

**Towards an understanding of how organisations create shared value: a
business model perspective**

Atusaye Kajera Mughogho
19384476

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ABSTRACT

Society is facing complex economic, social and environmental challenges, which traditional business models are unable to help resolve due to their focus on short-term financial performance. To address societal challenges new concepts and organisational models, including creating shared value (CSV), have emerged in response to calls for greater responsibility.

CSV relates to the creation of value for the organisation whilst simultaneously creating value for society. Despite its importance, the literature found that shared value was a relatively new concept and theoretically underdeveloped. Moreover, the phenomenon was mostly being analysed at the project level as opposed to the organisational level. As such the purpose of the research was to understand how organisations create shared value at the business model level.

This study is exploratory in nature and the findings are based on 14 semi-structured interviews with senior managers, with knowledge and experience of shared value, within South African listed organisations across six industries. The study utilised a thematic data analysis technique to draw themes and insights to develop an understanding of how organisations create shared value at the business model level.

The study extends and refines the shared value theory, which the literature considered as being at a nascent stage. Specifically, the study applies a business model perspective to shared value which has been predominantly analysed at the project level. Importantly, the study develops a shared value business model (SVBM) conceptual framework which enhances the understanding of creating shared value at the business model level, as well as provides practical guidance for management on how to operationalise a shared value strategy.

Key words

Business model, business model innovation, creating shared value, shared value, sustainable business model innovation

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.

Signed: Atusaye K. Mughogho

Date

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LIST OF ACRONYMS AND ABBREVIATIONS

BMI	business model innovation
CSI	corporate social innovation
CSV	creating shared value
IVC	integrated value creation
MNCs	multinational corporations
SBMI	sustainable business model innovation
SDG	Sustainable Development Goals
SVBM	shared value business model
UN	United Nations
WEF	World Economic Forum

CHAPTER 1: INTRODUCTION AND DEFINITION OF PROBLEM AND PURPOSE

1.1. Introduction

Given the societal challenges facing the world, the role of business in society has expanded beyond only benefiting shareholders. This broader role has increased business' responsibility and seen a transition towards stakeholder capitalism which has underpinned the importance of a corporate purpose. Specifically, in South Africa the role of business in society is pronounced in light of the country's unique socioeconomic and sustainable development challenges. Within this context, this study explored how listed organisations in South Africa create shared value from a business model perspective for the benefit of shareholders and society at large.

1.2. Background to the research problem

1.2.1. Stakeholder capitalism and corporate purpose

With less than a decade remaining to meet the deadline of the Sustainable Development Goals (SDGs), to eradicate poverty, protect the planet and improve livelihoods through inclusivity (UN, 2020), the United Nations (UN) has called for a decade of action and the mobilisation of all sectors to accelerate the progress and delivery of the SDGs (UN, 2020).

Business, as an integral part of society, is critical to the delivery of the SDGs. The UN Global Compact (UNGC) promotes all companies to conduct business responsibly and to pursue opportunities that solve societal challenges through business innovation and collaboration (UNGC, 2020). This initiative corresponds to the World Economic Forum's (WEF) notion of stakeholder capitalism, which overrides the narrower form of shareholder capitalism (WEF, 2020). Stakeholder capitalism is a form of business premised on the creation of shared and sustained value through the engagement of all stakeholders (WEF, 2019). Ultimately, it is "a shared commitment to policies and decisions that strengthen the long-term prosperity of a company" (WEF, 2019, para. 1).

The shift towards stakeholder capitalism is evident within the business community. In 2018 BlackRock, one of the world's largest asset managers with approximately US\$6 trillion in assets under management (BlackRock, 2020), as part of its fiduciary

duty emphasised to business the notion of social purpose to ensure that companies make a positive contribution to society for the benefit of all stakeholders in communities in which they operate (Harvard, 2018). BlackRock (2019) highlights that companies that fulfil their purpose and responsibilities derive benefits over the long-term, including financial performance, while those that do not, fail. Similarly, McKinsey, a leading management consultancy, is also advocating the notion of corporate purpose to make a positive impact of society (McKinsey, 2020).

Given this context, in 2019 the Business Round Table, an association of US chief executives of leading companies with over \$7 trillion in annual revenues, redefined the purpose of business to include a commitment to all stakeholders (Business Round Table, 2019). In an economy that is considered the epitome of capitalism, this represented a significant shift to stakeholder capitalism after two decades of a policy of shareholder primacy (Business Round Table, 2019).

1.2.2. South Africa: the role of business in society

With a Gini coefficient of 0.63, South Africa is one of the most unequal societies in the world (IMF, 2020). Low economic growth has driven high unemployment which has perpetuated social exclusion (IMF, 2020), which in turn presents sustainable development challenges for organisations accompanied by high stakeholder expectations. The World Bank (2018) also highlights that South Africa is confronted with the triple challenge of high unemployment, poverty and inequality, with a significant proportion of South Africans excluded from the formal economy. To address these challenges and create shared prosperity requires coordinated reforms to tackle the root causes (World Bank, 2018). To this end the South African government in 2012 launched the National Development Plan (NDP) to eradicate poverty and inequality by 2030 (The Presidency, 2012).

Given South Africa's unsustainable development path, the constitution recognises sustainable development as a human right, the only country in the world to do so (Lüdeke-Freund, Massa, Bocken, Brent, & Musango, 2016). Accordingly, public companies are cognisant of their responsibility and obliged to report on the performance of their sustainability initiatives (Lüdeke-Freund et al., 2016). Specifically, the focus on sustainability and reporting thereof occurs under the auspices of the Institute of Directors South Africa (IoDSA) King IV Report on Corporate Governance (King IV). King IV reflects the more inclusive shift in the

approach to capitalism, as well as the developments of the SDGs and NDP, among other initiatives, to promote sound corporate governance to enable organisations to create value in a sustainable manner. King IV is based on the notion of corporate citizenship, where organisations have a responsibility towards society and are granted a license to operate by societal stakeholders (IoDSA, 2016).

Given the high level of unemployment, poverty and inequality, South African corporates, as part of their purpose, should have a responsibility to help resolve these challenges. This in light of the interdependence between business and society, whereby successful business needs a healthy society and vice versa (Porter & Kramer, 2006). Given the mutual dependence, business should integrate a social perspective into its core strategic framework based on the principle of shared value (Porter & Kramer, 2006). Specifically, shared value relates to enhancing the competitiveness of a company while also addressing the economic and social conditions of surrounding communities (Porter & Kramer, 2011). This approach to business helps secure the licence to operate and ensure the creation of sustained long-term value (IoDSA, 2016; Porter & Kramer, 2006). Over the long-term a shared value approach to business will aid the creation of a more sustainable and inclusive society in line with the NDP and SDGs.

Several companies both domestically and internationally have embraced the shared value business model. Discovery, through its Vitality rewards programme, creates value for itself as well as for its clients, partners and society (Discovery, 2020). Through their model society benefits in the form of healthier citizens which in turn leads to the improved wellbeing of citizens, productive workforces, longer life expectancy, greater economic output among other benefits (Discovery, 2020).

In line with its ambition of being one of the world's most responsible retailers, Woolworths creates shared value through its Good Business Journey which is the incorporation of all the issues that matter most to employees, customers, shareholders and other stakeholders (Woolworths, 2020). The Good Business Journey has eight focus areas which form the main value creation drivers and are key to the sustainability of the Group (Woolworths, 2020). The focus areas include people and transformation, social development, sustainable farming and climate change among others (Woolworths, 2020).

Globally, Nestle achieves shared value through its purpose to "unlock the power of food to enhance quality of life for everyone, today and generations to come" (Nestle, 2020). Its focus is on the health of individuals and families that use their brands and products, improving livelihoods of people in the communities in which it operates and striving for zero environmental impact in order to protect the planet (Nestle, 2020).

1.3. Research problem

As indicated above, society is facing complex economic, social and environmental challenges including poverty, food insecurity and resource depletion, which is calling into question the legitimacy of traditional business models that are focused on shareholder returns (Voltan, Hervieux, & Mills, 2017). Traditional business models are outdated, insufficient and even undesirable to create societal value (Lüdeke-Freund et al., 2016). The focus on short-term financial performance could be limiting the private sector's ability to innovate and simultaneously achieve economic, social and environmental value (Lüdeke-Freund et al., 2016). However, Voltan et al. (2017) noted that new concepts and organisational models have emerged in response to calls for greater social responsibility to help address societal challenges.

One such concept is creating shared value (CSV) as developed by Porter and Kramer (2011), who saw societal needs as presenting the biggest unmet needs in the global economy and posited CSV as integral to an organisation's competitive advantage and sustainability. They defined shared value as "policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the social and economic conditions in the communities in which it operates" (Porter & Kramer, 2011, p. 66). This represents a broader form of capitalism which is critical to addressing societal challenges and restoring business legitimacy (Porter and Kramer, 2011). However, the concept remains relatively new and theoretically underdeveloped (Lüdeke-Freund et al., 2016; Dembek, Singh, & Bhakoo, 2016), and as such "it is more of a buzzword than a substantive concept" (Dembek et al., 2016, p. 231).

Specifically, through an analysis of examples and cases of shared value Dembek et al. (2016) identified several conceptual limitations of the phenomenon including that the case examples mostly represented win-win cases, lacked a systematic approach to address needs and ignored cost considerations. In addition, shared value was mostly being analysed at the project level as opposed to an organisational level

(Dembek et al., 2016). These limitations lend credence to Crane, Palazzo, Spence and Matten's (2014) critique of shared value, particularly regarding its lack of consideration of the inherent tensions between social and economic goals and that it bears a shallow conceptualisation of the role of business in society.

To reflect the reality of the phenomenon Dembek et al. (2016) called for additional empirical studies with supporting data. Following the recommendation for future research by Dembek et al. (2016), this is an empirical study that focuses on the analysis of shared value at the organisation (rather than the project level) level and its implications.

Understanding shared value from an organisational level involves the analysis of business models that in addition to creating economic value, address societal challenges and create value for society (Foss & Saebi, 2017; Bocken & Geradts, 2019). A good business model, the design of the value creation, delivery and capture mechanisms employed by a business, meets customer needs and is not easily replicated which ensures a competitive advantage (Teece, 2010). In addition to understanding innovation, strategy and competitive advantage, business model appreciation aids the understanding of the nature of the organisation and its role in society from an innovation and business performance perspective (Teece, 2010). Furthermore, dynamic capabilities are critical for innovation and the selection of business models that address the opportunities and challenges that the company plans to exploit and solve respectively (Teece, 2018). These factors are all relevant for CSV whose key tenet is innovation and productivity growth to propel global economic growth and ultimately "reshape capitalism and its relationship to society" (Porter & Kramer, 2011, p. 64).

In particular business model innovation (BMI) is critical to deliver business sustainability (Foss and Saebi, 2017) and through the increased corporate interest in embedding societal challenges into the BMI process, Bocken and Geradts (2020) developed the notion of sustainable BMI (SBMI). Value from a SBMI perspective takes a much wider perspective than traditional BMI and moves from primarily economic to include social and environmental, as well as societal stakeholders (Bocken & Geradts, 2020). Similarly, Freudenreich, Ludeke-Freund and Schaltegger (2020) developed a stakeholder value creation framework that aids the analysis of value creation and the management and transformation of business models to meet

both corporate sustainability objectives and stakeholder expectations. Freudenreich et al. (2020) proposed a shift away from a view of business models being purely mechanisms of value creation, to being broader mechanisms that align and enable stakeholder relationships and accompanying value exchanges. However, there is a lack of sustainable business model adoption due to organisational design factors at the institutional, strategic and operational levels which hinder the development of dynamic capabilities essential for SBMI (Bocken & Geradts, 2020).

Shared value is pertinent in the South African context given the country's unsustainable development path and patterns (Lüdeke-Freund et al., 2016). To this extent public companies are obliged to report extensively on the performance of their sustainability initiatives (Lüdeke-Freund et al., 2016). In fact, sustainable development is constitutionally recognised as a human right in South Africa, and it is the only country in the world to recognise it as such (Lüdeke-Freund et al., 2016). It is therefore important to provide organisations with guidance on how to implement shared value through knowledge and understanding of its means, outcomes and beneficiaries given its theoretical novelty (Dembek et al., 2016).

Given the importance of shared value as articulated above, coupled with its theoretical novelty (Dembek et al., 2016), this empirical study sought to understand how organisations create shared value at the business model level and what the implications are. This is in line with Dembek et al.'s (2016) recommendation following their analysis of cases and examples of shared value, which they found to be limited in their reflection of the phenomenon. As such Dembek et al. (2016) specifically called for more empirical studies with supporting evidence.

1.4. Research questions

Following the identified research problem, which is to understand how organisations create shared value from a business model perspective and the implications thereof, this study addressed the below research questions to gain the required insight and understanding. The study's research questions were:

1. How do organisations create shared value at the business model level?
2. How do organisations operationalise the creation of shared value?
3. What are the outcomes of shared value?

1.5. Purpose of research

Given the above presented research problem, the purpose of the research was twofold. Firstly, the research aimed to explore and understand how shared value is created at the business model level. Secondly, from the insights and understanding garnered from the above, the study sought to develop a conceptual framework to help organisations' understanding of shared value and to provide guidance on how to implement the phenomenon.

1.6. Research contribution

With shared value still emerging as a theoretical concept (Dembek et al., 2016), this study's academic contribution is the further refinement of the shared value theory through an organisational level analysis.

1.7. Scope of study

From a scope perspective, the following study was set in South Africa and focused on listed companies across multiple sectors and industries. Theoretically, the scope of the study was at the organisational level and set within the shared value literature which assumes a sustainability posture.

1.8. Outline of study

This chapter presented the background to the research problem, the research problem and the research questions, as well as the purpose of the research.

The remainder of the study is structured as follows: Chapter 2 provides a review of the relevant shared value literature to provide the theoretical underpin of the study. The research questions which form the basis of the study are presented in Chapter 3. Chapter 4 then focuses on the specific research methodology and design of the study in line with the research question. Chapters 5 and 6 respectively present and discuss the findings derived from the study. Finally, Chapter 7 concludes with a discussion of the relevant academic and practitioner insights garnered from the study and also recommends future avenues of research.

CHAPTER 2: THEORY AND LITERATURE REVIEW

2.1. Introduction

This chapter provides a review of the relevant literature in relation to the current debates around creating shared value. The review commences by highlighting the literature that discusses the societal challenges facing the world which call for business to resolve through the creation of shared value, which is the simultaneous delivery of economic and social value in the communities in which business operates (Porter & Kramer, 2011). Porter and Kramer (2011) conceptualised the concept of shared value (CSV) and it is articulated at the outset to provide the necessary theoretical background to the study. However, CSV has its shortfalls, and these are presented in its critique in section 2.3. The organisational delivery of the dual economic and social goals is achieved through the employment of business model mechanisms, specifically sustainable business model innovation. Sections 2.4 to 2.6 focus on business models and the innovation thereof to achieve sustainability by balancing social and economic goals whilst meeting the needs and expectations of multiple stakeholders. Section 2.7 goes on to discuss the outcomes of shared value, its beneficiaries and the challenges and enablers to its operationalisation. Section 2.8 concludes the chapter and develops a conceptual framework based on the reviewed literature.

Table 1 below provides the discussion outline that the chapter follows.

Table 1: Outline of literature review

Section	Heading
2.1	Introduction
2.2	CSV background and current context
2.3	CSV critique
2.4	Business models and business model innovation
2.5	Business model innovation for sustainability
2.6	Sustainable business model innovation outcomes
2.6.1	Innovation including social intent
2.6.2	Corporate social innovation (CSI)
2.6.3	Integrated value creation (IVC)
2.6.4	Conclusion
2.7	Shared value outcomes, beneficiaries and operationalisation
2.7.1	Outcomes
2.7.2	Beneficiaries
2.7.3	Operationalisation - barriers and enablers
2.8	Conclusion

Source: Developed by author

2.2. CSV background and current context

In 2006 Porter and Kramer (2006) highlighted the interdependence of business and society and introduced the notion of shared value, whereby business could help address social issues and through the process derive competitive advantage. In developing the notion further Porter and Kramer (2011) at the time found that societal needs presented the biggest unmet needs in the global economy and developed the concept of CSV, which they posited as integral to an organisation's competitive advantage and sustainability. They defined CSV as "policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the social and economic conditions in the communities in which it operates" (Porter & Kramer, 2011, p. 66). At the time they viewed it as a broader form of capitalism which was critical to addressing societal challenges and restoring business legitimacy (Porter & Kramer, 2011).

There were three specific means to create shared value, namely: "reconceiving products and markets, redefining productivity in the value chain, and building supportive industry clusters" (Porter & Kramer, 2011, p. 67). Through these means CSV explicitly incorporated the understanding of the broader business environment given the impact on productivity and innovation (Porter & Kramer, 2011). This understanding allowed organisations to create a distinctive value proposition that met societal needs through the configuration of its "value chain, or the set of activities involved in creating, producing, selling, delivering, and supporting its products or services" (Porter & Kramer, 2011, p. 66).

