schaltegger & Burritt, 2018). To build on this paradox, the effective governance of these two different objectives has increased the complexity. According to Detomasi (2007), four major characteristics exists that increases the gap between the role of business in the sense to limit disparity. The characteristics are government legitimacy of power to exert authority, accountability for organisational decisions, capacity of institutions tasked to try and govern, and enforcement.

Hence the contradiction and the role of business in society, many scholars and business practitioners have developed numerous models, theories, and frameworks to attempt to address this nexus (Ghasemi et al., 2014). Numerous models over decades have been developed with little success as the problem indicated above is still very much relevant. These models and theories include CSR, social entrepreneurship, conscious capitalism, social ventures, hybrid companies, the iron law of responsibility, stakeholder engagement, stakeholder theory, co-creation, blended value, frugal innovation, circular value networks with triple bottom line also being added (Corazza et al., 2017; Nicholson, 2017; McIntosh et al., 2016; Alpana, 2014; Dongmin, Junghoon, Jongpyo, Hyoung-Goo, & Jaeseok, 2014; Szmigin & Rutherford, 2013; Aakhus & Bzdak, 2012; Porter et al., 2011; Matten & Crane, 2005).

Each of these theories in their own right have been needed to build the case for the role of business in society and call for a positive impact (Porter et al., 2011) but all of these have largely been an unfortunate failure when the global situation is evaluated. Conscious capitalism has very much focused on conceptualising the role of business in society and mainly as a lineage of CSR (O'Toole & Vogel, 2011; Matten & Crane, 2005). Probably the most successful attempt has been CSR which has been around for many years but not explicitly defined in former years. CSR was introduced due to a deterioration of the social and physical environment and the effects exerted on all stakeholders.

2.2.1 Corporate Social Responsibility

CSR can be defined as “businessmen’s decisions and actions taken for reasons at least partially beyond the firms direct economic or technical interest” (Nicholson, 2017:29). Lamb and Wann (2018) defined CSR as the utilisation of a firms activities and resources to advance a social aspect beyond the requirement of law. Corazza et al. (2017:416) has synthesised the objectives of CSR as: “incorporating social characteristics or features into products and manufacturing processes, adopting ‘g-local’ supply chains, adopting progressive human resource management practices, achieving higher levels of environmental performance through recycling and pollution reduction, and advancing the goals of community and society”. CSR has however, constantly been adapted with the changing needs within society (Nicholson, 2017). However, the notion of CSR is still applicable and as Keith Davis indicated, an attempt to legitimise CSR with a more future-focused perspective translated into strategic CSR (Crane et al., 2014).

Strategic CSR focuses on internal aspects of increasing employee engagement to reduce staff turnover and increase retention while growing organisational culture and external aspects through benefitting communities and the environment (Nicholson, 2017). These endeavours have been claimed to result in long-term profit maximisation. The long term profit maximisation is therefore as a result of the increased employee engagement and the different endeavours but are not focused on the profit maximisation itself. Profit is a result of successful employee engagement and represent an additional benefit. Also, strategic CSR has no specific evidence yet and is still conceptualised and understood in the business environment as a philanthropic venture, and therefore strategic CSR has not gained any traction (Beschorner, 2013). Strategic CSR is thus viewed as philanthropic rather than a business decision.

The failure of organisations to understand and successfully integrate CSR and all other related solutions may have led to the conceptualisation of shared value (Corazza et al., 2017; Porter & Kramer, 2011). The strongest argument against CSR is that the main aim of business is profit maximisation and therefore shared value is the evolutionary phase for all CSR related theories and endeavours (Nicholson, 2017; Joehr, 2013). Shared value as indicated above is focused on improving financial performance while addressing societal issues. CSR and other related theories are not focused on expanding the pool of social value and mainly interested in the redistribution of value and has not brought the intended relief it set out to do (McIntosh et al., 2016; Dongmin et al., 2014). Porter et al. (2011) stated that shared value is creating shared value and not sharing created value. CSR and related theories focus on sharing created value with the focus not being on profit maximisation but rather addressing issues through the utilisation of resources by the corporation beneficial for society (Arslan & Kisackir, 2017).

All social-related theories mentioned have, to a large extent, been used to enhance the brand image of the organisation apart from the initial aim (Porter & Kramer, 2011). The argument is not contesting the necessity of social and philanthropical initiatives but the possibility of an improved and rehashed concept in addressing similar issues, a concept such as shared value. Shared value has, since its formulation, attracted a lot of controversy and critique due to a variety of similar theories. One aspect all these theories have in common is the negative impact of corporates on the social and physical environment and the moral purpose of business in society. The dramatic call for organisations to address these issues through ordinary business approaches through their vested interest can provide a competitive advantage and increase sustainability through a strategic way of thinking beyond short term financial performance (Corazza et al., 2017; Nicholson, 2017; Vaara & Durand, 2012).

2.3 Creating Shared Value

According to Corazza et al. (2017), a new concept has emerged that does not reflect current business practices in the field of corporate social responsibility or sustainability fields, namely Creating Shared Value. The concept first appeared in 2006 in a *Harvard Business Review* article written by Michael Porter and Mark Kramer. This was titled “The link between competitive advantage and corporate social responsibility (CSR)” which focused on the missing link between general CSR and strategies to gain a competitive advantage (Corazza et al., 2017). Shared value offers two kinds of value: social and business value and the connected through corporate strategy (Aakhus & Bzdak, 2012). Shared value can be conceptualised as a strategic approach of an organisation that identifies and expands the nexus between environmental, social, and economic progress through simulacra and sustainability. Therefore, companies can create economic value by creating social or environmental value.

The concept has developed over the years with increased research and experience gained by Porter and Kramer and through worldwide organisations attempts to implement it. The concept of shared value forms the foundation for an overarching framework that guides the thinking about complexities and possibilities (Aakhus & Bzdak, 2012). The attention it received was significant with many organisations starting to implement or include the terminology of shared value in their annual reports, sustainability reporting, or integrated reporting. A slight issue is the fact that various definitions of shared value have been used in these reports and demonstrates the lack of a coherent understanding by the business and academic community of what shared value really is (Corazza et al., 2017). However, this might be due to the shared value concept still evolving, whereby heterogeneous approaches reflect different perceptions and realities. Regardless of the definition of the concept, an ongoing debate of whether shared value has a positive link between environmental, social, and economic activities still hangs in the balance (Schaltegger & Burritt, 2018).

As Nicholson (2017) stated, Porter and Kramer claimed that the conceptualisation of the idea came from companies trapped in their CSR mindset and initiatives with societal issues being marginalised concerns and not the core objective. Similar to a business strategy, shared value strategies must be tailored to the individual company and is unique to the organisation (Porter et al., 2011). As Porter and Kramer (2011) highlighted, traditional approaches to alleviate societal problems came in the form of CSR. However, due to societal issues being on the side-line, limited value could be added and represented a monetary outflow rather than a sustainable solution for all stakeholders.

This resulted in a “strategic re-defining of the purpose of corporations and the role of CSR as a social value enhancing vehicle” (McIntosh et al., 2016:9). Porter and Kramer (2011) indicated that shared value represents a new way of thinking about and achieving economic success without CSR or philanthropy. Shared value can be the next major paradigm shift in business thinking, driving innovation and growth in the global playing field while identifying and expanding the connections between society and the economy (Corazza et al., 2017; Crane et al., 2014). However, it is important to note that corporations are not responsible for all global issues or have all the resources to address them all (Aakhus & Bzdak, 2012).

2.3.1 Strategic Functions of Shared Value

Shard Value elevates to a strategic level and is more effective than traditional approaches (Nakayama, 2016; Alpana, 2014). Shared value is about creating shared value and not sharing created value. This is done through the effective channelling of company resources aimed at addressing social problems with the firm capitalising on its core competencies rather than just its collateral competence (Nicholson, 2017; Dongmin et al., 2014; Joehr, 2013).

Porter argued that there are three aspects that organisations needs to achieve to gain a competitive advantage and thus form the basis of shared value (Porter & Kramer, 2011). The first is reconceiving products and markets whereby companies needs to be close to social demands regarding their products and services. If focuses on how the targeting of unmet needs will drive incremental return on investments. For example, the need to focus on revenue growth, market share, and profitability that is received from environmental, social, or economic development through its products and services creates the shared value. Secondly redefining productivity in the value chain represents lowering social cost of the entire community in order to decrease their operational cost and focusses on improving internal operations to improve input access, quality, and productivity through environmental improvements and smarter utilisation of resources, employees, and suppliers.

The last aspect is enabling local cluster development to create sustainability and stimulate the local economy through company investment and to strengthen suppliers, institutions, and infrastructure to enhance productivity (Porter & Kramer, 2011, Porter et al., 2011). Shared value is not anti-capitalistic but paves the way for a paradigm shift within capitalism which incorporates the triple bottom line that seeks for an overlap between the economic, environment, and social targets (Porter et al., 2011). Shared value can therefore, through visionary organisations, create value to all its stakeholders across all spheres of the triple bottom line and still maintain the strategic goals set out by the organisation (McIntosh et al., 2016).

2.3.2 Operational Functions of Shared Value

The value created is translated in various forms for different stakeholders along the value chain and has an emphasis on the value driver and therefore focuses on the operational synergies between social and economic goals (Visser & Kymal, 2015; Szmigin & Rutherford, 2013). The concept recognises the important ways in which context effects the business' competitive advantage and thus focuses on addressing the operational functions to optimise the environment and gain a competitive advantage (Aakhus & Bzdak, 2012). Operationally addressing the social aspects does not reflect negatively on the business economic interest but rather contributes towards them. A large number of companies however are unaware of the opportunities that shared value offers and, as an addition, are ill-prepared to capitalise when they should materialise (Porter et al., 2011)

In order to not misalign operational functions, shared value aims to critically analyse the business environment for social issues that will yield benefits to both the business and society (Aakhus & Bzdak, 2012). Corporations then need to identify lines of business that can yield economic value while delivering value to certain social aspects through structure for implementation. (Szmigin & Rutherford, 2013). Due to the complexity of shared value operationally, Porter and Kramer founded a non-profit company, Foundation Strategy Group (FSG), to strategically and operationally help companies implement SVIs (Aakhus & Bzdak, 2012). Shared value, as with any other theory or concept, has various dimensions applicable to different scenarios. The potential for shared value is significant because it is a business decision and not philanthropy (Beschorner, 2013). However, its basis, despite Porter and Kramer's claim, seems to be an amalgamation of related theories and thus opens the window for various critiquing of not only the concept but also the intention behind shared value.

2.4 Controversial Opinions & Critiquing of Shared Value

To test theories, one must encourage different opinions and viewpoints to either prove, alter, verify, disprove or further research the concept. Various debates have erupted, both positive and negative, in terms of shared value and it has not been free of criticism (Corazza et al., 2017). Scholars have positively indicated shared value to be a powerful evolution of the CSR concept, however strong criticism has been attracted in terms of shared value being both a theoretical concept and business idea (Corazza et al., 2017). According to Nicholson (2017), the application of the concept of shared value is rather difficult to understand and have thus added to the critiquing of shared value and claims of being unoriginal. This potentially could be because shared value is still a relatively new concept and has not yet been shown to be successful with factual evidence. Shared value is characterised by some to be nothing more than a buzz word and not a theoretical concept and the linking of strategy to the triple bottom line is a novel idea. Research indicates that through the analysis of cognitive maps it shows inter-functional links between shared value and CSR related concepts (Corazza et al., 2017).

The most notable critical article was written by Andre Crane et al. who intended to analyse and evaluate the concept of shared value. Crane et al. (2014) sought to analyse shared value in terms of its main claims: to re-legitimize business, to redefine the purpose of the corporation, to reshape capitalism, to supersede CSR, and to evaluate its overall contribution to understanding the social role and responsibilities of corporations. Furthermore Crane et al. (2014), argued mainly that shared value is unoriginal due to the striking similarity of shared value to other theories such as CSR, stakeholder management, social innovation, and blended value and that Porter rehashed existing literature to suite his own needs.

The concept thus is not new but a mere mixture of previously identified social initiatives and theories, also known as an umbrella framework about the social-business relationship with an overly narrow economic perspective (Beschorner, 2013; Aakhus & Bzdak, 2012). Despite their arguments, they were not the first to link CSR and organisational competitive advantages as a number of previous studies have addressed the strategic implications of CSR and the sustainability of these practices (Corazza et al., 2017). A major critique adds to the unoriginality in terms of Porter and Kramer not only building on other scholars work to derive shared value but even without the proper acknowledgements to these scholars and that it even failed to innovate what strategic CSR has already done (Corazza et al., 2017; Crane et al., 2014). According to Szmigin & Rutherford (2013), shared value is underpinned by the ability to build trust between business and its consumers to ensure sustainability.

Crane et al. (2014), also argues that some levels of CSR will maximize profits and simultaneously satisfy the demand from multiple stakeholders, alluding that shared value is not that different from strategic CSR. Aakhus and Bzdak (2012) on the other hand indicate that CSR is merely a feel-good philanthropy and substitute promotional value over actual proper business decisions on the ground in favour of environmental and social initiatives. However, in the same breath, they also state that shared value merely advances a rhetoric about what is good for business and society and thus is problematic for avoiding the actual friction between business, society, and the environment (Aakhus & Bzdak, 2012). This is supported by Beschorner and Hajduk (2016) who state that the profit motive is diminished by solving societal issues is questionable because the needs of society are merely seen as a means to an end to increase profit, discover new market opportunities, and invest profitably.

Both Crane et al. (2014) and McIntosh et al. (2016) state that although shared value is a novel idea, Porter ignores the tension between economic and social objectives as indicated earlier that business aims are profit maximisation and social aims are not aligned to this. However, Porter argues that these two are not mutually exclusive and thus is validated to a certain extent by the attention it received from the *New York Times*, *The Economist*, *The Guardia*n, *Forbes*, *The Huffington Post*, and various powerful multinational corporations. The concept has even been incorporated into the official EU strategy and the paper won the 2011 McKinsey award for best *Harvard Business Review* article (Nicholson, 2017).

Various organisations that have adopted shared value have stated that they have done so because of the Porter label and not because of the concept itself (Corazza et al., 2017). In terms of re-conceiving products and markets, the argument was the need to shift demand to designing products to satisfy customer's needs (Porter & Kramer, 2011). Crane et al. (2014) also argues that Porter only cherry picks success stories and ignores industries such as the tobacco, arms, and oil industries to enforce his shared value concept. This is also consistent with the fact that both positive and negative relationships are evident between environmental and social activities and economic performance (Schaltegger & Burritt, 2018). The combination of positive and negative effects together with Porter only cherry picking success stories is strengthened by the fact that the sample organisations Porter mentioned are existing success stories of FSGs clients or affiliated with the Harvard Business School (Aakhus & Bzdak, 2012).

Apart from the success behind the concept due to the status associated with Porter and Harvard, Corazza et al. (2017) argues that, although it is a novel idea and that scholars agree with the core of shared value, it seems to not be able to satisfy academics in totality with the success being more focused on the business application side. However, there are various views that denote this statement and highlights the challenges to the application in business. One such challenge is business compliance, whereby Crane et al. (2014) and Beschorner (2013) argue that Porter and Kramer are naïve in expecting businesses to adhere to governmental laws and regulations and external forums trying to bring positive change and that shared value is merely a tool for smart management rather than actually creating shared value through addressing societal issues.

In Porters response, he highlights that it is not the assumption that organisations will follow rules and regulations but merely the needed compliances to be in place if a SVI is to be successful. Organisations that take shared value seriously and want to increase profits by addressing societal problems will undoubtedly adhere to rules and regulations as this becomes a strategic business decision to maximise profit. To shed light on this an example would be the offset of mining operations and rehabilitations thereof. The regulations state that the rehabilitation of the operations has to be done and thus present a capital outflow. Porter argues here that if organisations take shared value seriously, it would not be necessary to force the organisation to rehabilitate through regulations but organisations will use this situation to create further shared value and profits through the rehabilitation.

The final critique could be summed up in terms of, not only shared value, but all social initiative concepts and the reason for their existence which is to address the numerous different and complex global issues. Crane et al. (2014) argues that shared value does not address the corporation's role in society by re-engineering capitalism. He further argues that Porter indicates that capitalism and CSR are problems that need fixing and not the corporate self-interest which his own five forces addresses. Crane et al. (2014) claim that there are more fundamental issues to be fixed such as strategies to address and restore trust in our economic institutions, and shared value is not one of them.

Porter retorted that the reason for creating shared value is not to satisfy corporate self-interest, nor is it to address the "systematic problems of injustice with broader solutions embedded in democratically organized multi-stakeholder processes" (Crane et al., 2014:150). It was created and gained so much traction that has led to real change as indicated below because it aligns social progress to corporate self-interest and can contribute towards to the improvement of business as a whole and create a better world. Porter et al. (2011) also stated that, although companies are hesitant to adopt yet another measurement system, current measurements are not sufficient to inform shared value strategies.

2.5 The Importance of Creating Shared Value

As Porter stated in one of his first articles, capitalism is under siege (Porter & Kramer, 2011). The increased corporate scandals, inequalities, malnutrition, and starvation around the world and the poverty rate globally signifies a distrust in capitalism and an underlying issue (Corazza et al., 2017; Vaara & Durand, 2012). Organisations need to better understand the complexity of the environment and the effects on their communities by developing suitable and tailored strategies that can transform problems into profits (Corazza et al, 2017; Nicholson, 2017; Vaara & Durand, 2012). The current global situation indicates that society must change course if the negative effects are to be reduced and possibly reversed. Society and business interests have been divorced from each other to detrimental effects hence the emergence of shared value related concepts.

This highlights the importance of all social initiatives needed. However, various of these concepts turned initiatives has been around for over 50 years with little or no effect when the current state is evaluated. Shared value attempts to bridge that gap with a concept that merges societal and business needs and the overlapping of these needs (Porter & Kramer, 2011; Porter et al., 2011). Corporations are incredibly powerful and can produce notable change (Schaltegger & Burritt, 2018; Detomasi, 2007). Research indicates that shared value is not unrelated to CSR, but an alteration of a strategic view of sustainability to an inclusive approach toward stakeholder orientation focused on total value creation and the impact of wealth, nature, and society (Corazza et al., 2017; Vaara & Durand, 2012). Nicholson (2017) indicated that by releasing the power, skills and ability of business, they can help solve fundamental global issues. For corporations to positively influence sustainability and corporate value, shared value has to be rigorously and comprehensively articulated and the focus to be on financial and market performance (Corazza et al., 2017; Crane et al., 2014).

This refers to the viability of business problems being turned into organisational profits. This statement alone indicates the importance and potential of shared value, a direct correlation between societal problems and organisational profits. Advisors and consultants have shifted their focus from CSR to sustainability and shared value planning, measurement, integrated reporting, and practices (Corazza et al., 2017). As Nestlé indicated, most organisations have the same challenges of quantity, scarcity, and so forth and therefore organisations can, through shared value, use these challenges to increase profit and address social issues (Joehr, 2013). In conjunction with this, Schaltegger and Burritt (2018) states that when specific activities are grouped under the umbrella of sustainability, environmental and social issues can contribute towards organisational economic success. Nestlé understood that the importance of shared value is directly linked to the fundamental question of business: to maximize profits.

This is supported from research done by Corazza et al. (2017) through asymmetrical relationships with organisations representing their shared value approaches with the use of a triangle indicating the hierarchy and prioritisation. Results indicated that compliance as indicated by Porter et al. (2011) as being an enabler, is at the bottom and shared value at the top. This indicates that shared value is not implemented to fulfil the compliance set out by some governing body but as a business decision to increase its financial performance.

A recent study done in Japan revealed that responsible sustainability and performance management decreases costs, increases sales, and drives incremental innovation in the company (Nakayama, 2016). However, success is also very much based on the actual technical skills to identify and implement SVIs (Schaltegger & Burritt, 2018). This has gained even more momentum in recent years with various senior executive roles being designed specifically for socially responsible initiatives of corporations such as shared value (McIntosh et al., 2016).

All socially-orientated initiatives have contributed towards where we are today. Shared value plays an important current and future role in further strengthening the importance of shared value and the triple bottom line. Shared value can also benefit from its roots in corporate strategy and thus represents tools for organisations to bridge the gap between financial and societal objectives (Corazza et al., 2011). As McIntosh et al. (2016) indicated, the importance of shared value has been further highlighted after the World Business Council for Sustainable Development, comprising of the world's 150 largest companies with only CEO's being on the council level has adopted the triple bottom line as explicit in the purpose of business. Other international bodies such as the International Integrated Reporting Council (IIRC), the UN Global compact, ISO 26000, and multinational enterprises are adopting shared value concepts (Corazza et al., 2017).

In summary, shared value is increasingly becoming important as the need for corporate change is evident but the profit and competitive advantage generated through shared value unleashes the power of business to assist in solving global problems (Porter et al., 2011). Unfortunately, no validated and widely accepted operationalised framework and measurement criteria exists for organisations and so each organisation learns through trial and error that limits the extent to which all of the above-mentioned positive effects are seen. This represents a fundamental issue that still needs to be solved.

2.6 Implementation, Measurement & Success of Shared Value

Porter et al. (2011) have developed a pragmatic approach to measuring shared value by identifying six measurement challenges that must be addressed and provide the framework outline. Significant critique as summarised above exists and very few companies claim to have used these measurements at all. Apart from companies that have utilised this measurement or company-specific measurements, the validity, accuracy, and pragmatism is yet to be achieved and widely accepted.

Nevertheless, these measurement challenges might yield results and contribute to further discussions and research resulting in an accepted framework and criteria. Table 1 below represents these measurement challenges as quoted by Porter et al. (2011:15-17).

Table 1 – Shared Value Measurement Challenges

#	Measurement Challenge	Description/Application
1	"A Wide Range of Social Issues Could be Addressed and Measured"	"Identify and measure the few high-priority social results that the shared value strategy seeks to address"
2	"Measure Social Outcomes for Large Populations"	"Determine social outcomes early in the product development process and select measurable outcomes"
3	"Business Value Accrues on a Different Timeline Than Social Value"	"Measure intermediate social outcomes"
4	"Measuring Business Value for Cluster Investments"	"Use proxy indicators to track business results"
5	"Determining a Company's Attribution When Strategies and Activities Require the Efforts of Many Partners"	"Focus measurement of social results on contribution, not attribution"
6	"Management Desires an Aggregation of Social Impact Data"	"Aggregate results selectively and only for the same social outcomes"

Source: Porter et al. (2011:15-17)

The challenges presented above forms the basis of Porters proposed framework by identifying the steps the organisations should follow. Although this has not come across as evident in the article and is perhaps seen as separate from the actual framework presented in Figure 1. Although the above table indicates a good starting point, these measurements as identified have not been extensively defined, tested, or accepted by the business or academic community. Therefore, as indicated, the Achilles heel of shared value has been the lack of an acceptable and validated practical framework that is firstly known or accepted by business practitioners and generic enough for executives to implement (Crane et al., 2014; Szmigin & Rutherford, 2013; Aakhus & Bzdak, 2012).

The evolution of theories from concepts to practical frameworks to even policies are evident in some of the most noteworthy current standards. Examples include the ISO standards such as social responsibility (ISO 260000), environmental management (ISO 14001), and the 10 principles of the UN Global Compact (Visser & Kymal, 2015). This statement does not recommend that shared value should to be accredited as an internationally recognised standard but indicates the current level of infancy of the shared value concept and framework for implementation and measurement criteria. The infancy indicates that shared value still has a significant way to go to be adapted, accepted, and incorporated into ordinary business practices.

Crane et al. (2014) states that Porters framework only deals with systematic rather than organisational issues. However, Porter countered that industries differ significantly and also the context in which organisations operate (Porter et al., 2011). The consulting firm, FSG, as mentioned specialising in shared value was started by Porter to assist organisations in the operationalising of shared value. Whether this was due to the framework not being accepted or understood is not widely known.

McIntosh et al. (2016) on the other hand, argues that this is because no proper framework exists for executives to implement shared value that the consulting firm was started and thus highlights the lack of a general accepted and understood framework. In order to simplify this, Porter and Kramer (2011) have however recommended four steps to be followed in the operationalising of shared value between business and society. The figure below attempts to provide a framework that addresses the challenges outlined in Table 1.

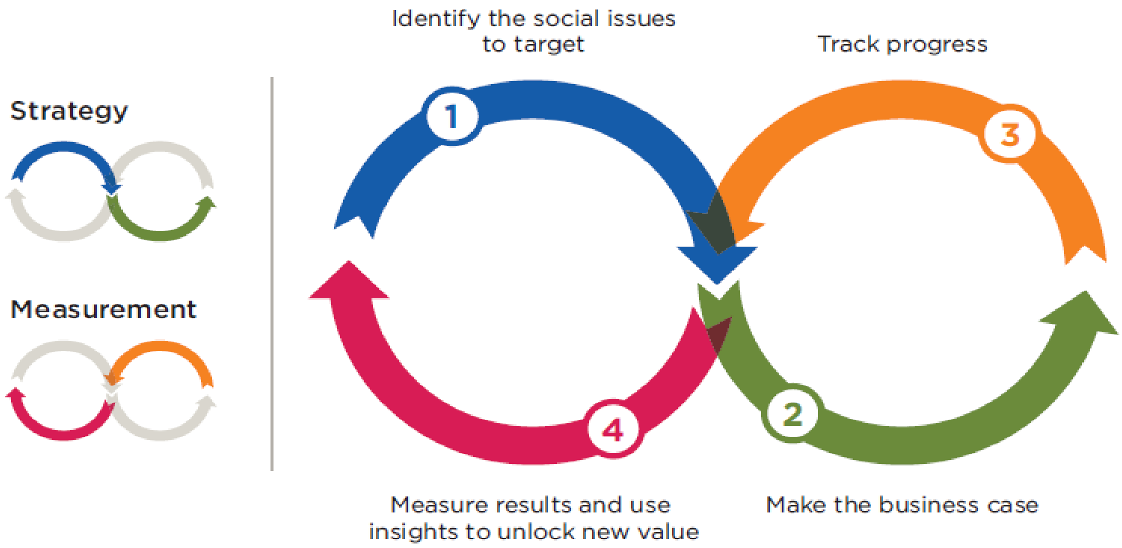


Figure 1 – Integrating Shared Value Strategy and Measurement

Source: Porter el al. (2011:4)

The four steps in Figure 1 regarding the integration of a shared value strategy and measurement is therefore explained below:

1. **Identification of social issues**

The primary step would be to identify social issues that are in-line and complement the organisational strategy plus have the ability to increase revenue or reduce cost. As per Porter and Kramer, systematic screening and analysis to identify the opportunities are to be conducted, however, the opportunities should overlap with the three shared value levels and contribute to the strategy.

2. **Develop a business case**

Once the opportunities have been identified, the organisation needs to develop a standard business case based on in-depth research which addresses potential limitations and feasibility and then model the business case in terms of the social and environmental improvement, costs, and value creation. Based on this, the decision to proceed or not can be made.

3. **Tracking of the progress made**

The business case in this section should be used as a project plan in terms of implementation and constant tracking of projections made. The projections to be tracked include inputs, outputs, revenue, and costs.

4. **Measuring results and simultaneously seek to unlock additional value**

Measuring the results are not only to determine the return on income of the initiative but to validate the link between the social and business results and compare this against the projected return. As important as the return and positive social impact are, the lessons learned from the analysis are also needed to further unlock additional value through refining the organisational shared value strategy. Although the framework covers the full spectrum from identification to measurement, it is very high level and does not provide the detail for organisations to operationalise shared value. As far as research have been conducted, no other attempts have been made to improve or better define the framework except one.

In a study done by Pfitzer et al. (2013:3/4), 30 companies were analysed in terms of SVIs. Much detail was not provided in terms of the actual operations involved with shared value but only provided a high level analysis. Through this analysis, five steps were identified to deliver social benefits and increase financial success. The steps also followed on the approach of Porter without real additions or details provided. The steps are indicated below:

1. Embedding a social purpose as part of the corporate culture (potentially the most crucial)
2. Rigorously defining the social need including understanding the needs and how best to change them.
3. Measuring shared value (no universal system exists for achieving this yet).
4. Creating the optimal innovation structure (obtain philanthropic and government support).
5. Co-creating with external stakeholders (deeply involving all stakeholders).

Both approaches overlap somewhat but do indicate the limited standard frameworks available to executives in terms of strategic and operational detail. However, certain pioneering organisations have implemented shared value with the available knowledge, frameworks, expertise through FSG and through their own internal organisational competencies. These companies offer practical cases that could help organisations determine the practicality and functionality of how to implement shared value until an acceptable framework has been developed.

These companies have started adopting shared value and have tailored their strategies to lead to specific actions and disclosures (Corazza et al., 2017). A handful of companies that successfully identified, determined feasibility, implemented, and measured shared value have been researched and indicated below. These organisations offer some insights into operationalising shared value. Literature on the success of companies is very limited and mostly only Porter et al. (2011) analysed the companies.

Company Organisational Analysis

Nestlé, as mentioned earlier, has undergone a partnership with the South African Ministry of Agriculture and the University of Stellenbosch in terms of their shared value project. The partners provided initial institutional funding for 40 farmers where Nestlé procures its milk. The capital was used for the upgrading of infrastructure and certification and procurement of additional equipment for the farmers to be able to be competitive in the market. Through this, Nestlé has increased its revenue and addressed a social issue in the local area (Joehr, 2013). In addition, Nestlé developed the sustainable agriculture initiative (SAI) platform which has become the most recognised sustainable sourcing and agriculture platform worldwide with the benefits reaching all stakeholders. Nestlé also focussed on using by-products, such as coffee grounds to power their factories while training Cambodian rural business people to become farmer business advisors (Joehr, 2013).