However, society continues to face complex economic, social and environmental challenges including poverty, food insecurity, resource depletion which is calling into question the legitimacy of traditional business models that are focused on shareholder returns (Voltan et al., 2017). These traditional business models include Porter and Kramer's (2011) CSV concept which is premised on the pursuit of relative competitive advantage. Lüdeke-Freund et al. (2016) saw traditional business models as being outdated, insufficient and failing to create societal value.

Related to the pursuit of competitive advantage as the case for CSV (Porter & Kramer, 2011), Lüdeke-Freund et al. (2016) singled out the focus on short-term financial performance as a limiting factor in the private sector's ability to innovate and simultaneously achieve economic, social and environmental value. In addition, Freudenreich et al. (2020) add that most business models are developed and managed to create value for their customers only rather than a broader stakeholder universe. Importantly, Voltan et al. (2017) noted that new concepts and organisational models had emerged in response to calls for greater social responsibility to help address societal challenges. These models, similar to Freudenreich et al. (2020), also call for the consideration of a broader array of stakeholders.

Lüdeke-Freund et al. (2016) found that business models for shared value incorporate the notion that business has a central role to play in resolving societal challenges and that value creation is broader than purely economic and also includes social and environmental value. Importantly, Lüdeke-Freund et al. (2016) also highlighted the importance of a system perspective of value creation which included all stakeholders and not only customers and shareholders. This in line with the stakeholder perspective adopted by Freudenreich et al. (2020).

Although the CSV concept appropriately appreciates the interdependency of business and society and the former's capability to aid societal progress (Porter & Kramer, 2011), its impact has seemingly been hindered by its traditional business model basis as evidenced by the continued prevalence of societal challenges (Voltan et al., 2017). As a traditional business model, CSV is premised on the derivation of competitive advantage and value creation predominantly for customers and shareholders (Lüdeke-Freund et al., 2016; Freudenreich et al., 2020). Given this limitation as highlighted by Lüdeke-Freund et al. (2016) traditional business models, including CSV, have failed to address prevailing societal challenges. Accordingly, CSV has faced criticism of its limited impact on societal progress based on its business model orientation as discussed below.

2.3. CSV critique

Despite its renown across both academia and business, CSV has received criticism in terms of its ability in helping resolve societal challenges mostly due to its traditional model perspective as indicated above. A predominant critique emanated from Crane et al. (2014) who criticised the CSV concept for having serious shortcomings and therefore not being as transformational a response to the crisis of capitalism as purported. A key critique relative to this study pertained to its narrow conceptualisation of business' role in society, as CSV retained its competitive strategy premise which failed to adopt the required stakeholder perspective needed to resolve societal challenges that in essence form the core of distrust in capitalism (Crane et al., 2014). This view is aligned to Lüdeke-Freund et al. (2016) and Voltan et al. (2017) who also place the blame on the traditional business model basis. This basis sees CSV focus on customers and shareholders at the expense of all other corporate stakeholders according to Crane et al. (2014). This focus on customers and shareholders of traditional business models is also highlighted by Freudenreich et al. (2020).

In line with Crane et al.'s (2014) critique of CSV's narrow conceptualisation of business' role in society, Tate and Bals (2018) also found that sustainable businesses are still steeped in the economic perspective which has not resolved many of the prevailing societal challenges. According to Tate and Bals (2018), this highlighted the need to adopt a new paradigm which placed social and environmental challenges at the fore of business to deliver shared triple bottom line value.

Crane et al. (2014) went on to highlight the inherent tension between social and economic goals which they claimed CSV ignored, which was yet another identified shortfall on the part of CSV. Thus, in this regard CSV only focused on win-win opportunities and did not provide guidance for win-lose situations, of which there were many and manifested themselves in the form of dilemmas (Crane et al., 2014). To effectively address the more common 'win-lose' and/or 'lose-win' business and society issues, and restore the legitimacy of business as claimed by Porter and Kramer (2011), required managers to bolster CSV with ethical frameworks according to De los Reyes Jr., Scholz and Smith (2017). De los Reyes et al. (2017) stated that managers were better positioned to create shared value with a comprehensive framework that coupled CSV with two ethical frameworks, norm-taking and norm-making. The former helped a manager identify legitimate non-legal norms to follow, while the latter helped address situations where the set of available legal and non-legal norms are insufficient (De los Reyes et al., 2017). The importance of De los Reyes et al.'s (2017) framework was to aid managers across an organisation to identify the right issues and ask the right questions in search for shared value opportunities in line with Porter and Kramer's (2011) public policy ambition of restoring business' social legitimacy.

Similar to Crane et al. (2014), Voltan et al. (2017) also questioned CSV's transformational impact on society. However, Voltan et al.'s (2017) criticism related predominantly to CSV's contextual setting as the authors criticised it for being a Western concept with limited impact in non-Western contexts. Voltan et al. (2017) attributed CSV's limited impact on its corporate-centric stance, in line with Crane et al. (2014), as well as a lack of appreciation of a broader stakeholder base as raised by Freudenreich et al. (2020) regarding traditional business models.

Ultimately, and key to this study, Crane et al. (2014) concluded that CSV's corporate-centric nature limited the ability for organisations to address the deep-rooted societal problems. Crane et al. (2014) saw CSV as attempting to resolve system-level problems by merely utilising organisation-level changes. As such they contested that any purported CSV outcomes cannot be delivered by the organisation but are restricted only to certain projects and products (Crane et al., 2014). This restriction of CSV was similarly identified by Dembek et al. (2016) who found that shared value cases and examples were predominantly analysed at the project level as opposed to being organisation wide.

In light of CSV's competitive strategy paradigm coupled with its selective win-win opportunities, Crane et al. (2014) called for a move away from CSV in order to achieve the goal of redefining the role of business in society. As the authors noted this was an ongoing debate and that business could no longer ignore its social impact. Accordingly, the below discussion goes on to analyse the progression of this discourse of business' role in society and how it can effectively deliver shared value as envisaged by Porter and Kramer (2011).

2.4. Business models and business model innovation

CSV and business model literature can be connected through the concept of value creation. As Porter and Kramer (2011) indicated, CSV is about establishing a distinct value proposition for products and services that meet societal needs. This is connected to the concept of a business model (BM) which refers to the design or architecture of the value creation, delivery and capture mechanisms employed by a business (Teece, 2010). Foss and Saebi (2018) noted that this definition was widely cited in the literature and they highlighted the importance of its reference to architecture, which referred to the mapping of the functional relations among the value creation, delivery, and capture mechanisms and the underlying activities. Importantly, all businesses engage a specific BM, whether explicitly or implicitly (Teece, 2010). In essence a BM is management's perspective of "what customers want, how they want it and what they will pay, and how an enterprise can organize to best meet customer needs and get paid well for doing so" (Teece, 2010, p. 191). Similarly, Foss and Saebi (2018) stated that a BM is interdependent activities of how a company does business with its customers, partners and vendors. As such Zott, Amit and Massa (2011) found that the business model is a unit of analysis and a system level concept, which is centred around activities and focused on value.

Teece (2010) concluded that for a BM to be a source of competitive advantage, it needed to meet specific customer needs and not be easily replicated. As such good BM design and implementation involved an assessment of internal and external factors regarding customers, suppliers and the macro business environment (Teece, 2010).

The sustainable competitive advantage aspect of BM was also touched on by Foss and Saebi (2018), however in contrast to Teece (2010), they also noted BMs could be used in pursuit of an organisation's sustainability objectives that seek to balance

societal and environmental objectives with financial profitability. However, Teece's (2010) BM perspective predominantly takes value creation from a customer perspective, unlike Freudenreich et al.'s (2020) comprehensive stakeholder perspective given its sustainability stance.

Specifically, in terms of the design and operation of BMs, Teece (2018) highlighted the requirement of dynamic organisational capabilities. Dynamic capabilities being "the firm's ability to integrate, build, and reconfigure internal competences to address, or in some cases to bring about, changes in the business environment" (Teece, 2018, p. 40), and are underpinned by organisational routines and managerial skills (Teece, 2018). Important to the current research, other than enhancing the ability to sustain profitability over the long term, strong dynamic capabilities simultaneously enable the ability to design and adjust BMs (Teece, 2018). In line with this research this adjustment of BMs can be in relation to the pursuit of sustainability objectives as indicated by Foss and Saebi (2018). This approach can aid the adjustment of BMs and see CSV transition away from a primarily competitive advantage premise to one that appropriately incorporates and balances social and environmental objectives with financial goals. This would help address Crane et al.'s (2014) narrow conceptualisation critique of CSV.

Teece (2010) further noted that the increased appreciation of the essence of BMs helped with the understanding of innovation, strategy and competitive advantage among other elements. In addition, BMs aid the understanding of the nature of an organisation and the role of managers in the economy and society in terms of innovation and business performance (Teece, 2010). Particularly regarding innovation of BMs, Teece (2018) singled out the importance of the highest order dynamic capabilities as being the most relevant, as well as in terms of the selection of BMs that address the opportunities and challenges that the company is aiming to exploit and solve respectively. Given the above insight from Teece (2010, 2018) it is evident that BMs take an external perspective in that they are concerned with the creation of value in light of the prevailing market environment and opportunities. Conversely, dynamic capabilities are internally focused on the actual selection and/or creation of the BM appropriate to pursue the present market opportunities to create, deliver and capture value (Teece, 2018). All these factors and their distinction are pertinent to CSV in that business has to have the necessary dynamic capabilities

to implement and/or create an appropriate BM to pursue shared value opportunities that create, deliver and capture value for both the organisation and society.

Teece (2018) concluded that strong dynamic capabilities enable BM innovation (BMI), which he referred to as the creation and implementation of effective BMs. On the other hand, Foss and Saebi (2017), also recognised dynamic capabilities as antecedents of BMI and defined the notion as "designed, novel, nontrivial changes to key elements of a firm's business model and/or the architecture linking those elements" (p. 201). In later work Foss and Saebi (2018) extended their definition of BMI to being novel changes to the complementarity relations of the value mechanisms of BMs. However, Foss and Saebi (2017) noted that BMI literature was less developed than that of BMs and that the addition of innovation raised theoretical and empirical questions that remained unanswered.

Foss and Saebi (2017) identified four research gaps in the BMI literature one being boundary conditions. They noted boundary conditions as being critical as firms could differ in terms of the antecedents and consequences of BMI (Foss & Saebi, 2017). Foss and Saebi (2017) noted that BMI had recently been applied to sustainability as a number of studies suggested that sustainability goals required BMI. As such the need for greater social and environmental sustainability was a major antecedent of BMI, however the issue of application of how managers could innovate their BMs toward greater sustainability had not been sufficiently addressed (Foss & Saebi, 2017) and hence the current study.

In linking the BM and BMI constructs, Foss and Saebi (2018) argued that they both were about the architecture of the firm's value creation, delivery and capture mechanisms. From a theoretical perspective, the key aspect of BMs was regarding how the activities underlying these mechanisms related to each other, whilst BMI meant novel changes to these complimentary relations (Foss & Saebi, 2018). Therefore, in line with this relationship between the two constructs, achieving sustainability would then require novel changes to the complementarity of the firm's value creation, delivery and capture mechanisms towards the sustainability goal. This adjustment and innovation of the BM was underpinned by dynamic capabilities including organisational routines and managerial skills (Teece, 2018). Importantly, the BM was externally focused on addressing the external market opportunity, whilst dynamic capabilities related to the internal capability of the organisation to create and/or adjust the relevant BM (Teece 2010, 2018). Although both BM and BMI

literature were underdeveloped, BMI was more so and managers needed more guidance on innovating BMs for sustainability (Foss & Saebi, 2017; 2018). As such BMI aimed at attaining sustainability is discussed in the following section.

2.5. Business model innovation for sustainability

In furthering the theoretical foundation of BMI from a sustainability perspective as suggested by Foss and Saebi (2017), Bocken and Geradts (2020) noted the growing corporate interest in embedding societal challenges into the BMI process, which they termed as sustainable BMI (SBMI). In addition to innovating the traditional value creation, delivery and capture mechanisms (Teece, 2010; Foss & Saebi, 2017), SBMI's notion of value was much wider (Bocken & Geradts, 2020). Value from an SBMI perspective, moved from primarily economic to include social and environmental value, while including all societal stakeholders and not only customers and shareholders (Bocken & Geradts, 2020). In line with Foss and Saebi (2017), Bocken and Geradts (2020) highlighted SBMI's potential to address societal challenges. In addition, Bocken and Geradts (2020) noted other benefits for organisations beyond the direct financial benefit. Among others these included enhanced reputation, improved organisational resilience and being ahead of the curve in terms of future stakeholder issues and legislation (Bocken & Geradts, 2020). Geradts and Bocken (2019) went on to highlight that for organisations to innovate to address environmental and social issues, they needed the right culture. As such organisations were encouraging employees to enhance their creative and entrepreneurial abilities to develop new products, services or business models that create value for both the company and society (Geradts & Bocken, 2019).

In delivering the dual social and economic goals, and in line with the wider stakeholder perspective assumed by Bocken and Geradts (2020), Freudenreich et al. (2020) developed a stakeholder value creation framework that aids the analysis of value creation and the management as well as the transformation of business models to meet corporate sustainability objectives and stakeholder expectations. Freudenreich et al. (2020) proposed a shift away from a view of business models being purely mechanisms of value creation to being broader mechanisms that align and enable stakeholder relationships and accompanying value exchanges. Freudenreich et al.'s (2020) framework and approach is aligned to the concept of BMI for sustainability, where Foss and Saebi (2017) had found social and sustainability factors as its key antecedents. Given the lack of practical guidance for

managers as highlighted by Foss and Saebi (2017), Freudenreich et al.'s (2020) framework goes towards providing companies with the necessary guidance regarding greater engagement with sustainability (Freudenreich et al., 2020). This attribute links back to Teece (2010) who postulated that a greater appreciation of BMs enhanced the understanding of the organisational nature, as well as the role of managers in the economy and broader society.

Despite the derived benefits of SBMI, Bocken and Geradts (2020) found there was a lack of sustainable business model adoption by multinational corporations (MNCs) given a lack of dynamic capabilities to innovate for SBMI. Dynamic capabilities were also identified by Teece (2018) as being critical to drive BMI as indicated earlier. Bocken and Geradts (2020) identified organisation design factors at the institutional, strategic and operational levels that hinder and enable the development of dynamic capabilities essential for SBMI. Importantly in this regard, their study advanced the theoretical perspectives on SBMI and provided guidance to management on how to innovate business models for greater sustainability and achieve the dual goals of delivering societal and economic value (Bocken & Geradts, 2020).

This study adopted both the SBMI (Bocken & Geradts, 2020) and Freudenreich et al.'s (2020) stakeholder value creation framework given that both relate to business model innovation for sustainability, as is the concern of this study and with SBMI being central to meet competitive advantage and corporate sustainability goals (Bocken & Geradts, 2020). Key to this choice is that both frameworks importantly take a comprehensive approach in expanding the stakeholder universe to include all stakeholders and not just customers and shareholders, which is in line with the required widening of CSV's conceptualisation as argued by Crane et al. (2014).

Specifically, in the case of Freudenreich et al. (2020) their framework aids the alignment of stakeholder relationships, which in turn enables the understanding of the co-creation of value between the business and its stakeholders. Ultimately this shifts BMs from being purely frameworks of value creation to them being conduits to organise and facilitate stakeholder relationships and the accompanying value exchanges (Freudenreich et al., 2020). From an SBMI perspective, Bocken and Geradts (2020) underscore the importance of dynamic capabilities for the innovation of business models for sustainability. The importance of dynamic capabilities and managerial skills that underpin them were also emphasised by Teece (2018). In

addition, Bocken and Geradts (2020) highlight barriers and drivers of SBMI. As is evident all these factors are key to the delivery of CSV.

2.6. Sustainable business model innovation outcomes

With the above understanding that SBMI enables the creation of shared value across multiple stakeholders (Foss & Saebi, 2017; Bocken & Geradts, 2019; Freudenreich et al. 2020), the following section discusses three kinds of business model innovations and their respective outcomes.

2.6.1. Innovation including social intent

Candi, Melia, and Colurcio (2019) highlighted the need for businesses to simultaneously combine economic goals with social needs, in line with the business ethics perspective. These dual goals have seen a move away business models focused on the organisation to open models that incorporate stakeholder issues (Candi et al., 2019). This perspective is aligned to SBMI and the stakeholder value creation framework (Bocken & Geradts, 2019; Freudenreich et al. 2020). Candi et al. (2019) found that business success is linked to social progress and that recently the social dimension had become integral to business strategy, as was also found by Bocken and Geradts (2020). Porter and Kramer (2006; 2011) also highlighted the business and societal interdependence and associated corporate sustainability imperative.