Pepsi Co's reduction of water consumption by means of its supply chain offered a unique environmental focused initiative. The reduction in consumption improved product outputs, reduced costs and saved a significant amount of water. Pepsi Co have also developed an eco-friendly technique called "direct seeding" of rice paddies which saved 70 percent of the normal water consumption while reducing 70 percent of the CO_2 gasses (McIntosh et al., 2016). This initiative contributed towards their bottom line, improved the community while addressing environmental challenges.

Coca Cola is a unique example of specifically identifying and addressing a social issue and leveraging this to create shared value. Skills development for low income youth was identified as a strategic advantage to create shared value as the opportunity for these youths to find employment with their relative low levels of education was poor at best. The initiative was called the "Collectivo Initiative". The analysis was done and a business case developed whereby youths would be trained by stakeholders such as partnering non-governmental organisations as part of Coca Cola's value chain and matched with local retailers for their first job. The case was made that these retailers could improve their operations with increased sales of Coca Cola amongst the lower middle-class population. An aspect heavily debated was the measurement to increased financial gain as a result of the initiative. Coca Cola identified various measurement criteria tailored specific to the initiative such as job placement, youth self-esteem, increase in sales, and brand connection (Porter et al., 2011).

The results were as follows, 30 percent of trainees was employed by either Coca Cola or one of its partners with approximately 10 percent that went into entrepreneurships through micro loans from the organisation and were profitable within two years on average. Throughout the process of training and measurement, Coca Cola identified that self-esteem was a major issue with youths and this represented another opportunity to unlock new value. Coca Cola therefore included the soft skills and leadership into the program and not only the retailing technical skills. This translated into increased retailer performance, a stronger Coca Cola brand equity, and both translated into an increase of sales (Porter et al., 2011).

Another leading organisation in shared value is related to the medical field that offers an untapped source of societal improvement. Novo Nordisk is a prime example of a global healthcare company that identified diabetes as an opportunity. This was demonstrated through a long term growth strategy in the Chinese insulin market. The issue was identified through the growing number of the population with type II diabetes, roughly 40 million with the amount of people expected to increase by 100 percent over the next 15 years and therefore provided a significant opportunity. The business case was developed and in line with Novo Nordisk’s shared value strategy that is centred around the identification of diabetes. The strategy was to train physicians and educate patients and the local population in order to improve the diagnosis of diabetes identification that would increase sales volumes while serving the needs of patients. The metrics used to determine the feasibility of the case was an increased number of patients served (social) and increased sales (Porter et al., 2011).

In order to track progress, Novo Nordisk used key indicators such as physicians trained and patients educated. By 2008, Novo Nordisk has visited more than 100 cities in China, screened 60 000 patients while educating them, and trained more than 55 000 physicians. In order to measure these initiatives and determine the actual value add to the organisation and society, Novo Nordisk measured improvement in patient life years (societal) with an increase of 80 percent and company market share increasing from 40 - 63 percent and therefore represented a success. Through the analysis and measurement, Novo Nordisk identified that smaller cities have an increased success rate of treating patients due to efficiencies and thus concentrated more efforts in second and third tiered cities to unlock incremental shared value (Porter et al., 2011).

IT company Intel recognised that the lack of education represents significant societal issues and therefore limitless opportunities and therefore identified an initiative known as Intel’s education transformation initiative. Intel highlighted that only five percent of the one billion students have access to a personal computer and the internet and that the teachers lack the skills and development to integrate technology into the curriculum. The strategy was therefore to address this issue, close the gap on the access to PCs, and grow its global information technology ecosystem. The outcome was to improve students learning and development with modern day skills, boost sales within the ecosystem, and prepare the students for a well-equipped workforce to ensure sustainability. Intel thus implemented an Intel Tech Program that trained 10 million teachers worldwide, Intel Powered Classmate that engaged with national governments and educators to develop tailored solutions, and Intel Learning series that focused on a family of products that supported software, infrastructure, and services such as training to support the hardware (Porter et al., 2011).

Intel specifically designed and tailored the initiative to the specific countries educational needs and supported education (society) while growing Intel’s local ecosystem and business in general. Intel took measurement of the SVI to a further level than anticipated. The measurement resulted in greater understanding of the educational needs through these programs, such as tracking the performance of children's classroom usage, PC ruggedness, and battery life which impact performance and will also enhance the PC's capability resulting in a virtuous cycle that improved the technology, enhanced capabilities, and led to greater sales and market share (Porter et al., 2011).

InterContinental Hotel Group shared value success was mostly based on environmental issues in its strategy to reduce its environmental footprint while simultaneously reducing operational costs. In terms of identification, InterContinental Hotel Group firstly classified all possible SVIs and ranked them in accordance to greatest returns to the group and its franchisees. Through this the "Green Engage" strategy was born and included new cooling/warming systems, solar energy systems, and automatic power down systems. The measurement developed was the combination of energy reduction and the percentage of operational cost reduction per hotel and the group in general. Through this measurement, InterContinental Hotel Group gained an additional rich understanding of other potential and differentiated ranges of products. (Porter et al., 2011).

The strategy was implemented across 1900 hotels with an online measurement tool available to all hotels in order to update hotels on the actual shared value created through the multiplication of programs implemented at the establishments. The results were staggering and concluded that the various initiatives substantially reduced operating costs while saving up to 25 percent of energy usage at certain establishments. As David Jerome, Senior Vice President of Corporate Responsibility of InterContinental Hotel Group stated, "When measurement is done right, you can start to develop theories around how these targets impact your business. Measurement leads to real refinements not only of the things you measure, but even in how you run your business." (Porter et al., 2011:9).

All the above cases offer a holistic overview of how companies have attempted to operationalise shared value. All of these cases were specific to the organisation, the context in which they operate, and the alignment of their shared value strategy and therein lies the difficulty in developing an acceptable shared value framework and measurement criteria. Shared value however recognises that an organisations success depends on the context in which it operates and it is therefore critical to shape the business environment to increase the competitive advantage of the organisation (Aakhus & Bzdak, 2012). The above can only be done if the economic effect is positive and determined with in-depth feasibility studies indicated in the business case and measured against projections (Schaltegger & Burritt, 2018). Organisation have to a certain extent provided insight into the measurements and criteria used to determine success and an attempt to quantify the link between social and business performance.

However, the specific metrics and linkages are still unknown and cannot be depicted from mere case studies. The limited research available apart from Porters examples above highlights the importance of proving a practical framework and refining the measurements and metrics. The importance of illuminating the link between social and business performance will also reduce investor scepticism and have a positive contribution towards organisations that are strategically geared for shared value (Porter et al., 2011). However, in depth research will need to be done to establish what criteria is used and how the linkages between social, environmental, and business goals are depicted and indicated and therefore also contribute towards the current limitations and validations of shared value as discussed in the next section. The practical real-life cases do shine light on how organisations have operationalised shared value but also highlights the lack of a uniform and accepted framework that is still to be developed.

2.7 Current Limitations of Shared Value

Due to shared value being a relatively new concept in the academic and specifically business sphere, it is expected to have numerous limitations that will only be ironed out over years of trial and error. Even when a concept is supported by scientific studies, of which shared value is not, the subsequent acceptance of the business community is yet to be achieved. According to Corazza et al. (2017), limited research is done on how companies approach and interpret shared value with reference to their sustainability practices. This is even supported by Porter et al. (2011) and indicate that various companies measure social and environmental performance without it being linked to business performance and continue measuring annual financials irrespective of the social impact.

A significant limitation that is difficult even for Porter to address is what specifically to measure. Due to the fact that companies measure criteria to identify the impact is not necessarily what should be measured to indicate value creation (Porter et al., 2011). This is further challenged by good shared value strategies which are tailored to be organisational and industry specific and therefore the challenge is to provide companies with the know how to be able to develop the measurement criteria themselves. An example would be companies that use randomised control trials to measure performance typically do not offer valuable insight into the link between impact and company performance. This indicates the importance to know what to measure and the structure to be presented in the case building for implementation (Szmigin & Rutherford, 2013). The lack of structure is due to shared value still being in its infancy, however as shown above, various companies are utilising the above four steps for implementation and measurement with various pilot projects to test a range of measurement approaches (Porter et al., 2011). The lack of academic sources of how to identify, determine the feasibility, implement, and measure SVIs also represents a limitation as one might argue that is one sided and lack the required depth. Apart from these companies involved in further reducing the limitations many companies track social and business performance separately and very few understand the links between the two. This is due to a measurement framework to link these social and business performances are still missing. Efforts to understand the link is merely beginning with the recognition of shared value possibilities, boundaries, and limitations equally are important for current and future business leaders (Aakhus & Bzdak, 2012; Porter et al., 2011).

2.8 Conclusion

As summarised above, the concept of shared value has been widely debated since its formulation in 2011. Since then various organisations and governing bodies have tried to adopt and implement shared value with some being more successful than others. Shared value has however attracted significant criticism as being unoriginal and disconnected from reality with the different objectives of business and society. Aspects of shared value such as its operational framework and measurement criteria are still in its infancy. The link to identify whether addressing social issues drive greater financial performance is also still missing. The race to answer these questions in both academia and business is well underway and also forms the basis of the study.

The measurement of shared value potentially provides a roadmap to reaching success in achieving the societal or environmental goals set out while contributing financially to the organisation. This is a global imperative due to the fact that to achieve sustainability and scalable solutions to solve the global fiasco requires the best business has to offer (Porter et al., 2011). The literature review was to lay the foundation in order to identified research questions through the investigation of organisations involved in SVIs. This was done not only to answer these questions but attempted to add value by expanding on the body of knowledge and provide a practical and enhanced framework and measurement criteria for organisations to utilise to bring about change while driving economic profit.

3. RESEARCH QUESTIONS

The purpose of this study is to explore the organisational methods used from conceptualisation to implementation, the criteria used to measure shared value, and the success associated with these initiatives. Due to the study being a qualitative study, research questions have been developed and are indicated below.

Research Question 1:

How does the organisation identify and evaluate opportunities for shared value initiatives?

Research Question 2:

How does the organisation determine the feasibility of a shared value initiative?

Research Question 3:

How does the organisation implement shared value initiatives?

Research Question 4:

How does the organisation measure the success or failure of shared value initiatives and what measurement criteria are used?

Research Question 5:

Has shared value initiatives increased success within the organisation in any form and what does the organisation view as success?

4. RESEARCH METHODOLOGY

4.1 Introduction

In order to best conduct the research, careful and appropriate methodological approaches were chosen. The study represents an exploratory study with research questions given above to determine the identification, implementation, measurement, and success of shared value in organisations which also indicates the population from which samples were purposeful identified and key individuals involved interviewed. The interviews were done using semi-structured interviews based on a qualitative nature and coded based on an inductive approach to identify patterns emerging from the data. Potential validity and reliability issues were identified, mapped out and mitigated accordingly. Each section below clearly explains the methodological choices and reasoning as to be the most suited method.

4.2 Research Design

This study, as indicated above, sought to explore the operational aspects of shared value such as the identification, evaluation, implementation, and measurement methodology of SVIs by organisations. The study aimed to identify the different successes of SVIs and explore what success looked like for organisations. According to Saunders & Lewis (2012), this is guided by what is possible and indicates a pragmatic philosophy by definition. The pragmatic (what is possible) philosophical approach was decided as this was the most suitable when other philosophies were evaluated. The most important determinants of the pragmatic philosophy pertained to the research objectives.

In order to determine the constructs accurately, the approach followed in this study was that of an inductive approach due to shared value being a relative new concept with the measurement methodology being in its infancy (Porter et al., 2011). According to Saunders & Lewis (2012) and Walliman (2011), inductive approaches follow the observation of patterns and repeated occurrences of particular phenomena to develop a general conclusion or theory. Thus, inductive approaches move from observations towards theory development. This study involved an inductive approach due to the exploration of how organisations identify, evaluate, implement, and measure SVIs and their success through observation aimed to contribute towards the theory and development of a practical and enhanced operational framework and measurement criteria.

The study also aimed to contribute towards the evolution of the theory. As indicated the study being pragmatic in terms of philosophy consists of qualitative data that was analysed. The methods of how organisations implement SVIs was determined through conducting in-depth semi-structured interviews and therefore referred to qualitative data analysed using qualitative procedures (Saunders, Lewis & Thornhill, 2009). According to Saunders et al. (2009), semi-structured interviews are best used in an exploratory study when the researchers have a list of themes and questions to be covered but may vary from interview to interview and could be altered based on the information received in the interview. The justification being that certain concepts/themes and questions were covered but, depending on the situation and interviewee, some questions might be added to explore a particular area, or some omitted if not relevant.

Therefore, a suited strategy to explore a topic qualitatively through semi-structured interviews was a case study. A case study refers to the "investigation of a contemporary topic" (which is all topics related to shared value) "within a real-life context, using multiple sources of evidence" (Saunders et al., 2009:145-146). Each organisation represented a case in the context of shared value with in-depth investigation outlined in the research questions. A pilot questionnaire was done to test and refine the questionnaire and indicated in the annexures. According to Pandey and Pandey (2015) as well as Saunders and Lewis (2012), most studies and researchers have time and monetary constraints in completing the research project. This study was no exception and therefore indicated a cross-sectional study represented by a snapshot in time. No data was collected over a period of time and thus the measurements was only done once, confirming this study to be cross-sectional. The population and sampling frame is discussed below.

4.3 Population and Sampling Frame

The population refers to the entire mass of observations which is the entire group of which a sample is selected. In a census, each individual is counted as part of the population. The population in research can however be anything from groups of people, organisations or certain individuals (Pandey & Pandey, 2015). The population in this study refers to all organisations (South African or multinational) who have specifically focused on implementing shared value as either an initiative or part of their strategy. A sample was selected due to the fact that selecting the entire population (a census) was not and is rarely possible. The sample in general is selected on the basis to be representative of the population and to make inferences about the population (Pandey & Pandey, 2015). However, this study does not fall under probability sampling as the population cannot be chosen randomly but rather purposefully. Non-probability sampling techniques include quota, purposive, volunteer, and haphazard (Saunders et al., 2009).

Therefore, based on the study (exploratory in nature), the best technique to collect data was initially purposive as only organisations that have implemented SVIs were identified purposefully to research. An initial number of respondents from organisations were interviewed whereby a snowball technique was further used to identify additional respondents. The snowball technique was well suited as approximately 50 percent of respondents were identified and interviewed through this method. A total number of 19 interviews were done with saturation reached around 12 interviews. Even though saturation was reached, the greatest number of interviews was conducted in the timeframe possible to get a more representative sample and increase the richness of data.

4.4 Units of Analysis

According to Nayak and Singh (2015), units of analysis refers to a sample from the larger population. Regardless of the study, the lowest level of units of analysis must be analysed if possible. Thus, the characteristics about the companies are therefore important to achieve the desired results. The units of analysis were the key individuals in the organisations who has been involved in the implementation and measurement of SVIs. The rich data collected form semi-structured interviews was collected from these key individuals and thus confirms the units of analysis.

4.5 Measurement Instrument

A measurement instrument in research refers to the actual instrument used in order to measure the different concepts and constructs set out in answering the research questions. Due to the study being qualitative in nature, the measurement instrument that was used represented semi-structured interviews. With both qualitative and quantitative studies, validity and reliability represents a challenge when designing the research strategy. Validity refers to internal (the ideas about the concepts/constructs are supported by the study) and external validity (the extent to which the results can be generalised to the greater population (Saunders & Lewis, 2012; Walliman, 2011). In summary, it refers to the accuracy and trustworthiness of the instrument, the data and also the results. The validity and reliability based on this qualitative study with measures taken to reduce biases is indicated in Table 2 and 3 below.

4.6 Data Collection

Apart from the correct data collection being of utmost importance, it was pivotal to prepare for semi-structured interviews also. This also formed part of the process and included as much research about the organisation as possible, developing an interview guide, choosing the correct location, having an appropriate appearance, and being mindful of your body language (Saunders & Lewis, 2012). The focus was also on highlighting anonymity and the purpose of the study to reduce biases and increasing validity and reliability.

Semi-structured interviews are best suited for this type of research to obtain adequate information and address the research objectives (Saunders & Lewis, 2012; Walliman, 2011). Semi-structured interviews include both structured and unstructured sections with standardised and also open-ended questions. The author personally conducted all interviews and recorded the interviews on an electronic device while making notes. A transcriber was recruited to transcribe all interviews due to time constraints.

4.7 Data Analysis

Qualitative data comes in the form of text and non-text (audio, video, and image). This qualitative study mainly made use of text and audio but was not limited to any form. Various reports were offered by organisations to further substantiate their methods regarding shared value in the organisations. All data received (interviewee responses and additional shared value information) was coded into the distinct propositions in order to answer the broad research questions stated above. However, due to the study being inductive in nature, the focus on the propositions identified in the literature review together with the refining of propositions was done once the data was collected and coded. Additional propositions and patterns emerged from the data collected was added to the refining of propositions throughout the analysis. These propositions were coded to provide a full in-depth understanding of the data and being able to analyse it accurately. The data was coded based on the transcripts and patterns that emerged from the interviews.

These were coded based on general questions about the organisation, the position of the person, the tenure in the current role and their understanding of shared value as a concept. The next section pertained to the actual research questions and the last section was future focused and highly opinion based. The codes were categorised for the research questions whereby general and future-orientated questions were analysed in a more descriptive manner. Analysis was performed using computer-aided qualitative data analysis software (CAQDAS) in particular ATLAS.TI and the statistics were calculated by the statistical department of the University of Pretoria to provide better and more insightful correlations and frequencies.

4.8 Validity and Credibility

As identified by Saunders & Lewis (2012), Table 2 indicates certain principle factors that threaten the validity listed below. The study aimed to overcome these principle factors identified by addressing these issues. Table 2 below indicates these issues and the actions that was taken to ensure validity.

Table 2 – Ensuring Validity

Factor	**Possible Issue**	**Actions to ensure validity**
General	Validity	In order to set the guidelines and criteria, the interviewer at the start of each interview clearly stated the aims of the study with the potential errors. The interviewer focused on the affect their responses might have on validity and ultimately the results of the study. However, it was conducted with the utmost respect and skill in order to keep respondents fully engaged during the interview.
Subject Selection	Biases from selection of units of analysis that might be unrepresentative of the population.	The population refers to entities that are either experts or involved in shared value initiatives in South Africa. To ensure validity, appropriate and rigid screening was done prior to selecting organisations actually involved in legitimate SVI and key individuals within these organisations involved in shared value.
Testing	Any negative effects that the data collection process may have (such	Due to this theory touching on the value side of business, one does expect respondents to be more inclined to indicate the success of their SVI

	respondents aiming to influence the interviewer).	and possible superior implementation and measurement frameworks developed by themselves. In order to ensure validity, the interviewer clearly explained the aim of the study and the pitfalls respondent's answers might have on the validity by being biased. Anonymity was also highlighted, thus increasing true and valid responses.
Representative	A common factor is that the sample is not representative in terms of the quantity of the population.	The study aimed to reach saturation with the number of respondents to increase the representativeness of the sample. This was achieved by designing and formulating the concepts clearly and in a high-quality manner to contribute to a good research design. Accurate and clearly designed concepts increase chances of saturation which in turns increases the accuracy and representativeness of the population. This being said, the majority of non-saturation interviews are due to poorly defined concepts defined into interviews. This was not the case in the research as the formulation and interview process was done effectively.

The next point of concern that the measurement instrument addressed is reliability. Saunders et al. (2009:600), defined reliability as "the extent to which data collection methods and analysis procedures will produce consistent findings". There are also various principle factors associated with reliability that was addressed to ensure consistent findings. The measures taken are illustrated in Table 3 below.

Table 3 – Ensuring Reliability

Factor	**Possible Issue**	**Actions to ensure validity**
Subject Error	Measurement that might differ when administered at separate times.	The questionnaires were administered in the same timeframe. The error refers to example work shifts where responses might differ. However, the nature of the questionnaire and data collection was not affected and will remain constant ensuring reliability.

<table>
<tr><td>Subject Bias</td><td>Respondents providing wrongful info due to not being seem in a bad light.</td><td>As indicated above in validity under “general”, the interviewer focused on the outcome of the research and the potential positive effects as a result of the study with particular emphasis on anonymity. The interviewer highlighted the importance of accurate and unbiased information needed to not skew the data. This was however communicated with the utmost respect and skill as to ensure respondents are comfortability and the non-judgement from the interviewer during the interview regardless of the answers.</td></tr>
<tr><td>Observer Error</td><td>The manner in which different interviewers may <u>ask</u> the same questions, thus biasing the results.</td><td rowspan="2">The interviewer was the same person for all interviews regardless if saturation was reached prior to the estimated amount to be done. The fact that the same interviewer was used ensured that no biasing of results, findings, or conclusions occurred. This also added to ensuring reliability of the data collected.</td></tr>
<tr><td>Observer Bias</td><td>The manner in which different interviewers may <u>interpret</u> the same questions, thus biasing the findings and conclusions.</td></tr>
</table>

Table 2 and 3 indicate the principle factors that negatively affect the validity and reliability of research and how this study aimed to overcome or minimise these factors. The golden thread throughout this study aimed to address the careful definition of words and the development and communication of propositions and variables in the interviews to reduce biases and improve validity and reliability.

4.9 Limitations

As with any study, certain limitations exist that has to be identified and indicated. The first limitation was the time available for the study to be conducted. The second limitation was the concepts of shared value might be vague or non-standard in the minds of the respondents. This however was clearly explored in the interview to address this limitation. The case study method itself is according to critiques a limitation and represent a non-probability study of which no inferences can be made to the larger population. Case studies are according to Nayak & Singh (2015) and Pandey & Pandey (2015), limited in terms of solid findings and being in close relation to the study, biases the findings.

Due to shared value being a relatively new field of study and management practice, it was initially difficult to identify key individuals and organisations needed to reach saturation and thus posed a limitation but was overcome through the snowballing technique. The last identified limitation is a limitation that should accompany all studies. The fact that no study is 100 percent valid and reliable, indicates a limitation. The principle factors stated above have however been identified and addressed to ensure the study to be as valid and reliable as possible.

4.10 Conclusion

As described above, an exploratory/formulative study refers to research that aims to achieve new insights, gain familiarity, seek understanding, and assess topics (Pandey & Pandey, 2015; Saunders & Lewis, 2012). Therefore, the research methodological chosen was most suited to gain clear insights and answering the research questions. The study aimed to explore the methods used by organisations for SVIs, thus exploring the practical application of shared value to develop an improved framework and measurement criteria while determining the associated success. All above mentioned methodological choices was chosen to support the research aims in order to critique the legitimacy of the concept, expand on existing literature, and contribute towards practical business application through the research conducted. The said in-depth research results are indicated and discussed below with references made to literature that either verifies or contradicts shared value as a concept or the application of shared value.

5. RESEARCH RESULTS

5.1 Introduction

A total of 19 interviews were done in a cross-sectional manner with leading local and multinational organisations in the shared value space. Two of these companies comprised of more than one interview with different key individuals from different sections within the organisation involved in SVIs. Therefore, a total of 17 organisations were interviewed which provided significant in-depth knowledge about the research questions. Six of the organisations are shared value specialist consulting organisations involved with various other organisations and embody an in-depth knowledge of multiple methods relating to the research questions. This was a unique situation and added tremendous value to the research which was not initially anticipated. The results of these interviews are analysed qualitatively in three sections and briefly discussed below:

1. General questions regarding the organisation itself and shared value in general

This section relates to general descriptive information of the organisation and why the organisation is involved in shared value. Also, the focus was on how the organisation understands shared value as a concept.

2. Research questions

The research questions are analysed based on the categories identified by patterns emerging from the data and themes formed due to the amalgamation of codes and categories. The research questions are answered in a qualitative nature but with frequencies forming a large part to indicate the importance of emerging themes. Correlations were also analysed to determine linkages and the strength of the relationship between categories.

3. Future questions about shared value as a concept and the organisational aspirations of shared value

The future-orientated questions were not included as an integral part of the research questions but merely to investigate the evolution of the concept of shared value to add additional business and academic value and is critically discussed with relation to literature in chapter 6 and the significance in chapter 7.

5.2 Organisational Descriptive Information

As indicated in Table 4 below, the organisations that participated in the study with relevant information is presented and discussed. Abbreviations of organisational names are indicated below and used throughout the analysis.

Table 4 – Organisational & Informant Descriptive Information

#	Organisation Name	Organisation Abbreviation	Number Employees	Key Individual Position Raking	Tenure	Main Organisation / Business Unit Function
1	AFGRI (Harvest Time Investments)	HTI	± 3500	Top Tier	18 M	Agricultural Sector / Food Security Empowerment
2	Earth Inc & IQ Logistica	EIL	± 5 & ± 15	Top Tier	13 Y	Corporate Sustainability Strategy Consulting
3	Shift Social Development	SSD	± 5	Top Tier	2 Y	Social Impact Consultancy
4	Nando's Peri-Peri Farm	NPF	± 34 000	Middle Tier	4 Y	Restaurant Chain / Global Supply Chain
5	Safaricom	SC	± 6000	Top Tier	6 Y	Telecommunications / Sustainability
6	GlaxoSmithKline	GSK	± 100 000	Top Tier	4 Y	Pharmaceutical / Consumer Health
7	Centre for Creative Leadership	CCL	± 1000	Top Tier	5 Y	Consultancy (Leadership / Social)
8	Illovo	IVO	± 30 000	Top Tier	2 Y	Sugar Cane Production / Corporate Affairs
9	Nestle	NS	± 3050	Middle Tier	7 Y	Consumer Goods / Public Affairs
10	Nando's Art Initiative	NAI	± 34 000	Middle Tier	5 Y	Restaurant Chain / Art Placements
11	Genesis Analytics	GA	± 150	Top Tier	-	Economic Consultancy / CSV
12	Starbucks & Nando's	S&N	± 238 000 & ± 34 000	Middle Tier	10 Y	Consumer Goods / Consultancy
13	Anglo Ashanti	AA	± 51 480	Top Tier	5 Y	Mining / Sustainable Development
14	Trialogue	TRL	± 15	Top Tier	10 Y	Consultancy
15	Discovery Office of the CEO	DOCEO	± 10 000	Middle Tier	11 M	Healthcare / Insurance
16	Unilever	UL	± 179 000	Top Tier	4 Y	Consumer Goods / Marketing
17	Yellowwood	YW	± 30	Top Tier	8 Y	Management Consultancy
18	Woolworths	WW	± 32 000	Top Tier	1 Y	Consumer Goods / Sustainability
19	Discovery Vitality Wellness	DVW	± 10 000	Top Tier	20 Y	Healthcare / Insurance

As indicated, 19 interviews were done with an array of organisations from different industry sectors involved in shared value. The organisational abbreviation is indicated and was used for the analysis. The organisations ranged from local to multinational with the number of employees from the lowest of five for SSD to Starbucks totalling approximately 240 000. The individuals interviewed (informants) were all middle tier (5) to top tier (14) with the majority being director or executive level within the organisation. As shown in Table 4, it was also clear that the average tenure of informants in the organisation at their current position was for an extended period of time which adds to the credibility and richness of data collected.

The different organisations were spread over a significant array of industry sectors and offer tremendous insight into how shared value was operationalised across different types of businesses and industries. The majority of organisations were involved in shared value / sustainability consulting, consumer goods, production and food security, pharmaceutical and health care, mining, and telecommunications. Most interview were conducted face to face with a number of interviews, especially multinational organisations, conducted via "FaceTime", Skype, or telephone.

Interviews ranged on average between 25 minutes to 45 minutes with some being over an hour. The interviews were semi-structured although a lot of probing regarding certain aspects were done to increase the depth and richness of data. It is important to note that the frequencies were not counted per single informant per research question but the amount of times the informant reiterated the aspect specific to the question. The remaining general questions are therefore discussed below.

5.3 General Questions

5.3.1 Organisational Understanding of Shared Value

As indicated above the second section with regards to the general questions were the understanding of informants in terms of shared value as a concept and the reasons organisations are involved in shared value and not just a purely profit-driven business model. Table 5 below indicate the various different understandings that informants in these organisations have of shared value as a concept. The remainder of informants referred to shared value more in terms of how their operations run in a sustainable manner and are indicated by the frequencies below.

Table 5 – Organisations Understanding of Shared Value

Organisation	Shared Value Understanding
EIL	*"Ecological modernisation where you have integrated the environmental components to a specific point but when it comes to the embedment of non-financial indicators into an organisation's DNA, the way that they do core business"*
SSD	*"So, you create your economic value, but you also create a value for society."*
NPF	*"Leveraging business to address these sustainable development goals. But also, it needs to be integrated into your business and it needs to be compatible with your total product offering. Otherwise it is not sustainable."*
SC	*"It is a way in which you can create value or positive outcomes along every single angle of the way that you do business because a business exists within an ecosystem. But the ecosystem can't just be about give/take or win/lose but to try create a win/win in everything that you do."*
GSK	*"It is a business recognising that is accountable to the shareholders for a financial return on investment and you have a responsibility to society where you do your business."*
CCL	*"How do we do good and build in healthy strong societies with healthy GDP and growth that doesn't just benefit a few small organisations but rather the entire society."*
IVO	*"By looking to create shared value by identifying initiatives or projects that will have an impact on the business along the whole value chain, together with its partners and its communities."*
NS	*"It is about value creation and value creation is 3 pronged. It is value that is created for the institution itself, it is value created for the community where the company has operations or does its main functions and obviously for the shareholders."*
NAI	*"Well, it's where everyone wins. So, shared value is almost like doing good while doing good business."*
AA	*"Through its business activities, how does it intentionally contribute to societal development."*
TRL	*"It is really about companies creating values for themselves as well as for society and various stakeholders."*
UL	*"Identification of an issue that is bigger than yourself, meaning the brand or the company, where you feel that as your business model you can contribute part of the solution."*
YW	*"Shared value is where mutual benefit arises for the business and the people that the business serves."*
WW	*"It's about operating in a manner where an organisation is able to create value for itself and its shareholders and its employees and its customers."*
DVW	*"Sharing the organisational strategy with your consumer or your clients and if they are benefiting from the services or products that you are offering, but importantly society overall is benefiting"*

As indicated from Table 5, it is evident that 90 percent of informants agreed that shared value is utilising business activities to generate economic value for themselves, their shareholders and also add value to society in a variety of different aspects.