Candi et al. (2019) through innovation with a social intent found that organisations can strategically combine competing economic and social paradigms in their innovation initiatives to fulfil multiple stakeholder expectations. A key distinction of Candi et al. (2019) relative to Porter and Kramer (2011) was the explicit reference to BMs (Teece, 2010) and SBMI (Bocken & Geradts, 2020) in terms of the adoption of open models to incorporate societal issues through innovation. In this regard, the duality of business success and social progress is embedded in the business model in line with stakeholder expectations.

Specifically, social innovation is a strategic renewal process which takes a shared value perspective in that it adopts a holistic view by incorporating and prioritising the needs of business and its stakeholders (Candi et al., 2019). They found that customer requirements were the largest determinant of organisational behaviour regarding social innovation (Candi et al., 2019). This in line with the BM perspective

that aligns value creation, delivery and capture with the external environment (Teece, 2010). Innovation with a social intent is aligned to SBMI (Bocken & Geradts, 2020) as well as the stakeholder value creation framework (Freudenreich et al., 2020) in that it considers all the organisational stakeholders to innovate its business model to create, deliver and capture both economic and social value.

Candi et al. (2019) also found that to achieve superior performance, organisations needed to take a holistic view of innovation, considering and balancing novelty and social imperative. This is aligned to the stakeholder perspective of value creation which considers business and social goals (Candi et al., 2019), and corresponds to Freudenreich et al.'s (2020) stakeholder value creation framework, which simultaneously balances corporate sustainability and stakeholder expectations. However, relative to Freudenreich et al.'s (2020), Candi et al. (2019) only consider value creation from the organisation's perspective as opposed to the co-creation of value as assumed in the stakeholder value creation framework (Freudenreich et al., 2020).

Specifically, Candi et al. (2019) found that organisations are more likely to innovate and include a social dimension when managers noticed a high degree of change in customer demands and expectations as opposed to when their demands and expectations are stable. Surprisingly, when faced with competitive pressure managers were indifferent to pursuing social innovation.

Candi et al.'s (2019) findings showed how the organisations can deliver both economic and social goals by incorporating social needs in their innovation process. Importantly, such innovation was driven by stakeholder expectations as opposed to competitive threats in the market. Although not explicitly stated the execution and delivery of the innovation is made possible through the organisation's dynamic capabilities as indicated by Teece (2018).

2.6.2. Corporate social innovation (CSI)

Similar to Candi et al. (2019), Herrera (2015) developed the concept of corporate social innovation (CSI) which also creates shared value through the incorporation and balance of both social factors and shareholder value. Specifically, Herrera (2015) defined CSI as "a measureable, replicable initiative that uses a new concept or a new application of an existing concept to create shareholder and social value" (p. 1469). Although Herrera (2015) makes no specific mention of a business model,

this definition essentially equates to SBMI as defined by Foss and Saebi (2017) who emphasised the novelty of the process, as well as Bocken and Geradts (2020) who noted the combination of both social, economic and environmental goals in the BM.

CSI aids business sustainability and enhances competitive advantage and is relevant to global strategy, given the importance of stakeholders and social responsibility (Herrera, 2015). As such successful social innovation is underpinned by stakeholder and macro-environment assessments (Herrera, 2015). This macro environment assessment compares to Porter and Kramer's (2011) CSV, which seeks shared value opportunities to drive innovation and productivity, and the strategic perspective. In addition, the stakeholder perspective of CSI is also aligned to SBMI (Bocken & Geradts, 2020) and the stakeholder value creation framework (Freudenreich et al., 2020), and aims to incorporate all stakeholders beyond just customers and shareholders.

As opposed to Candi et al. (2019) who showed when innovation with social intent was likely to occur, Herrera (2015) rather presented a framework which identified three organisational factors that enhanced CSI including strategic alignment, institutional elements and clarity of intent. Regarding institutional elements, Herrera (2015) found that stakeholder engagement, operational structures and process and organisational culture enabled CSI. Importantly, "integrating CSI into strategy and operations creates opportunities for co-creation, thereby creating shared value and enhancing competitive advantage" (Herrera, 2015, p. 1468). Stakeholder engagement and operational structures and process are all aligned to core elements of SBMI (Foss & Saebi, 2017; Bocken & Geradts, 2019; Freudenreich et al., 2020). The notion of operational structure and processes can also relate to dynamic capabilities required to implement and/or create the required business models in line with Teece (2018). Organisational culture can further be tied to the organisational routines, managerial skills and decision making required in support of dynamic capabilities (Teece, 2018)

2.6.3. Integrated value creation (IVC)

While Candi et al. (2019) and Herrera (2015) focused on the role of innovation of BMs to create shared value, Visser and Kymal (2015) instead proposed a methodology, integrated value creation (IVC), for business on how to credibly respond to the proliferation of societal challenges in a manner that makes business

sense. They posited IVC as an essential tool for innovation and transformation in order for business to become a part of the solution to societal challenges (Visser & Kymal, 2015).

IVC promoted collaboration across the business which helped in addressing stakeholder expectations through critical business processes including governance, product/service delivery and value chain management (Visser & Kymal, 2015). IVC can be compared to CSV (Porter & Kramer, 2011) in that its proposed activities correspond to the three means of CSV, especially regarding product/service delivery and value chain management. These two means of CSV are the re-conception of products and markets to serve society's needs and enhancing productivity in the value chain (Porter & Kramer, 2011). Similar to Candi et al.'s (2019) innovation with social intent and CSI (Herrera, 2015), in order to deliver value IVC is underpinned by innovation which enables the organisation to deliver value-enhancing solutions to societal challenges (Visser & Kymal, 2015).

Innovation with a social intent (Candi et. al, 2019), CSI (Herrera, 2015) and IVC (Visser & Kymal, 2015) all highlighted the importance of the consideration and balancing between organisational economic goals and those of society. Accordingly, and in line with SBMI (Bocken & Geradts, 2020) and the stakeholder value creation framework (Freudenreich et al., 2020), all three frameworks relate to business model innovation for sustainability which seeks to create, deliver and capture value in line with stakeholder needs and expectations.

Importantly, IVC (Visser & Kymal, 2015) offered a methodology of how to deliver on the dual goals through the collaboration of different business processes. This is relative to Candi et al. (2019) who provided insight into when social innovation occurred, whilst Herrera (2015) put forward enabling factors of CSI. Specifically, in terms of collaboration Visser and Kymal (2015) highlighted its centrality in the methodology which is reflective of dynamic capabilities required for BMI as indicated by Teece (2018). Similar to Herrera (2015), integration and collaboration would also entail organisation routines and managerial skills which underpin dynamic capabilities (Teece, 2018).

2.6.4. Conclusion

As was stated at the beginning of this section, SBMI incorporates social, economic and environmental goals into the business model of the organisation to meet

sustainability objectives and stakeholder expectations (Foss & Saebi, 2017; Bocken & Geradts, 2019; Freudenreich et al. 2020). The analysis above of the three frameworks reflects this basis. The analysis confirms that SBMI assumes an external focus through the innovation of the business model in order to create, deliver, and capture value in line with the prevailing market opportunity and corporate sustainability (Foss & Saebi, 2017; Bocken & Geradts, 2019). Central to this process is innovation, which enables the effective implementation and/or creation of an appropriate BM (Bocken & Geradts, 2019; Teece, 2018). The notion of innovation is highlighted in all three frameworks (Candi et al., 2019; Herrera, 2015; Visser & Kymal (2015). Linked to innovation are dynamic capabilities which are influenced by the business model and critical for its delivery (Teece, 2018). These dynamic capabilities are underpinned by organisational routines, culture and managerial practices.

From the analysis above, it can be concluded that SBMI is likely to occur as a result of customer and stakeholder expectations as opposed to competitive market forces (Candi et al., 2019). SBMI will be driven from a strategic level and the institutional factors that enhance it include stakeholder engagement, operational structure and processes, as well as culture (Herrera, 2015). The delivery of SBMI requires the necessary integration and collaboration of organisations process and structures (Visser & Kymal, 2015). The above is all underpinned by dynamic capabilities including the associated organisation routines and managerial decision making (Teece, 2018).

Following the understanding of the antecedents of SBMI, which creates shared value for society by meeting social, economic and environmental goals, it follows that a similar understanding of the outcomes of shared value is established. The below section aims to provide that insight.

2.7. Shared value outcomes, beneficiaries and operationalisation

Having assessed the antecedents of SBMI, this section provides an analysis of the outcomes, beneficiaries and operationalisation of shared value. Shared value is created when organisations balance social and economic goals in line with their corporate sustainability objectives (Porter & Kramer, 2011; Bocken & Geradts, 2020).

2.7.1. Outcomes

Dembek et al. (2016) approached shared value outcomes from the perspective of addressing human needs and challenges. According to the authors, from a needs' perspective three critical elements of shared value outcomes should be considered which include (1) what needs are addressed, (2) how are they addressed and (3) if they are satisfied (Dembek et. al., 2016). Unfortunately, Dembek et al. (2016) found that the shared value literature did not provide clear guidance on these aspects.

They found that society considered shared value as the improvement of the environment, better nutrition, access to amenities and higher incomes (Dembek et al., 2016). Organisations on the other hand identified shared value as enhanced profits, access to resources and an improved competitive position (Dembek et al., 2016). The authors found that organisational needs were nested in human systems of value co-creation that were broader than purely organisational sustainability needs (Dembek et al., 2016). However, shared value only focused on a limited number of stakeholders and needs instead of pursuing a systemic approach (Dembek et al., 2016).

Regarding shared value's limited systemic perspective in reality, Kaplan, Serafeim and Tugendhat (2018) found that this narrow stakeholder focus limited the impact of shared value strategies to the extent that they have not achieved the predicted transformational change. Specifically, Kaplan et al. (2018) noted that organisations found it difficult to implement scalable and profitable strategies for inclusive growth because their projects were not ambitious enough. To create sustainable solutions, projects that generate both economic benefits and create socioeconomic gains, which are scalable, required the creation of new ecosystems which include multisector opportunities and complementary partners among other factors (Kaplan et al., 2018). This multi stakeholder approach is analogous to Freudenreich et al.'s (2020) stakeholder value framework, particularly regarding the multisector opportunities and complimentary partners, as Freudenreich et al. (2020) sought opportunities for co-value creation with multiple stakeholders.

Dembek et al. (2016) found that the nature of shared value was limited to only those society issues that also benefited the organisation economically and as such only some social needs could be met through shared value. This is not a surprise because according to Teece (2010) BMs reflect the architecture of how best the organisation will organise itself to create, deliver and capture that value, while

cognisant of the prevailing opportunity. Moreover, this orientation will also to an extent determine the level of organisational dynamic capabilities and ability to innovate the BM (Teece, 2018). In this regard Dembek et al. (2016) recommended that claims about the social benefits of shared value should be made carefully and supported by data.

In terms of outcomes for the organisation, Candi et al. (2019) found that organisations that innovated to include a social dimension have relatively higher customer acceptance which would likely lead to improved market and financial performance over the long term. Other benefits included employee commitment and corporate integrity (Candi et al., 2019). These were similar to the benefits identified by Visser and Kymal (2015) which included reputation enhancement, employee motivation and improved stakeholder relations. Bocken and Geradts (2020) further identified organisational resilience and the anticipation of future legislation and stakeholder expectations as additional beneficial organisational outcomes. As such Candi et al. (2019) advised managers to consider a wide range of stakeholders including employees, customers, shareholders and society when pursuing innovation. This was also the essence of SBMI (Bocken & Geradts, 2020) and the stakeholder value creation framework (Freudenreich et al., 2020)

Empirically, Dembek et al. (2016) found that cases and examples of shared value reflected a "sweet spot" (p. 243) between social and organisational benefits. This sweet spot represented win-win cases which overlooked the reality of existing tensions between social and economic goals that lead to stakeholder misalignment (Crane et al., 2014).

Furthermore, shared value only addressed needs of selected stakeholders, while costs and other effects of the organisations were ignored (Dembek et al., 2016). Cases and examples also ignored the costs of shared value and only reflected the benefits (Dembek et al., 2016) contrary to Porter and Kramer (2011). In addition, cases were brief and lacked supporting data and thus limiting the ability to reflect the reality of the phenomenon (Dembek et al., 2016). While the limited stakeholder perspective and narrow organisational consideration are contrary to innovation with social intent (Candi et al., 2019), CSI (Herrera, 2015) and IVC (Visser & Kymal, 2015), which all take a broad organisational and stakeholder perspective, there is indeed no explicit consideration from a cost perspective. However, having said this

and given that the frameworks are concerned with BMs, costs could be implicitly accounted for in terms of value creation, delivery and capture mechanisms.

In light of the limitations of cases and examples of shared value, Dembek et al. (2016) called for more empirical studies with supporting data in order to reflect the reality of the phenomenon. One such study was the consideration of the levels of analysis of shared value and their implications (Dembek et al., 2016). This followed their finding that shared value was mostly analysed at the project or initiative level as opposed to the organisation level (Dembek et al., 2016). The authors called for an understanding of the potential implications and consequences of shared value analysis at the at the organisation or business model level (Dembek et al., 2016). Following Dembek et al.'s (2016) recommendation for a future research avenue, this paper aims to understand the creation of shared value from a business model level.

From an outcome's perspective following the above, it is important to assess these based on the needs of society and how they were addressed, and to what extent society was satisfied (Dembek et. al., 2016). A critical element of addressing needs is through stakeholder alignment (Dembek et al., 2016), the importance of which was highlighted by (Bocken & Geradts, 2019; Freudenreich et al., 2020). This broader multi stakeholder approach would enable the delivery of more impactful outcomes (Kaplan et al., 2018). However, given the external orientation of BMs and BMI (Teece, 2010; Teece, 2018) it is not unexpected that organisations would only pursue to address those society issues where they benefit economically (Dembek et al., 2016). Dembek et. al (2016) found the shared value cases were limited from an organisational perspective and as such called for further research of its implications from an organisational level, the objective of this study.

The benefit to organisations ranges from improved financial performance (Candi et al., 2019) to better stakeholder relationships (Bocken & Geradts, 2020). In addition to the organisation, it is critical to also gain insight into the other beneficiaries of shared value.

2.7.2. Beneficiaries

As mentioned above, it is important to link the shared value outcomes to the intended beneficiaries. Given the goal of shared value as set out in SBMI (Bocken & Geradts, 2020) and the stakeholder value creation framework (Freudenreich et al., 2020), both the organisation and societal stakeholders are beneficiaries of shared value.

However, Dembek et al. (2016) discovered inconsistency regarding which stakeholders derived the benefit of shared value, in addition to inconsistency in terms of the relative importance of each beneficiary. Given the interrelationship between individuals, society, organisations and the environment, activities of one organisation can have an impact beyond the direct stakeholders and at different levels and as such it was imperative to adopt a systems perspective so not to omit any stakeholders (Dembek et al., 2016). However, as indicated above, a key consideration is stakeholders directly aligned to the architecture of the business model that will benefit as it is their needs that organisations are best placed to meet.

Dembek et al. (2016) also referred to the notion as the "corporate win" (Dembek et al., 2016, p.239) after their analysis of cases and examples of shared value. Corporate win is reflected in the business model frameworks presented as the organisation has to align its business model to the market opportunity to create, deliver and capture value (Teece, 2010). Given this notion of corporate win, organisations themselves are then also beneficiaries of shared value and Dembek et al. (2016) concluded that economic success is inherent in shared value. This is evident in the outcomes of shared value that include improved market and financial performance (Candi et al., 2015) as well as enhanced reputation (Visser & Kymal, 2015).

In specifically considering Dembek et al.'s (2016) question of the relative importance of beneficiaries, firstly the critical point to make from the literature reviewed is that shared value highlights the need to simultaneously achieve societal and economic goals. As such there is no debate regarding whether society or the organisation is more important than the other as Dembek et al. (2016) question. The only discussion in the literature regarding the importance of stakeholders is in terms of customers and shareholders, who have previously taken precedence over other stakeholders (Herrera, 2015; Bocken & Geradts, 2019; Freudenreich et al., 2020).

In line with the premise of shared value, both the organisation and society simultaneously benefit from the process. However, the organisation has to derive economic success in order to deliver shared value and as concluded by Dembek et al. (2016), economic success for the organisation is inherent in shared value as manifested in the outcomes for the organisation. Societal stakeholders are key beneficiaries of shared value, although it is only the few that are aligned to the business model of the organisation that benefit (Dembek et al., 2016). Accordingly,

to benefit a broader stakeholder base beyond customers and shareholders, organisations have to adopt a systemic approach to shared value (Dembek et al., 2016; Bocken & Geradts, 2019; Freudenreich et al., 2020) in order to identify and align all stakeholders' needs and expectations. This will ensure more impactful delivery of shared value (Kaplan et al., 2018).

The effective implementation and delivery of shared value is concerned with its operationalisation which is another important element and is discussed below.

2.7.3. Operationalisation - barriers and enablers

According to Dembek et al. (2016) the lack of definitional clarity of shared value presented problems for its measurement and operationalisation. From a measurement perspective, Pfitzer, Bockstette and Stamp (2013) found no universal measure of shared value and Dembek et al. (2016) suggested that its measurement should include its means, outcomes and beneficiaries. They stated that these elements could be measured on a continuous basis and provide a monitoring system, through which a continuous flow of information could be obtained (Dembek et al., 2016).

In terms of operationalisation, organisations faced barriers in pursuit of shared value strategies within their operating ecosystems (Kramer & Pfitzer, 2016). This is as a result of CSV's narrow conceptualisation of business' role in society (Crane et al, 2014). To help broaden this conceptualisation and overcome these barriers to deliver shared value, organisations need to participate in and foster multisector coalitions (Kramer & Pfitzer, 2016). Resolving complex societal challenges requires organisations to initiate collective impact effort among stakeholders which includes different elements including alignment among stakeholders, continuous communication and supporting activities among others (Kramer & Pfitzer, 2016). In comparing Kramer and Pfitzer (2016) to Freudenreich et al. (2020) they both adopt the multi stakeholder alignment approach to enable shared value creation by balancing corporate objectives with stakeholder expectations and needs.

In addition, Kramer and Pfitzer (2016) found that organisations faced several obstacles to pursuing shared value strategies including the lack of corporate legitimacy, corporate free riders who benefit without making the necessary investments, lack of investment analysis rigour of social projects and short-term horizon of budget cycles which is misaligned to the long-term nature of shared value

investments. The lack of corporate legitimacy is the preeminent issue that CSV aims to re-establish by resolving societal challenges (Porter & Kramer, 2011). The other factors are short sighted given the role of business in society coupled with stakeholder expectations including those of customers. Candi et al. (2019) found that customer preferences were the largest determinant of organisational behaviour in relation to social innovation.

Dembek et al.'s (2016) examination of cases of shared value found that they mostly represented win-win cases, lack a systematic approach to addressing needs, and ignored the cost implications of shared value (Dembek et al., 2016). Furthermore, Crane et al. (2014) emphasised the limit of creating shared value given that it aims to solve societal issues through organisational-level changes.

The preceding analysis is summarised and concluded on in the following section.

2.8. Conclusion

Following the review of the literature and accompanying analysis in this chapter, this section summaries and concludes the discussion. Based on the insights garnered from the review, the researcher developed a conceptual framework which aids the understating of how organisations create shared value from a business model level.

Although CSV was not misplaced in terms of its recognition of the interdependence between business and society (Porter & Kramer, 2011), it's traditional business model basis with a focus on customers and shareholders is a hinderance on the delivery of shared value (Voltan et al, 2017; Lüdeke-Freund et al., 2016). The limited impact of CSV is evident in light of the prevailing complex societal challenges (Voltan et al., 2017). As such CSV's ability to deliver shared value has been called into question.

CSV's preeminent critique emanating from Crane et al. (2014) centred precisely around its traditional business model basis which was considered too narrow a conceptualisation and also that it lacked an appreciation of the real-world tension between social and economic goals. Effectively Crane et al. (2014) noted that CSV was attempting to resolve system level issues with organisational level change, which restricted its role to only the project level. This prompted a debate which has seen the literature progress to address CSV's shortfalls.

Key constructs in addressing CSV shortfalls relate to BM and BMI through the relationship of value creation, delivery and capture. Business models relate to the architecture of the firm's value creation, delivery and capture mechanisms, as well as the complementarity thereof (Teece, 2010; Foss & Saebi, 2018). Interrelatedly on the other hand, BMI refers to novel changes to this complementarity (Foss & Saebi, 2018). These novel changes, innovation, are underpinned by dynamic capabilities (Teece, 2018). Teece (2010) postulated that a greater appreciation of BMs enhanced the understanding of the nature of the organisation as well as the role of business in society. This view reflects the external perspective of BMs to address prevailing market opportunities, whilst dynamic capabilities assumed an internal perspective (Teece, 2018).

In line with BM's external perspective, the achievement of sustainability goals would require novel enhancements to the value creation, delivery and capture components of the BMI and in essence bring about SBMI. SBMI reflects social issues being a key driver of competitive advantage and corporate sustainability (Bocken & Geradts, 2020). Importantly, SBMI takes a wider approach that incorporates a broader stakeholder universe and not only customers and shareholders (Bocken & Geradts, 2019; Freudenreich et al., 2020) as in the traditional business models as articulated by Teece (2010). This approach enables the alignment of stakeholder needs and expectations in addition to the creation, delivery and capture of value in line with sustainability objectives. Similar to BMI, SBMI is also underpinned by dynamic capabilities essential to adjust the BM to deliver on the sustainability objectives (Bocken & Geradts, 2020).

In terms of its SBMI outcomes on the organisation, these ranged from improved market performance (Candi et al., 2019) to organisational resilience (Bocken & Geradts, 2020). SBMI was driven by stakeholder expectations (Candi et al., 2019), and was enhanced by stakeholder engagement as well as operational structure and processes (Herrera, 2015) and required integration and collaboration (Visser & Kymal, 2015).

Given the competitive advantage perspective of shared value outcomes were limited to those that directly benefited the organisation and its direct stakeholders (Dembek, 2016). In addition to the limited stakeholder based, shared value's operationalisation was also hindered by the lack of shared value's lack of definitional clarity (Dembek et al., 2016).

Figure 1 below depicts the author's conceptualisation of a shared value business model (SVBM) framework that incorporates CSV and BM which derives benefit for the organisation, whilst simultaneously creating shared value for society. As such it incorporates Porter and Kramer's (2011) notion of shared value and takes a SBMI perspective, which is focused on sustainability and assumes a broad stakeholder perspective to address societal challenges (Bocken & Geradts, 2020). The adoption of CSV coupled with the innovation of the business model through innovation for shared value, leads to the creation of shared value outcomes that encompass social, economic and environmental perspectives.

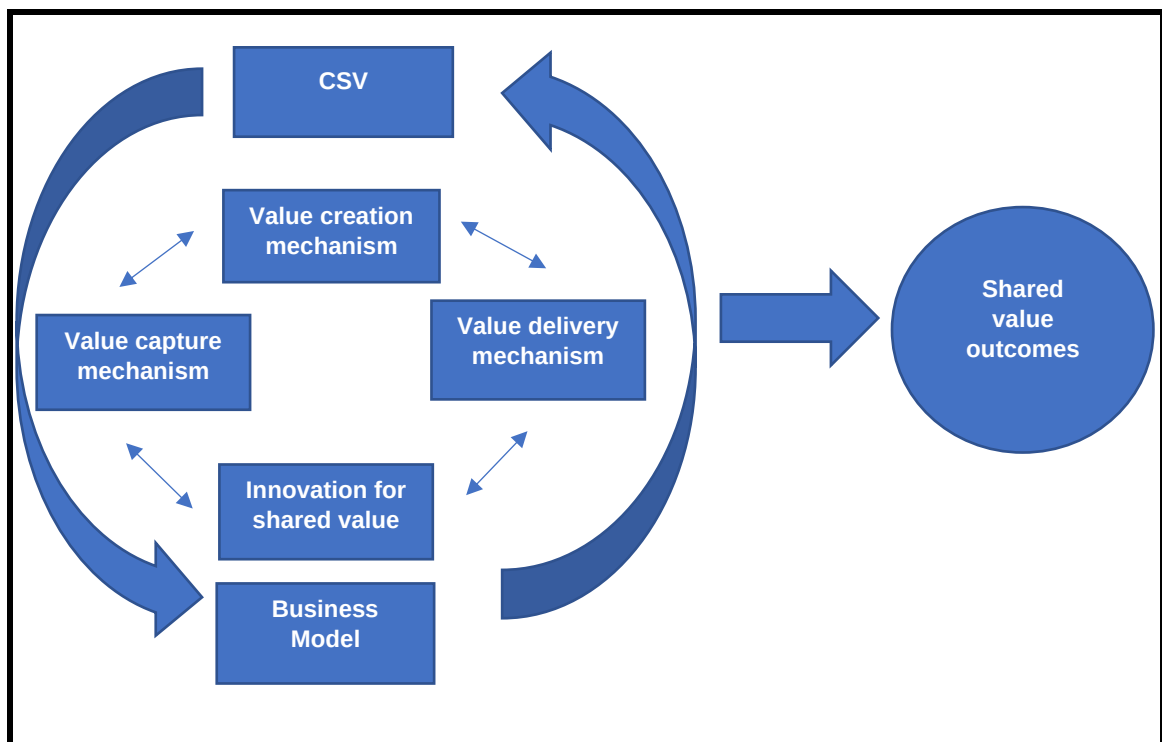


Figure 1: Conceptual framework for shared value business model

Source: Developed by author

The SVBMI framework will form the theoretical basis of the study to help understand how organisations create shared value at the business model level. This will be aided by the analysis and discussion of the research questions that follow.

The next chapter presents the questions that the study seeks to answer.

CHAPTER 3: RESEARCH QUESTIONS

Based on the purpose of the research and the review of the literature in the preceding chapter, this research aimed to answer the following questions. Each question was specifically drawn from the reviewed literature.

3.1. Research Question 1

How do organisations create shared value at the business model level?

Research question 1 aimed to understand how organisations create shared value to meet its own goals as well as create value for society. This is in line with Dembek et al.'s (2016) call to establish this understanding and the implications.

3.2. Research Question 2

How do organisations operationalise shared value creation?

Relatedly, question 2 aimed to understand how organisations actually implemented the creation of shared value. Given a lack of definitional clarity and no universal measure, Dembek et al. (2016) found that this presented problems for its operationalisation. Answering this question would help provide organisations with guidance on how to implement shared value, in addition to providing its meaning (Dembek et al., 2016).

3.3. Research Question 3

What are the outcomes of shared value?

Question 3 aimed at understanding what the outcomes of CSV are. Again, this related to Dembek et al. (2016) who called for the clarification of shared value's means, outcomes and beneficiaries

3.4. Conclusion

This chapter presented the research questions that were utilised to explore and understand how organisations create shared value at the business model level. The questions were in line with the aim of the study and based on the review of the literature.

The following chapter provides the underlying research methodology and design that was adopted to conduct this exploratory study and draw the necessary insights through the above questions.

CHAPTER 4: RESEARCH METHODOLOGY AND DESIGN

4.1. Introduction

The current chapter describes the selected research methodology and design used to address the questions presented in the preceding chapter. The study was exploratory in nature and adopted a qualitative methodology to study and understand how organisations create shared at the business model level. Qualitative research is well suited to the understanding of the creation of shared value given the conceptual novelty of the phenomenon (Dembek et al., 2016). The population, unit of analysis, sample, research instrument, data gathering process and analysis were all in support of the chosen methodology and design and are discussed below. In addition, the chapter discusses quality control factors, ethical considerations, as well as research limitations.

4.2. Research design

Saunders and Lewis (2018) recommend an exploratory study for developing new insights on a topic that is relatively new and not well understood, as is the case with the current study which seeks to provide an understanding of how shared value is created at a business model level. Saunders and Lewis (2018) further note that exploratory studies are well suited to qualitative methods such as semi-structured interviews. This is aligned to Creswell (2007) who corroborates that qualitative research is conducted when an issue needs to be explored to obtain a detailed and complex understanding of the matter.

The research adopted an interpretivist philosophy which according to Saunders and Lewis (2018) is a notion that "advocates the necessity to understand differences between humans in their role as social actors" (p. 109). This understanding was gleaned from semi-structured interviews which Saunders and Lewis (2018) point out as one of the ways of conducting exploratory studies. The required detail and complexity noted by Creswell (2007) were obtained by talking directly to people within the setting in which they address the issue or problem. Creswell (2007) highlighted that participants should be allowed to speak unencumbered by the researcher's expectations. This approach is similar to that adopted by Bocken and Geradts (2020) in the literature to enhance the understanding of sustainable business model innovation.

Creswell (2007) suggested that background, context and understanding of the literature can be used to interpret what is seen, heard and understood. Furthermore, Creswell (2007) noted that reliance should be placed on the lived experience of respondents. These factors enabled the researcher to interpret and understand how organisations create shared value.

The study assumed an inductive approach to theory development. Saunders and Lewis (2018) described induction as building theory from analysing data collected and moving from specific observations to broader generalisations and theories. Saunders and Lewis (2018) highlighted that induction emphasises the close understanding of the research context and that inductive reasoning observes patterns and repeated occurrences of phenomena to gain an understanding of meanings that humans attach to events. This is therefore appropriate to analyse data collected in this study which is based on respondents' knowledge and experience. The approach further aligns to the interpretivist philosophy of the study.

Importantly, from the patterns observed inductively the researcher applied conceptual themes to these observations through a deductive process that was based on the literature reviewed. This deductive approach is discussed further in the data analysis section below.

In line with the timeframe of the study it was cross sectional (Saunders & Lewis, 2018). Given the cross-sectional research design, data was collected through semi-structured interviews during September and October 2020.

4.3. The role of theory

The adopted design of the study allowed for the refinement and adaptation of existing shared value theory within a South African context. Crane, Henriques, Husted and Matten (2016) called for country studies in business and society to address the challenge of combining contextual novelty with theoretical insight. Regarding the current research the theoretical relevance pertains to the creation of shared value at a business model level. Theoretical contribution can be made in one of three ways: developing, refining, or testing theory (Crane et al., 2016). Crane et al. (2016) made the point that core constructs and associated theoretical frameworks have been developed in Western economies with an Anglo-Saxon pattern of corporate governance and societal institutions. Importantly in terms of shared value creation in South Africa, Crane et al. (2016) noted that comparative studies can

inform the understanding of organisational beliefs, attitudes, preferences and practices that underlie the theoretical knowledge of a phenomenon.

4.4. Population and setting

In light of the sustainable development imperative coupled with the associated governance requirements in terms of reporting on sustainability initiatives (Lüdeke-Freund et al., 2016), the selected setting for the study was South African listed corporates. The relevant population for the study comprised individuals with knowledge of and experience in creating shared value from a business model perspective. These individuals are managers predominantly within the Sustainability and/or Corporate Affairs divisions of the various organisations. They are effectively responsible for the formulation and/or implementation of their organisation's shared value strategy.

4.5. Unit of analysis

The unit of analysis is the individual's knowledge and experience of the research phenomenon. For completeness, the level of analysis is the business model.

4.6. Sampling method and size

To determine the unit of analysis, specific criteria were adhered to. The study was set within listed South African corporates that are committed to creating shared value at a strategic level. This commitment was determined from the organisations' latest integrated and sustainability reports in which their long-term sustainability strategy and in particular the creation of shared value was articulated. In addition, the selected organisations formed part of the FTSE/JSE Responsible Investment index and/or ranked among the top 100 JSE listed companies in the EY Excellence in Integrated Reporting Awards 2020.

Following the identification of the relevant organisations as per the above criteria, a further criterion was considered in that the relevant individuals within those organisations were required to possess the required knowledge and experience of the phenomenon. This approach ensured that the sample emerged directly from the stated criteria.

The selected participants based on the above indicated criteria, in line with Creswell (2007), would purposefully inform the understanding of the research problem and

the central phenomenon. Therefore, in this regard the employed sampling technique was purposive sampling which, as Saunders and Lewis (2018) stated, is a form of non-probability sampling using the researcher's judgement to select a small sample to collect qualitative data. Specifically, the type of sampling was criterion-based and considered strategic as it was important for the selected participants to have knowledge and experience of the research phenomenon (Creswell, 2007; Bryman & Bell, 2011).

Once the researcher had determined the relevant organisations based on the above-indicated criteria, he used his personal and professional network to identify the appropriate individuals that met the criteria (see Appendix 1 for introductory email to respondents). Bryman and Bell (2011) highlighted the importance of sample variety which the researcher sought as far as possible. Saunders and Lewis (2018) agreed that variety is critical as any patterns that emerge are likely to be of value and represent key themes. Variety was particularly relevant for this study as the respondents' knowledge and experience of the phenomenon would lead to insights and themes to help better understand the creation of shared value from a business model perspective. The researcher assumed that the knowledge and experience of individuals would vary in terms of people's different backgrounds and experience. In addition, differences would be expected in sectors in line with business models of each sector and the nuances therein. This again reaffirmed that the choice of the organisations was not of particular relevance to the research objective, rather it was the actual knowledge and experience of the selected participants within the various organisations.