5.3.2 Organisational Reasoning

Table 6 below is connected to Table 5 and indicates the reasons why organisations were involved in shared value and not just a standard profit-driven business model. As was expected, the reasons were different in many aspects but also similar to a certain extent. The reasoning is company specific with the overarching theme of generating economic value for the organisation, shareholders, and society / environment.

Table 6 – Reason Organisations are Involved in Shared Value

Organisation	Reasoning
HTI	*"Due to the economic transformation in the country, and the different programs, the demographic is changing out there. If our clientele is changing, we need to do something critically then to train our future clientele and this is what we are doing."*
EIL	*"That is where our interest lies in it. Is that you see the value. We see it from a really strategically"*
NS	*"Foundations of the company are based on helping out and enhancing the quality of lives for the future, which has been the case for 150 years. That is where the foundation of the company has come from and when you get it, that is exactly creating shared value."*
NAI	*"Because Nando's, interestingly enough, believes in living with purpose. Our founders are all about – you want to make money, but you also want to do the right thing. So, it's about purpose and a higher meaning than just being about the Rands and cents. That's the shareholders' philosophy."*
AA	*"Basically, as I said, the world has changed and looking at the way in which the world has changed. One of the dominant features is a growing societal voice and expectation on how the business conducts itself. The community, a whole raft of stakeholder voices is becoming stronger and we are also seeing shifts within the investor community that are starting to recognise that your social and economic performance in a broader context are absolutely necessary."*
UL	*"Very simply because it makes so much business sense."*
DVW	*"Purpose was to make people healthier and enhancing or protecting their lives which moves into the financial space and the life insurance space and I think what is interesting is that has always been the strategy before we termed it shared value."*

HTI & AA were one of the companies that were very future-orientated in the sense that the political and social landscape is changing and therefore were involved in shared value due to the transformation and growing voices of the public. EIL, UL, and DVW indicated the reason being involved was a strategic business decision. NS and NAI are involved in shared value, not as a result of external factors but internal factors in the sense that it formed part of their corporate strategy and was inherent to the organisation.

When all informants' responses were analysed and frequencies determined, it became evident that some themes emerged from the categorised data. Figure 2 below represents general question 6 (GQ6) and relates to informants understanding of shared value while Figure 3 represents GQ7 (why organisations are involved in shared value). The most noticeable category for GQ6 was corporate strategy & profit with purpose with a frequency of 36 and 26 respectively with the other categories being relatively low. From the categories, two themes emerged namely shared value is when organisations are not only profit but also socially-driven and have a high propensity for future sustainability with regards to their financial and social aspects. It is therefore evident that the understanding of shared value as a concept is consistent with the above mentioned statements in Table 5: utilising business activities to generate economic value for the organisation and its shareholders while simultaneously adding value to society.

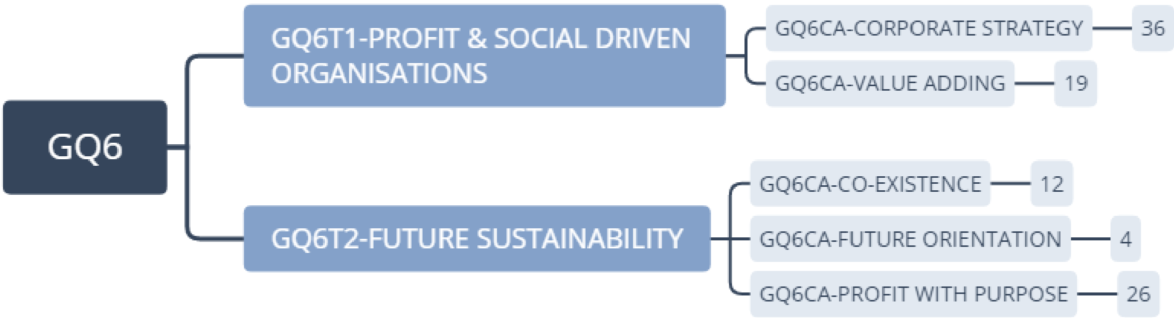


Figure 2 – GQ6: Shared Value Understanding

In terms of GQ7, the other two equally weighted categories indicate that organisations need to help and being involved in shared value is a sustainable development decision. However, the most prominent category that arose regarding why organisations are involved in shared value with a dominating frequency of 40 was strategic financial decision. The theme that emerged from RQ7 was future sustainability for the organisation and society. Interesting enough, this is consistent with the same theme in RQ6 regarding sustainability. In totality, the same themes that emerged from GQ6 is also to a large extent why organisations are involved in shared value. In summary, the informants indicted that shared value is seen as a long-term strategic but equally a financial decision to ensure sustainability for both the organisation and their direct society/community.

Figure 3 – GQ7: Reasoning for Involvement in Shared Value

In a graphical representation of the categories and frequencies by organisation for both GQ6 and GQ7, Figure 4 below illustrates the highest-ranking categories that formed the themes discussed above. All of the organisations, except GA indicated shared value as a concept to be part of the organisational strategy. It is important to note that this is based on the understanding of shared value being a concept and not necessarily why the organisations themselves are involved in shared value. However, the highest-ranking category in why organisations are involved in shared value, as indicated above, was a strategic financial decision.

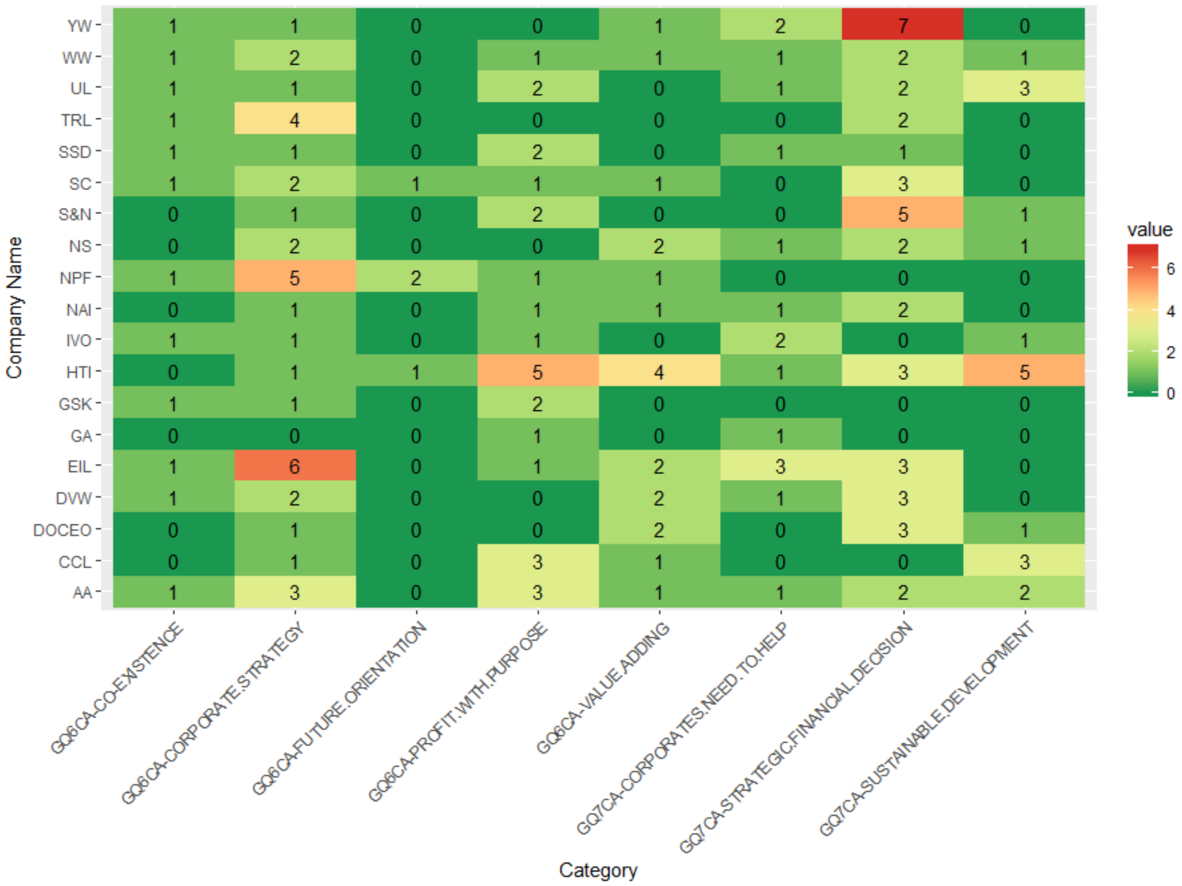


Figure 4 – RQ6 & RQ7: Frequency per Organisation per Category

In summary, the general questions aimed at giving a holistic picture of different types of organisations (varying in sector, size, and location) and the key individuals involved in SVIs. From the understanding and reasoning of organisations in terms of shared value it is evident that there is consistency in both the former and the latter. Shared value is a strategic financial decision that adds value not only to the organisation and its shareholders but also society which adds to the sustainability of the entire ecosystem.

5.4 Research Questions

The research questions, as indicated in the literature review, were to address the operational process of shared value in organisations and the associated success or failure of these initiatives. The process involves the identification, evaluation, feasibility, implementation, and measurement of these initiatives. As an addition, the associated success was also explored and clearly indicated below.

5.4.1 Research Question 1 Findings

How does the organisation identify and evaluate opportunities for shared value initiatives?

The first research question was to explore how organisations identify shared value opportunities and the evaluation process undertaken prior to doing an actual feasibility study. Figure 5 below shows the categories that arose from the informants and the associated frequencies. Two themes arose from the data and are indicated below:

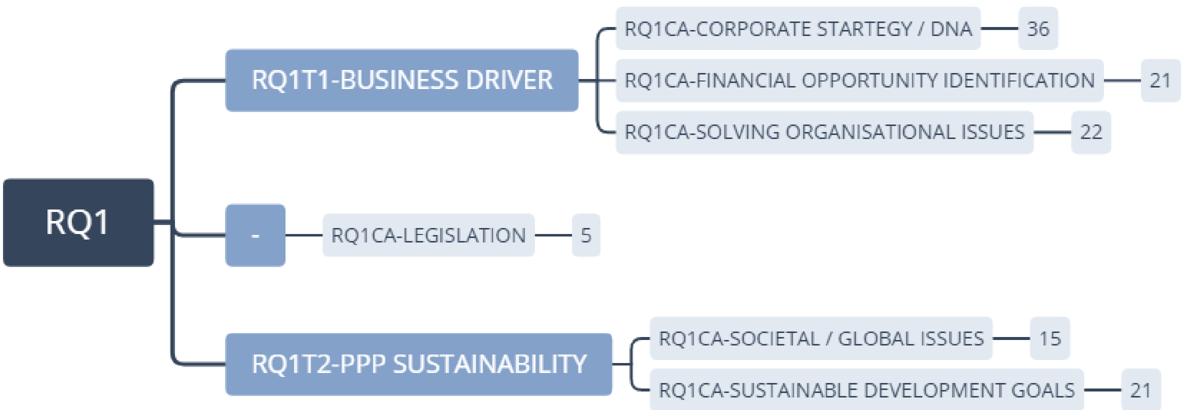


Figure 5 – RQ1: Identification and Evaluation of Shared Value Initiatives

5.4.1.1 Business Driver

The first theme is represented as shared value being identified as part of a general business driver for the organisation. Three distinct categories gave rise to the theme with the most prominent being corporate strategy / DNA with a frequency of 36 and significantly higher than the closest other category. Informants clearly indicated how identification was done as per below quotes:

> ***NS –*** *"That is where the foundation of the company has come from and when you get it, that is exactly creating shared value."*
>
> ***GA*** *– "The way we create shared value at Genesis is in the DNA."*
>
> ***S&N*** *– "For example, it was a no brainer that Starbucks would be involved in coffee growing communities."*
>
> ***DOCEO*** *– "Discovery likes to disrupt the market. We saw for a long time in the South African context that risk and savings were combined in unit linked funds… What we did we was remove the two and focused on pure risk and pure savings specifically… Whenever there is not enough competition in the industry, that is when we come in and feel that shared value will change it."*
>
> ***WW*** *– "I think it's about understanding what you do in the business and focusing on what's important and what's immaterial… So, we have a goal that by 2020 all our key commodities must be responsibly sourced… It has actually become the culture and philosophy of the business."*

For the majority of organisations, the identification of SVIs was to a large extent how they conduct business. Informants indicated that they do not necessarily actively seek for shared value opportunities but rather solve material issues or identify opportunities within the existing business sphere. This method forms part of their corporate strategy. The remaining two methods of identification were actively looking for financial opportunities as part of their business operations with a frequency of 21 and the identifying of opportunities through solving existing material issues with a frequency of 22. Organisations that focused on seeking financial opportunities are indicated below:

> ***SC*** *– "Central to it all is actually listening to the customer and your supply chain because that is where you create the most shared value opportunities."*
>
> ***IVO*** *– "The other one that we are looking at it is in areas where we have our sugar operations. So, we are starting to have a conversation about if the land is not suitable for sugar cane, can we find an alternative crop that could be grown on that piece of*

land, could we connect them with a market? We are in the early stages of exploring that. Maybe they could grow some vegetables that could be supplied into the market or a retail space like a Spar."

EIL – *"So, it is also obviously market driven."*

Organisations that actively seek shared value opportunities through solving material issues are also indicated below:

SSD – "…*all organisations have material issues… it was just business. They had to fix their supply chain."*

NPF – "*we commissioned a company in Cape Town called Impact Amplifier, who then did a deep dive into the supply chain, unruffled it and realised that actually there is a risk in supply to cash price volatility."*

AA – *"map the SDGs to the company challenges and opportunities – that's our materiality process."*

Above organisations have used the material issues, whether known form the onset, through analysis like NPF, or identifying where the organisation is not aligned to the SDGs, to identify shared value opportunities and subsequently act upon them.

5.4.1.2 Legislation

Due to the regulatory environment, especially in South Africa and the transformation in progress, many organisations are forced to focus on social impacts and therefore use this as an opportunity to not only spend money to satisfy the requirements but develop this into a SVI which will also generate financial returns and represents a good business strategy.

HTI – *"The Competition Commission said that whilst we are selling off to an overseas investor, you need to invest R90 million over 5 years in development agriculture."*

GA – "*Because if we don't, government has a big stick and they are going to beat us with it. What are we doing? So, those sorts of questions start to get asked."*

YW – "*And requirements from BBBEE at the same time."*

The regulatory environment plays a big role in governance, especially for certain sectors and can either represent a capital outflow or an opportunity. The organisations above have utilised the legislation to identify these possible gaps in generating mutual beneficial value.

5.4.1.3 PPP Sustainability

The second theme that emerged referred to sustainability in terms of People, Profit, and Planet with the identification of SVIs through solving societal issues with a frequency of 15 and aligning the organisation with the SDGs with a slightly higher frequency of 21. The identification of societal or global issues varied based on the industry the organisations operated in and are indicated below:

> ***IVO*** *– "What could we do with better management in that space? Water harvesting, better technologies to use less water and still achieve the same or better yield."*

> ***SC*** *– "We have an Innovation Hub within our business that focus on building platforms and solutions to address the macro questions."*

> ***NPF*** *– "Last year was the first time in recorded history I think, less than five hundred thousand peopled died from malaria… So, there is value in us actually tackling that, especially in Mozambique, where Nando's originated as a concept."*

IVO, SC, NPF has directly identified significant opportunities that will directly affect their organisations profitability and sustainability disguised in the form of social and environmental issues. Subsequent to this, organisations that aligned themselves and used SDGs to identify SVIs are also indicated below:

> ***SC*** *– "So, for the last 2 or 3 years we have been looking at what business we can do within the SDG... SDGs and using that as a framework to view business and business opportunities."*

> ***AA*** *– "mapping the sustainable development goals… SDGs play an intimate part."*

> ***UL*** *– "SDGs."*

SDGs have proven to be an effective way for organisations to identify SVIs by looking through the lens of SDGs.

5.4.1.4 Summary of Research Question 1 Findings

Certain organisations use more than one method, some intentional and some unintentional, to identify SVIs. In order to illustrate this, Figure 6 below represents a heatmap with regards to the frequencies per organisation and relates to the highest ranked categories that led to themes.

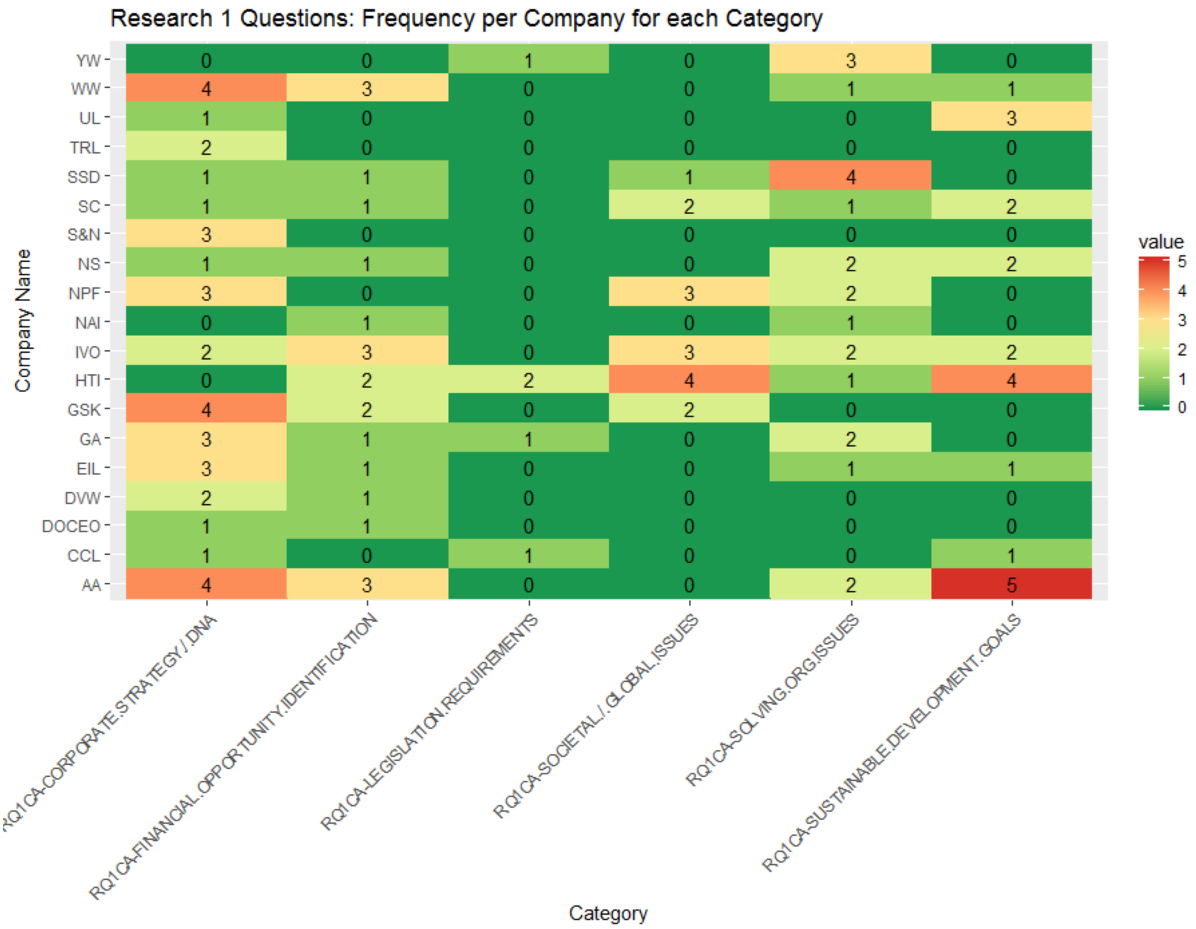


Figure 6 – RQ1: Frequency Heatmap

The themes as indicated refer to the identification of shared value through general business drivers and how these fit into their corporate strategy. They are actively seeking opportunities that will make financial sense within their internal or external business context of shared value but through the lens of their existing strategy. The other theme relates to the identification by evaluating societal and global issues in line with organisational competencies to address the issues while generating value for all stakeholders.

5.4.2 Research Question 2 Findings

How does the organisation determine the feasibility of a shared value initiative?

Research question 2 builds on question 1 in terms of when a SVI has been identified, how do organisations determine the feasibility of the opportunity both in financial and social terms? The aim was to understand what the process is that they used and also what metrics they utilise. The data from the informants indicated various methods were used to determine the feasibility and are represented in Figure 7. Not surprisingly, the only theme that emerged was standard business feasibility methods and metrics which are discussed below.

Figure 7 – RQ2: Determining the Feasibility of Shared Value Initiatives

5.4.2.1 Standard Business Feasibility

The only theme that emerged was standard business feasibility practices and consisted of industry-specific categories with a frequency of 57 and external feasibility with a low frequency of eight. Informants quotes per business case are presented below:

> ***HTI*** *– "…analyse the DNA of that farming operation and then look at the resources, then the whole farm business plan, then at precision farming and utilisation of new technology."*

> ***SSD*** *– "There is a lot of identifying what the material issue is. Looking at how you're going to address it from a social aspect perspective and what will be the financial you know return on that if you go the shared value route. So, and how long you have to invest before you actually start making money."*

> ***NPF*** *– "specifically have done the economic modelling on, that is viable and compatible to grow with some of small holder farmers in Southern Africa."*

> ***SC*** *– "…business metrics, what is the revenue. Understand the ecosystem… rather than saying we are investing X now and what is your ROI in the next 12 months, what does it look like over the next 18 to 24 months."*

As is evident, determining the feasibility is very different from organisation to organisation such as HTI will evaluate the potential farming operations where NPF have also in the same industry developed an economic model focusing on the viability and compatibility within the context mentioned. SC utilised business metrics that suited their ecosystem with UL doing very much the same. The golden thread is that standard business cases were used to determine the feasibility but are very industry specific. The category externally-focused feasibility referred to external aspects that would have significant implications on the internal feasibility of the SVIs such as value chain and market availability. Informants' quotes below highlights the reasoning that forms part of the theme of standard business feasibility.

> ***EIL*** – *"So as long as all the actors are interested in participating, we need to then see if we do this, is there a market opportunity outlet for this kind of stuff."*

> ***IVO*** – *"…What is the market…value chain."*

> ***YW*** – *"…they will go find a farmer that they can go help develop or that has the capability so that they will invest in that or help grow it so that it becomes part of their value chain."*

The above organisations were very focused on whether the SVIs (which involved external stakeholders) would improve their current value chain or market offering. Again, as stated above, it forms part of the holistic approach to determine the feasibility of any opportunity based on standard business feasibility practices.

5.4.2.2 Uncertain Feasibility

Although uncertainty in determining the feasibility only had a frequency of four, it was to be expected. Various pilot programs were done without in-depth feasibility, especially for organisations that were new in the world of shared value. Also, certain aspects, such as the value of art, cannot be determined beforehand and therefore added to the uncertainty. However, this was at the lower end of the bell curve when compared to the rest.

> ***NS*** – *"That is the program I was telling you about, sometimes it is difficult to link it to shared value."*

> ***NAI*** – *"The thing is that with art it is difficult because you can only determine the value once you sell it, right?"*

5.4.2.3 Social Sustainability Focused

The category social sustainability focused with a frequency of 12, consisted of feasibility of social impacts and long-term sustainability for both society and the organisation. If initiatives are merely financially driven to the detriment of society then they would not be shared value but mere business operations. Informants indicated therefore the feasibility associated with sustainability below:

> ***SC*** – *"there are special units in the business now that look at how you transition a social impact...sustainable and drive revenue up"*

DOCEO *– "So, it is not only finance metrics, it is also global applicability."*

UL *– "It is about finding out how you craft this initiative in a way that makes it a bit more sustainable because it is driven and self-financed by the business basically."*

It is clear that the organisations do not only look at the financial metrics, even though they are self-financed by the business, but also the social impact in order to determine if this will be feasible in the long run. This, although it had a low frequency, is critical as the golden thread is shared sustainable value for organisations and stakeholders. Therefore, it is not surprising to see SC, DOCEO & UL being some of the largest of the shared value organisations globally.

5.4.2.4 Summary of Research Question 2 Findings

Determining accurate feasibility can be tricky as an organisation has to make certain assumptions based on known and unknown data. Figure 8 below indicate a summary frequency heatmap and holistically evaluates research question 2 based on the feasibility determination of SVIs.

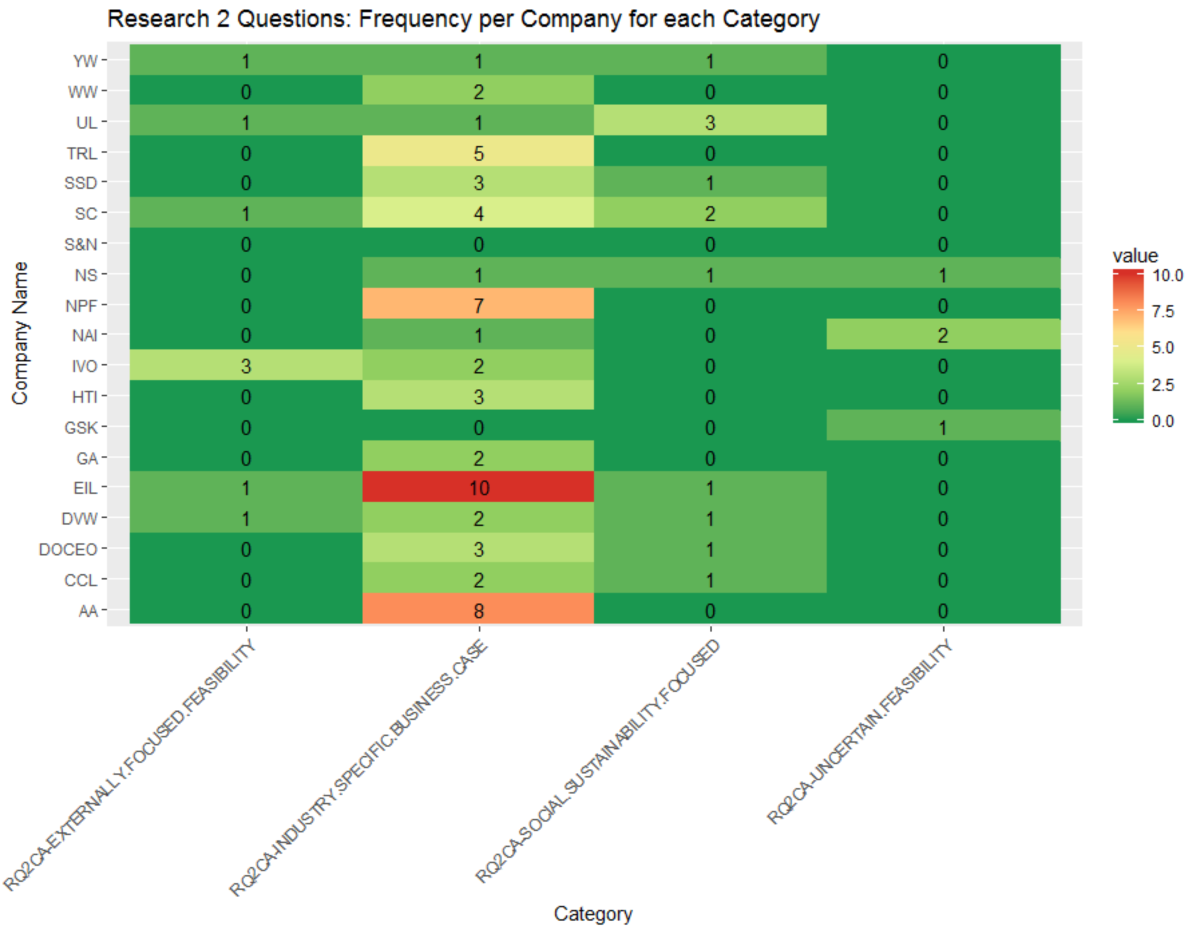


Figure 8 - RQ2: Frequency Heatmap

As can be seen, the highest concentration of organisations indicated that the feasibility of any of their SVIs was done based on their industry with standard business metrics and cases developed to mitigate risk and map out potential. Although EIL reiterated this 10 times, the majority of organisations as indicated in

Figure 8 also mentioned it multiple times. The remaining organisations indicated that feasibility is determined through impact of the social sustainability that will be achieved by the SVI. However, this was also based on the unsaid financial metrics to be evaluated and acted more as a second needed deliverable before proceeding. Pilot initiatives were also done to determine the feasibility where organisations were unsure but represented the minority.

5.4.3 Research Question 3 Findings

How does the organisation implement shared value initiatives?

In the previous research questions, the identification and feasibility of SVIs was investigated. Once this has been determined, the next phase is the actual implementation of these initiatives to ensure success for all stakeholders. The actual method and process of implementation that organisations followed are categorised in Figure 9 below. Based on the analysis, only one theme emerged from the data, namely general business operations and is discussed in detail below. A very low percentage of organisations indicated implementation was done through trial and error.