4.7. Research instrument

According to Creswell (2007), semi-structured interviews help describe the experience of the phenomenon for a small number of people and therefore data collection took the form of semi-structured interviews. In terms of the sample size both Merriam and Tisdell (2016) and Bryman and Bell (2011) note that it is dependent on data saturation where no new or relevant data seems to be emerging from the data. Creswell (2007) recommended interviews with between 5 and 25 people, while Saunders and Lewis (2018) recommend between 12 and 30 interviews for a varied sample. In line with this guidance, the study had a sample size of 14 respondents which also adhered to the requirements set by the Gordon Institute of Business Science (GIBS) of between 12 and 18 interviews. As such, the researcher

was comfortable with both the sample selection and size. Further comfort was provided by the selection criterion of participants, given that Guest, Bunce and Johnson (2006) highlighted the quality of data collected through the structure provided by an interview guide and the focus of research in seeking to understand common perceptions and experiences through a group of relatively homogenous individuals in terms of the shared value phenomenon

Figure 2 is a representation of the number of new codes created per interview as proposed by Guest et al. (2006). According to the depiction and in line with Guest et al.'s (2006) methodology, saturation was attained at the 13th interview during the initial coding as no new codes were developed in the 14th interview. Saturation was further confirmed through an examination of the interview analysis for evidence of saturation (Flick, 2018).

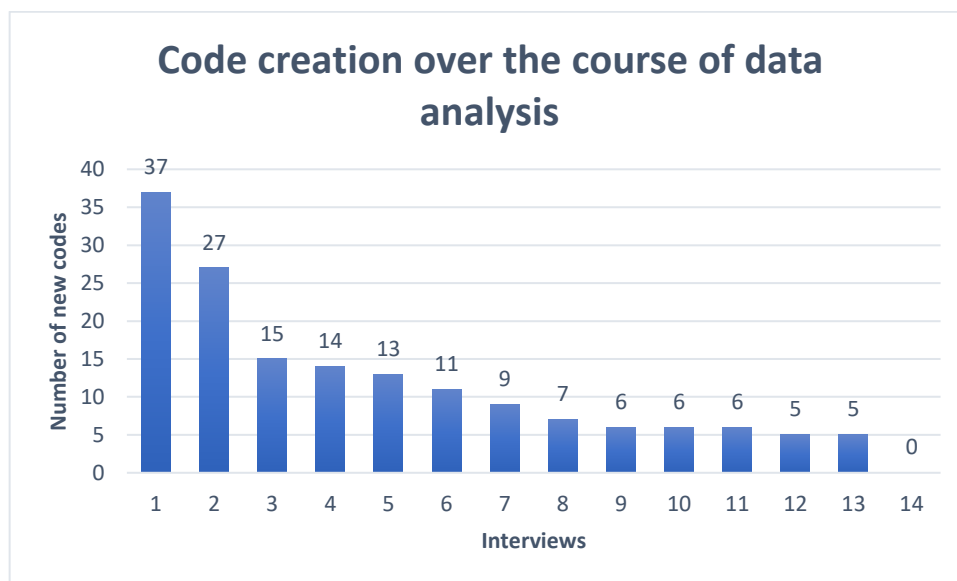


Figure 2: Code creation over the course of data analysis

Developed by author adapted from Guest et al. (2006)

A total of 15 interviews were conducted; however; the 15th interview was not utilised as the respondent was deemed not to have the requisite knowledge and experience of their organisation's shared value strategy possibly due to the fact that they were relatively new to the organisation and junior. As such, going forward all the data discussed is in reference to the 14 interview discussions. On average, the interviews lasted approximately 46 minutes. The shortest interview was approximately 21 minutes whilst the longest lasted for about an hour.

The interviews were guided by an interview protocol (see Appendix 2) based on the research questions. Although all the questions were covered, using identical wording in each interview their semi-structured nature allowed for flexibility and leeway for the respondent to answer questions unencumbered (Bryman & Bell, 2011). In this regard the interview protocol appropriately guided the course of the interview. Creswell (2007) notes the importance of designing and using an interview protocol. Specifically, Creswell (2007) highlights having open-ended questions which focus on the central question of the study. As such the researcher developed open ended questions which followed a logical flow and were not leading. In fact, Flick (2018) also highlights that a good interview is determined by the development of a thoughtful interview guide which allows for the exploration of the tension between the research question and the interviewee's experience. The design of the research instrument was to allow the respondent to share their views, as Josselson (2013) notes that respondents share when they feel heard.

In order to strike the above balance and conduct the interviews in a manner that elicited useful data, the researcher observed certain interview protocols (Jacob & Furgerson, 2012). An interview protocol is more than a list of questions but a procedural guide to direct the interview process (Jacob & Furgerson, 2012). In addition to the questions, the protocol included welcoming and thanking the participant, as well as reiterating the background of the research and what was expected from their participation. Furthermore, each participant was afforded the opportunity to provide their views in terms of the outlook of the phenomenon. The interview protocols are provided in Appendix 2.

4.8. Data gathering process

Semi-structured interviews can be conducted face-to-face, by telephone, or internet-mediated using multiple platforms including Zoom, Skype, Microsoft Teams among others (Saunders & Lewis, 2018). In light of the COVID-19 pandemic and government's lockdown restrictions which included social distancing measures, interviews for this study were all conducted via Microsoft Teams given the platform's prevalence in corporate South Africa. Furthermore, depending on bandwidth capacity, the video functionality of Microsoft Teams was used to enable the researcher to firstly introduce themselves and attempt to build some form of rapport with the respondent. Secondly, video allowed the researcher the ability to more fully engage and interact with the respondent and allowed the researcher to guide the

interview accordingly. In addition to the use of video, the recording and transcription functionality were also used which helped the researcher to fully engage with the respondent and actively listen without being distracted with the need to take notes. Josselson (2013) highlights that interviewees are inclined to share more if they feel that they are being listened to and heard. In line with the interview protocols indicated in section 4.7, the researcher requested each respondent to be interviewed via video and ensured they obtained the explicit consent prior to recording the interview. This consent was in addition to the consent obtained to conduct the interview (see Appendix 3 for interview consent form). Where the interview was not on video, it was due to either bandwidth restrictions at the time or interviewee preference not to be on video.

In order to ensure the respondents were unencumbered in their responses by the researcher's expectations (Bryman & Bell, 2011), the researcher limited any interruptions so as not to disturb the interview (Josselson, 2013). Throughout the interview, the researcher demonstrated active listening by acknowledging the respondents through appropriate nodding of the head and only interjected to seek clarity when it was absolutely necessary and only at opportune points in the interview (Josselson, 2013; Saunders & Lewis, 2018). Where appropriate during the interview, the researcher also probed for more detail as suggested by Saunders and Lewis (2018).

In terms of preparation for interviews as recommended by Saunders and Lewis (2018) and Merriam and Tisdell (2016), the researcher put significant thought into the quality of the questions and line of questioning to enhance the discussion and the quality of data obtained. Furthermore, as per Merriam and Tisdell's (2016) recommendation to draw out respondents' knowledge and experience in order to truly engage in a meaningful conversation, the researcher conducted background research on each respondent and their organisation in order to establish the necessary rapport to conduct the interview.

In terms of the quality of the questions, Saunders and Lewis (2018) noted the need to ensure that the set questions would collect the data required to answer the research questions and met the objectives of the study. In this regard, the questions were derived from the research question. This was further checked by conducting a pilot interview with a shared value consultant who would be considered an industry expert. Flick (2018) recommended that pilot interviews are conducted with someone

that is similar to the actual identified research participants. Saunders and Lewis (2018) noted that this approach allows for any necessary adjustments and improvements to be made as part of the preparation. Importantly, the pre-interview allowed the researcher to determine that the questions worked as intended and that there were no revisions necessary. Furthermore, Saunders and Lewis (2018) identify time as a key consideration in the preparation, and the researcher was able to determine the expected length of the interview given that time was of the essence for all the respondents given their seniority. The pre-interview was critical to provide the researcher with the necessary comfort with the Microsoft Teams platform specifically in terms of the required functionality to avoid any avoidable mishaps during the scheduled interviews.

Another key component of the pilot involved the enhancement of the researcher's interview skills. Both Merriam and Tisdell (2016) and Josselson (2013) highlighted the importance of interview skills. In this regard, the researcher repeatedly role played and practised alone and in front family who provided critical feedback on interview style which helped the researcher's confidence going into the interviews. In fact, Flick (2018) pointed out that good interviewing practice involves thorough preparation including the development of thoughtful questions which provides the researcher with flexibility to deviate from prior plans when necessary and the ability to help respondents tell their story, among other benefits.

As indicated above, all interviews were recorded using Microsoft Teams. Thereafter the transcripts produced by Microsoft Teams were downloaded and the researcher spent a significant amount of time cleaning and reviewing each transcript to the standard required for analysis. Accordingly, the transcripts formed the basis of the data that was analysed as elaborated below (Saunders & Lewis, 2018).

4.9. Data analysis

The data collected in the form of transcripts was analysed with the aid of ATLAS.ti, a qualitative data analysis software.

The study utilised thematic data analysis to identify emerging themes (Braun & Clarke, 2006). Braun and Clarke (2006) described thematic analysis as "a method for identifying, analysing and reporting patterns (themes) within data" (p. 79). Thematic analysis can provide a rich, detailed and complex account of data (Braun & Clarke, 2006). At a minimum it organises and describes data in rich detail but often

can go further and interpret various aspects of the research topic (Braun & Clarke, 2006).

As per the first phase of Braun and Clarke (2006), the researcher familiarised himself with the data during the data collection process. This was achieved through the transcription process, where each interview was repeatedly listened to in order to ensure the transcripts were as accurate and clean as possible. This process provided the researcher with sufficient opportunity to reflect on the data and develop an initial understanding of it. In terms of the actual data analysis, the researcher only commenced this process post the data collection stage and after all interviews were fully transcribed.

Regarding the analysis process, the researcher commenced by generating initial codes on an interview-per-interview basis, where interesting and relevant features in the data were coded systematically. After an iterative coding process, the researcher generated a total of 222 codes. Following the development of initial codes based on the data, these were then collated into relevant themes. Importantly, during the analysis a theme was determined through the researcher's interpretation and judgement and was not necessarily based on quantifiable measures (Braun & Clarke, 2006). A theme was derived from an important element in the data relative to the research question and represented a particular meaning within the data set (Braun & Clarke, 2006). Given this approach the themes were identified from the data in an inductive bottom-up approach (Braun & Clarke, 2006).

Given the assumed inductive development of themes from the data, Braun and Clarke (2006) highlight that themes may bear little resemblance to research questions of the theoretical interest in the topic. Therefore, the researcher was cognisant and open to the fact that connections are not always clear initially (Braun & Clarke, 2006). The thematic analysis was at the semantic or explicit level of meaning of the data (Braun & Clarke, 2006), whilst the analytical process went beyond semantic content to interpretation, in an "attempt to theorize the significance of the patterns and their broader meanings and implications" (Braun & Clarke, 2006, p. 84).

Braun and Clarke's (2006) process as presented in Figure 3 was followed in conducting the thematic analysis. Importantly, whilst the initial themes were developed inductively, the researcher then went on to deductively determine the

theoretical category of each theme based on the literature reviewed in order to achieve what Klag and Langley (2013) refer to as the all-important conceptual leap to enrich understanding. The notion of conceptual leap involves narrowing the gap between empirical data and theory which has meaning and relevance outside the particular context of its development (Klag & Langley, 2013). This is aligned to the study's approach to theory development in line with its research design described in section 4.2.

Table 2 below provides the breakdown of the coding process. The first column provides the first order categories that were developed from the initial codes. The second column of the table are the conceptual themes that the first order categories were grouped into. As described above these two columns were developed inductively from the data. The third and final column are the theoretical categories, which were developed deductively from the literature reviewed and the conceptual framework developed in Chapter 2. The complete list of code groups is provided in Appendix 4.

Table 2: Coding development

First order category	Conceptual theme	Theoretical category
RQ1: How do organisations create shared value		
Advocacy and stakeholder management	Stakeholder engagement	CSV
Board and management buy-in and support	Strategic leadership	Business model
Integrate strategy with sustainability Shared value needs embedded integrated thinking	Integration	Innovation for shared value
Purpose-led shared value strategy Resilient strategy and business model	Purpose	Business model
RQ2: How do organisations operationalise shared value		

First order category	Conceptual theme	Theoretical category
Data and technology are enablers Business that has not invested in digital will fall behind	Innovation	Innovation for shared value
Finance required on board Risk team is vital	Strategic support	Value creation/value capture
Right skills and driven workforce Bridging education gap of middle management Apply a sustainability lens Challenge of balancing preparation and selling Shared value mindset and culture Employee involvement and performance management Every area need to understand their role People connection Apply a sustainability lens	Employee alignment	Value creation/value capture
Uneven understanding Mindset challenge Not seen as important	Understanding shared value	Value creation/value capture
Partnership and collaboration Role clarity is important	Collaboration	Value creation/value capture
RQ3: What are the outcomes of shared value		
First order category	Conceptual theme	Theoretical category
Challenge of measuring social impact	Social impact	Shared value delivery
Different definitions and metrics Difficult to correlate activity with outcomes Measure using case	Measurement and evaluation	Shared value delivery

studies ESG KPIs Inconsistency across reporting Measurement to track progress Measuring non-financial performance Objectives and key results Target to measure against		
Benefit for ecosystem and society Benefit Makes money through shared value model Commercial viability dependent on society Triple bottom line Transformation imperative Deploy capital to create wealth	Shared value	Shared value outcomes

Source: Developed by author

The collection of data and phase one to five took approximately several weeks to complete. Following the review of emergent themes and their definitions, thematic maps were generated to aid the development of an overall story from the analysis (Braun & Clarke, 2006). This analysis and story are presented in chapter 5 for each research question (Braun & Clarke, 2006). The themes are accompanied by a selection of vivid and compelling interview quotations and theoretical categories as suggested by Braun and Clarke (2006).

Phase	Description of the process
1. Familiarizing yourself with your data:	Transcribing data (if necessary), reading and re-reading the data, noting down initial ideas.
2. Generating initial codes:	Coding interesting features of the data in a systematic fashion across the entire data set, collating data relevant to each code.
3. Searching for themes:	Collating codes into potential themes, gathering all data relevant to each potential theme.
4. Reviewing themes:	Checking if the themes work in relation to the coded extracts (Level 1) and the entire data set (Level 2), generating a thematic 'map' of the analysis.
5. Defining and naming themes:	Ongoing analysis to refine the specifics of each theme, and the overall story the analysis tells, generating clear definitions and names for each theme.
6. Producing the report:	The final opportunity for analysis. Selection of vivid, compelling extract examples, final analysis of selected extracts, relating back of the analysis to the research question and literature, producing a scholarly report of the analysis.

Figure 3: Phases of thematic analysis

(Braun & Clarke, 2006, p. 87)

4.10. Quality controls and ethical considerations

4.10.1. Quality controls

Internal validity and reliability are two key concepts to consider when designing business and management research (Saunders & Lewis, 2018; Bryman & Bell, 2011). Bryman and Bell (2011) state that internal validity is concerned with the integrity of the conclusions ascertained by the research, while reliability relates to whether the results of the study are repeatable.

Saunders and Lewis (2018) identified several factors that can impact the internal validity of research including subject selection bias, as well as effects of the data collection process that may impact respondents. Reliability is impacted by subject bias and observer error among other factors (Saunders & Lewis, 2018). To limit the impact of these factors to ensure internal validity and reliability of the research, the selection of respondents was based on a set of specific criteria and the researcher developed an interview protocol that was strictly adhered to during the semi-structured interviews including the use of standardised questions. Furthermore, given the premise of semi-structured interviews, respondents were provided the opportunity to fully respond to questions. Furthermore, with the researcher being aware of the risk of these biases helped mitigate their impact on the research.

Saunders and Lewis (2018) also mentioned external validity which pertains to the drawn conclusions being generalisable to other research settings. However, the

current research was not concerned about producing generalisable theory but was rather interested in the particular research setting.

4.10.2. Ethical considerations

From an ethical perspective, the researcher adhered to ethical standards as set out by the GIBS Ethics Committee. Prior to any data being collected the researcher obtained ethical clearance from the University (see Appendix 5). Furthermore, the researcher obtained informed consent from each respondent regarding their participation in the study and this also included the consent from each respondent in order to record interviews.

Importantly, to ensure the respondents' anonymity and protect their privacy and personal information, no names of individuals and organisations were reported. In addition, all data collected was anonymised and was stored and reported without identifiers. This is in line with Flick (2018) and GIB's ethical clearance requirements.

4.11. Research limitations

From a methodological perspective, there were a number of research limitations identified. These limitations are discussed below.

- The researcher recognises that no research can be value free but ensures that this impact is limited by the researcher being self-reflective about the role played by values as recommended by Bryman and Bell (2011).
- Another limitation relates to the fact that the researcher is not a trained expert in conducting interviews. Despite all the necessary preparation and conducting a pilot of the semi-structured interviews in line with Saunders and Lewis (2018), the lack of expert interview training could have a bearing on data collection.
- The relatively small sample size is a potential limitation (Saunders, Lewis, & Thornhill, 2003).
- Participants of the study were at least senior managers in their respective organisations and given that they were accessed through the researcher's network, no attempt was made to identify more junior employees in their organisations to interview. It could well be that the views of the relatively junior employees are different to those of senior management.