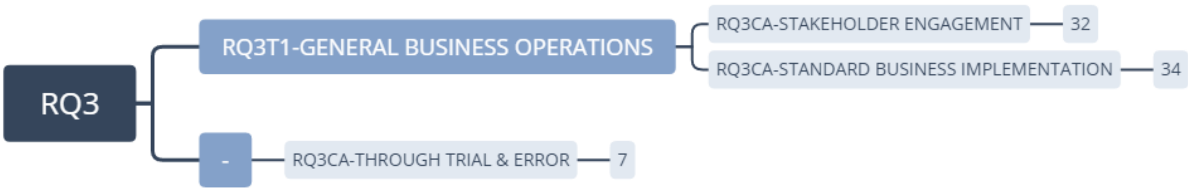


Figure 9 – RQ3: Implementation of Shared Value Initiatives

5.4.3.1 General Business Operations

General business operations as indicated are the only theme that emerged. The two categories that were identified were stakeholder engagement with a frequency of 32 and standard business implementation with a slightly higher frequency of 34. Stakeholder engagement in this context refers to the implementation done with high levels of partner/stakeholder involvement.

Standard business implementation is exactly what it says, how organisations would generally implement projects, regardless whether this is shared value orientated or not. Organisational quotes highlight the following:

> ***EIL** – “It is almost a 3-dimensional model of interactions and relationships between various actors, various legislative requirements and then obviously the output in terms of the business imperative behind this.”*

> ***SC** – “…working with the government is key, working with consolidation of farmers, non-profits that work in agriculture, research organisations, and all of these are typically people that we would never partner with before...”*

> ***YW** – “…partnerships are critically important.”*

> ***DVW** – “Our partners are critical.”*

> ***HTI** – “External stakeholder is critical.”*

> ***GSK** – “…partners do the implementation.”*

As is evident with the overwhelmingly similar responses, informant to a large degree indicate that in order to implement SVIs, it is imperative to have strong stakeholder engagement throughout the entire process, whether they will do the actual implementation or the organisation itself.

This integrates with the actual process of implementation referred to be a standard process within the organisation and not different just because it’s a SVI.

> ***GSK** – “We liaised centrally, and they executed on the front line. Then we had a couple of touch points where we took stock and to see how we have done. So broadly that is the process.”*

> ***IVO** – “No check list, we just went in and did some work.”*

> ***S&N** – “There would be pretty detailed planning that goes behind it. Particularly if you are doing a big initiative with the coffee growing community. where you are working with an organisation like Fair Trade.”*

> ***AA** – “So, there is a logic behind that. That is really our framework, and we have put it together and we have used strategy mapping and the balance score card as a series of business tools.”*

In terms of the implementation side, above quotations makes it clear that organisations, although implementation differs between them, used their own standard business operations processes and frameworks to implement SVIs that is industry specific. Some organisations do detailed analysis prior to implementation such as S&N & AA which coincidently are very large organisations; however, the golden thread is it is industry and organisational specific based on their existing internal methods of implementation.

5.4.3.2 Trial and Error

On the other hand, some organisations do not share the same methodology and are implemented through trial and error as per below quotes:

> ***TRL*** *– "There is not a shared value framework."*
>
> ***NPF*** *– "…so it's economic model is proven by actually piloting it."*
>
> ***YW*** *– "As a pilot to test these things out but the most fundamental direct way to do this is to link to organisations operating model."*

As indicated, due to the lack of an existing framework and it being a relatively new concept, certain organisations use pilot projects to test out either their implementation frameworks or economic model in determining the link to social impacts and general operating model.

5.4.3.3 Summary of Research Question 3 Findings

Research question 3 was relatively standard in the sense that not much deviation existed between organisations with only one theme emerging and represented implementation being done through standard internal business operations that is specific to the industry the organisations operate within. Figure 10 below indicates the frequencies of each category per organisation.

Strangely enough, EIL again indicated significantly higher than other organisations that stakeholder engagement for implementation is key. This is consistent with EILs frequency in Figure 9 also. Stakeholder engagement and standard business implementation scored closely together as indicated and thus shows that organisations utilise their own internal implementation processes based on the industry with only a limited number of organisations utilising trial and error.

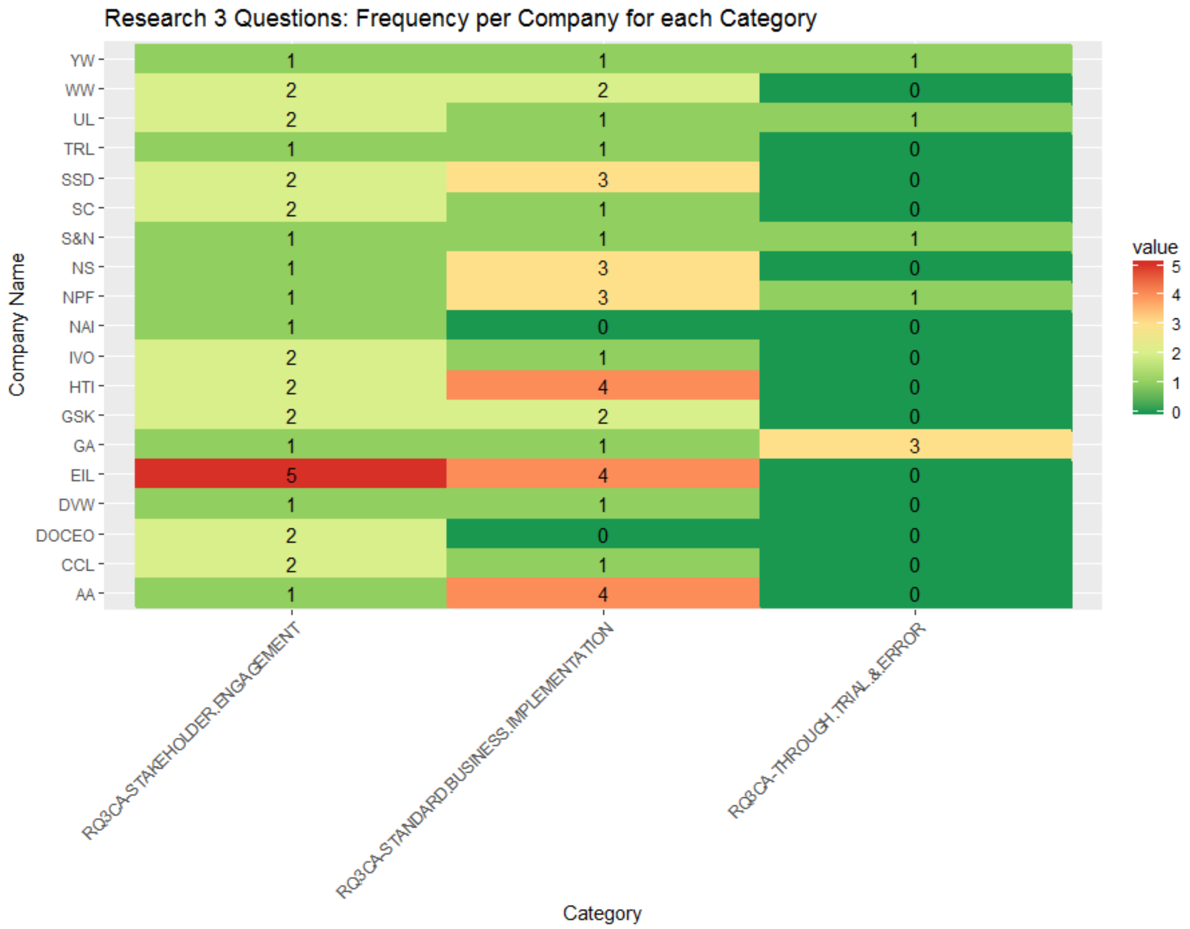


Figure 10 – RQ3: Frequency Heatmap

5.4.4 Research Question 4 Findings

How does the organisation measure the success or failure of shared value initiatives and what measurement criteria are used?

As indicated, research questions 1-3 comprised of the identification, the feasibility, and actual implementation. The implementation, which is done based on the specific organisational methods, progresses throughout the lifecycle and has to be measured against the initial goals to achieve success (which is further discussed in research question 5). The question aimed at identifying how organisations measure the degree of success (throughout the cycle or upon completion) and what measurement criteria is used. Figure 11 below indicates the categories associated with the measurement of success/failure. As is evident, organisations use hard metrics to determine the success of SVIs with a significantly above average frequency of 40. Some organisations have attempted to tailor industry specific shared value metrics with a cumulative frequency count of 45 consisting of long terms sustainable reporting, shared value associated metrics, and soft metrics. Organisations have also indicated that there are various limitations to what metrics should be used to effectively determine success.

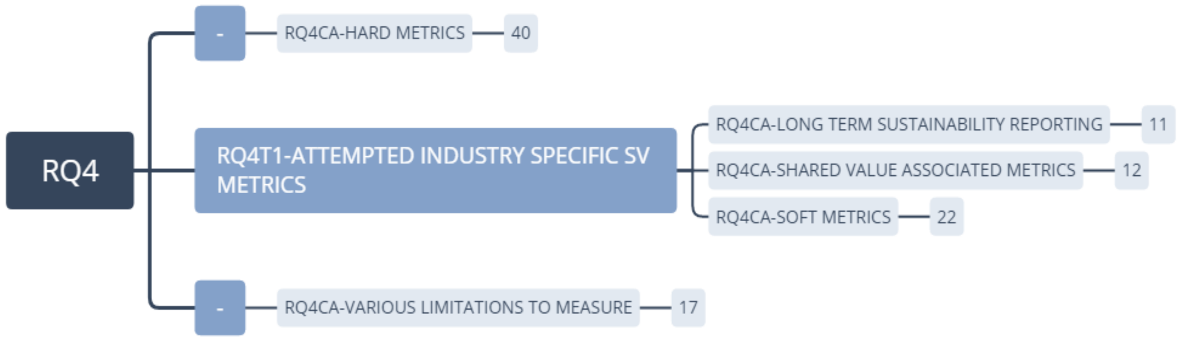


Figure 11 – RQ4: Measurement of Shared Value Initiatives

5.4.4.1 Hard Metrics

The metrics informants indicated are a combination of industry specific metrics set out initially against the present goals of what organisations want to achieve. The measurements therefore refer to metrics that are clearly measurable prior and after implementation. Organisations quotes indicate what metrics were used in general and how these were measured.

> ***EIL** – "On the cotton side, just on the primary production side is off take. So, where they guys used to do 200kg per hectares he is now doing 600kg a hectare… Those metrics are all measured. Soil quality and stuff like that... Everything is run structurally so the metrics and the models are different."*

> ***NPF** – "…financial metrics…to ensure that the price that we are paying is creating economic impact. So, our targeted net return is four hundred dollars, which is quite small."*

> ***SC** – "…if you are clear on targets and indicators are then you are fine. Each project's evolution process is very different… we benefit from revenue off the platform and overall the national health system benefits… What we found is that $2 million of value is being put back into the health system because we are allowing people to make small micro payments for health."*

> ***GSK** – "We normally have goals that we want to achieve in everything that we do. At the end of the program or at certain points identified, we take stock evaluate how far down the road we went."*

> ***S&N** – "That is very dependent on where you are operating so what is important when you do these things is that you have to get your base lines right, do your pilots to*

understand the socio-economic reality that you are operating in. Doing base line studies is very key."

***WW** – "Hard metrics is: did you achieve what you set you, if you had a water reduction target you either met it or you didn't, you know."*

***DVW** – "We look at changing engagement, exercise, number of days, the intensity, the steps people are taking… So, we kind of set those targets on a six-monthly basis because it is built into our KPIs as a business."*

As is evident, organisations measure the success in various different ways across sectors and each SVI. For example, EIL not only measured the production volume per hectare of cotton planted but also the soil quality before and after plantation. Return on income was measured with the invested resource compared to what the offset was during and at the end of the initiative. However, each initiative is very different based on the specific industry and sector within and between organisations and therefore the measurement of success differs significantly and no standard has been developed.

The measurement of success ranges from either financial, internal to the organisation, external value created in society, environmental targets to behavioural changes to the target market. Although most organisations measure the initiatives against the pre-set determined goals and report either monthly or bi-annually, some organisations have included these within their KPI's. In summary, hard metrics are used but differ from organisation to organisation, within specific industries and sectors and between different initiatives.

5.4.4.2 Industry Specific Metrics

The only theme that emerged from research question 4 included the concept of general hard metrics and were an attempt to tailor these to shared value and included sustainability and soft metrics by leveraging of existing frameworks such as global reporting or integrated reporting. The frequencies as indicated per category are lower as expected due to the new field of measurement.

The long-term sustainability reporting category quotes are indicated below:

***SSD** – "…UN global compact reporting."*

***SC**– "We consolidate data across the business for our sustainability reporting, but we look for exactly that…Lives touched, jobs created, income generated into the economy etc."*

CCL *– "…multiple variables over a series of time."*

Also, related to long term sustainability reporting was the category identified as shared value associated metrics and indicated as follow:

SSD *– "…enterprise development shared value metrics."*

SC *– "It is about the whole ecosystem: what value we created and how that is working. It is not a cookie cutter template, you just have to be aware of where all your impact points are... That comes from jobs created. In the last 2 years we created 845 000 jobs in the economy, direct and indirect. 145 000 direct jobs… lifted 2 million households out of poverty"*

CCL *– "financials and look at customers and clients, government stakeholders etc. How does that society or ecosystem view you?"*

UL *– "SDG measurement platform."*

AA *– "…tool kit which we have just recently released"*

Closely related to the shared value metrics, is soft metrics that was indicated by the informants. Soft metrics refer to the intangible aspects such as behaviour, customer feedback, and environmental and social impact, whether positive or negative. Informants quotes are indicated below:

HTI *– "We also measure the farmers soft skills development, like his negotiation skills, how did he grow over a span of years? Can he now sit with a service provider and negotiate a better price deal? His understanding of the farm business and finances. Does he understand the effects on price hedging?"*

NPF *– "…then do an impact assessment at the end of each season where we follow up and we take a sample of the population. We sit down with them. And also, through observations, and a third party does this for us. We then assess if we've had an impact and where we've had the impact... But then there is also benefit of communicating the emotional benefits for a project... social economic impact metrics. Net return to farmers, where they are spending the money, number of farmers, improved customer experience etc…"*

SC *– "how many lives have you touched, what is the impact...We looked at our environmental foot print."*

S&N *– "There would be a ton of different things you want to measure against to find out whether what you were doing was gaining traction in the community that you were involved with."*

TRL *– "staff retention, stakeholder relations."*

As can be seen through the quotes from the informants, they represent good insight into the different attempts to measure shared value related initiatives in a variety of ways. However, there is some cross-pollination between the long-term sustainability reporting that includes some dedicated shared value metrics and includes a combination of hard and soft metrics. In terms of sustainability, it is evident that SSD try and utilise already existing frameworks such as the Global Compact Reporting while SC already developed a sustainable report which seems to include hard and soft metrics. SC, UL & AA (coincidently large companies again) have to a certain extent developed their own internal shared value metrics/toolkit/platform based on their specific industry and operations.

These measurements, as can be seen again, include soft and hard metrics. Soft metrics were identified by organisations such as staff retention, stakeholder relations, environmental footprint, improved customer experience, skills development and lives touched to name but a few. In summary, hard and soft metrics (some of which were developed specifically for shared value) are combined in the measurement of initiatives with the focus on sustainability. These metrics in themselves are not new but the amalgamated combination has been an attempt for shared value specific measurement criteria.

5.4.4.3 Various Measurement Limitations

Although informants indicated that various measurement criteria were used to determine the success of initiatives, informants did also indicate the limitations that currently exist in terms of the quantification of aspects, the lack of knowing what to measure, and the difficulty in actually measuring specific aspects, especially social impact. Informants quotes are indicated and discussed below:

GSK – *"In terms of how we measure performance and outputs, this is a very difficult area for us... Now measuring outputs is extremely difficult especially in the environment that we operate in and I can't claim that it is one that we have fully cracked it."*

NAI *– "But how they measure the value of it… also it is very difficult, because it is also an asset that we leverage from a marketing perspective and sponsorship perspective. So, there is the actual balance sheet asset value, and then there is the leveraging of* *the assets, which I suppose is intangible, because we can get huge PR value out of it."*

***YW** – "It's really difficult because these things really work well in long term cycles not necessarily short term profit motives and that's the tension that exits."*

***EIL** – "some social return that is illustrated but very little which you can actually quantify… Your non-financial indicators are still not clearly illustrated in the bottom line. That balance sheet of an organisation. There are a lot of guys doing integrated reporting but if you go behind the scenes and actually analyse what is happening in the corporate structure and the way they operate business it is clearly not an indication of integration and whoever does the corporate reporting at the end of the year runs frantically trying to squeeze this information in order to produce a perceived integrated report."*

***SC** – "social impact doesn't always have a template or a slide in your typical business report... The framework stuff is tricky, we are not there yet… I do not believe the human behaviour and social change can be accurately captured in one template."*

***IVO** – "We are still in the early staging of trying to measure the social impact, and how would we do that… We don't yet have a formal score card."*

As is clear, there are still numerous limitations, especially in terms of the identification of what to measure and then the quantification thereof. GSK, SC, IVO, three very large organisations and actively involved in shared value indicated that although they measure certain aspects and have achieved success as indicated, they do not have a framework/scorecard to fully measure shared value, especially social impact and the link to economic value generation of the organisation. EIL also made mention of this and said that various organisations, including themselves, do not know how to link your non-financial indicators to the bottom line. NAI that referred to the intangible benefits such as brand equity or public relations derived from their initiative but do not know how to quantify this. Based on all organisations, it is clear that these very real limitations still exist today in well-established organisations, both small and large.

5.4.4.4 Summary of Research Question 4 Findings

Measurement of SVIs was indeed an interesting question with various different, overlapping and sometimes contradictory quotes from informants. Figure 12 indicate the frequencies per organisation, per category and provide a holistic overview of measuring success of initiatives.

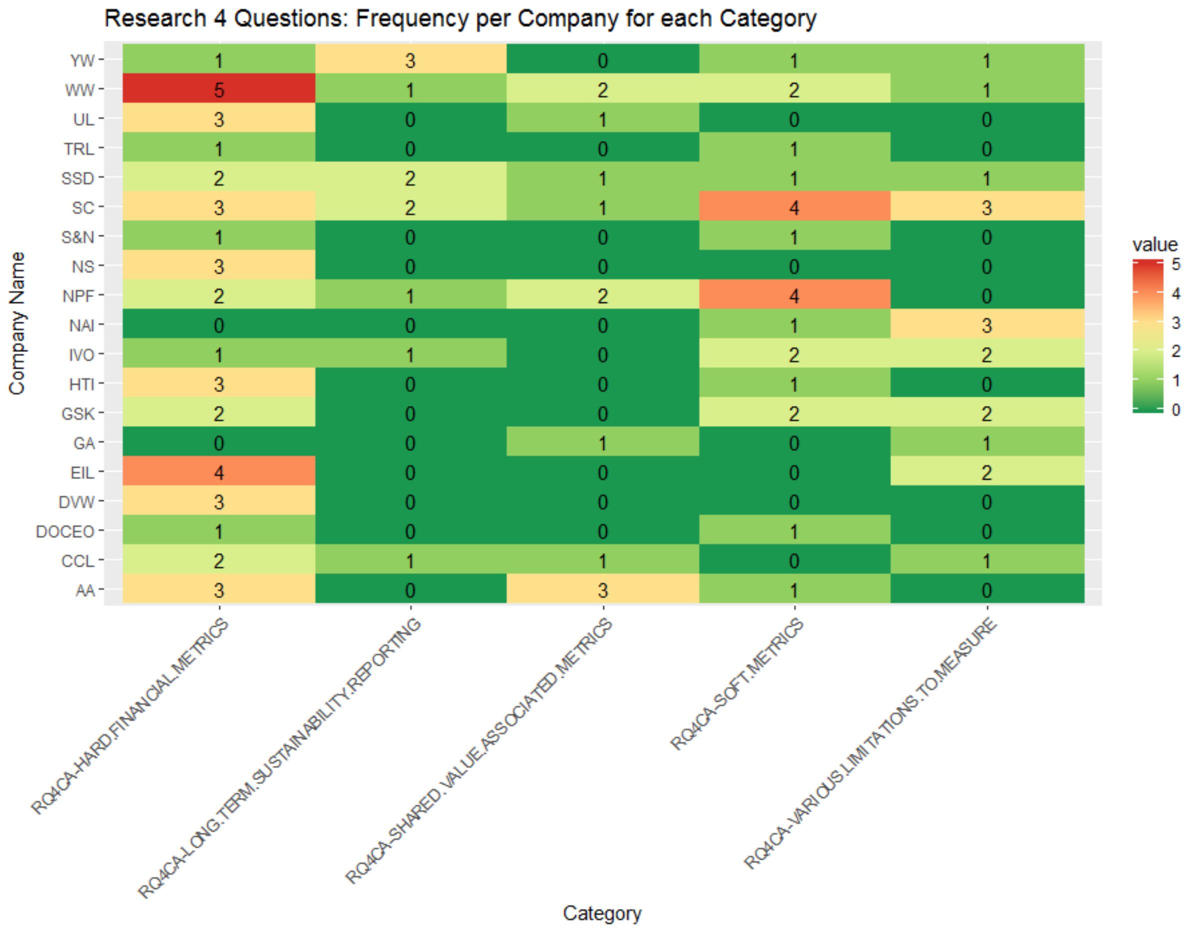


Figure 12 – RQ4: Frequency Heatmap

Certain organisations such as WW are very focused on hard metrics while organisations such as SC and NPF focused more on soft metrics and the social impact measurement side. This is understandable due to the limitations in measuring social impacts. The three main aspects associated with measurements were hard metrics, industry specific shared value metrics, and the limitations to all related measurements. The sections, quotes, and organisations are not mutually exclusive and organisations have developed, for example, a shared value scorecard but still admit that measuring and quantifying soft metrics have not yet been achieved. Various other limitations also currently exist in order to accurately measure SVIs in totality.

5.4.5 Research Question 5 Findings

Has shared value initiatives increased success within the organisation in any form and what does the organisation view as success?

Research question 5 follows on the previous four questions in terms of the shared value process in totality. Questions analysed how SVIs were identified, the feasibility determined, projects implemented and outputs measured throughout the process. Success has to be determined both internally and externally to fulfil the aspirations set out by SVIs as a concept but also by the pre-set organisational goals. Research question explores whether the SVIs have actually increased the success within the organisation, and what does success look like in terms of economic value brand equity and subsequently external social success.

Figure 13 indicates the categories identified and also the theme that emerged from the patterns in the data. The first distinct category was financial sustainability with a low frequency of 11 compared to the emerged theme of intangible organisational success with a cumulative frequency of 38 whereby both are discussed below. Every single organisation has indicated that shared value has contributed to success within the organisation. The quotes therefore are interrelated in terms of what organisations view as success, and therefore, what was achieved.

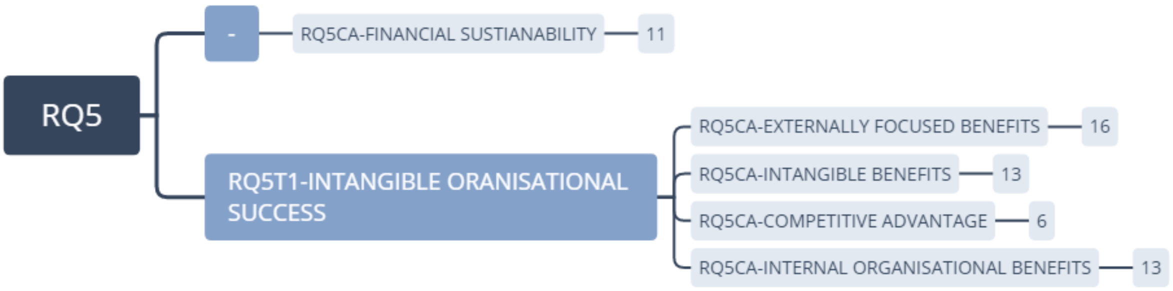


Figure 13 – RQ5: Internal & External Success of Shared Value Initiatives

5.4.5.1 Financial Sustainability

Financial sustainability refers firstly to long term, secondly to value chain sustainability and lastly to financial return on investment. Organisational quotes offer an explanation in terms of what was said above.

> ***HTI*** *– "To sufficiently upskill the beneficiary of land to contribute to the commercial production and activities in a specific rural area."*
>
> ***EIL*** *– "A significant decrease in dependency on external funding and input. Then you know that it has been successful. If you have to continually for years and year and years put money in to keep this initiative alive, it is not sustainable."*
>
> ***SC*** *– "These will never sharpen your balance sheet, but they will propel your business for the next 100 years."*
>
> ***IVO*** *– "There is a small modest financial benefit for now because in some cases we have more cane or better trained employees."*

> ***S&N*** *– "…increase shareholder value."*

> ***DOCEO*** *– "So, if we have identified that you are good and want business it means you have applicability all across the business where there is a lot of cross selling."*

Financial sustainability comes in various forms as is evident from the different organisational quotes. HTI indicated that the upskilled beneficiaries add to increased production in the area that is sold through their value chain whereby economic value is created for both the organisation and specific communities and constitutes success. Even though SC indicated in question four that they have created numerous jobs and financial gain indicate that the focus and view of success is not the short-term financial gain but sustainability of the organisations into perpetuity. IVO as with HTI indicated increased production resulted in economic value generated for both the organisation and relevant stakeholders. In the case of DOCEO their shared value products have added tremendous financial gain and resulted in cross-selling of additional business units that generated an increase in economic value.

5.4.5.2 Intangible Organisational Success

Intangible organisational success as a theme was underwritten by four categories. These categories refer to external benefits with the highest frequency of 16, intangible benefits in general (13), competitive advantage for the organisation (6) and lastly internal organisational benefits (13).

Organisations identified success through the external benefits such as:

> ***EIL*** *– "…social return on investment…There is a real strong mutual benefit there."*

> ***YW*** *– "But actually, ultimately that its benefits people and you see you are making your own personal contribution to society though your work."*

> ***GSK*** *– "A one pill treatment, from 15 days to 1 day. Massive change and it will change the way you treat this disease."*

> ***DOCEO*** *– "Are we lowering your premium enough, cash back."*

Success through externally focused benefits can either be intentional or unintentional. In the case of GSK and DOCEO, both these benefits were identified prior to the initiative as an external success factor when the initiative was evaluated holistically. This represents internal organisational success as this was a pre-set goal. EIL and YW indicated that the success of the initiatives were social return on investment and contributions made to society. Closely related to the above benefits are intangible benefits, however these benefits can be both internal and external to the organisation.

NPF *– "…brands tone of voice… very loyal customer base."*

SC *– "…longer-term customer… brand equity."*

NS *– "Remember what a CSV program will do for you. It gives you rapport with the stakeholders, with government and obviously when you look at the BBBEE scorecard, the socio-economic development aspect of it will obviously score points...it is the strength of the brand"*

S&N *– "…builds brand connection with your people and customers, if you communicate it in the right way."*

Distinct intangible benefits that were highlighted were loyal customers, brand equity, rapport with all stakeholders, and customers connection to your brand. However, some intangible benefits do also translate into economic value such as loyal customers, brand equity, although not measured in that sense. The above therefore shows that SVIs have indeed created success within the organisation. Another intangible success factor is competitive advantage as indicated by informants.

NPF *– "I think it's been the key differentiator for us globally."*

NAI *– "It would differentiate us from just being a brand that has got money. It attracts people to work for Nando's, because we are more than just …we actually have a purpose, and I think purpose in the end is more important than profits."*

NPF and NAI has in particular indicated that shared value has created competitive advantage for the organisation globally as a whole. The last category relating to the theme of intangible organisational success is intangible organisational benefits.

NPF *– "So for us there are functional benefits to the product of getting a quality ingredient …it resonates with our target market, it resonates with our employees."*

S&N *– "…engaged employees."*

YW *– "emotional connection."*

WW *– "Yes, we run a business which is bigger than when we started this programme, and for example, and we use that less energy relative to than less water."*

The internal, intangible benefits created through the success of shared value to a large extent was employee related as per NPF and S&N. YW referred to the emotional connection of all stakeholders and WW the success in totality for the organisation.

5.4.5.3 Summary of Research Question 5 Findings

Every organisation has indicated that shared value created success within the organisation, either economically that can be linked to return on investment, or intangible benefits such as brand equity and social impacts. The success is heavily dependent on what the organisations view as success. Figure 14 indicates a holistic view organisational success determination.