- Further regarding the participants, they were limited in number and mostly residing in Johannesburg, Gauteng. This presented bias from a geographic perspective.
- The limited timeframe of the study could have restricted the insights garnered had the study been conducted over a longer period of time.

The following chapter presents the results of the study.

CHAPTER 5: RESULTS

5.1. Introduction

The following chapter presents the key research findings of the study. The findings are based on the researcher's analysis of the data collected through 14 semi-structured interviews with senior managers from across six sectors, each with knowledge and experience of shared value either through its formulation and/or implementation. The results are presented in terms of the research questions posed in Chapter 3.

The chapter discusses the findings in terms of each research question. Specifically, the discussion of the results is presented according to relevant themes that emerged under each question. Prior to discussing the findings of the research questions, the chapter commences with a description of the participants and their background in terms of sector and role.

5.2. Description of participants and setting

The participants' codes, respective industries and their functions are listed in Table 3 below.

Table 3: Research participant details

Participant Code	Industry	Function
BS	Financial services	Corporate Citizenship
EM	Transport and Logistics	Corporate Affairs & Investor Relations
LK	Retail	Corporate Affairs
LM	Financial services	Corporate Citizenship
MJV	Financial services	Sustainability
MM	Mining	Stakeholder Affairs
MM1	Telecommunications	Sustainability
NS	Mining	Integrated Reporting
RP	Financial services	Corporate Citizenship
SW	Manufacturing	Sustainability and External Reporting
TDS	Financial services	Sustainability
TG	Financial Services	Communications
WD	Financial services	Corporate Citizenship
XV	Financial services	Communications

Source: Developed by author

Names of respondents and/or their organisations were anonymised to ensure their anonymity in the study in line with the ethical considerations of the study as indicated in the preceding chapter. As such any reference of the company and/or any other identifiers were removed from quotes that are included in the study and clearly marked with XX. Nevertheless, the researcher retained the context of each respondent quotation.

Respondents were drawn from across a total of six industries ranging from financial services, mining, telecommunications, retail, transport and logistics and manufacturing. The wide sample selection from an industry perspective was to ensure variety which would enhance the richness of the data as required for a study of this nature. Variety of participants was also derived from their role in the organisation as roles ranged from integrated reporting, investor relations, stakeholder management to sustainability and corporate citizenship.

5.3. Findings for Research Question 1

How do organisations create shared value at the business model level?

This questioned aimed to understand how organisations create shared value from a business model perspective. Each theme is discussed in turn.

5.3.1. Stakeholder engagement

Stakeholders were a predominant theme that emerged in terms of how organisations create shared value. In this regard, respondents relayed the importance of stakeholder engagement in relation to shared value to address the prevailing societal issues including unemployment, inequality and climate change among others. The general approach of stakeholder engagement was proactive in nature in order to pre-emptively understand stakeholder needs and expectations with the intention of seeking to address them. The multiple competing interests were noted as was the fine balancing act required to keep all stakeholders satisfied. The objective of stakeholder engagement was aimed at building trusted relationships with stakeholders and accordingly trust was viewed as an enabler of creating shared value. The focus on stakeholders and their engagement was due to stakeholder activism which respondents mentioned had brought the issues of sustainability to the fore for corporates.

MM: *"And this is why for us, you know we've made stakeholder management very strategic activity for sustainability and sustainable development. It's about knowing how to engage and then and understanding that and then really at the end of the day whilst it may sound like a big issue, stakeholder management is no more or no less an activity which demands that you listen and understand and then act. And there many complexities in between each one of those words but it is it is really not making the mistake of thinking that because you have the resources and some know how that you know what other people want."*

LM: *From an external perspective I think there are so many competing interests, and I think this is, it it's a country issue. There are very many groups in society, each with their own needs, one's beliefs, thoughts about how things should be and so here comes a big company like XX and it's very difficult to be everything to everyone. And it's a thing that we have to bear in mind when we do a stakeholder engagement.*

TDS: *"So what I mean by that is the increased attention that the stakeholder activists have brought to this has helped to not only you know, put this on the board room table."*

The discussion regarding the importance of stakeholder engagement was mostly relayed from a banking and mining sector perspective. This is likely due to the fact of the high regulation in these sectors as well as the significance of both sectors to the economy, and the multiplicity of stakeholders therein. Both banking and mining respondents relayed the need to engage with stakeholders and establish win-win outcomes for both the stakeholders and organisation. However, the stakeholder engagement in the mining sector was with communities, whilst the banking sector expressed a broader stakeholder range including government, regulators and political parties.

The focus on stakeholders relates to the fact that corporates operate within society and have multiple stakeholders to contend with including employees, communities, regulators among others, all with competing needs. It was only through proactive engagement that organisations are able to understand and align with the stakeholder needs and expectations so that they can aim to address them. Moreover,

stakeholder engagement has become even more critical in line with rising stakeholder activism which has brought stakeholder issues to the fore of business.

Proactive stakeholder engagement is a critical component of creating shared value to enable the organisation to understand and start to address stakeholder expectations, in a bid to help resolve societal issues.

5.3.2. Strategic leadership

Across the data set, respondents mentioned the importance of leadership in the process of creating shared value. Respondents were specific in the type of leadership which was namely board and management level leadership that was imperative to the process. Furthermore, what was required of leadership was its buy-in and support of the shared value initiative otherwise the process would not get the necessary traction in the organisation.

EM: "OK, so I think the biggest thing for me is that you need the biggest enabler is a supportive and driven management team because I think that if you don't have a management team as I said earlier, that is that is agile and that can change the narrative and that can respond very quickly to some of these challenges that could be seen as opportunities you are not going to succeed."

SW: "So that is pretty much in place and what is important you know is the support of your executive and of the board. And in our case you know we've got the support of both of them. Our current chairman who will be replaced in December by a new chairman, they are passionate about it and support it. So no question about supporting from that level."

TG: "I think the big part of that is driven it internally is certainly the adoption from a senior management level. I think that from a CEO level down to your average manager or employee, so the top management supporting and the messaging has been very consistent. It's been very sort of informative in sort of explaining what exactly XX is and how the organization tries to meet the challenges of societal challenges by using this sort of shared value proposition. So having executive buy-in has been a big enabler for the for the undertaking of XX."

The leadership buy-in and support discussion was predominantly in the financial services sector, with the exception of two respondents in transport and logistics and manufacturing. This was likely based on the respondents close working relationship with the management team in either formulating and/or implementing the shared value strategy in the organisation. In terms of similarities, all respondents expressed the importance of strategic leadership buy-in and support for shared value to gain traction in the organisation. One difference was that a single respondent in the manufacturing sector referred to the passion of the board and management as being important for creating shared value.

Given that shared value is a strategic imperative, it follows that it would require the necessary board and management leadership support and buy-in. Without it and as the respondents relayed, it hinders the traction and adoption of shared value within the organisation. Thus, strategic leadership plays a significant signalling role in the adoption of shared value.

5.3.3. Integration

Four respondents specifically raised the issue on integration, which related to integrating sustainability into the overall strategy of the business. The integration firstly elevated shared value to a strategic level and relayed its strategic importance to the broader organisation. Secondly, the integration process aided the embedding of shared value throughout the organisation.

LM: "What has really helped is getting XX into our strategy. So the fact that it's a value driver has kind of brought it home for a lot of people to say this is an important part of our business. We can't just look at our financial outcomes, we actually have to look at how we do business and how we impact the communities within which we operate. I'm not sure that the work that we do would have much traction if it wasn't for that, so I think there was a big win for us."

LK: So the XX has to be part of what happens within how you do business and the whole notion of shared value with communities is not something that is sitting with that department sitting over there, but it's something that permeates throughout the organization. It drives all the decisions that you make as an organization because you understand your responsibility to all stakeholders.

BS: *"People were very excited about and then we suddenly thought to ourselves oh gosh, we don't have we don't have enough tools to guide people on how to do this. And so that's part of the embedding process is to really provide tools and guidelines for people to understand how they go about integrating XX into the business and I think what's been a very important part of kind of doing this is thinking through the XX framework, which essentially means that everyone in the organization owns XX it's not a centre issue, it's not something that centre does, which is something that often happens with things that come from group, like the manner you know fall down from the sky, is that it's really important for everyone in the business to take ownership, and so that's the main purpose of the integration."*

Of the four respondents that spoke to the notion of integration, three were from financial services with the one being in retail. All respondents mentioned the importance of the integration of sustainability and strategy. From a difference perspective, the retail respondent highlighted that integration helped with decision-making across the organisation as employees understood their responsibility to stakeholders. The one respondent in financial services specifically mentioned the use of tools and guidelines in terms of integration, while another mentioned the use of a value driver model to achieve the integration.

Given the discussion presented it was important to integrate sustainability into the overall strategy in order to embed shared value across the organisation. Importantly, this ensured that shared value was an organisational initiative as opposed to being the sole responsibility of one department as raised by one of the respondents above. Furthermore, the integration helped with providing the basis for all decision making in the organisation, which is important for shared value.

5.3.4. Purpose

Linked to strategy the notion of a purpose-led strategy was relayed by several participants. Purpose being essentially the reason of the organisation's existence which was broader than just strategy. The respondents who relayed this notion noted that having a purpose-led strategy was a good starting point to embark on a shared value strategy. Furthermore, the purpose of the organisation provided the necessary basis for all decision making. For one particular organisation, its purpose was already a shared value strategy which made it easy for it to embark on the shared

value strategy journey. Importantly, another respondent in reference to strategy made the point that it needed to be resilient and based on a good business model.

MM: So I mean we live on the purpose statement of 'XX' and it's a very powerful purpose statement that we always make reference to just to guide our decisions and expected outcomes from those decisions.

XV: "One of the enablers is obviously, it starts internal, which is to embrace this idea that having a purpose led strategy is a good start. So a purpose led strategy is a good start for a company that is embarking on a shared value journey OK."

BS: "I think a huge enabler for us is our strategy as it is. Our strategy as it is I mean our strategy itself. Our purpose is already a shared value strategy in the way that it's been articulated. I think that that is a huge enabler as well."

The discussion on purpose-led strategy was relayed from respondents in financial services, mining and transport and logistics. In essence the substance of the message was similar in terms of the importance of being a purpose-led organisation. However, added to having a purpose-led strategy, the respondent in the transport and logistics sector highlighted the need for the strategy to be robust in the first place.

Based on the respondents it was evident that a purpose-led strategy provided the necessary basis for a shared value strategy. It helped with decision-making, and where the strategy, values and ethos of the business were already aligned to shared value, this made its implementation relatively easier. However, as raised by the respondent in the transport and logistic sector, it was imperative that the strategy itself was robust.

Creating shared value is linked to purpose in that an organisation aspires to help address societal issues.

5.3.5. Conclusions of the findings of Question 1

In answering the question of how organisations create shared value at the business model level, a number of key themes emerged which related to stakeholder engagement, strategic leadership, integration and purpose. Based on the data, the following key insights were highlighted:

- Proactive stakeholder engagement was imperative in order to understand stakeholder needs and expectations amidst competing interests in order to help address societal issues. The process allowed for positive outcomes for both the organisation and stakeholders. Further, stakeholder engagement helped build trust with stakeholders, which was viewed as a key enabler of creating shared value.
- Shared value was underpinned by buy-in and support from the board and management given its strategic nature. Strategic leadership enabled shared value to gain the necessary traction and adoption within an organisation.
- To further help the adoption and embedding of shared value in an organisation, the integration of sustainability with strategy was required. This elevated sustainability to a strategic level and provided a basis for all decision-making across the organisation.
- In addition, a purpose-led strategy provided a sound basis for a shared value strategy. That is, where an organisation's purpose was aligned to the values and ethos of shared value, the implementation of the latter was relatively easier as compared to another organisation where this was not the case.

5.4. Findings for Research Question 2

How do organisations operationalise shared value creation?

Following the first research question, the second research question aimed to understand how organisations implement their shared value strategies. The themes that emerged are discussed in turn below.

5.4.1. Innovation

Innovation was mentioned in reference to the use of technology and data to enable shared value. Respondents noted how the use of technology enabled shared value through the opportunities that it opened up. A view was relayed that the lack of investment in data and technology risked the organisation being left behind by competitors.

NS: "I think technology is a big enabler. I think it's not just to enable the business to make money. It is enabling the business to operate safely. It is enabling the business to save money so that we have more value to share. And I think you know because I mean mining is not a very environmental

friendly thing to do, so using technology enables us to do it more environmentally friendly."

MJV: "Technology is a big enabler for shared value because I believe you can achieve a lot with technology and especially shared value where you can reach the unbankables where technology can just enable so many things to people that was underserved previously."

EM: "Digital and technology. I think that businesses that have not seen the benefit in investing in these spaces proactively will potentially fall behind digital and the businesses with the best data will be the businesses that will succeed in the future. Doesn't matter which industry it's in it doesn't matter which sector. A lot of businesses have already showed that tangibly, that if you have, if you invest in the right data and digital, you will be successful in the future and businesses that have commoditized business models would be those that would have the biggest challenges in terms of transitioning into the space."

The importance of technology was raised by respondents in the mining, financial services and transport and logistics sectors. All three respondents noted the opportunity that technology provided for creating shared value including providing banking services and safer and environmentally friendly mining. However, the respondent in the transport and logistics sector specifically mentioned that organisations that did not invest in the necessary digital and data capability were at risk of being surpassed by competitors.

Technology was identified as an enabler of creating shared value given the opportunities that it presented for organisations, and in the case of the study it was regarding extending banking services to the underserved population and engaging in safer and environmentally friendly mining. The absence of investment in data and technology put an organisation at risk of being surpassed by competitors.

5.4.2. Strategic support

Strategic support related to having the organisation's finance function on board in the pursuit of shared value. The respondents deemed the finance function as being of strategic importance in order to implement a shared value strategy. To this end finance was deemed relatively powerful in the organisation. One aspect of the

discussions centred around the point that shared value required the necessary financial investment to enable its pursuit and finance was the custodian of the financial means within the organisation. Part of that investment was related to systems and processes, which would enable the organisation to capture and report on shared value metrics in line with finance's requirements, similar to other initiatives in the organisation. Linked to the financial investment and systems and processes, finance was required to report on the impact of shared value and as such it needed to be aligned appropriately. However, there was also mention of the difficulty of getting accountants to understand the concept of shared value given their pure focus on financial metrics in line with their training and nature of their role.

Linked to the importance of support from finance, two respondents in the financial services sector also mentioned the importance of the risk function in terms of also getting its support for a shared value strategy.

RP: "Yes, definitely a huge cultural shift and I think winning or what really helped was winning over finance because obviously finance in the bank has a lot of clout. But once you get them to understand that it is a value driver just like any other value driver then it makes the conversation a lot easier."

TDS: "A big one finance. So you now needing, you need the processes, the systems and you need people to you know, catch information, capture information and translate it into financial language and share it. And whereas this has taken the back seat for many years in terms of you know your year-end reporting, all the financial stuff comes first and then if we have time we get to the non-financial. We can't do that anymore. It needs to be done together at the same time."

WD: The group finance as a kind of key ally in this to start including this in regular reporting. So when finance puts things into templates and so on, then, everyone has to do it. So that helped.

The discussion regarding strategic support from finance largely emanated from financial services respondents with the transport and logistics respondent also weighing in. This was perhaps a function of finance and risk being more prominent in financial services as opposed to other sectors. Nonetheless, all respondents highlighted the importance of finance as a function to the delivery of shared value. Two respondents, one in financial services and the other in transport and logistics,

made specific mention of the chief financial officer (CFO) being directly involved in the process. These same two respondents further noted that the importance of finance was across industry rather than being isolated to some sectors only.

Finance would be critical to an organisation given that the function is the custodian of financial resources in any organisation and initiatives such as shared value would need the requisite investment. Furthermore, in line with the public nature of the organisations under study finance would need to be aligned with the shared value strategy from a reporting and governance perspective. Linked to reporting, finance would need to demonstrate how shared value is adding value to the business, which is what investors and other stakeholders would be interested in. In terms of risk, risk and compliance are also critical functions particularly within financial services and any strategy would need to meet the necessary risk appetite of the organisation.

From the above it is clear that finance is critical function to obtain support from in order to support a shared value strategy. This support is in terms of financial investment as well as from a reporting and governance perspective.

5.4.3. Employee alignment

Employees were seen as a critical stakeholder in the process of delivering shared value and in this regard, respondents highlighted the importance of employee alignment and involvement to successfully implement shared value. The entire organisation needed to understand shared value and apply it in their respective roles accordingly. In addition, the concept needed to resonate with them personally. Culture and mindset were seen as the biggest enablers, whilst skills and motivated workforce were also positively associated with its implementation. Respondents discussed the need to educate middle management as they were effectively responsible for driving the strategy in an organisation. Furthermore, to ensure alignment to shared value it was also linked to performance management.

TDS: "People need to connect personally to it. They need to go how does this impact me, how does this impact my children. You know, it's the air that we breathe. It's the food that we eat right, it's the energy that we burning every day in our homes. It impacts us on absolutely every level, so we need to connect people. So that's another piece of work. So I would say that's probably the strongest enabler is getting the culture and connection right then."

LM: *"And also the fact that it's linked to people's performance management. So it's one thing to put it in your strategy. But if someone doesn't resonate with it today, they're not going to actively try and create shared value in the job that they do. But the fact that when we sit at the beginning of every year and the performance management system and we have to say how we contribute to XX, that's been quite helpful in people in the organization understanding it."*

LK: *"Well, internally another enabler obviously for employee involvement is time, its giving the time because this is company time. This is time that we pay for but when people want to go and make a difference in the community they are given this time and they don't have to sign up for it. It's not time that so we take the cost of that time. So that's one enabler that I would say. I think it's quite an important one because in order to reach out, you need to be out there so giving employees time is something that we don't cost, but it obviously has a cost because you need so many people in store for a shift you know."*

The employee alignment notion was shared across industries from financial services, transport and logistics and retail. All respondents highlighted its enabling impact on shared value. The financial services respondents emphasised the cultural resonance of shared value and the importance of educating middle management. Another financial service respondent noted the need to align the employee performance management to shared value in order to ensure delivery and adherence. On the other hand, the retail respondent mentioned the actual time employees were afforded to engage in shared value initiatives positively contributed to creating shared value.

Given that the responsibility of executing a shared value strategy lay with employees, it follows that they are deemed as important stakeholders. As such employees require the necessary alignment to the shared value strategy in order to successfully implement it. In this regard and as raised by respondents, organisations need to foster a culture that drives the resonance of shared value to employees. In addition, over and above a suitable culture, employees also need to possess the requisite skills and understanding of shared value and be incentivised appropriately to deliver on the strategy.

In light of the above reasoning employee alignment is necessary for shared value delivery.

5.4.4. Understanding shared value

From a challenge perspective, respondents identified limited understanding of shared value within the organisation. Two respondents went on to note that limited understanding extended externally with people not understanding the role corporates play in creating shared value and whether they can help resolve the issues. From an internal perspective, employees mistook shared value for either corporate social investment (CSI) or charity. Then there were simply people that did not deem it important for the organisation. Two respondents attributed this to a lack of a mindset shift that embraced shared value which in turn precludes decision-making that is aligned to the ethos of shared value.

WD: "So when we first started this and it even still exists today but not as much is a lot of people think that it's about CSI they think it's about charity. So you know, we had to do a lot of socialization to get people to understand this is a commercial strategy to grow your business and so we have to continually reinforce that message that's one of the big challenges that we've experienced internally."

MM1: "Internally, I would say there's not a sufficient understanding of shared value. So I mean now I'm about a year, just over a year into XX and I'm having conversations with foundation colleagues, other colleagues who do not even get the concept of shared value."

XV: "I think the challenge that businesses have internally is a mindset change one in decision-making that is informed by values such as those that the shared value model would seek to address which relate to sustainability cannot be achieved if some sectors of society, are not included."

The notion was predominantly highlighted by the financial services sector and the respondent in the telecommunications sector also made mention of it. All respondents highlighted the challenge of limited understanding of shared value. However, from the responses the reason behind this limited understanding ranged from the inability to differentiate it from CSI, to a mindset challenge and to the fact that some employees did not take shared value seriously.

A lack of understanding of the concept internally would indeed prove to be a challenge for the implementation of shared value as reflected above. The limited understanding is essentially driven by a lack of knowledge around what exactly shared value is and what it aims to achieve. Furthermore, there is an absence of a shift in mindset towards embracing shared value, which further limits understanding across the organisation.

To ensure the delivery of a shared value strategy, there is need to enhance the understanding across organisations through increased socialisation of the concept, but even more importantly an alignment of the organisations culture to be more supportive of shared value.

5.4.5. Collaboration

Five respondents spoke of the importance of collaboration regarding shared value. Collaboration related to establishing relationships and partnership with other organisations including government and non-governmental organisations, with the aim of addressing societal issues. Essentially what was garnered from the discussions was that the problems present in society were too big and multifaceted for one organisation to address alone. Furthermore, with finite resources, collaboration aided the pooling of resources which would otherwise be too onerous for a single organisation.

Linked to collaboration, one respondent highlighted the importance of role clarity amongst social players and that the understanding of roles would aid the delivery of shared value. In this regard government was raised as a key stakeholder which everyone had to deal with.

LK: "So how we tend to go about over that through that is by having partnerships so we don't you know if let's say there's another giant retailer like us there are times we can compete in terms of how our share price is doing but when it comes to development we need each other. We need government, you know we need so collaboration for us is a value is one of the most important values towards delivering shared value because we are saying we don't have all the hands we don't have all the money, we don't have all the brains, we don't have all the ideas so if you collaborate either internally within the organization or even externally within the organization."

MM: "And then and then secondly, the other enabler is, I think being able to identify like-minded companies and people that you can work with. So we are part of a regional collaborative development platform called the XX, you can Google it. And it's currently operating in XX in partnership with the XX provincial government and the aim is to expedite the development and implementation of the XX Economic Development Plan through a different approach to implementation of projects and Economic initiatives but still remaining within the laws of the province."

BS: "I think from an external point of view as I said, I think that there is a lot of good support externally that that is really sort of popping up there. Lots of communities that are really trying to understand shared value and trying to for lack of better word, really mainstream it, and I think that helps a lot."

The discussion emanated from across most of the sectors including retail, manufacturing, telecommunications and financial services. All respondents highlighted the importance of identifying the right partners to collaborate with. Importantly, one respondent in the retail sector highlighted that collaboration could even be with competitors whilst another respondent in the financial services sector noted that that collaboration helped advance the notion of shared value in the public domain.

In line with the respondents' views, given the magnitude of societal challenges, collaboration is a critical aspect of delivering shared value, as no one organisation could address the challenges single-handedly. Furthermore, collaboration increased the availability of resources particularly from a financial perspective which is critical to tackle societal challenges. However, as much as collaboration was important, equally important was the collaboration with suitable partners who share the same intent. Linked to identifying suitable partners is the understanding of the various roles of each partner in order for the collaboration to be as cohesive as possible. In understanding those roles, government's role should be factored in and understood as a critical societal stakeholder.

In light of the above, collaboration can be seen to be a critical aspect of effectively addressing societal issues to deliver shared value.

5.4.6. Conclusion of findings of Research Question 2

In addressing the question of how organisations operationalise shared value, a number of relevant themes emerged. From these themes the following key insights were drawn:

- Innovation through investment in digital and technology was considered an enabler for shared value delivery, as it presented additional opportunities.
- Support from finance was necessary in order to provide the financial investment required for the pursuit for shared value. In addition, finance was deemed critical for the development of the required systems and processes, which are integral to the organisations reporting and governance requirements.
- Employees were considered a critical stakeholder and as such their alignment to the shared value strategy was deemed beneficial for implementing shared value. Employee alignment was from the perspective of employees having the necessary understanding of shared value and the requisite skills, as well as a supporting performance management framework. In addition, organisational culture and employee mindset were also considered significant enablers of shared value.
- On the other hand, a lack of understanding and appreciation for shared value by employees was considered a challenge and hinderance to the delivery of shared value. Lack of understanding was a function of the inability to differentiate shared value with CSI, a mindset that did not embrace shared value and employees not taking shared value seriously.
- Given the size and complexity of societal issues, shared value required collaboration and partnerships with other organisations with aligned objectives. Collaboration also helped alleviate any funding constraints that any single organisation would face. Importantly, in addition to choosing the right partners, the understanding of each partner's role was deemed essential.

5.5. Findings for Research Question 3

What are the outcomes of shared value?

The third research question sought to understand what the outcomes of shared value were. The emerging themes are discussed in the sections below.

5.5.1. Social impact

Regarding the outcomes of shared value, respondents discussed the difficulty of measuring the impact of shared value, particularly from a social perspective. They expressed the view that the focus of measurement was transitioning from measuring output towards assessing impact. While the former was focused more on the outputs of investment, the latter's focus was on providing an indication of what the actual impact of the shared value strategy was on society and specifically regarding the issues being addressed. There were a number of reasons put forward regarding this challenge which culminated in the fact that there was an absence of a standard methodology in place to measure impact both domestically and globally. To this end one respondent raised the point that this made it difficult to compare performance across organisations. Overall, every respondent essentially expressed the view that they were at a nascent stage in terms of measuring the impact of their shared value initiatives, with respondents in the banking sector noting that there were initiatives underway in the sector to address this limitation.

LK: "You know there isn't you know one way that has been adopted globally or even locally that says this is how we're going to measure success."

TDS: *"Impacts is becoming more and more a focus and an outcome. So it's not just you know the Rands and cents, or the percentage of or the return on; it's now you know how many lives have been impacted, how many jobs have been created, and how much carbon has been taken out. And I think that's the more difficult part."*

MJV: *"What the challenge is now is that the banks can't agree on what those measurables are because now you saying it doesn't matter if you've got a KPI and you can't measure the impact and each bank is measuring the impact in a different way and there's no guidance for us to say this is how you measure impacts, you just do it on what you think is impactful. So the challenge for the banks to agree on those measurables and agree on how we're going to measure impact to show the banking sector's impact on South Africa as a whole."*

Nine respondents expressed this view regarding the challenge of measuring impact. The respondents were in financial services, retail and manufacturing. As indicated above respondents all relayed the difficulty of measuring impact due to the absence

of a measurement standard. In this regard measurement was still a work in progress. A couple of the financial services respondents did however indicate that the banking sector had instituted a working stream to establish a measurement framework which would reflect the impact of the sector on South Africa.

Over and above the monetary investment into social challenges and measuring the output thereof, it is equally important, if not more so, to have an appreciation of the impact that the organisation's shared value initiatives have on society. This understanding will help organisations to adjust their shared value strategies accordingly to maximise their impact in resolving societal challenges. However, without a standard methodology this ambition will remain difficult to achieve and limit the extent to which performance can be compared. As such it is incumbent on organisations to develop such a methodology.

Given that shared value is about addressing societal issues, its measurement should demonstrate the impact that it has on alleviating these issues. This is a more comprehensive measure than outputs or money invested as it gives a sense of whether society's needs are really being addressed by shared value and to what extent. Moreover, it allows organisations to make the necessary adjustments in order to achieve the desired impact and importantly it allows for comparisons to be made across organisations and/or industries.

5.5.2. Measurement and evaluation

In relation to the measurement and evaluation of shared value, almost all respondents noted the difficulty and challenge of achieving this objective. In this regard all respondents but one expressed that measurement was a work in progress for their organisation. The majority of respondents shared that measurement frameworks that were in place were inadequate in terms of reflecting or helping organisations understand the outcomes and impact of their initiatives. The main challenge of measurement and evaluation related to the absence of a standard measurement methodology or metrics that could be utilised. Another challenge, which one respondent relayed, was the different views of what shared value is which made its measurement difficult. Whilst another respondent highlighted that it was hard to measure their efforts given the nature of their role in stakeholder engagement. Given the lack of a consistent measurement standard, some respondents shared the various measures that they used to measure and evaluate

shared value including case studies, environmental, social and governance (ESG) elements, key performance indicators (KPIs) and objectives and key results.

LM: *"It gives me a headache that question because it's difficult is the short answer. One of the things we struggle with as a team is it's very difficult to correlate our actions and activities and outputs with particular outcomes."*

WD: *"So it's not easy, and we're working with banks across the world actually on solving this puzzle because no one's got it right so we are amongst a group of leading banks that are trying to figure it out. So one way we measure this is in our case studies that we include in the report XX so we have lots of examples of things that we've done that have made this positive difference that have created shared value."*

MM: *"So I mean, I guess we both understand that that is the challenge but you know we've been developing what we call a XX strategy, which is side by side with our growth strategy and that's an area we've had to put a lot of emphasis on. And the way we've gone about it was from the beginning to identify something that is becoming a cliché, you know OKR - objectives and key results - and that's how we gonna know that we are moving in the right direction and we're doing the right things. So it's still early days for now for XX but we are quite confident that with the with a clear definition of our objectives and key results will be able to demonstrate impact."*

Respondents across all the sectors with the exception of transport and logistics and mining, noted the difficulty of measurement and evaluation. All respondents but the two in mining and transport and logistics noted the shortfall of their measurement and evaluation criteria to determine the impact of their shared value strategy. The respondents in the mining and transport and logistics sector, reflected that they had KPIs in place to use as measurement indicators for the delivery of organisational shared value targets. However, in relation to the concerns raised by the other respondents about challenges of measurement and evaluation, KPIs would not be considered as adequate measure of shared value delivery.

The difficulty with measurement firstly arises from the complex nature of the societal issues that organisations are trying to resolve. Coupled with this inherent complexity, the absence of a standard methodology or metrics to use as a basis to measure and evaluate shared value initiatives further adds to the challenge of measurement.

The challenge of measurement and evaluation is likely to persist without a standard methodology or framework for organisations to use as a basis. This may limit the full impact that organisations could have on societal issues if they are not able to adequately assess the impact of their efforts. Furthermore, without a standardised measure comparison becomes difficult to make, which may also hinder the impact of resolving societal challenges.

5.5.3. Shared value

Regarding what organisations' objectives were for creating shared value, respondents firstly relayed an appreciation of the mutual dependence between business and society, and that the success of one drives the success of the other. In addition, there was an understanding that shared value took a commercial perspective as opposed to being charitable in nature and that there was commercial benefit that accrued to the organisation. Having established these fundamentals, respondents described the benefits that also accrued to society through communities and surrounding ecosystems. In terms of objectives of shared value, these related to taking a triple bottom line approach to cater for the economic, social and environmental needs. From a social and economic perspective there was specific mention of transformation and wealth creation, as well as the notion of inclusion including digital and financial. Food security, climate change and environmental protection were other objectives mentioned in the discussions.

XV: "So it boils down to the relationship between society and business and that's very fundamental and that's where I started and that the commercial viability of any business entity is a function of a healthy and vibrant society which benefits from economic growth, human progress."

SW: "Well, firstly you know it is a company which will be 100 years old next year. So obviously one of the objectives is to make money. You know we will lie if we say we run a company with twelve 14,000 employees and we don't want to make money. Then it defeats the purpose of it."

WD: "So what we do is we work with an ecosystem we look at the needs. How do we make that market that ecosystem work better and that might be by providing finance. It might be by providing training might be by providing sort of networking and matchmaking services between buyers and sellers. It's about having incubators that we set up. And by doing those various things

we grow our business at the same time, so it's not just that we're doing this for charity."

The objectives of shared value were aligned to each sector depending on the nature of the industry. For instance, financial services focused on the deployment of capital to enhance socioeconomic outcomes as well increasing financial outcomes including literacy. Whilst mining was focused on improving the welfare of surrounding communities in addition to limiting the environmental impact of their activities. However, regardless of differences in the nature of business and the sector that it was in, respondents emphasised the objective of their shared value strategy as being aimed at improving the welfare of communities and society. Moreover, this ambition was not at the expense of the financial viability of the business but for its benefit as well.

Respondents demonstrated a clear understanding of shared value by understanding the interdependence between business and society coupled with the fact that it is a commercial strategy. In this regard benefits of shared value accrued to both the organisation and society. Benefits to society encompassed social, economic and environmental and were aligned to the nature of the business.

As demonstrated above shared value is at its basis a commercial strategy to create value for the organisation as well as society. This approach ensures the commercial success of the organisation, which in turn enables for society to benefit from a socioeconomic perspective as well as environmental.

5.5.4. Conclusion of the findings of Research Question 3

The third research question aimed to ascertain what the outcomes of shared value were. The following insights were established.

- There is a transition from measuring outputs to focusing on impact. However, the measurement of impact is proving a challenge in the absence of a standard measurement framework or methodology. As such it is difficult for organisations to determine the impact that their initiatives have on the issues they are trying to help resolve.
- Furthermore, the absence of a standard measurement framework poses a challenge for measurement and evaluation in general. In addition to the

possibility of limiting the impact of organisation's initiatives, it also hinders the ability to make meaningful comparisons between organisations.

- Organisations' shared value strategies considered the interdependence of business and society, in that one does not benefit at the expense of the other. Furthermore, shared value was underpinned by a commercial objective which through the course of business enabled the creation of value for stakeholders and communities. Societal value encompassed social, economic and environmental aspects depending on the nature of the organisation and its shared value objectives.