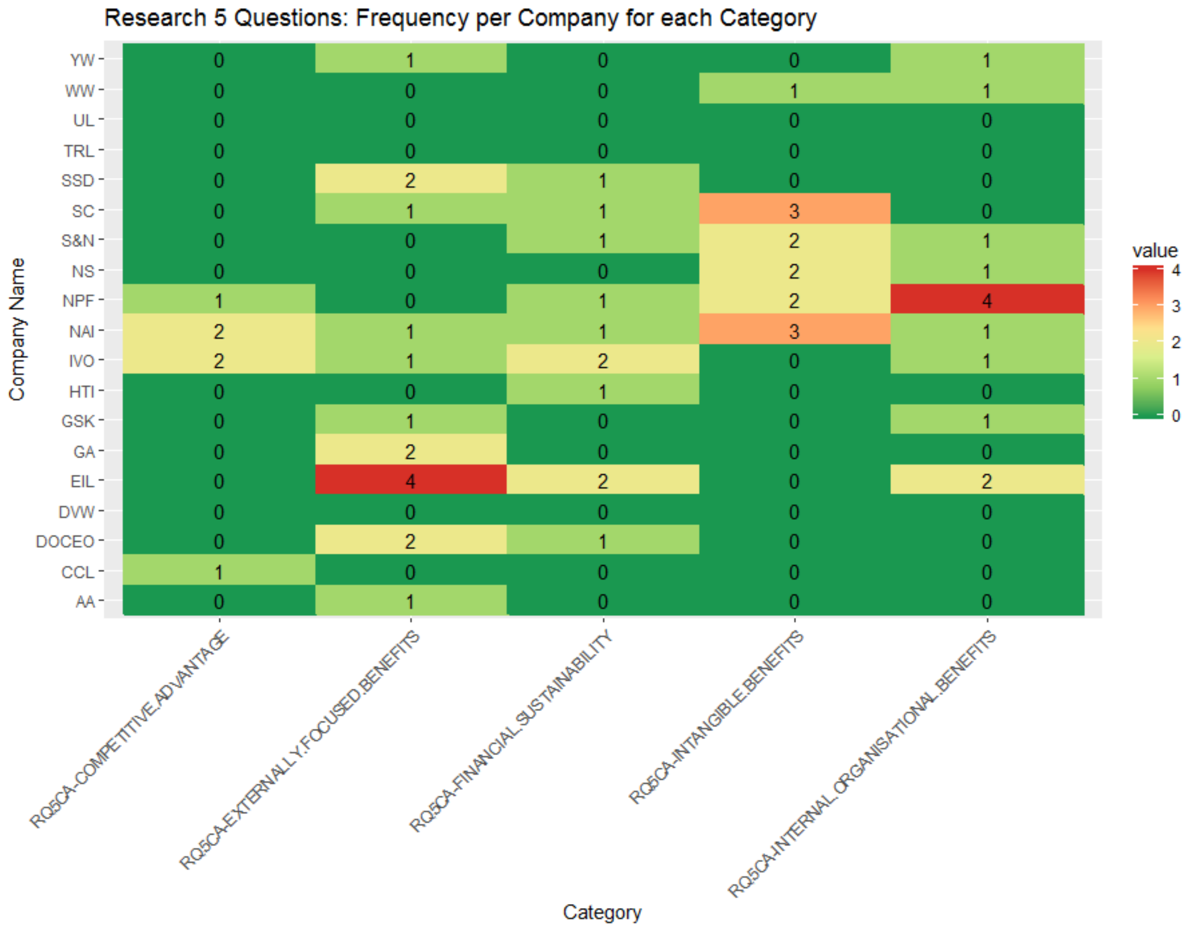


Figure 14 – RQ4: Frequency Heatmap

Strangely enough, only four organisations indicated that the success creates competitive advantage. Certain organisations were very focused on specific success factors such as EIL on external benefits and NFP on internal organisational benefits. However, the success to a large extent seems to be very externally focused with intangible benefits being rated highly. In summary, success to a large extent represents financial and non-financial benefits both internally and externally focused, therefore adding to sustainability.

5.5 Future Orientated Questions

5.5.1 Future Orientated Question 1 Findings

What does the future of shared value look like in your opinion?

Due to the concept being debated and critiqued significantly, the first question regarding the future aimed to determine from the organisations themselves how they see shared value as a concept in the future. Figure 15 indicate the four categories that was derived from the data with one theme emerging.

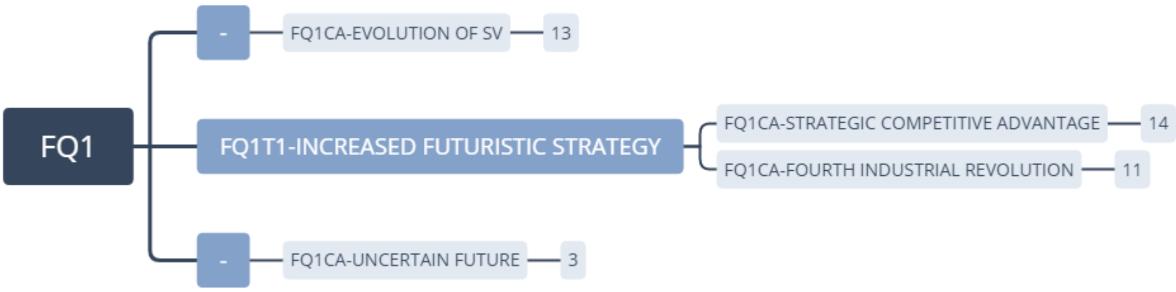


Figure 15 – FQ1: The Future of Shared Value

5.5.1.1 Evolution of Shared Value

Various informants indicated that the concept is evolving with a frequency of 13. The evolution of shared value in this context refers to the concept gaining momentum, refining measurements, the decommercialisation of services, more inclusion of SMMEs and the fact that shared value is still relative in its infancy. Informants quotes are indicated and discussed below:

> ***SC*** *– "So, for me where the big future of CSV lies is getting it more into the arena of the SME."*
>
> ***CCL*** *– "What I would call normal measurements are not good enough."*
>
> ***IVO*** *– "I think more people will see the benefits of having a shared value agenda. If society prospers, we will prosper."*
>
> ***S&N*** *– "…don't think that we have pricked the surface of the ocean yet. When you bring in the impact that we as companies have on environment and how we knit the 2 together, I think it is very important as well."*

The golden tread from all the above organisations is that shared value will expand and evolve through different aspects as time goes by. The inclusion of SME's as SC indicated and the realisation and growth through mutual benefit as IVO mentioned all contribute to this statement.

5.5.1.2 Future Strategy

The theme that emerged as a future strategy with a cumulative frequency of 25 has been highlighted in some of the research questions above. The categories that formed the theme was strategic competitive advantage and the fourth industrial revolution. Strategic competitive advantage referred to collaboration, value chain integration, and strategic business decisions as mentioned by informants.

> ***EIL** – "…think some of the so-called informal value chains are going to be a lot more integrated into the so-called commercial value chains and I think that we are seeing that happening."*
>
> ***SSD** – "…strategic business driver."*
>
> ***AA** – "But I think progressively, there is going to be a view that it does drive competitive positioning."*
>
> ***YW** – "Because they can't keep doing things the same way and expect to stay competitive."*

The above quotes relate to business strategy in the future will not be, as YW mentioned, doing the same thing and expect to stay competitive but seek new methods to gain a strategic competitive advantage. Due to the long-term orientation of shared value, this will form a strategic business driver as SSD mentioned. EIL also indicated that informal value chain integration will become part of commercial value chains and does correspond to YW that if businesses continue to operate as usual, this will ultimately lead to non-competitiveness.

The second category contributing to the theme is the forth industrial revolution consisting of digital transformation, global connectedness, new era leadership, increased transparency, and legislation favouring shared value as indicated by informants quotes below:

> ***HTI** – "I do think it's going to be globally…people are going to give more attention to this due to the following reasons: there is a huge global impact on natural resources, we need to look at it and see how we can optimise the availability and critically protect the natural resource base."*

CCL – *"…digital transformation. How you live in a full integrated, digitised, connected, global economy… what will get more intense is transparency."*

GA – *"The long-term trend is that it is going to become imperative to companies to start measuring their social impact and communicating that to the world."*

The collection of quotes represents an even greater increased attention on global social and environmental impacts coupled with digital transformation and transparency.

5.5.1.3 An Uncertain Future

Very few organisations have indicated uncertainty with a frequency of only 3 categorised by scepticism and a general uncertainty in terms of NS indicating that the global economy might not ever be conducive to shared value as a concept and indicated below:

NS **–** *"global economy is not conducive enough for us to run a program like this one."*

5.5.1.4 Summary of Future Question 1 Findings

Futuristic speculations will always have various opinions as indicated above, from being uncertain to be the next strategic business strategy that will coincide with the fourth industrial revolution. However, the overwhelming majority of informants indicated that the concept is gaining momentum and evolving into a strategic decision that will offer a competitive advantage for organisations that utilise it, whereas legislation will force the rest of companies to be more transparent and start to measure their social impacts.

5.5.2 Future Orientated Question 2 Findings

What future plans in terms of shared value does the organisation have?

The second question aimed to identify how organisations will use shard value themselves in the future and explore their plan conceptually. Figure 4 highlights the two categories that were identified as an increase in global impact to be made and strategically refining the organisation. Various other informants were either not sure or didn't comment for non-disclosure reasons.

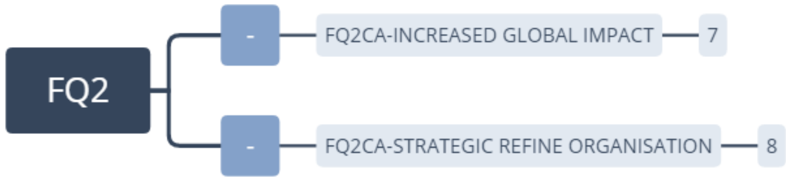


Figure 16 – FQ2: Future Organisational Shared Value Endeavours

5.5.2.1 Increased Global Impact

Increased global impact in this context referred to the expansion of SDGs, food security which translates to addressing societal issues further and the expansion of operations in doing good while driving profit. Informants indicated their desire to be more impactful in a variety of ways as indicated below:

> ***SC*** *– "SDGs. Focusing on the sustainable development goals."*
>
> ***S&N*** *– "How to have social impact through your people in the organisation."*
>
> ***IVO*** *– "…also then said, these CSV initiatives how did the link to SDGs? At the same time as we are addressing a CSV project it has a number of the SDGs that."*

S&N indicated a very interesting point that they aim to increase their impact not only as an organisation but through their people. This also links to the holistic global impact view in terms of the SDGs and how shared value simultaneously addresses this.

5.5.2.2 Strategic Refining of Organisations

Strategic refining of organisations does not indicate that organisations will be redefined in their entirety but that certain aspects within the organisation have to be approached differently such as shared value through innovation, refining measurements and value chains, and an increase in strategy in general.

> ***HTI*** *– "Point one is to do smart agriculture, which is taking cognisance of the natural resource base; to utilise technology to optimise production because we need to use new technology to do that, making much better use of water resources, much better use of land availability."*
>
> ***EIL*** *– "…We see a lot of interested up-take in that and the measurements and metrics…long complex value chains."*
>
> ***AA*** *– "strategic business activities and processes."*

As informants indicated, the utilisation of technology will continually refine their operations such as HTI in the agricultural sector. EIL indicated that they are very busy with further investigating metrics and measurements of shared value and social impacts and AA indicated that shared value will become increasingly important in their business activities and processes.

5.5.2.3 Summary of Future Question 2 Findings

The summary of findings in future question 2 does relate to future question 1 also in terms of an overarching theme of strategy. Informants in general indicated that organisations aim to increase their global impact in line with the SDGs while driving profit through the strategic refining of existing organisational activities and processes.

6. DISCUSSION OF RESULTS

6.1 Introduction

The research findings in terms of results were presented in the previous chapter. The relation to all previous chapters and existing literature by critically evaluating the in-depth insights into the findings for each research question while be discussed in this chapter. A discussion also follows and compares whether the actual objectives indicated are met with additional concerns discussed. The research questions are categorised into five areas namely:

1. the identification of shared value initiatives,
2. determining the feasibility
3. the actual implementation
4. measuring and criteria used throughout the initiative and
5. determining the success based on what organisations perceive as success

The results of each question are critically discussed with references made to existing literature in all chapters of this study in order to reach solid conclusions contributing to the framework and measurement criteria which will be discussed in chapter 7. The layout of this chapter also follows a pragmatic approach to each research question. The study, as described, is an inductive and exploratory study with the identification of patterns that emerged through observations (Saunders & Lewis 2012; Walliman, 2011).

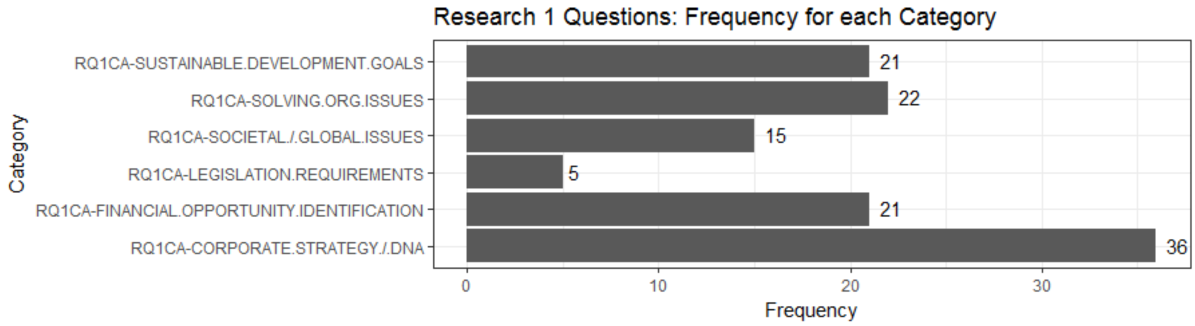
Each section of the research questions is evaluated and discussed in relation to the literature in chapter 2 with a summary of the research question provided. Due to the study being inductive and exploratory, some questions were very specific and therefore limited in terms of literature whereby results were discussed in relation to the current available literature for specific questions. Limited literature for specific research questions as stated were also available due to it being a relatively new field with small population sizes. The validity and reliability as mentioned by and Saunders & Lewis, (2012) and Walliman (2011) was mitigated as per Table 2 and Table 3. The first question is discussed below.

6.2 Research Question 1 Discussion

How does the organisation identify and evaluate opportunities for shared value initiatives?

This research question explored how organisations identify SVIs even though not all organisations call them initiatives but a combination of projects, standard business procedures, and so forth. This identification was the critical first step and forms the foundation for the remaining follow-up questions. The second part of the question dealt with how organisations evaluate their initiatives in determining whether further feasibility studies should be done before proceeding and if this is in line with organisational operations. The different categories/methods are indicated in Table 7 but are discussed in relation to the themes that emerged. As indicated in chapter 5, the two main themes emerged, namely: identification through being a business driver and through PPP sustainability. Legislation, although not a theme, is also discussed below.

Table 7 – Shared Value Initiative Identification Methods



6.2.1 Business Driver

As mentioned, the first theme that emerged was identification of SVIs as being a business driver. Three categories are important to highlight that forms part of being a business driver, namely: identification of shared value through the organisation’s corporate strategy seeking opportunities for financial gain, or solving organisational material issues. Literature mainly indicates shared value to be identified through the identification of social or environmental challenges. As Porter et al. (2011) indicated, companies have to be close to the social demands in relation to their products and services in order to identify these issues.

Although other methods are discussed below, the main overarching method is through the identification of societal problems as per the literature. Results indicated that various other methods are used but are company specific. Results therefore indicate that the identification is a normal process part of their corporate strategy or focused on their distinct competencies. The identification is done organically as the company has a shared value strategy in some form or another and therefore reflects their core strategy. Literature strengthens this method and indicates that shared value is very much benefited in the corporate strategy of organisations and therefore presents the tools to address the gap between financial and social organisational objectives (Nakayama, 2016; Corazza et al., 2011).

Novo Nordisk focused on diabetes as an opportunity, Intel on education through technology, and InterContinental Hotel Group's strategy was to reduce their environmental footprint (Porter et al., 2011). This forms the overarching category in terms of the identification being done based on purely financial gain for the organisation in relation to social issues being the catalyst and is a purely business driver for profit or by solving material issues that will increase profit for the organisation while adding value socially or environmentally. Literature suggests that organisations should identify opportunities by identifying internal improvements, enabling local cluster developments, improve input access, quality, smarter utilisation of resources and strengthen supplier and value chains to name but a few (Porter & Kramer, 2011; Porter et al., 2011).

Results confirms this exactly as informants mentioned that all organisations have material issues and, by doing a deep dive, the organisation can identify significant shared value opportunities through addressing their material issues. This is furthermore substantiated as, according to Joehr (2013), Nestlé secured much of their raw materials for its operations through shared value attributed throughout their supply chain thereby solving internal material issues. However, it is important to note, and discussed later in the chapter that the success is very much based on the operational skills to both identify SVIs and implement, therefore confirming it to be a business driver method of identification (Schaltegger & Burritt, 2018).

6.2.2 Legislation

As previously mentioned, very few organisations use the push factor of legislation for shared value identification. This, according to future questions discussed in chapter 5, will become more evident as public and private institutions gain more power of enforcing organisations for increased corporate governance. Literature indicates that, as organisational power increases, so does the pressure to warrant sound governance principles, expectations of society and government for MNCs to contribute towards addressing social and environmental issues (Detomasi, 2007). Although literature indicates that controversy exists as Crane et al. (2014) and Beschorner (2013) argued that it is naïve to expect businesses to adhere to governmental laws and regulations, results highlighted a slight shift in an opposing view. Organisations indicated in the results that certain regulations force them to comply such as BBBEE.

Although this must be noted to be specific to certain countries that has affirmative action but are on the increase and combined with addressing social and environmental issues. Porter & Kramer (2011) indicate that if organisations take shared value seriously, the enforcement will not be needed. Results that opposed the view of Crane argued that not only do governing bodies enforce example reinvestment in agriculture or rehabilitation of mining operations but the social licence to operate that accompanies social pressure drives behaviour towards compliance. Therefore, although legislation is thus far representing a small frequency of organisational methods to identify SVIs, results and literature suggest that this will most likely increase in the future.

6.2.3 PPP Sustainability

People, Profit, and Planet all focus on sustainability for each sector and the interdependence on each other. As stated in the first theme for research question 2, business driver somewhat eluded to the sustainability aspect in identifying shared value opportunities. The last theme that emerged strongly was the combination of the PPP concept and sustainable development goals (SDG). In terms of literature, Porter et al. (2011) and Aakhus & Bzdak (2012) argue that the primary step is to identify social issues that will contribute to the corporate strategy, increase revenue, or reduce cost through systematic screening and alignment to operational functions. Porter et al. (2011) also indicates that embedding a social purpose as part of the corporate strategy is potentially the most critical. Organisations have to align operational functions to critically identify social issues that can be addressed to yield economic value to all stakeholders (Szmigin & Rutherford, 2013).

By addressing social aspects, this does not constitute only an economic outflow but rather an inflow if opportunities are identified correctly however, many organisations are unaware of these opportunities (Porter el al., 2011). Results indicate that a large frequency of organisations use local and global social issues as the identification process for SVIs. Results also indicate that some organisations actually utilise platforms to actively seek for solutions to macro questions that are aligned to the organisations operational function as also indicated in the literature. The organisations that indicated identifying SVIs through social problems coincidently also represents a large frequency of organisations that indicate that shared value is part of their corporate strategy. In terms of SDGs, literature related specifically to how organisations identify shared value opportunities are limited and mostly refers to SDGs as how the organisation operates and includes this into their strategy.

SDGs offer the opportunity for organisations to identify SVIs and to align their businesses for future sustainability. Some literature indicates that all societal and environmental problems create cost and wastages and in turn represents an opportunity to solve problems and reduce cost while driving market share and profit for all stakeholders (Wójcik, 2016; Porter & Kramer, 2011). The identification and successful subsequent steps are also underpinned but the ability to build trust to ensure sustainability (Szmigin & Rutherford, 2013). Results indicated that organisations use the SDGs as a framework for identifying opportunities. This method overlaps with social and global issues identification as firstly it forms part of their core strategy and secondly, are externally focused within a framework to increase revenue and reduce cost internally. Results also suggested that this approach is followed due to the fact that sustainability forms part of the organisational strategy constituting long term orientation of solving social/global issues to increase value for the organisation.

6.2.4 Summary of Research Question 1 Discussion

In summary, Figure 17 indicates the correlation between methods of identification used per organisation. The value, ranging from 0 – 1, indicates the strength of the relationship between the different categories. Financial opportunity identification and SDGs have the strongest correlation (0.48) and therefore indicate that most organisations that used financial opportunities as the lens of identification of SVIs were also concerned with the SDG's. Financial opportunity also had a strong correlation (0.36) to corporate strategy.

Figure 17 – RQ1: Correlation Coefficient

As indicated, financial opportunity was evident in the two strongest correlations and therefore suggests that the identification is mainly based on whether an increase in profit will be achieved for the organisation although corporate strategy was ranked highest in terms of frequency. Literature, to a large extent, suggests that SVIs are mostly identified through local and global environmental scanning within the realm of organisational competencies and operations. Literature further expands on the evaluation of these initiatives to be in line with operations and organisational strategies. Results have confirmed literature to be accurate but somewhat limiting as additional methods are also used.

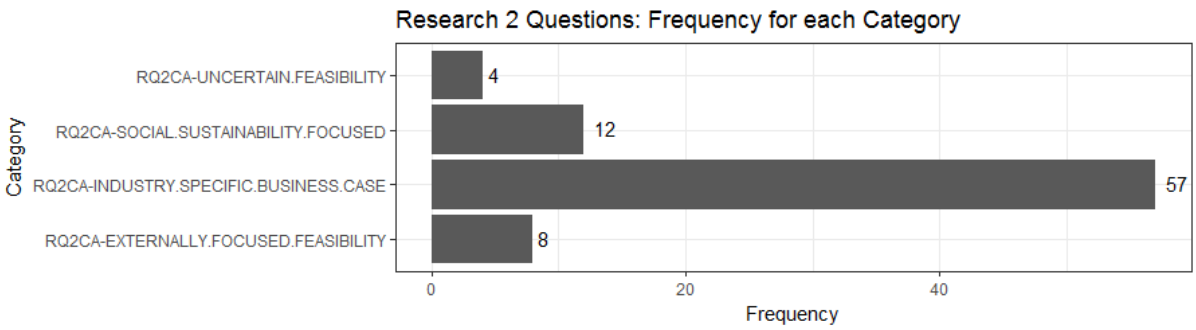
All methods to a large extent do align with literature but offers a more in-depth analysis of how organisations identify shared value opportunities. In summary, according to the results, the highest ranked methods that organisations use to identify SVIs are standard business practices as part of their corporate strategy, solving material issues, pure financial gain, aligning the organisation to SDGs, addressing social and global issues, and to capitalise on legislative requirements. Results have yielded significant insights, corresponds to literature but also extends literature with additional methods used. Most organisations use multiple methods as indicated in Figure 17 to identify shared value opportunities and most importantly are company and industry specific with the financial opportunity being the main driver. Once opportunities have been identified, feasibility is conducted and discussed next.

6.3 Research Question 2 Discussion

How does the organisation determine the feasibility of a shared value initiative?

The research question follows the identification of SVIs. Once they have been identified, through any means, the organisation generally does a feasibility study to determine the outcome. The results indicate the various ways that organisations do feasibility studies as can be seen in Table 8 below. The table indicates the categories as discussed in chapter 5.

Table 8 – Shared Value Initiative Feasibility Methods



Organisations developing industry specific business cases are to a large extent the most used with externally focused feasibility forming the theme: standard feasibility study. No other themes emerged and therefore indicates the overwhelming and uniform method of doing feasibility studies and is discussed below.

6.3.1 Standard Feasibility Study

Literature indicates that once opportunities are identified, the organisation needs to make the business case based on in-depth research by evaluating limitations and feasibility. Once this is done, the organisation needs to model a business case focusing on environmental and social improvements, costs, and value to be created (Porter et al., 2011). To a large degree, Porter's article about measurement of shared value is the full extent of literature available on feasibility studies and therefore indicates the importance of further research. Porter states that the business case should be focused on environmental and social improvements. However, results indicated the feasibility was not done in this sequence. The business case rarely focused on determining the actual social and environmental benefits after limitations and feasibility was determined but formed part of the main feasibility together with the financial return. Results indicated that the majority of organisations conducted a standard business feasibility based on two categories: industry specific focused and externally focused.

Organisations stated that industry-focused feasibility is exactly what it says, standard metrics used to determine whether the opportunity that is shared value focused will actually produce a financial return for the company and create value for either society or the environment. The only difference between this and pure business feasibility studies is the timeframe included in the business case. Results indicate that the return on investment should be calculated at least 1.5 – 2 times longer than general business cases. Results also indicated that feasibility is externally focused as organisations involve the entire value chain into the initiative and therefore should be included in the feasibility.

Additional literature also confirms this viewpoint as Novo Nordisk developed a standard business case in line with their strategy for the diabetes initiative. InterContinental Hotel Group also classified all initiatives with the highest return on investment to the organisation determined through an industry specific business case (Porter et al., 2011). Both cases however could be indicated as being a basis due to the examples taken from the same article from Porter as mentioned above. However, Aakhus & Bzdak (2012) and Schaltegger & Burritt (2018) both stated that the business cases are specific to the organisation and the context in which they operate. The results, as indicated, also concur with the above sources that feasibility is done through standard business cases specific to the industry in which they operate but do not really mention the link to social value and therefore indicates further research opportunity. A small number of organisations indicated in the results that they were unsure of how to determine the feasibility and are discussed below.

6.3.2 Uncertain Feasibility

The literature regarding organisations that specifically know how to do feasibility studies are basically non-existent. However, literature suggests that some organisations have done pilot programs due to the lack of knowledge and possibly due to no existing framework. Porter et al. (2011) state that organisations do various pilot projects to test a range of approaches. Schaltegger & Burritt (2018) and Beschorner (2013) have both alluded to, when SVIs are attempted, it was done as a result of the philanthropic character of organisations and therefore were uncertain as to how to conduct feasibility studies. However, although results indicate this to be true, the organisations were in the minority. Organisations indicated that in certain instances they did not know how to determine the potential value of the initiatives and the link to shared value.

6.3.3 Social Sustainability Focused

As is consistent with the above, limited research exists on the feasibility of SVIs and the especially the social side of shared value. Most organisations determined the feasibility in terms of return on investments to the company and if they would contribute towards society or the environment. The actual question that would determine if the initiative would be feasible for society represents a challenge. Literature expands on these challenges as stated by Porter et al. (2011) and refers to the six measurement challenges. The challenges specific to feasibility are given as:

- Determining social outcomes early in the feasibility process
- Business feasibility timelines differs from social feasibility timelines

This is consistent with results indicating that return on investment generally takes twice as long due to social value being accounted for. Pfitzer et al. (2013) also stated that the defining of social sustainability and needs has to be understood in order to best determine the business case and conduct a feasibility study. Results have to a large extent confirmed the available literature in the sense that organisations have special units that only look at how to transition from social impact to sustainability and drive up revenue which is incorporated into the feasibility. Organisations have also indicated that not only financial metrics can be used in feasibility studies but should include global applicability. In summary, literature suggests that organisations should clearly understand the social aspects and attempt to bridge the challenges and incorporate this into multifaceted feasibility studies. However, results indicate that organisations are moving in this direction but have very limited knowledge on how to fine tune their feasibility processes and are currently very much standard business feasibility orientated as little specific knowledge could be attained.

6.3.4 Summary of Research Question 2 Discussion

Based on the three categories and methods of how organisations conduct feasibility studies, Figure 18 below indicates the correlation between these methods.

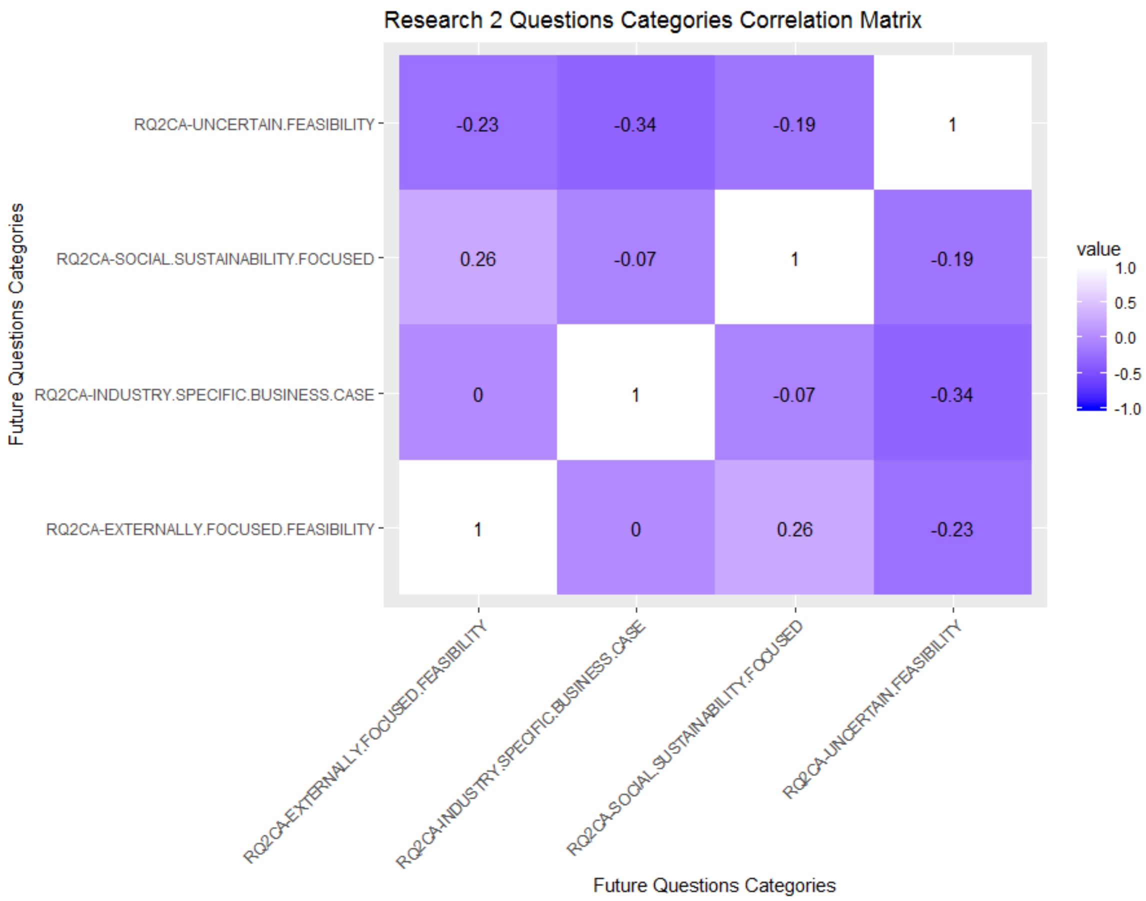


Figure 18 – RQ2: Correlation Coefficient

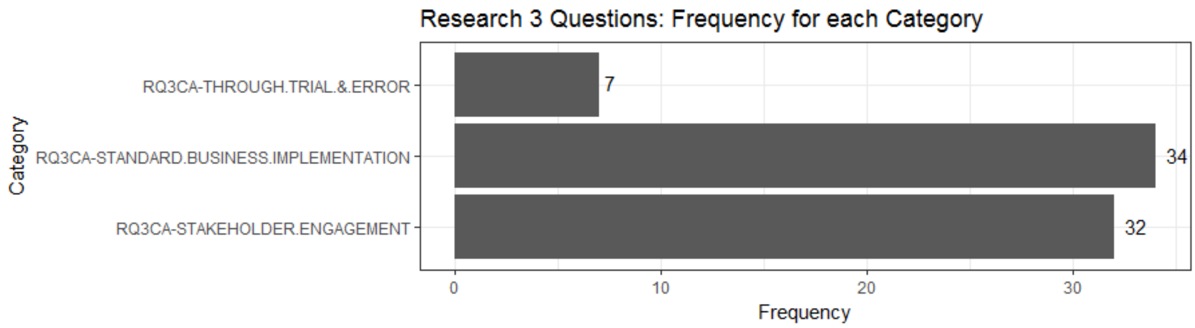
As could be expected, organisations that indicated feasibility was done by an industry specific business case had a moderately negative correlation (-0.34) to uncertainty feasibility. On the other hand, organisations that attempted to do feasibility studies based on being socially sustainable were also externally focused with a correlation of 0.26. This indicates the philanthropic character of the organisations. The large majority of organisations indicated industry specific feasibility was mainly business-orientated and thus surprisingly little correlation to external forces with a strong focus on financial return on investments while creating social value. The limited literature available does to a large extent correspond with results as indicated. Results have shown that organisations typically conduct one of four types of feasibility studies namely industry specific but general business cases, socially sustainable focused, externally focused, especially on the value chain and uncertain in how to conduct appropriate feasibility studies. In summary, the majority of organisations are very much financially driven to reduce risk and increase value and is evident in the method chosen for their feasibility study.

6.4 Research Question 3 Discussion

How does the organisation implement shared value initiatives?

The research question builds on the previous two in terms of once the initiative has been identified and feasibility determined, the next step is to implement. The question explored how organisations physically implement SVIs, what methods, frameworks, toolkits, or processes were used and are there organisational specific methods. Table 9 indicates the results as defined by three main categories namely: implementation through trial and error, standard business implementation, and intense stakeholder engagement.

Table 9 – Shared Value Initiative Implementation Methods



As is evident in Table 9, the large majority of organisations have implemented initiatives using standard business procedures and through the use of stakeholder involvement. Only one theme emerged as indicated in chapter 5, specifically general business operations. However, both the theme and the category trial-and-error are discussed.

6.4.1 General Business Operations

Literature firstly explains that the concept of shared value should influence and act as the overarching framework for organisations from the onset of identifying opportunities to the complexities of implementation (Aakhus & Bzdak, 2012). Results indicate this to be only partly true as shown in research question 1 that this statement would only be applicable if identification was done through the lens of shared value by scanning the environment in search for opportunities to solve societal issues. Results suggested that organisations search for opportunities based on solving organisational issues, financial gain, legislation, and solving social issues. This is then translated into the implementation as results specified that the large majority of organisations purely utilise their internal business operations to implement based on the specific initiative. Porter et al. (2011) argued that the business case should be used for implementation as a project plan with projections made and tracked against inputs, outputs, revenue, and costs.

This is in line with research question 2 that mentioned that the majority of organisations develop standard business cases to determine the feasibility of initiatives. This therefore linked to Porter's argument that the business case forms the basis of implementation. As Schaltegger & Burritt (2018) suggested, implementation is standard however the success is very much based on organisational skills, knowledge, and capability to implement. This is also confirmed that organisations should effectively channel resources to the project and capitalise on the core competencies for implementation (Nicholson, 2017; Dongmin et al., 2014; Joehr, 2013).

Although results specified that standard business operations are used, various companies have also indicated that their position in the organisation was very specific and that some positions were even designed for sustainability and shared value. This to an extent represents a disconnect between shared value roles with standard business operations. However, this is most likely due to the concept being relatively new in academia and even more so in the business environment. In conjunction with the future questions discussed in chapter 5, it is evident that shared value will increase in organisations and therefore the positions as mention may in terms of a bottom-down approach also alter the implementation processes. This is also in line with literature stating that in recent years, various senior executive roles have been specifically designed for socially responsibly initiatives such as shared value (McIntosh et al., 2016).

Another very important aspect that links to implementation is the involvement of stakeholders in the entire process. The cases indicated by Porter et al. (2011) clearly highlights that successful implementation can rarely be done without stakeholder engagement. In terms of involvement, Novo Nordisk, partnered with physicians to improve the diagnosis of diabetes, Intel involved national governments and educators to develop solutions and Coca Cola engaged with a variety of stakeholders in their "Collectivo Initiative". Thus, literature and results mainly indicate that implementation is done through standard business operations based on the business case that was made. Success is very much dependent on the utilising of organisational competencies, skills, capabilities, and significant involvement from all stakeholders. Even though literature and results aligned, few organisations have implemented through trial and error as discussed below.

6.4.2 Trial and Error

Firstly, implementing initiatives is not company specific or indicative of a lack of skills and knowledge but rather the experience of the organisation in shared value operations. Results indicated that most large MNCs had many trial-and-error initiatives being implemented before experience gained the upper hand. Results correspond with literature that indicates that the concept of shared value increased in research and experience by a variety of organisations that attempted to implement it (Aakhus & Bzdak, 2012). It is important to note that trial and error in this case also refers to the organisations implementing based on their perceived best practice due to no shared value framework in existence. Organisations also tested their economic modelling by piloting the implementation in order to figure out the correct way. Even though companies did pilot tests, they linked it to the organisations operating model in most instances. As mentioned, trial and error to a large extent is due to informants indicating that no guidance on a shared value framework is available and is also consistent with literature highlighting the lack of a general accepted and understood framework (McIntosh et al., 2016).

6.4.3 Summary of Research Question 3 Discussion

The three main categories translated into methods of implementation were standard business implementation, stakeholder engagement, and through trial and error. This is discussed in relation to the limited literature available. Figure 19 illustrates the correlation between the categories in the sense that, if one method was preferred, was there any relation to another method for the organisation. As shown below, it is evident that organisations that mentioned that implementation was done through trial and error did not have any correlation with either stakeholder engagement or standard business implementation with a negative value of -0.29 and -0.2 respectively. Standard business implementation and stakeholder engagement had a positive correlation of 0.35 and therefore confirms the theme that emerged as standard business operations and highlights the importance of stakeholder engagement.

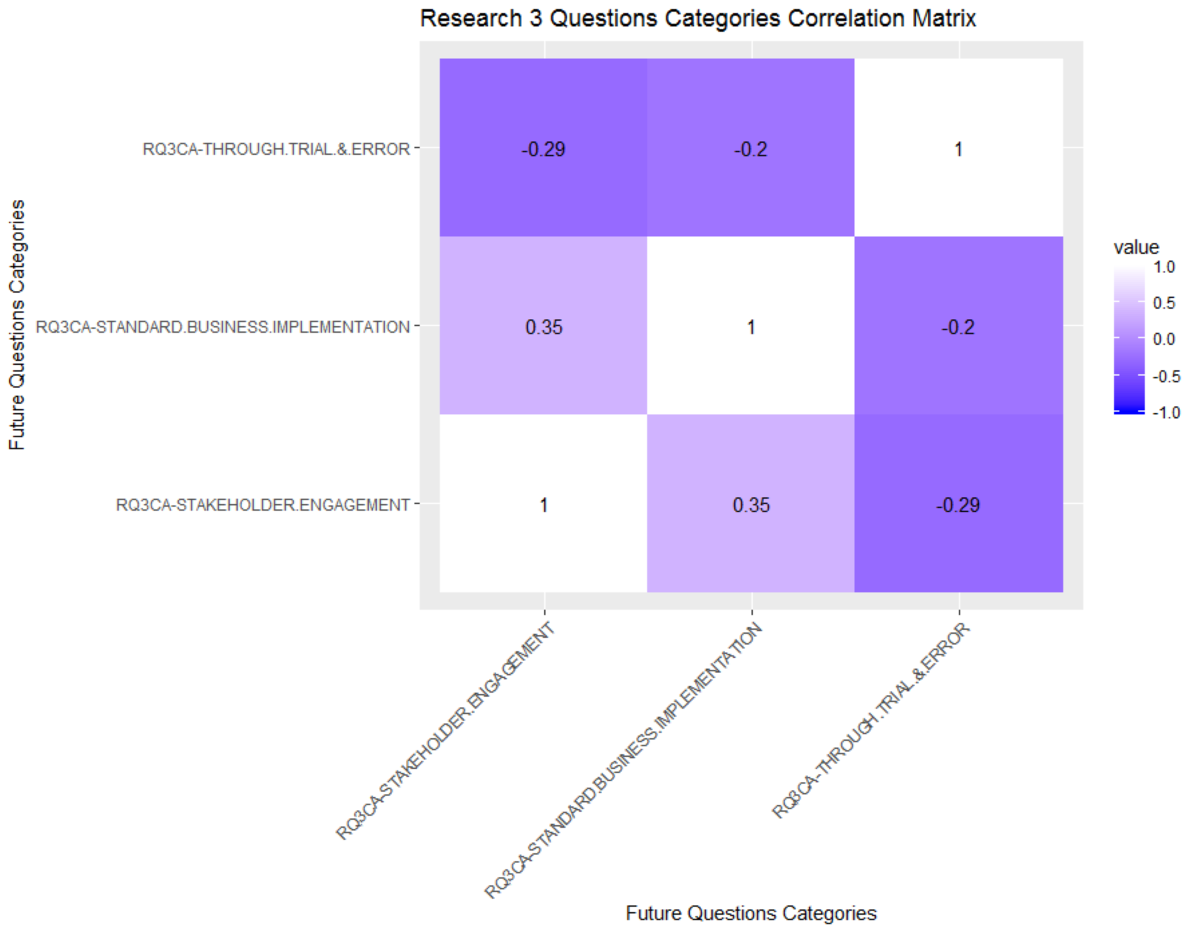


Figure 19 – RQ3: Correlation Coefficient

In summary, literature mentioned that implementation is best suited by utilising the business case that was developed as indicated in research question 2, specific to the industry and initiative. The actual implementation should follow the business case while capitalising on the firm's core competencies, skills, knowledge, and experience with projections made prior and measured throughout as to be discussed in the next question. Results confirmed the literature to a large extent in terms of implementation. Implementation is done based on the organisations internal implementation method that utilised standard business operations through stakeholder engagement and standard implementation processes. A small number of companies were mentioned in the results and highlighted that the organisation utilised the method of trial and error due to a lack of an acceptable shared value framework and understanding. This represents a critical aspect of the current limitation of shared value and corresponds with literature.

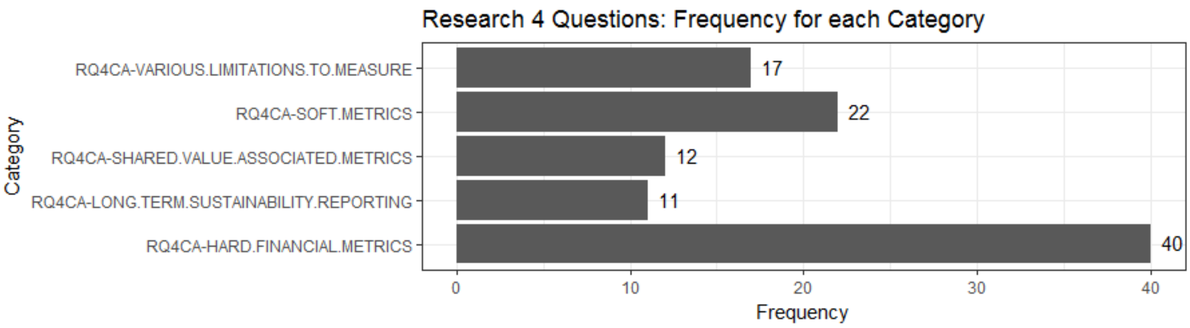
6.5 Research Question 4 Discussion

How does the organisation measure the success or failure of shared value initiatives and what measurement criteria are used?

The research question explored one of the most critiqued aspects of shared value, what to measure and the actual measurement criteria associated with the success. The results are therefore an amalgamation of both the measurements and criteria used by organisations. The aim was to identify when measurement is firstly introduced, what criteria or metrics were used, and how this is translated back to the organisation. This questions as with all above follow on each other with identification done, feasibility determined, implemented and subsequently measurement.

Table 10 indicates an overview of the main categories from informants. The large majority of organisations specified that they make use of hard financial metrics to measure the success of SVIs. Subsequently, the second most noted category indicated as expected the softer side of shared value in terms of soft metrics but was however very much internally focused. Limitations to measurement critically highlighted the lack of a specific shared value framework and criteria also indicated in the discussion of research question 3. The only theme that emerged was industry specific shared value metrics, however the category hard metrics and limitations to measurement were also prominent and discussed below.

Table 10 – Shared Value Initiative Measurement Criteria



6.5.1 Hard Metrics

Literature specifies that the main tension in terms of measurement is between economic and social objectives (McIntosh et al., 2016; Crane et al., 2014). Porter on the other hand argues that both objectives are not mutually exclusive and therefore received the attention of various international MNCs, was incorporated into the official EU strategy, and the paper being awarded the best *Harvard Business Review* article from McKinsey (Nicholson, 2017). Results firstly indicated that business and social objectives are not mutually exclusive and can align. An example would be SC, where the SVI created benefit in terms of revenue for the organisation but also found that $2 million was put back into the healthcare system and measured through hard metrics. However, the amount of actual literature available for the specific measurement criteria to be used for SVIs are very limited. Available literature therefore suggests that organisations should use proxy indicators to track business results and, while measurements are being done, concurrently seek for unlocking of additional value (Porter et al., 2011). Literature also suggests that organisations should not only measure return on investment but also attempt to validate the link between business and social objectives and determine the effect on each other (Porter et al., 2011).

Results have indicated that organisations use a variety of hard metrics such as financial return on investment, production off-take, exercising days, and water reduction translating to environmental and economic value to name but a few. What became very apparent in the results was the fact that the metrics should be determined prior to implementation based on proper baseline studies. The baseline studies will inform the organisation of what metrics would be most suiting. It is also imperative according to the results that organisations do pilot studies to understand the socio-economic link and success being measured regularly to determine the impact and success. It was also evident that the more projects organisations have done, the more specific the measurement metrics became as experience started to count a significant amount in determining success. However, although literature and results correspond to a large extent on hard metrics being used, both indicated that more streamlined and appropriate metric development are still in its infancy stages. In an attempt to bridge the gap, organisations have developed industry specific or organisational specific metrics as discussed below.

6.5.2 Industry Specific Metrics

No universal system for measuring shared value as mentioned exists, especially with regards to the link between socio-economic value (Pfitzer et al., 2013). Results specified that the amalgamation of different metrics used by organisations indicated this to be true, and no single method was used by any company. Industries also differ significantly as is evident though results and literature. Literature suggests that measurement should include aggregated results selected for social outcomes (Porter et al., 2011). Results confirms this in terms of organisations that indicated that data is consolidated for sustainability reporting specifically for social outcomes such as lives touched, jobs created, and so forth. Some of these are more difficult to measure and the value created is further down the value chain. Szmigin &

Rutherford (2013) argues that the total value created can be broken down into different forms in relation to the various stakeholders involved and should focus on the synergies between social and economic goals. Therefore, it is evident that measurement should also be done in relation to how close or far down the value chain it was created. Results did not specifically allude to value being dissected as literature suggested but rather measuring the value created in the whole ecosystem.

Results specified that the metrics used during the feasibility for the specific industry should be used for measurement throughout the projects. Many organisations have utilised a combination of already existing reporting frameworks such as the UN global compact reporting, sustainability reporting, and integrated reporting but were tailored to the specific industry and are also consistent with literature (Corazza et al., 2017; Porter et al., 2011). However, the difference is that current organisations have taken the measurement further with literature mentioning only a few examples of how this is to be attempted. Results specified three main categories as indicated in chapter 5 and represents measurement done through long term sustainability reporting, purely soft metrics, and the combination of both contributed to shared value associated metrics. However, all mentioned metrics differ significantly from organisation to organisation and between industries.

Similar cases evaluated by Porter in an attempt to identify metrics yielded similar results but very limited in literature. Intel measured their initiatives on the basis of educational needs such as children performance tracking, classroom usage, improved technology, increased sales and market share. InterContinental Hotel Group on the other hand measured the energy reduction, decrease in operational costs and the reduction of CO_2 emissions on the environment (Porter et al., 2011). It is evident that the soft and hard metrics are aligned in an attempt to measure the full value chain of the initiative based on the specific company and industry.

Results specified that organisations although measuring numerous different aspects across different business functions and industries are still in the elementary phases. The combining of various methods represents an attempt to develop shared value metrics in the form of enterprise specific metrics. Some of these metrics as mentioned include organisational return on investment, lives touched, jobs created, multiple variables over time period, soft skill development, emotional benefits, improved customer experience, and environmental footprint to name but a few. The combination between soft and hard metrics specific to the industry is evident in an attempt to bridge the gap between social, environmental or economic impacts and objectives. Although organisations have done tremendously well in further refining the metrics used, much limitations are still evident and discussed below.

6.5.3 Various Measurement Limitations

The limitations to a large extent indicate the actual current situation of measurement and metrics used for shared value. Although for the above mentioned categories, various metrics were used throughout the value chain and in different international reports, results clearly indicated the limitations. This statement is not to limit the success organisations already achieved but indicates the extent to which criteria is yet to be identified and fine-tuned especially with regards to the link between social and economic value being created. Literature indicates that a coherent understanding of shared value is not yet achieved as specified in companies reports and therefore measurement criteria would similarly be different (Corazza et al., 2017).

Apart from the definition of the concept, arguments in the literature are still underway in terms of whether shared value actually has a positive link between social, environmental, and economic activities (Schaltegger & Burritt, 2018; Aakhus & Bzdak, 2012). Results are consistent with this statement in the sense that organisations have specified that certain aspects of the initiative can be linked to social impacts but very little is actually quantifiable. Organisations mentioned that social impact is not integrated into the business and mentioned the framework development to be very difficult. Various aspects in the social impact sphere is currently viewed as intangible due to the lack of quantification. Once quantification of these impacts are possible, it may be evaluated tangibly and incorporated into general reporting standards.

Concurrent with this, organisations indicated that social impacts are also grouped as non-financial metrics in certain cases again due to the lack of quantification and the tangible impact on the bottom line. In an attempt to overcome this issue, organisations have indicated that integrated reporting is most suited, but results are “massaged” to make sense because of the lack of specific metrics and understanding. In addition to this, the understanding of the environment, the impacts on business and society and the nexus between them is very hard to determine.

This is intensified due to limited guidance provided such as a complete shared value framework and subsequently organisation indicated to be in the process of testing, piloting and generally evaluating shared value measurements and metrics. This also highlights the limitation of managerial skills associated with measuring shared value due to a lack of guidance in literature and an acceptable framework that might bridge the gap. Porter et al. (2011) also stated that current measuring systems are not adequate for shared value and, as an added challenge, companies are reluctant to include yet another measuring system. Porter's pragmatic approach to develop the six measurement challenges has not been mentioned once in the results, although some aspects have been used, whether taken from the challenges or developed internally is not known. Porter made the statement in 2011, however results indicated this still to be the case. The difficulty is intensified due to the extended timeframe on returns from SVIs. Due to shared value being measured over a longer timeframe to realise results, and with the concept only being in existence since 2011, limited time has been available to track progress, determine metrics, and evaluate the link between economic and social objectives.

Apart from this, it was agreed that the validity and accuracy is yet to be achieved and widely accepted. Crane et al. (2014), Szmigin & Rutherford (2013), and Aakhus & Bzdak (2012) all agreed that the Achilles heel of shared value is the lack of an acceptable and validated operationalised framework and measurement criteria. Especially the link to social value being created and with reference to the sustainability practices is still very much limited in terms of research done (Corazza et al., 2017; Porter et al., 2011). Literature and results both agree that although some metrics have been used successful to determine certain aspects, shared value appropriate metrics focusing on the interrelationship between both social and economic value is still in the early stages. Pfitzer et al. (2013) therefore summarises this as no accepted common measuring system for shared value in relation to the economic and social nexus exists.

6.5.4 Summary of Research Question 4 Discussion

As was discussed, the measurement of SVIs is still very much debated with little consensus between metric used between organisations. Companies have not only made use of one method but multiple and are very industry specific with a limited number of standard metrics. Figure 20 represents the correlation between categories (methods) identified through the results. In most instances, only one or two categories had strong correlation to each other. However, in contrast, soft metrics had a positive correlation to all other categories.

This indicated that the inclusion of soft metrics by organisations are very prominent and thus highlights the link between social and economic metrics. The strongest correlation (0.42) was between soft metrics and sustainability reporting, whereby sustainability reporting was very much based on long-term return on investment for the organisation, society, and the environment and eludes to the link of economic and social value creation.

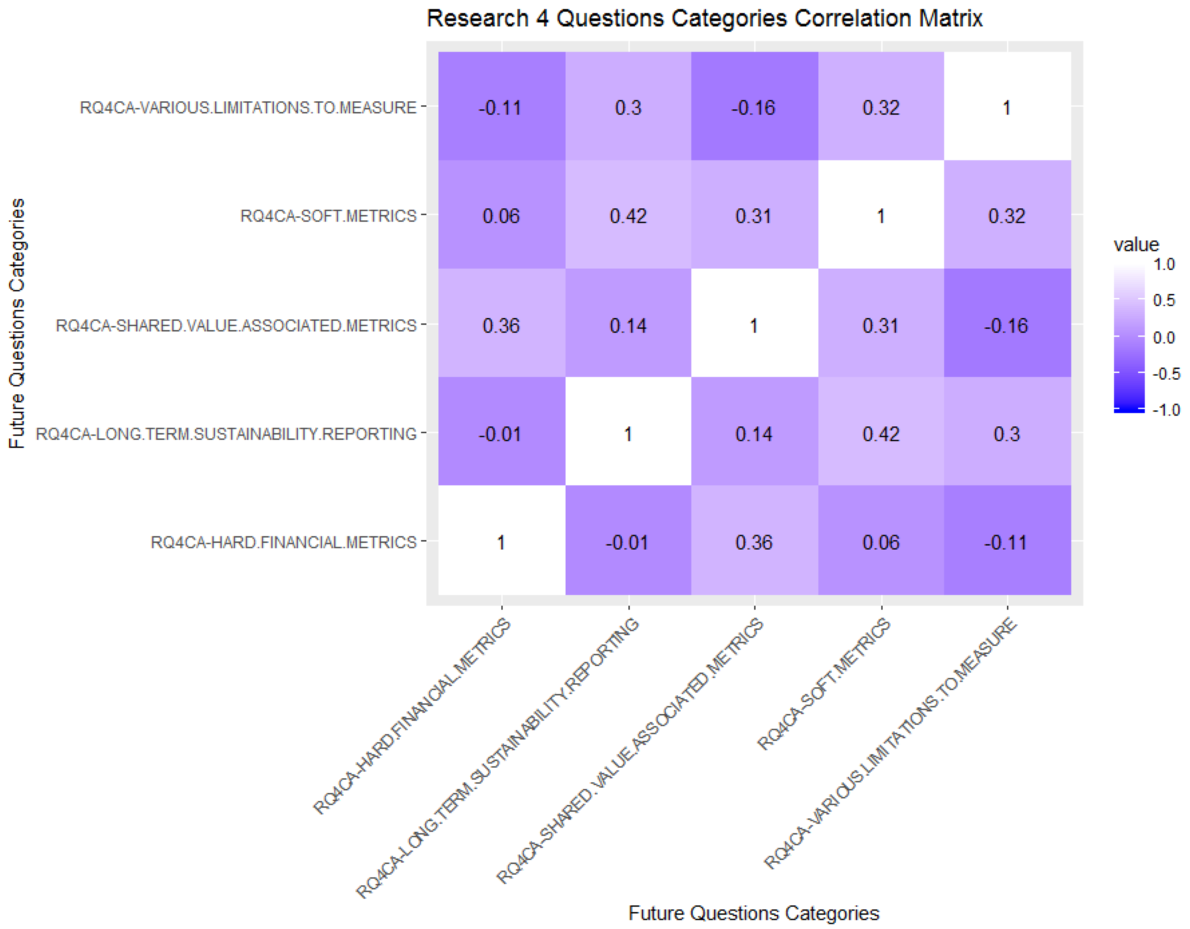


Figure 20 – RQ4: Correlation Coefficient

The second strongest correlation (0.36) was between hard metrics and shared value associated metrics indicating that shared value metrics are not only focused on solving social issues as per literature but are very much based on financial returns to the organisation. This therefore indicates that shared value is a strategic business driver to a large degree. Closely related to hard metrics as mentioned above, were soft metrics with a correlation of 0.31 to shared value associated metrics. This indicated that shared value associated metrics also strongly included soft metrics in determining the success of the initiatives. In summary, it is therefore evident as indicated above that organisations with the experience attempted to develop their own shared value metrics.

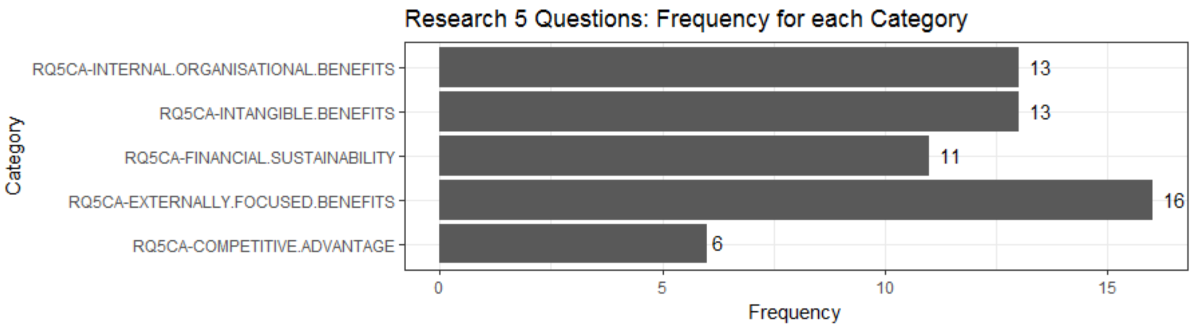
This according to the correlations include both hard (0.36) and soft metrics (0.31) and therefore suggests that companies are moving towards linking social and economic objectives. Therefore, it would seem that developing measurement metrics will not be achieved by academia but by organisations through trial and error and through experience. Academia will therefore be able to leverage the insights of multiple organisations and amalgamate metrics whereby further research can be done. The most effective method will be for business and academia to cross-pollinate in order to develop, integrate, or refine shared value metrics. The knowledge gained through business and academia contributed towards the framework discussed in the next chapter.

6.6 Research Question 5 Discussion

Has shared value initiatives increased success within the organisation in any form and what does the organisation view as success?

The last research question follows on the previous four questions and explored the main aspect regarding shared value as contested in the literature in terms of whether shared value satisfies the claim in increasing success for the organisation by solving societal issues. The question mainly explored the different types of successes as per organisations which is not mentioned in the literature regarding shared value as a concept. As indicated in chapter 5, all 19 organisations indicated that shared value has indeed increased the success both internally and externally with the different types of successes and benefits being realised and indicated in Table 11 below.

Table 11 – Shared Value Associated Success



Externally focused benefits being translated to internal organisational success was the most prominent success factor as indicated below. The remainder categories excluding financial sustainability emerged from the data to form the only theme namely intangible organisational success. Competitive advantage surprisingly, and in contrast to literature, was ranked the lowest from all success factors. Financial sustainability also ranked relatively low and was not part of the theme that emerged and discussed below.

6.6.1 Financial Sustainability

In terms of financial sustainability, results indicated that the largest aspect of success for the organisation was long-term financial return. Literature to a large extent indicated the same. Corazza et al. (2017) and Crane et al. (2014) however critiqued shared value and indicated that for organisations to increase sustainability and financial value, shared value must be comprehensively articulated with the focus being on financial and market performance. Results specified that this was being done with the success of shared value having applicability across all business units and resulted in unexpected cross-selling therefore increasing the financial sustainability. This refers to the viability of business problems being turned into organisational profits. Schaltegger and Burritt (2018) argued the same and indicated that certain activities that are grouped together can contribute towards organisational economic success with Nakayama (2016) confirming that responsible sustainability and performance management will increase sales, decrease costs, and stimulate incremental innovation thereby achieving economic value.

Porter et al. (2011) furthermore indicated that shared value or sustainability is not implemented due to some form of compliance but a business decision to increase financial performance. All mentioned literature argues that the shared value increases success in terms of financial value to the organisation. Results specified a variety of success factors that ultimately lead to financial gain for the organisation. The variety of success factors included the upskilling of beneficiaries to contribute commercially, increased production translated to increase sales, cross-selling of different products and the increase of shareholder value. Additional cases in literature indicated that Nestlé increased revenue and addressed a social issue while focusing on by-products similar to DOCEO with its cross-selling, Pepsi Co' improved product outputs, reduced costs, and contributed to water and energy savings and Novo Nordisk improved patient life years while increasing market share from 40 – 63 percent.

However, Dembek et al. (2015) as cited in Wójcik (2016) and even Porter & Kramer (2011) mentioned that the operationalising of the concept with the needed skills and knowledge to achieve maximum profits has not yet been achieved. Although literature indicates this has not yet been achieved, results specified that interim success was achieved and will increase throughout the concept life cycle and experienced gained by organisations as mention in the discussion of measurement of shared value. In summary, both literature and results are consistent in the sense that shared value does create financial value for the organisation in relation to sustainability but are limited to the full value that may be achieved and limited towards the measurement as indicated in the previous question. However, not only tangible financial value represent success but also intangible organisational success as discussed below.

6.6.2 Intangible Organisational Success

The four categories are grouped into two main sections namely external (social value creation) and internal (competitive advantage and organisational value). The success from SVIs as indicated by results came in various forms and are categorised by external benefits, intangible benefits, competitive advantage, and internal organisational benefits. Porter et al. (2011) argues that because of the success in terms of profit and competitive advantage through shared value, organisations have the power to assist in solving global issues. Although literature and results indicate this to be possible, the link to social and business activities are still relatively unproven. Results however have detailed external benefits to be social return on investment with a strong mutual benefit that arose. Externally focused benefits to a large extent refers to benefits for both society and the environment with some mentions between the link such as the cash back premiums through the altering of behaviour that decreased cost for DOCEO while increasing value for the customer. Another example from GSK indicated that the reduction from 15 days to a single pill treatment contributed value to patients and in turn increased revenue.

However, the majority of results did not link the direct external social benefits to return on investment and therefore to a large extent remains a challenge whereby social benefits seemed to be philanthropic in nature or as a result of the initiative. This is largely due to the limitation of measurement as indicated throughout the study. (Szmigin & Rutherford, 2013; Aakhus & Bzdak, 2012; Porter et al., 2011). Apart from the external benefits, literature indicates that the success of shared value can also be attributed to competitive advantage. It has been argued that a major aspect of shared value for ordinary organisations through their vested interest can provide them with significant competitive advantage (Corazza et al., 2017; Nicholson, 2017; Vaara & Durand, 2012).

Although this makes logical sense when all benefits are being evaluated, results were not convincing in this regard. A very small number of companies indicated that the success has translated into competitive advantage at all and mostly focused on the business success that could be measured. This might be due to measurement still being in infancy, organisations are still trying to quantify the internal and external link before advancing to competitive advantage claims. The large majority of organisations indicated a plethora of intangible benefits that contributed to the success of shared value. Literature has also indicated similar benefits through the evaluation of other organisations and do align to results.

McIntosh et al. (2016) indicated that Coca Cola mentioned internal and external benefits such as youth self-esteem, increase in sales, and brand connection with Porter et al. (2011) having studied the same company indicated increases in retailer performance, sales, and brand equity. Results confirmed the above benefits but elaborated more in terms of intangible benefits as the financial success was discussed above. Companies strongly mentioned that the success of shared value is brand equity, a loyal customer base, increased employee engagement, internal and external emotional benefits, collaboration, and trust amongst their stakeholders which all translated to significant integrated organisational benefits. Both literature and results do align to some extent, however, results have provided more in-depth knowledge than literature and therefore expanded the body of knowledge.

6.6.3 Summary of Research Question 5 Discussion

The success of shared value as indicated by both literature and results are invaluable and further contributes towards the debate of shared value and the value attributed to society and the organisation itself. Results have indicated clearly that shared value do contribute significantly to the organisation and society/environment and that success is perceived in a multitude of different ways. The different success factors are indicated below with the correlation between them being illustrated. Based on the correlations in Figure 21, three significant correlations were identified through the results.

The first and strongest correlation (0.51) was between financial sustainability and externally focused benefits. This is significant in the sense that a strong positive relationship exists between organisational economic value and social value being realised.

The second strongest correlation (0.42) was again between financial sustainability and competitive advantage. Although competitive advantage did not feature much in the results as a stand-alone category, from the organisations that indicated it to be a success factor it was strongly related to financial benefits. This also indicates that organisations involved in SVIs has the intention of gaining economic value and a competitive advantage by solving societal issues.

The third most noteworthy correlation was internal organisational benefits that indicated a positive correlation to all success factors in the sense that sums up shared value in totality. The benefits of shared value is according to results either internal, intangible, financial, external, or through competitive advantage. Shared value as a concept argues that organisations can solve global (external) issues while increasing value (internal and external). This together with the previous two strongest correlations indicates this to be accurate and possible. The strongest two correlations relative to internal organisational benefits was again financial sustainability (0.36) and intangible benefits (0.36) with importantly the least representing externally focused (0.05). It is important because this means that shared value is a strategic business driver due to externally focused benefit having the weakest correlation, indicating that organisations are focused on doing business through solving societal or environmental issues and not aimed at only contributing externally such as other concepts. The amalgamation of results and correlations indicated above are consistent with the concept of shared value.

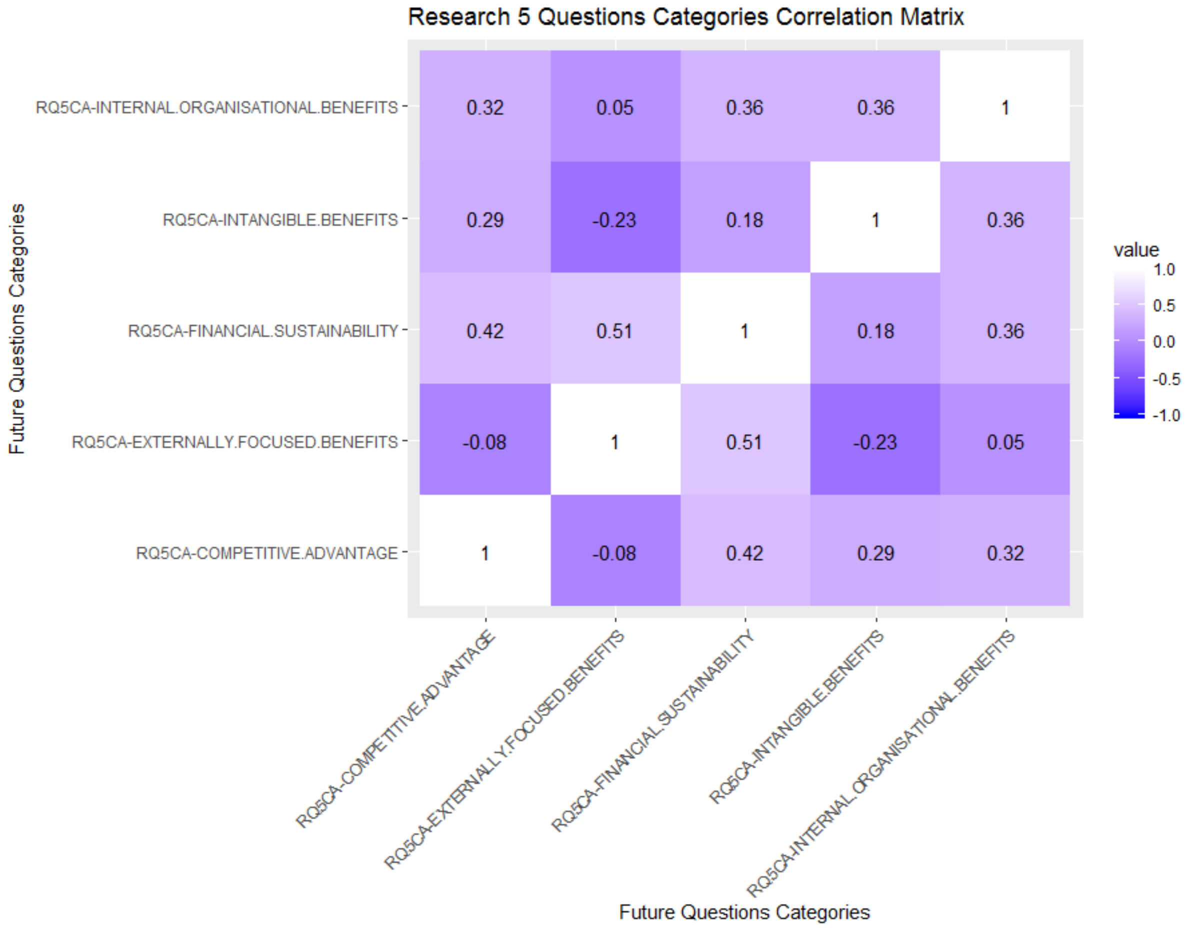


Figure 21 – RQ5: Correlation Coefficient

Therefore, in summary, results and literature did to a large extent correspond with each other, however the additional insight therefore expands on literature. All organisations have specified that shared value has increased success in their organisations, even though this was trial and error, with benefits both internally and externally being eventually realised. The statement made by Crane et al. (2014) that only success stories were chosen to enforce shared value as a concept might no longer be valid as in this study, all companies chosen were based on purposeful and snowball techniques without prior knowledge of success or failure. The second statement made by Crane et al. (2014) in stating that these companies were affiliated with FSG or Harvard Business School are also no longer valid due to the companies chosen had no affiliations to the researcher. Critical also to this is the fact that results indicated that success was not achieved in the first attempt but aligns itself with business practices in general in terms of success. The success or failure of SVIs in general does not validate or invalidate the concept, but rather the specifics in terms of value created for all stakeholders while increasing organisational value and addressing societal issues.

It is important to note that specific success factors differ from organisation to organisation and are industry specific. As Porter et al. (2011) mentioned, shared value is similar to business strategies, it is unique and must be tailored to the individual company. However, the majority of internal benefits are uniform with financial value to the organisation being standard and very important. The strong correlation as indicated above indicate that shared value is indeed a strategic business decision that creates not only value for the organisation and shareholders but for all stakeholders by addressing social issues. This ultimately indicates a positive link between social and economic activities and highlights the importance to further research and quantification.

7. CONCLUSION AND RECOMMENDATIONS

Large and powerful corporations have contributed much to the current state of deterioration of the social and ecological environments (Corazza et al., 2017; McIntosh et al., 2016; Vaara & Durand, 2012). Organisations have increasingly focused on short-term profits to the detriment of society and the environment to a large extent (McIntosh et al., 2016; Porter & Kramer, 2011). The nexus therefore is the apparent different objectives of business, society, and the environment of which scholars say are mutually exclusive (Crane et al., 2014; McIntosh et al., 2016). Academia and business practitioners have attempted to bridge this gap though various frameworks and theories, of which vary few have been successful (Nicholson, 2017; McIntosh et al., 2016).

The common thread was highlighted to address the different objectives for all stakeholders. Due to the unsuccessful attempts to fulfil these objectives, another amalgamated concept was created namely Shared Value. Shared value argued that societal and business objectives are not mutually exclusive and through addressing global issues, organisations can generate greater value for all stakeholders (Porter & Kramer, 2011). The concept, however much attention it received worldwide, also attracted a lot of criticism and critique. One of the most prominent critiqued points was highlighted by both the business and academic world as no validated and widely accepted framework exists especially when measuring the link between business and social objectives (Crane et al., 2014; Szmigin & Rutherford, 2013; Aakhus & Bzdak, 2012; Porter and Kramer, 2011).

Therefore, if shared value is to be accepted and utilised in the manner intended, it is critical to provide executives and organisations a framework and guidance to make real change (McIntosh et al., 2016). An elementary framework was however developed by Porter and Kramer (2011) with Pfitzer et al. (2013) which built and expanded upon the framework but unfortunately was very similar and does not offer much additional value in terms operationalising shared value. As a result of this, the study explored the full spectrum of shared value in organisations. The exploration was broken down sequentially with regards to the identification and evaluation, determination of feasibility, actual implementation, measurement, and associated success or failure of SVIs. Throughout the analysis of organisations, each question was critically evaluated in relation to the process as a whole and cross-examined against available literature. The principle findings are condensed and discussed below.

7.1 Principle Findings

As discussed in chapter 5, 19 interviews were conducted with a variety of small to very large and powerful multinational organisations. The structure focused on general organisational questions to determine how organisations view shared value as a concept and investigated why organisations are involved in shared value. Five specific research questions were explored with regards to the process of shared value in organisations from identification to the measuring success or failure and future-orientated questions to contribute towards recommendations. The principle findings per question are discussed below.

7.1.1 General Questions

Corazza et al. (2017) argued that there is a lack of a coherent understanding of what shared value really is due to various definitions. Although it is true that various definitions exist, from the results it is clear that organisations involved in shared value are in agreement about the concept and it has therefore reached coherence as indicated in Table 5. The main aspects that were communicated by all informants was that shared value is a strategic financial decision that leverages business activities to generate economic value for themselves and their stakeholders while at the same time adding value to society and the sustainability of the entire business and societal ecosystem. The reasons organisations were involved in shared value was due to it being seen as a strategic financial decision focused on future organisational sustainability.

7.1.2 Research Questions

The exploratory study successfully contributed towards the multifaceted research problem of shared value claiming to create economic value for the organisation while addressing societal issues and enhancing the current framework available in terms of the chronological process from implementation to measurement of initiatives. (Crane et al., 2014; Szmigin & Rutherford, 2013; Aakhus & Bzdak, 2012; Porter and Kramer, 2011). These aims were addressed and results contributed to the body of knowledge while developing a framework and measurement criteria available for organisations to utilise in their SVIs. The key findings can be summarised in terms of the identification, feasibility, implementation, measurement, and associated success of SVIs.

Shared Value Initiative Identification Methods

SVIs were identified through a multitude of different methods and were company specific. Porter et al. (2011) indicated that identification is mostly done through organisations evaluating social demands in relation to their products and services. Literature in general indicated that identification is based on solving specific societal needs and represent outwardly focused organisations. The majority of organisations were inwardly focused in their approach to identify opportunities. The three major methods of identification were business driver, legislation, or sustainability.

Organisations identifying opportunities through the lens of a business driver were categorised through their corporate strategy, financial gain, and solving organisational material issues. All these methods were inwardly focused as a business decision and represented how shared value could improve their businesses while adding value to society. Legislation such as corporate governance, affirmative action, and societal pressure were used as a push factor by organisations to identify opportunities. However, the methods were still used to add value to the organisation regardless of whether they were forced to do so. The last method represented organisations focused on financial sustainability of the organisations together with addressing and adhering to the SDGs. These organisations were outwardly focused and utilised the addressing of social issues to generate value for all stakeholders. This method represents Porter's method of identification through societal issues.

No one method is correct with the end goal being the same. The method is also determined by the culture of the organisations and whether shared value is embedded into the strategy. Organisations new to this business method will utilise either business driver or legislation as an approach. The single method as per literature therefore is limiting and this study therefore contributes towards the expansion of literature.

Shared Value Initiative Feasibility Methods

The feasibility of initiatives as with the identification varies between industries and organisations. Literature based on feasibility is very much standard in the sense that a business case needs to be developed (Porter el al., 2011). These business cases as indicated are specific to the organisation and the context in which they operate (Schaltegger & Burritt, 2018; Aakhus & Bzdak, 2012). Three main different methods determining feasibility were standard business case feasibility, social sustainability, and uncertainty sustainability (pilot tests).

The largest number of organisations conducted normal business cases to determine the feasibility using standard metrics attempting to determine business and social value. However, an accurate social return link, especially in the feasibility stages for standard business cases were missing but more prominent in the social sustainability method. Social sustainability feasibility represented the method whereby a large portion was focused on what the external value add would be and not only the internal return on investment. The timeframes were 1.5 to 2 times longer to accommodate social return on investment. More matured shared value orientated organisations utilised this method with increased focus on the social aspects but were still very much limited in determining a direct social link. Much of the social value added was determined after implementation and not during feasibility.

This also contributes to the last category that indicated organisations were uncertain in how to determine feasibility and the initiatives were as a result of their philanthropic character. Baseline studies were done, and the initiatives represented pilot projects to determine the success or failure and value created both internally and externally. These organisations also, after implementation, only attempted to measure the return on investment and social value created after implementation.

Shared Value Initiative Implementation Methods

Literature suggest that shared value should form the overarching framework from the identification through to feasibility and implementation (Aakhus & Bzdak, 2012). Although this is true, it is only applicable for organisations that identify SVIs based on social issues. However, the majority of organisations do not form part of this group and therefore gravitate more towards the implementation method of Porter et al. (2011) that specifies implementation should be done as a project plan with projections made and measured against inputs, outputs, cost, and revenue. Consistent with above, the main categories of implementation are very much related to the above feasibility methods, being standard business operations, and through trial and error.

The majority of organisations indicated that implementation is done based on their specific business operations focusing on standard implementation and stakeholder engagement. Stakeholder engagement was represented as critical and no SVI can successfully be done without the buy-in from all stakeholders and getting them involved from the implementation process. Less mature organisations have indicated that implementation is done as best as possible through trial and error and experience built from previous initiatives. This was indicated as no proper framework to guide executives successfully exists (McIntosh et al., 2016).

Shared Value Initiative Measurement Criteria

The measurement criteria are directly linked to what the organisation viewed as success and therefore increases the difficulty in developing standard criteria for SVIs. The main critique is the same as determining the feasibility in terms of the link between economic value and social value (McIntosh et al., 2016; Crane et al., 2014). Organisations measured success in terms of three distinct categories which do overlap and are not mutually exclusive. The three main categories of criteria were: hard metrics, attempted industry specific shared value metrics, and limitations to measurement. The majority of organisations utilised hard metrics to determine the success of failure of SVIs. Hard metrics represented return on investment, various other financial profitability metrics, specific metrics set out against pre-set goals, and industry specific measurements such as production increase and so forth.

The second largest group of organisations refined hard metrics in an attempt to develop shared value metrics that is specific to their industry. This was done due to the lack of available metrics that indicate the link between social and economic value (Pfitzer et al., 2013; Porter et al., 2011). The attempted shared value metrics were underwritten by purely soft metrics, long term sustainability reporting, and shared value associated metrics. Various reports such as the UN global compact reporting, integrated reporting, SDGs and the combination of these were used to develop organisation and industry specific shared value metrics. Consistency by organisations indicated that the amalgamation of these metrics offered the most success in measuring initiatives.

However, various limitations existed reverting back to literature in the sense that to develop metrics that link social and economic value represented a significant challenge. The differences in organisations and industries contributed to the challenge. Organisations indicated they are still in the early stages of fine tuning the metrics although some success have been achieved.

Shared Value Associated Success

The success of shared value as indicated throughout the entire study was largely debated amongst other aspects. Corazza et al. (2017) and Crane et al. (2014) argued that for organisations to be successful through shared value it has to be comprehensively articulated and the socio-economic link proved. Porter et al. (2011) argued that shared value increases the success of organisations by focusing on societal issues but the link is still in its infancy. The study has concluded and it was evident that all organisations indicated that SVIs increased success within the organisation based on different perceptions of success. The different types of success were categorised as standard success factors and intangible organisational success. Success factors were not only organisational or industry specific but also initiative specific.

Standard success factors represented financial sustainability in terms of financial return on investment, value chain sustainability, and long-term financial sustainability. Intangible organisational success was associated with competitive advantage, cluster development, increased business opportunity, brand equity, social return on investment, and internal benefit such as employee engagement. Shared value therefore does contribute towards the organisation and society in terms of the perceived success based on the particular initiative. A significant finding was the three strong positive correlations between financial sustainability and externally focused benefits, financially sustainability and competitive advantage and internal organisational benefits correlating to all concepts that attributed towards shared value as a concept. Shared value as a concept argues that by solving societal issues which represent external issues, the organisation can increase value both internal and externally simultaneously. This, in summary, indicates that shared value is a strategic business driver that is focused on creating internal (tangible and intangible) value through solving external issues in the direct sphere of organisational competencies and influence.

7.1.3 Future Orientated Questions

Future orientated questions aimed to investigate the concept of shared value and the organisational plans in the future. The main theme indicated that the future of shared value is the evolution of the concept to include total value and will increasingly become a needed strategic decision for businesses to stay competitive and sustainable. In terms of future tactics, the main aspects that emerged were the alignment of shared value with the SDGs and the strategic redefining of organisations to operate sustainably and competitively in the future. In summary, shared value will become an ever-needed strategic business driver.

7.2 Limitations

With any study, limitations exist, and particular aspects can be controlled and mitigated to a certain extent while others are external and cannot be controlled. Part of the limitations are biases that accompany the specific methodology chosen and indicated clearly in chapter 4. The biases revolved around validity, reliability, and moderation were also indicated to minimise biases. Due to the study being cross-sectional in nature, time available represented a big limitation in terms of conducting more interviews and delving deeper into the findings and material provided therefore further developing the framework and management criteria. As indicated in chapter 4, a potential limitation was the understanding of the concept of shared value, which as indicated in the results, was not a limitation with coherence in the understanding of shared value amongst informants.

Another rather significant limitation was, as according to Nayak & Singh (2015) and Pandey & Pandey (2015), the fact that the case study method was used and according to research is a non-probability study with no inferences to the larger population. Most organisations were South African and therefore also limits the representativeness for global organisations. The last major limitation was that not all organisations had a specific framework that was utilised and stated that many SVIs were done though general business operations and thus limited the available richness of data to contribute towards the framework and measurement criteria. However, the available materials were utilised to the best of the researcher's ability to develop a complete shared value framework which will be proposed and discussed below.

7.3 Complete Shared Value Framework (SVF)

A complete shared value framework (SVF) with measurement criteria guidance was developed from a combination of the existing framework, literature in totality, results per informants responses, and material provided by the organisations. The framework is divided and has four sections, namely the identification, feasibility, implementation, and measurement of SVIs. Each section is to be followed in sequence for SVIs. Figure 22 represents a complete shared value framework (SVF) and is indicated with each section discussed individually below. Each section is discussed individually in detail.

The SVF is a generic framework that can be utilised by any organisation and attempted to provide guidance for each step with particular emphasis on the measurement and criteria to be used. It is important to note that the feasibility and measurement phase are interlinked and that the metrics should as comprehensive as possible be determined during the feasibility phase in order to be measured against to determine success and the link between social and economic activities. Specific examples of metrics from results and literature were incorporated but represents a guide and organisations should utilise the framework and tailor to their business and specific industry.

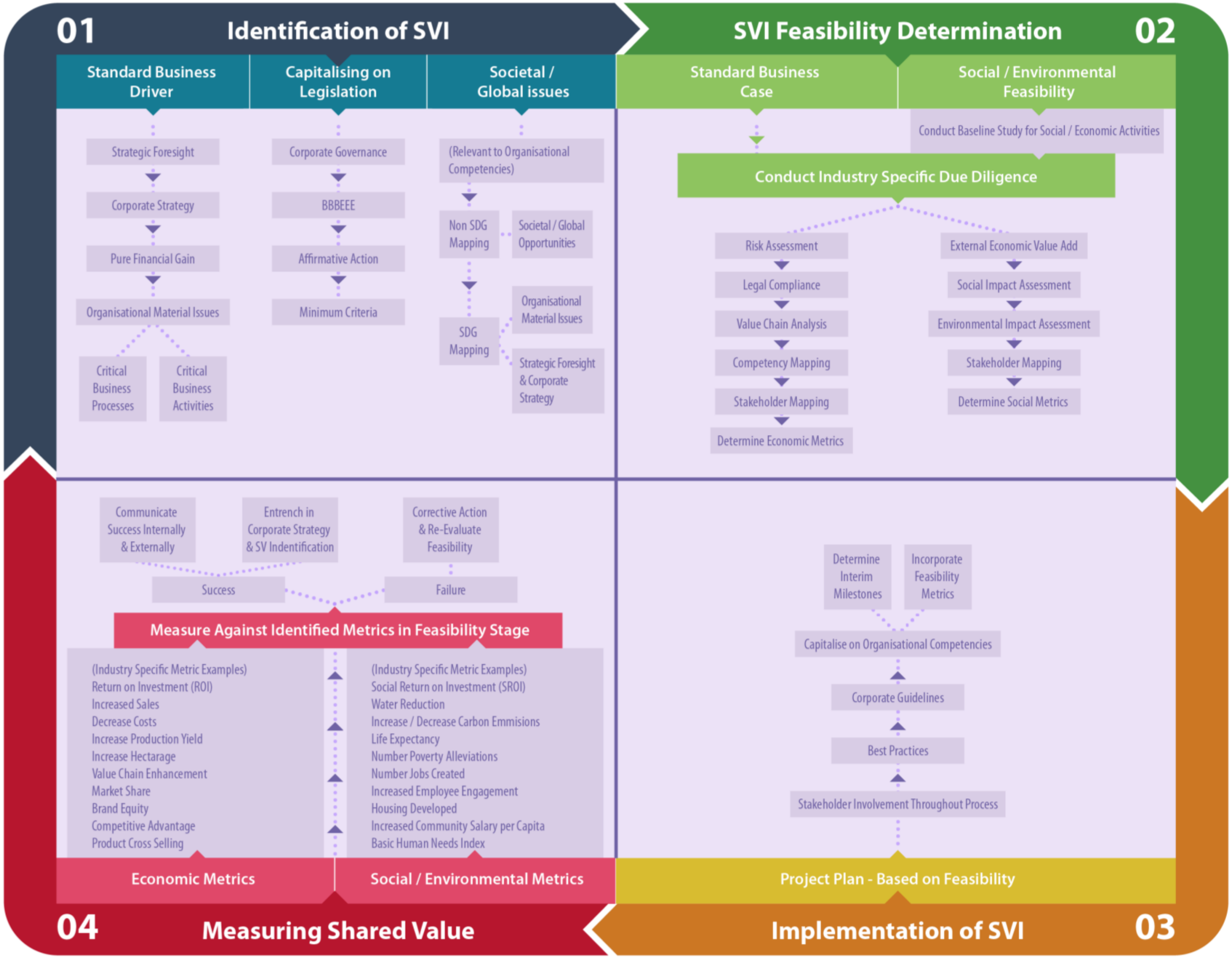


Figure 22 – Complete Shared Value Framework (SVF)

Figure 23 indicates the first section namely the identification of SVIs. The identification comprises of three main approaches with multiple methods that can either be utilised singular or a combination of approaches.

The framework does specify that any approach has to be in line with the organisational competencies. The standard business driver approach focuses on internal organisational methods from either the current corporate strategy to solving material issues either through critical business processes or activities. Another approach is to capitalise on legislation such as utilising corporate governance or BBBEE in the organisation's favour. The third approach is actively seeking opportunities from societal or global issues. This can either be based on SDG mapping that aligns material issues or strategic foresight and corporate strategy or both. Non-SDG mapping represents identification of general social opportunities, local or global, relative to the organisational competencies.

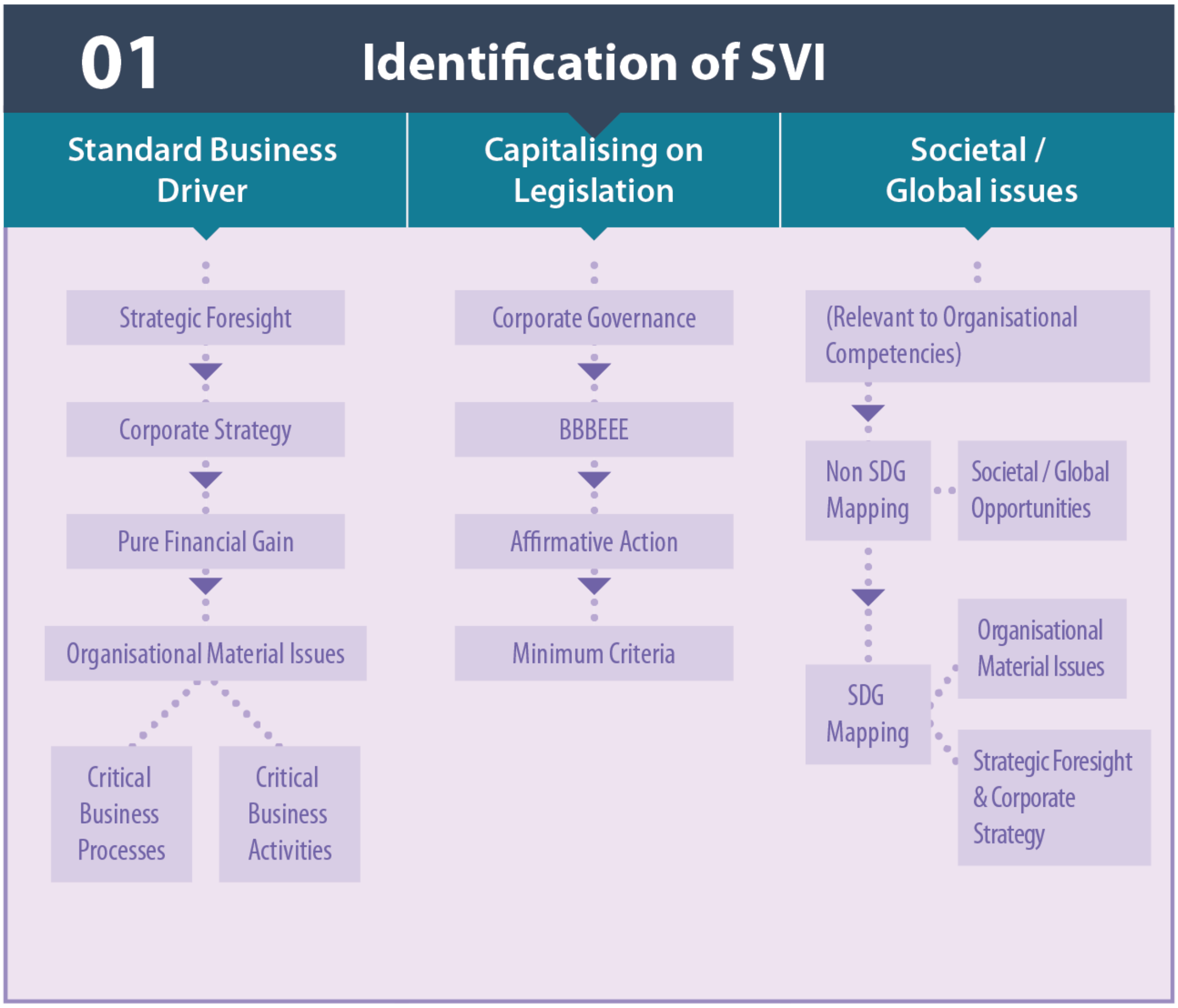


Figure 23 – Framework: Identification of Shared Value Initiatives

Once a SVI has been identified, the framework suggests feasibility has to be done based on both, standard business case and social / economic feasibility as indicated in Figure 24. Incorporating both ensures that organisations can link economic and social values and provides the basis for developing measurement criteria to be used after implementation. The standard business case is organisational and industry specific. A full and comprehensive due diligence has to be done ranging from risk assessments to stakeholder mapping as indicated below. Based on this, the organisation should develop economic metrics and determine the frequency of measurement.

On the social / environmental side, the organisation has to conduct a baseline study for all activities whereby the impacts and criteria can be determined that will be used for measurement after implementation. The baseline study is also conducted to measure the current situation to determine a benchmark whereby the same benchmark must be used for measurement after implementation to determine the delta. This constitutes the social metrics and should be amalgamated to economic metrics to determine the link.

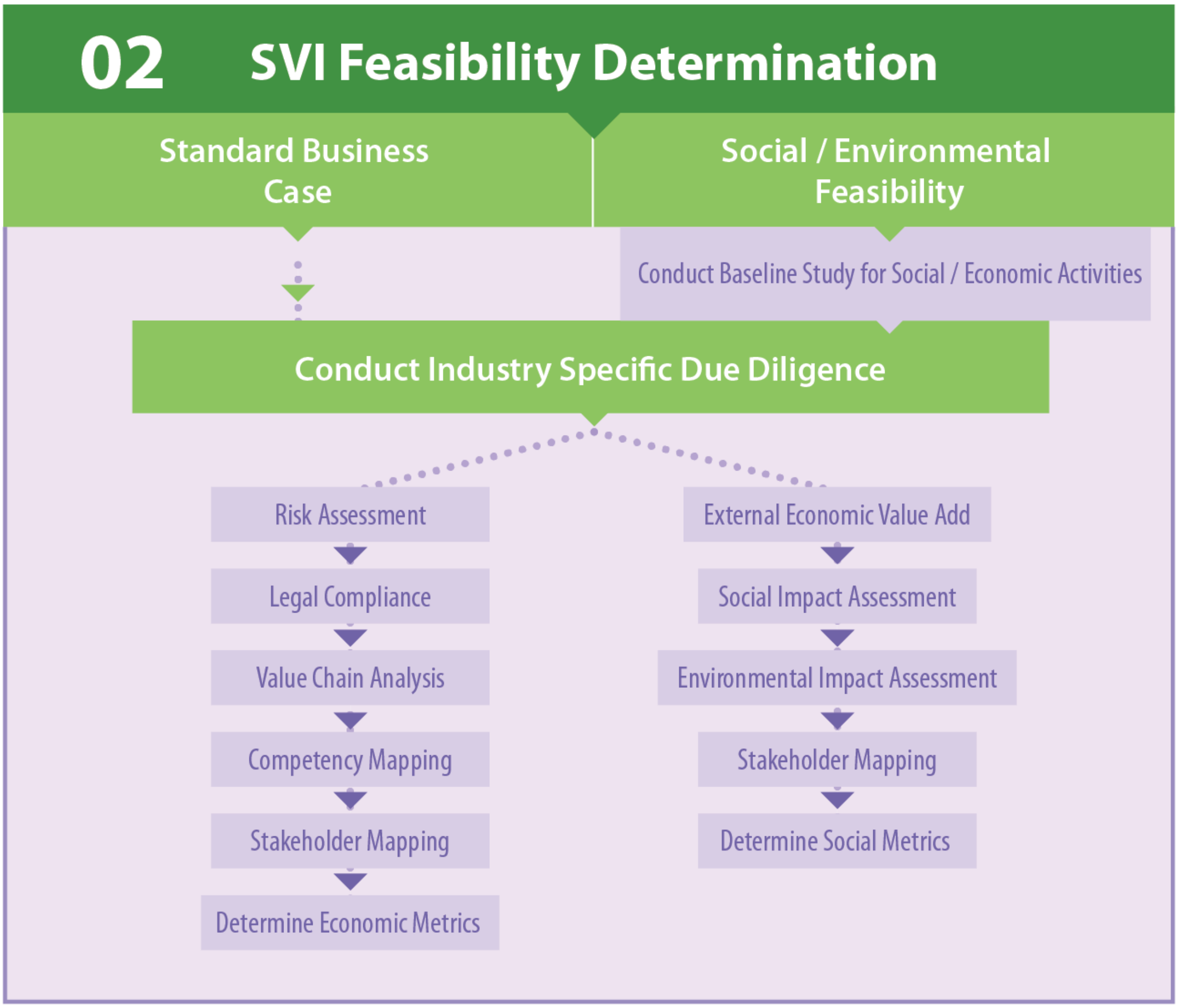


Figure 24 – Framework: Shared Value Initiative Feasibility Determination

Figure 25 below illustrates the process to be followed for implementation of SVIs. Implementation of SVIs are standardised but are also organisation and industry specific. The commonalities that the framework suggests is the development of a project plan based on the in-depth feasibility study conducted. It is absolutely critical to involve all stakeholders through the entire process and get their buy-in prior to implementation. Best practices from other successful shared value ventures should be incorporated and the organisation must capitalise on its competencies. It is critical to include milestones with the incorporation of all feasibility metrics that must be measured throughout implementation.

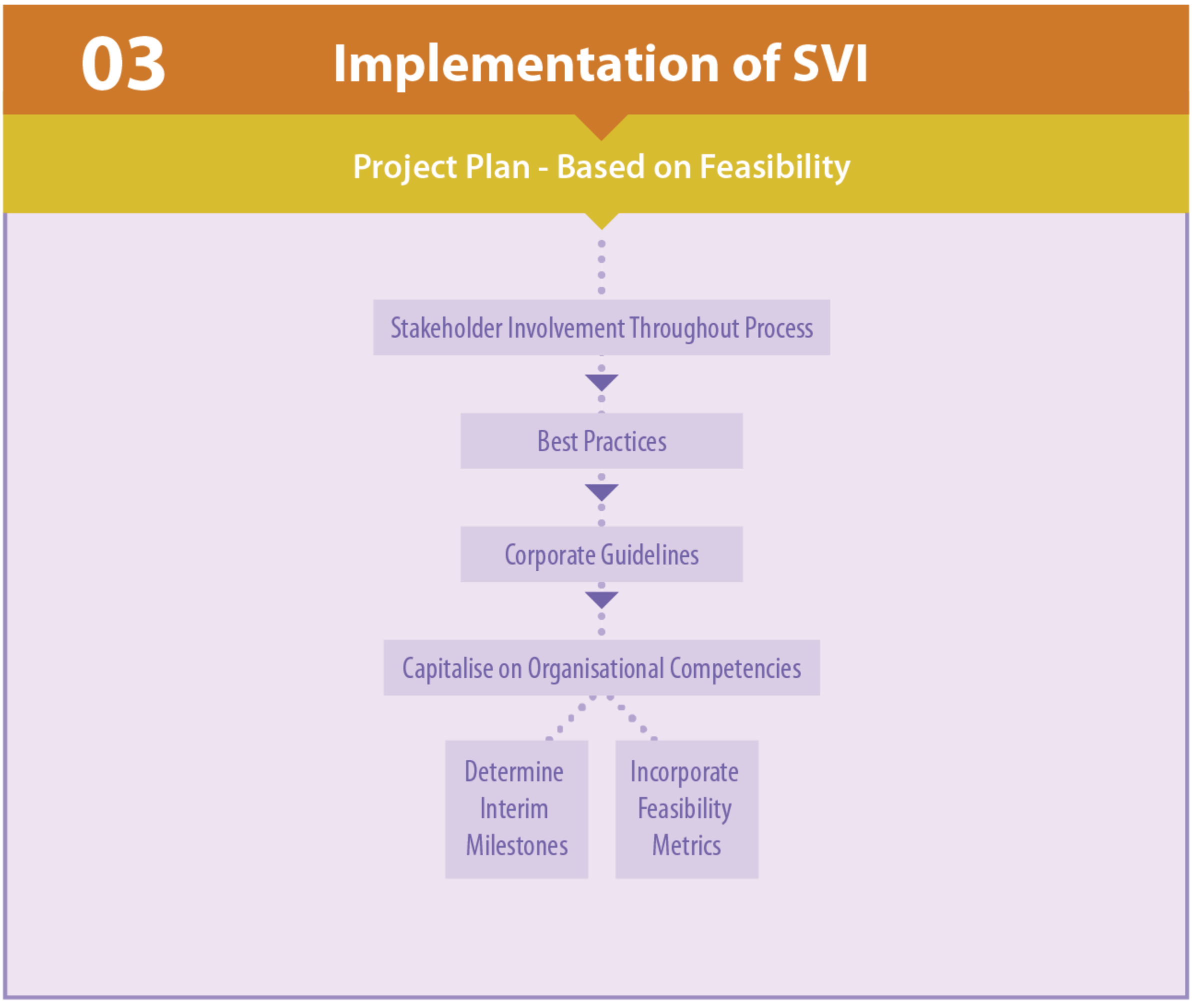


Figure 25 – Framework: Implementation of Shared Value Initiatives

Figure 26 represents the last section comprises of the measurement, methods and criteria to be used to determine the success or failure and the link between economic / social value. Both methods have to align and be predetermined as much as possible in the feasibility phase as per the baseline study and due diligence conducted. The framework specifies that different criteria are classified as either economic or social / environmental criteria. All metrics in totality are industry and even initiative specific and no standard exist that can be applied across the board. Certain metrics however are standard and should be used for all initiatives such as return on investment, market share, competitive advantage, increase or decrease in carbon emissions and so forth. The framework indicates examples of both economic and social metrics for organisations to utilise while determining or developing their own more specific and suited metrics. The framework indicates that all metrics should be measured against the benchmark set out in the feasibility to determine success or failure.

If the initiate has failed in totality or in certain aspects, the organisation should take corrective action and re-evaluate the feasibility. If the initiative has been successful, the organisation should capitalise on this and communicate the success internally and externally while entrenching shared value into the corporate strategy. The communication of success and sharing insight is also critical as this assists other organisations to increase the success of their initiatives further and contribute towards determining the link between of economic and social value.

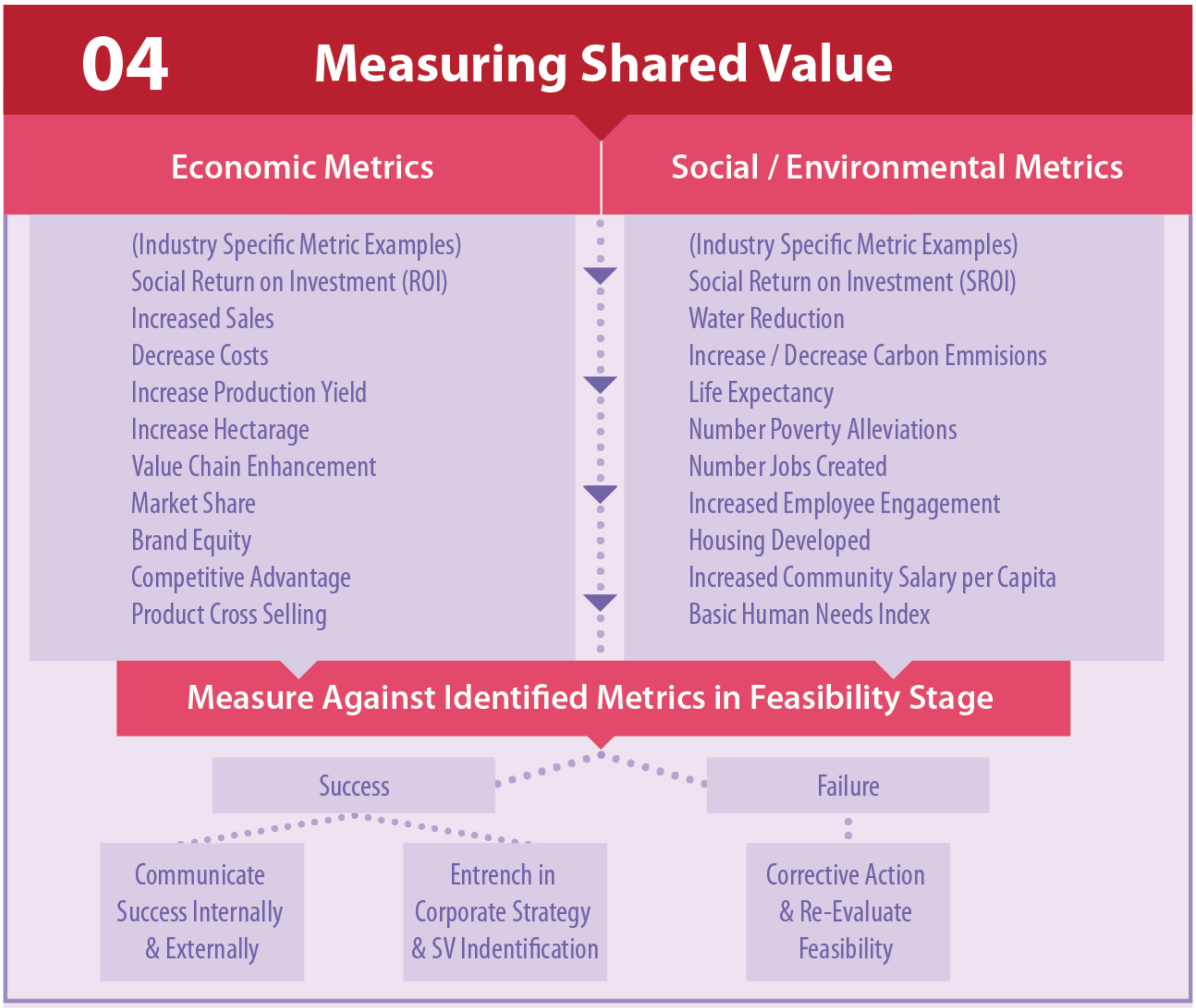


Figure 26 – Framework: Measuring Shared Value Initiatives

As discussed, the framework is an amalgamation of literature and insights of successful organisations involved in shared value. The framework encompasses shared value from identification to measurement and represents a guide for organisations to operationalise shared value, however organisations should utilise the framework in conjunction with their own specialities and competencies.

7.4 Recommendations

Shared value as detailed in the study and particularly from results has been successful in achieving economic value for the organisation and for society. The strong positive correlations indicated that by addressing societal issues, the organisation can create economic value while simultaneously creating social value. This refers to the positive nexus between social and economic activities, however, the quantification of this link is still to be resolved. In terms of the operational limitation of shared value in totality, the complete SVF developed as laid out above may further contribute towards a unified and acceptable operationalised framework and measurement criteria. However, much is still to be refined and explored in terms of measurement criteria and the recommendation is to further research this method of reporting and specifically link the financial and social results and effectively quantify this.

Additional research should also quantify social return on investment / social value in its own respect and might be easier therefore to link to economic value. This also contributes to further research to be done in critically evaluating social feasibility studies and the relationship to economic gain. Lastly, a possible recommendation for organisations and academia would be to further investigate how SDGs and associated metrics are used and its influence on business operations. This might also contribute towards the refining of measurement criteria and quantifying the link of economic and social value. The future orientated results and the evolution of business in general must be taken into account when recommended research is done. Shared value is edging closer to be fully operational through all combined literature and results and could possibly reshape capitalism while simultaneously addressing societal issues and contributing towards significant global change.

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APPENDICES

APPENDIX A: CONSENT FORM & QUESTIONNAIRE

Interview Consent Form

Research Title: Creating Shared Value as a Strategic Business Driver **Institution**: Gordon Institute of Business Science (GIBS)

Thank you for agreeing to be interviewed as part of the above research project. The purpose of the study is to investigate the differences and similarities in triple bottom lines concepts that attempts to address the moral purpose of business in society. Due to the ambiguity and lack of legitimacy of CSV, the study aims to investigate the operationalisation and success of CSV initiatives within organisations. Through this research the study also aims to contribute towards the formulation of a new CSV implementation framework and measurement criteria by building on the existing framework and criteria. Please note your participation in this research is voluntary and should you wish to withdraw, you may do so at any time without any penalty.

The aim of the findings, in particular the newly developed framework and measurement criteria is for the utilisation of organisations to more efficiently implement CSV and contributing towards addressing societal issues. These findings will be made available should you be interested.

Should you have any queries please feel free to contact my supervisor as per below:

Supervisor: Abdullah Verachia

Mail: verachiaa@gibs.co.za **/ Cell:** 082 767 7700

Researcher: Marnus Botha

Mail: 27279830@mygibs.co.za **/ Cell:** 082 852 4808

Signature of Participant_________________ Date: ___________________

Signature of Researcher_________________ Date: __________________

INTERVIEW QUESTIONNAIRE

A. General Interview Questions
1. Organisation Name?
2. Organisational size - number of employees?
3. What is your position?
4. Please elaborate what the business or business unit does?
5. What is your tenure for the current position?
6. What is your understanding of Creating Shared Value?
7. Why is the organisation involved in CSV initiatives? 8. How many CSV initiatives has the organisation been involved in?
B. Research Questions
1. How does the organisation identify CSV initiatives?
1-2. How does the organisation firstly evaluate and secondly what metrics are used to determine the feasibility of CSV initiatives?
3. How does the organisation implement CSV initiatives? i.e. what framework / process / implementation plan is used?
3. Does the implementation involve external stakeholders and indicate their involvement? 4. How does the organisation measure the success or failure of CSV initiatives, and what measurement criteria is used? 5. What constitutes success or failure of CSV initiatives for the organisation and on average how many initiatives have been successful? 5. Has CSV initiatives increased success within the organisation in any form, and what does the organisation view as success?
C. Future Questions
1. What does the future of CSV look like in your opinion?
2. What future plans in terms of CSV does the organisation have?

*****Note: Question numbers in section B refer to the actual research questions specified in chapter 3**

APPENDIX C: ETHICAL CLEARANCE

30 July 2018

Botha Marnus

Dear Marnus

Please be advised that your application for Ethical Clearance has been approved.

You are therefore allowed to continue collecting your data.

Please note that approval is granted based on the methodology and research instruments provided in the application. If there is any deviation change or addition to the research method or tools, a supplementary application for approval must be obtained

We wish you everything of the best for the rest of the project.

Kind Regards

GIBS MBA Research Ethical Clearance Committee

Gordon Institute of Business Science
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APPENDIX D: ATLAS.TI CODEBOOK

Individual Codes

FQ1CO-ADDRESS GLOBAL RESOURCE ISSUES
FQ1CO-BECOME PURE BUSINESS
FQ1CO-COLLABORATION
FQ1CO-CURRENTLY IN INFANCY
FQ1CO-DECOMMERCIALISATION OF SERVICES
FQ1CO-DIGITAL TRANSFORMATION
FQ1CO-DISMANTLING CAPITALISM
FQ1CO-GAINING MOMENTUM
FQ1CO-GLOBAL CONNECTEDNESS
FQ1CO-INCLUSIVE SMME'S
FQ1CO-INCREASED TRANSPARENCY
FQ1CO-LEGISLATION FAVOURING CSV
FQ1CO-NEW COMPETITIVE ADVANTAGE
FQ1CO-NEW ERA LEADERSHIP
FQ1CO-REFINED MEASUREMENTS
FQ1CO-SCEPTICAL
FQ1CO-STRATEGIC BUSINESS DECISION
FQ1CO-UNCERTAINTY
FQ1CO-VALUE CHAIN INTEGRATION
FQ2CO-CSV PLANS FOR ORG
FQ2CO-CSV THROUGH INNOVATION
FQ2CO-EXPANSION
FQ2CO-FOOD SECURITY
FQ2CO-INCREASED IMPACT
FQ2CO-REFINING MEASUREMENTS
FQ2CO-SDG EXPANSION
FQ2CO-STRATEGIC INCREASE
FQ2CO-VALUE CHAINS
GQ1CO-ORG NAME
GQ2CO-#EMPLOYEES
GQ3CO-POSITION
GQ4CO-ORG FUNCTION

GQ5CO-TENURE
GQ6CO-ACCOUNTABILITY
GQ6CO-COMPETITIV ADVANTAGE
GQ6CO-CORPORATE DNA
GQ6CO-CSV UNDERSTANDING
GQ6CO-INTEGRATION
GQ6CO-INTERNAL & EXTERNAL FOCUS
GQ6CO-MAKING PROFIT
GQ6CO-MUTUAL BENEFIT
GQ6CO-ORG CAPABILITIES
GQ6CO-PARTNERSHIPS
GQ6CO-PROFIT WITH PURPOSE
GQ6CO-SDG'S
GQ6CO-STRATEGIC DECISION
GQ6CO-SUSTAINABILITY
GQ6CO-TOTAL VALUE
GQ6CO-VALUE ADD
GQ6CO-VALUE CHAIN
GQ7CO-ACCOUNTABILITY
GQ7CO-BUSINESS BIGGEST ROLE PLAYER
GQ7CO-CHANGING ENVIRONMENT
GQ7CO-CORPORATE DAN
GQ7CO-CSI DOESN’T WORK
GQ7CO-DEVELOPING SUBSISTENCE FAMERS
GQ7CO-PRODUCE FOR MARKET
GQ7CO-PROFIT
GQ7CO-PURPOSE
GQ7CO-REASON INVOLVED CSV
GQ7CO-SOCIETAL ISSUES
GQ7CO-STAKEHOLDER
GQ7CO-STRATEGIC DECISION
GQ7CO-SUSTAINABILITY
GQ8CO-# CSV'S INVOLVED
RQ1CO-COMPETITIVE ADVANTAGE IDENTIFICATION
RQ1CO-CORPORATE STRATEGY / DNA
RQ1CO-FOOD SECURITY
RQ1CO-HEALTH FOCUSED

RQ1CO-HOW ID & EVALUATE SVI
RQ1CO-INTENTIONALLY IDENTIFY
RQ1CO-LEGISLATION REQUIREMENTS
RQ1CO-LISTENING TO EXTERNAL STAKEHOLDERS
RQ1CO-MACRO ENVIRONMENT
RQ1CO-MALARIA
RQ1CO-MARKET DRIVEN OPPORTUNITIES
RQ1CO-MINIMUM CRITERIA
RQ1CO-MUTUAL BENEFIT
RQ1CO-ORG MATERIAL ISSUES
RQ1CO-ORGANISATIONAL VALUE CHAIN
RQ1CO-POVERTY
RQ1CO-PPP BASED
RQ1CO-SDG FOCUSED
RQ1CO-SHAREHOLDER DRIVEN
RQ1CO-SOCIETAL ISSUES
RQ1CO-STAKEHOLDER ANALYSIS
RQ1CO-SUBSISTANCE LIVING
RQ1CO-SUSTIANABLE BUSINESS OPPORTUNITY
RQ1CO-UNEMPLOYMENT
RQ1CO-UNINTENDED IDENTIFICATION
RQ2CO-DEVELOPE BUSINESS CASE
RQ2CO-ECONOMIC MODELLING
RQ2CO-GENERAL FINANCIAL METRICS
RQ2CO-HOW DETERMINE FEASIBILITY
RQ2CO-INDUSTRY SPECIFIC ANALYSIS
RQ2CO-INDUSTRY SPECIFIC METRICS
RQ2CO-INTEGRATED METRICS
RQ2CO-LONG TERM SUSTAINABILITY
RQ2CO-MARKET AVAILABILITY
RQ2CO-MUCH UNCERTAINTY
RQ2CO-SOCIAL IMPACTS
RQ2CO-VALUE CHAIN FEASIBILITY
RQ3CO-CASE SPECIFIC
RQ3CO-CO CREATION
RQ3CO-CONTINUOUS MEASUREMENT
RQ3CO-GENERAL BUSINESS PROCESS

RQ3CO-HOW IMPLEMENT
RQ3CO-INDUSTRY SPECIFIC PROCESS
RQ3CO-NO ONE WAY
RQ3CO-NO SPECIFIC CSV IMPLEMENTATION PROCESS
RQ3CO-PILOTING PROJECTS
RQ3CO-POOR IMPLEMENTATION
RQ3CO-STAKEHOLDER INVOLVEMENT
RQ3CO-TOP DOWN APPROACH
RQ4CO-ACCROSS ENTIRE ECOSYSTEM
RQ4CO-AGAINST PRESENT GOALS
RQ4CO-BALANCED SCORE CARD APPROACH
RQ4CO-BEHAVIOURAL CHANGES
RQ4CO-CONTINUOUS MEASUREMENT
RQ4CO-CUSTOMER EXPERIENCE
RQ4CO-ENTERRISE DEVELOPMENT VS. METRICS
RQ4CO-ENVIRONMENTAL IMPACT
RQ4CO-FINANCIAL PROFITABILITY METRICS
RQ4CO-HOW MEASURE SUCCESS
RQ4CO-INDUSTRY SPECIFIC MEASUREMENTS
RQ4CO-LIMITS TO QUANTIFICATION
RQ4CO-LONGITUDINAL MEASUREMENT
RQ4CO-NOT MEASURING SOCIAL IMPACT
RQ4CO-RETURN ON INVESTMENT
RQ4CO-SDG MEASUREMENT PLATFORM
RQ4CO-SOCIAL IMPACT / SOFT METRICS
RQ4CO-STAKEHOLDER FEEDBACK
RQ4CO-STRATEGIC LONG-TERM ROI
RQ4CO-SUSTAINABILITY REPORTING
RQ4CO-VERY DIFFICULT TO MEASURE
RQ5CO-BRAND EQUITY
RQ5CO-CLUSTER / ECONOMY DEVELOPMENT
RQ5CO-COLLABORATION / TRUST
RQ5CO-CREATED INTERNAL BENEFIT
RQ5CO-EMOTIONAL BENEFITS
RQ5CO-FINANCIAL ROI
RQ5CO-INCREASED BUSINESS OPPORTUNITIES
RQ5CO-INCREASED EMPLOYEE ENGAGEMENT

RQ5CO-KEY DIFFERENTIATOR
RQ5CO-LONG TERM SUSTAINABILITY
RQ5CO-LOYAL CUSTOMER BASE
RQ5CO-MORALLY RIGHT
RQ5CO-MUTUAL BENEFIT
RQ5CO-SIGNIFICANT INTEGRATED BENEFITS
RQ5CO-SOCIAL RETURN ON INVESTMENT
RQ5CO-SVI INCREASED ORG SUCCESS
RQ5CO-VALUE CHAIN SUSTAINABILITY
RQ5CO-YES

Code Groups

FQ1CA-EVOLUTION OF CSV
FQ1CA-FOURTH INDUSTRIAL REVOLUTION
FQ1CA-STRATEGIC COMPETITIVE ADVANTAGE
FQ1CA-UNCERTAIN FUTURE
FQ2CA-INCREASED GLOBAL IMPACT
FQ2CA-STRATEGIC REFINE ORGANISATION
GQ6CA-CO-EXISTANCE
GQ6CA-CORPORATE STRATEGY
GQ6CA-FUTURE ORIENTATION
GQ6CA-PROFIT WITH PURPOSE
GQ6CA-VALUE ADDING
GQ7CA-CORPORATES NEED TO HELP
GQ7CA-STRATEGIC FINANCIAL DECISION
GQ7CA-SUSTIANABLE DEVELOPMENT
RQ1CA-CORPORATE STRATEGY / DNA
RQ1CA-FINANCIAL OPPORTUNITY IDENTIFICATION
RQ1CA-LEGISLATION REQUIREMENTS
RQ1CA-SOCIETAL / GLOBAL ISSUES
RQ1CA-SOLVING ORG ISSUES
RQ1CA-SUSTAINABLE DEVELOPMENT GOALS
RQ2CA-EXTERNALLY FOCUSED FEASIBILITY
RQ2CA-INDUSTRY SPECIFIC BUSINESS CASE
RQ2CA-SOCIAL SUSTAINABILITY FOCUSED
RQ2CA-UNCERTAIN FEASIBILITY

RQ3CA-STAKEHOLDER ENGAGEMENT
RQ3CA-STANDARD BUSINESS IMPLEMENTATION
RQ3CA-THROUGH TRIAL & ERROR
RQ4CA-HARD FINANCIAL METRICS
RQ4CA-LONG TERM SUSTAINABILITY REPORTING
RQ4CA-SHARED VALUE ASSOCIATED METRICS
RQ4CA-SOFT METRICS
RQ4CA-VARIOUS LIMITATIONS TO MEASURE
RQ5CA-COMPETITIVE ADVANTAGE
RQ5CA-EXTERNALLY FOCUSED BENEFITS
RQ5CA-FINANCIAL SUSTAINABILITY
RQ5CA-INTANGIBLE BENEFITS
RQ5CA-INTERNAL ORGANISATIONAL BENEFITS