5.6. Conclusion

This chapter presented the findings of the three research questions posed in Chapter 3. These related to how organisations create shared value at the business model level, how they operationalise shared value and what the outcomes are. Table 4 depicts the insights drawn.

Table 4: Key insights

Research question	Key insights
1. How do organisations create shared value at the business model level?	1.1 Proactive stakeholder engagement was imperative in order to understand stakeholder needs and expectations amidst competing interests in order to help address societal issues. The process allowed for positive outcomes for both the organisation and stakeholders. Further, stakeholder engagement helped build trust with stakeholders, which was viewed as a key enabler of creating shared value. 1.2 Shared value was underpinned by buy-in and support from the board and management given its strategic nature. Strategic leadership enabled shared value to gain the necessary traction and adoption within an organisation.

1.3 To further help the adoption and embedding of shared value in an organisation, **the integration of sustainability with strategy** was required. This elevated sustainability to a strategic level and provided a basis for all decision-making across the organisation.

1.4 In addition, **a purpose-led strategy** provided a sound basis for a shared value strategy. That is, where an organisation's purpose was aligned to the values and ethos of shared value, the implementation of the latter was relatively easier as compared to another organisation where this was not the case.

2. How do organisations operationalise shared value creation?

2.1 **Innovation through investment in digital and technology** was considered an enabler for shared value delivery, as it presented additional opportunities.

2.2 **Support from finance** was necessary in order to provide the financial investment required for the pursuit for shared value. In addition, finance was deemed critical for the development of the required systems and processes, which are integral to the organisations reporting and governance requirements.

2.3 Employees were considered a critical stakeholder and as such their alignment to the shared value strategy was deemed beneficial for implementing shared. **Employee alignment** was from the perspective of employees having the necessary understanding of shared value and the requisite skills, as well as a supporting performance management framework. In addition, organisational culture and employee mindset were also considered significant enablers of shared value.

2.4 On the other hand, **a lack of understanding and appreciation for shared value by employees was considered a challenge** and a hinderance to the delivery of shared value. Lack of understanding was a function of the inability to differentiate shared value with CSI, a mindset that did not embrace shared value and employees not taking shared value seriously.

2.5 Given the size and complexity of societal issues, **shared value required collaboration and partnerships with other organisations** with aligned

objectives. Collaboration also helped alleviate any funding constraints that any single organisation would face. Importantly, in addition to choosing the right partners, the understanding of each partner's role was deemed essential.

3. What are the outcomes of shared value?

3.1 There is a transition from measuring outputs to focusing on impact.

However, the measurement of impact is proving a challenge in the absence of a standard measurement framework or methodology. As such it is difficult for organisations to determine the impact that their initiatives have on the issues they are trying to help resolve.

3.2 Furthermore, the absence of a standard measurement framework poses a challenge for measurement and evaluation in general. In addition to the possibility of limiting the impact of organisation's initiatives, it also hinders the ability to make meaningful comparisons between organisations.

3.3 Organisations' shared value strategies considered the interdependence of business and society, in that one does not benefit at the expense of the other. Furthermore, shared value was underpinned by a commercial objective which through the course of business enabled the creation of value for stakeholders and communities. Societal value encompassed social, economic and environmental aspects depending on the nature of the organisation and its shared value objectives.

Source: Developed by author

Chapter 6 goes on to discuss the results in relation to the literature.

CHAPTER 6: DISCUSSION

6.1. Introduction

This chapter provides a discussion of the findings from the preceding chapter relative to the literature reviewed. Similar to Chapter 5, the discussion is conducted according to the themes of each research question. Chapter 6 compares and contrasts the research findings with the literature reviewed in Chapter 2.

The researcher followed a systematic process in the development of the chapter. Firstly, the research findings were compared to Chapter 2 in order to identify key insights in terms of similarities and differences. Where there were any differences with the literature identified, the researcher searched for additional literature to verify this difference.

6.2. Discussion of Research Question 1

How do organisations create shared value at the business model level?

As indicated earlier, the first research question was aimed at understanding how organisations created shared value from a business model perspective. Each theme that emerged from the data is discussed in turn below.

6.2.1. Stakeholder engagement

In seeking to understand how organisations create shared value, respondents highlighted the importance of stakeholder engagement in order to understand the needs of stakeholders and align expectations, with a view to help address these needs and expectations. This was important in light of the competing interests in the country which organisations have to contend with. Respondents relayed the strategic nature of stakeholder management, the difficulty in balancing competing interests as well as the fact that stakeholder issues had been brought to the fore by stakeholder activists. Importantly, stakeholder engagement was aimed at building trust with stakeholders, which was a key enabler of creating shared value.

This stakeholder approach is aligned to Lüdeke-Freund et al. (2016) who noted that business models for shared value took a system-level perspective regarding value creation. This was opposed to traditional business models that took a narrower perspective where value creation is focused on customers and shareholders (Lüdeke-Freund et al., 2016). Bocken and Geradts (2020) and Freudenreich et al.

(2020) also adopted this broader stakeholder perspective in relation to value creation that related to the innovation of business models that account for corporate sustainability and stakeholder expectations. This system perspective addresses Crane et al.'s (2014) critique of shared value's narrow conceptualisation and to some extent its avoidance of the tension between social and economic goals.

The findings indicate that organisations engaged with the identified stakeholders in order to understand their needs and expectations with a view to address their needs and expectations. Similarly, Lüdeke-Freund et al. (2016) highlighted that the notion of sharing requires the identification of the parties that are to participate in the sharing.

The findings highlighted that engaging stakeholders was to build trust between the organisations and its stakeholders. However, the notion of trust does not appear to be articulated in the reviewed literature as trust would be considered an important attribute of sharing and value creation. This is especially the case given the competing interests of society as highlighted by the respondents.

The findings of the study suggest the following:

- a) Business models that are intended to create shared value should take a holistic view of the organisation's stakeholders over and above just the customer. This holistic view is achieved through stakeholder engagement to understand the needs and expectations of stakeholders and to enable the creation and sharing of value.
- b) Although not seemingly addressed in the literature, the notion of building trust with stakeholders is key especially in an environment with many competing interests.

6.2.2. Strategic leadership

Respondents emphasised the imperative of board and management buy-in and support of the shared value strategy in the organisation. Specifically, respondents were clear that without the support from the highest level of leadership in the organisation, shared value was unlikely to gain the necessary traction and adoption within the organisation.

The literature reviewed is relatively limited regarding the importance of leadership to drive a shared value strategy. Given the strategic nature of shared value, the notion

of leadership may be implicit. In this vein, Bocken and Geradts (2020) identified strategic drivers that enhanced dynamic capabilities, that enable sensing, seizing of opportunities which in turn could transform the existing business models to achieve SBMI. Among these strategic drivers was having a strategic focus on SBMI, which rendered it integral and important to an organisation's strategy in order to achieve its objectives (Bocken & Geradts, 2020). Bocken and Geradts (2020) noted that the strategic focus on SBMI had provided the necessary direction for organisations to transform, it underlined its strategic importance within the organisation and stimulated employees to identify sustainable business of the future and to seize them.

The findings of this study suggest the following:

- a) Leadership support is critical to the delivery of shared value as it enables its adoption within organisations.
- b) However, the literature does not appear to explicitly address the role of leadership in delivering shared value. Instead the role of leadership may be implicit given the strategic focus on SBMI (Bocken & Geradts, 2020).
- c) Strategic focus on SBMI rendered it integral to the to the organisation's strategy (Bocken & Geradts, 2020). This is a similarity in that strategic focus on SBMI demonstrates top management's commitment to creating shared value.

6.2.3. Integration

Respondents highlighted the integration of sustainability into the organisation's strategy to enable organisations to create shared value. The importance of integration according to respondents was twofold. The first was that it elevated shared value to the strategic level and secondly through this elevation, embedded it into the organisation.

Similarly, within the literature, Bocken and Geradts (2020) found that strategic focus on SBMI made it a critical component of an organisation's strategy to achieve its objectives. Furthermore, Herrera (2015) found that integrating CSI into strategy and operations creates opportunities for creating shared value. Integrating social and environmental factors led to significant business model innovations (Herrera, 2015).

The findings of the research suggest:

- a) The integration of sustainability and strategy was important in order to elevate sustainability to the strategic level and to embed it into the organisation.
- b) This is supported by the literature where integrating shared value and sustainability into the strategy aids the delivery of shared value. Integration gives shared value and sustainability the required strategic focus and is a driver to the development of dynamic capabilities to achieve SMBI (Bocken & Geradts, 2020). Further, Herrera (2015) notes the significant business model innovations that arise through integrating social and environmental factors.

6.2.4. Purpose

Respondents highlighted the importance of a purpose-led strategy to aid the delivery of shared value. They noted that an organisational purpose aligned to the ethos of shared value made its implementation easier.

Within the literature this was supported by Geradts and Bocken (2019) who noted the importance of linking the organisation's long-term interest with societal good. A sense of purpose provides clear direction for sustainability (Geradts & Bocken, 2019). Furthermore, Herrera (2015) identified organisational culture as one of three institutional elements that enable CSI. Organisational culture included corporate values, organisational norms and employee attitudes (Herrera, 2015). Herrera (2015) noted that management could encourage social innovation through corporate values that supported experimentation, risk-taking and collaboration.

In relation to dynamic capabilities required for the design and operation of business models, Teece (2018) highlights that organisations may need to transform their culture to proactively position themselves for new threats and opportunities. One of the reasons that dynamic capabilities are difficult to imitate is because they are derived from distinct characteristics including the culture of an organisation (Teece, 2018).

The research findings suggest the following:

- a) A purpose-led strategy aligned to the ethos of shared value was important for the delivery of shared value. This was supported by the literature which indicated that linking an organisation's purpose to societal good provided a clear direction for the organisation (Geradts & Bocken, 2019).

- b) In addition to purpose, the literature highlighted organisational culture including corporate values and organisational norms, which management could leverage to enhance social innovation (Herrera, 2015). Further, culture aids the development of dynamic capabilities required for the design and operation of business models to proactively position the business in line with prevailing market conditions (Teece, 2018).

6.2.5. Research outcomes of Research Question 1

In understanding how organisations create shared value, the following key insights were established from the comparison between the findings and literature.

- Business models that are intended to create shared value should take a holistic view of the organisation's stakeholders over and above just the customer. This holistic view is achieved through stakeholder engagement to understand the needs and expectations of stakeholders and to enable the creation and sharing of value.
- Although not seemingly addressed in the literature, the notion of building trust with stakeholders is key especially in an environment with many competing interests.
- Leadership support is critical to the delivery of shared value as it enables its adoption within organisations.
- However, the literature does not appear to explicitly address the role of leadership in delivering shared value. Instead the role of leadership may be implicit given the strategic focus on SBMI (Bocken & Geradts, 2020).
- Strategic focus on SBMI rendered it integral to the organisation's strategy (Bocken & Geradts, 2020). This is a similarity in that strategic focus on SBMI demonstrates top management's commitment to creating shared value.
- The integration of sustainability and strategy was important in order to elevate sustainability to the strategic level and to embed it into the organisation.
- This is supported by the literature where integrating shared value and sustainability into the strategy aids the delivery of shared value. Integration gives shared value and sustainability the required strategic focus and is a driver to the development of dynamic capabilities to achieve SBMI (Bocken & Geradts, 2020). Further, Herrera (2015) notes the significant business

model innovations that arise through integrating social and environmental factors.

- A purpose-led strategy aligned to the ethos of shared value was important for the delivery of shared value. This was supported by the literature which indicated that linking an organisation's purpose to societal good provided a clear direction for the organisation (Geradts & Bocken, 2019).
- In addition to purpose, the literature highlighted organisational culture including corporate values and organisational norms, which management could leverage to enhance social innovation (Herrera, 2015). Further, culture aids the development of dynamic capabilities required for the design and operation of business models to proactively position the business in line with prevailing market conditions (Teece, 2018).

6.3. Discussion Research Question 2

How do organisations operationalise shared value creation?

The purpose of this question was aimed at understanding how organisations implement shared value. The themes that emerged are discussed relative to the literature.

6.3.1. Innovation

Innovation through the investment in digital and technology was considered an enabler of shared value. Innovation presented additional avenues for the organisation to deliver shared value. These opportunities included using technology to mine more sustainably, while from a banking perspective, it related to the use of technology for the delivery of banking solutions to the unbanked and/or underserved market.

The benefit of technology was supported by the literature. In redefining productivity in the value chain, one of the means of CSV, Porter and Kramer (2011) focused on technological advances and its benefit regarding resource use. That is, advances in technology led to new approaches to resource utilisation, packaging and recycling (Porter & Kramer, 2011). Porter and Kramer (2011) posited that improved resource utilisation through improved technology would permeate through all parts of the value chain as well as benefit suppliers. Furthermore, advances in technology aided improvements in environmental performance (Porter & Kramer, 2011).

In terms of reaching underserved markets, Porter and Kramer (2011) suggested that this often required the redesign of products or distribution channels. The developments also led to innovations that traditional markets also benefitted from (Porter & Kramer, 2011).

The findings of the research suggest the following:

- a) Technology is an enabler to creating shared value in that it presented opportunities to develop new approaches which solved societies problems including reaching underserved markets and having a positive impact on the environment.
- b) This was supported in the literature where Porter and Kramer (2011) highlighted the enhanced productivity of the value chain through the efficient use of resources due to technology, which in turn had a positive impact on environmental performance. Technology also enabled the redesign of products and distribution channels to access underserved markets (Porter & Kramer, 2011).

6.3.2. Strategic support

Respondents highlighted the importance of obtaining the support from the finance function of the business. Finance was deemed critical to support shared value in that it provided the necessary financial resources to do so. Moreover, finance was responsible for developing the necessary systems and processes to be used for reporting.

In terms of the literature, Herrera (2015) discussed operational structures and processes that enabled CSI (Herrera, 2015). Relevant to this study, these structures and processes specifically refer to accountability structures and systematic procedures to adopt successful innovations (Herrera, 2015). Further support was found in the literature in that companies needed to make sure that employees had the necessary funding, expertise and corporate support to pursue sustainability-orientated innovation (Geradts & Bocken, 2019).

From a cost perspective however, Dembek et al. (2016) found that cases of shared value mostly focused on the benefits of shared value and paid minimal attention to the cost of shared value from a financial perspective.

The research findings suggest:

- a. Finance is critical to deliver shared value creation from both providing the necessary financial resources as well as investing in the required systems and processes.
- b. The literature is supportive of the requirement of systems and processes where Herrera (2015) identified structures and processes that enabled CSI. Furthermore, there is also alignment in terms of the importance of funding and corporate support for shared value (Geradts & Bocken, 2019).
- c. However, there appears to be little consideration in the literature on the cost implications of shared value. In fact, Dembek et al. (2016) found that there was no cost perspective provided in the cases of shared value, which instead focused more on benefits only.

6.3.3. *Employee alignment*

Employees were deemed critical stakeholders in the process of delivering shared value and as such needed to be aligned appropriately to the shared value strategy. This alignment involved employees to understand the shared value strategy and how it applies to various roles across the organisation. In addition, shared value needed to resonate with employees and respondents considered culture and mindset as enablers of shared value. Furthermore, employees needed to have the requisite skills and the organisation needed to have a commensurate performance management framework in place.

The importance of employee alignment was supported in the literature. Bocken and Geradts (2020) identified several drivers of SBMI at the operational level which included people capability development, incentive scheme for sustainability as well as performance metrics for sustainability. In terms of people capability development this included training, recruitment practices and facilitating exposure to stakeholders (Bocken & Geradts, 2020). Whilst putting in place an incentive scheme gave substance to SBMI at the operational level as did performance metrics (Bocken & Geradts, 2020).

In a similar vein, Geradts and Bocken (2019) identified five factors that enabled sustainability-oriented innovation to address societal issues. These elements included providing a clear sense of purpose, positive reinforcement, a commitment to accountability all of which would help employees to participate in sustainability-oriented initiatives (Geradts & Bocken, 2019).

Moreover, from a culture perspective, as noted in section 6.2.4, organisational culture was one of the institutional elements that enable social innovation values and processes (Herrera, 2015). Herrera (2015) highlighted that management can encourage social innovation through corporate values, which in turn was likely to increase competitive advantage.

The research findings suggest:

- a) Employees are a critical stakeholder in the operational delivery of shared value. As such their alignment was necessary in terms of understanding the shared value strategy and having the necessary skills and an enabling culture in place.
- b) This was aligned to the literature in that people capability and the establishment of an incentive scheme were among the operational drivers for SBMI (Bocken & Geradts, 2020). Additional factors including a clear sense of purpose and positive reinforcement helped employees to participate in sustainability-oriented initiatives (Geradts & Bocken, 2019).
- c) Organisational culture was also imperative to drive, enable and embed social innovation (Herrera, 2015).

6.3.4. Understanding shared value

It was found that a lack of understanding and appreciation of shared value was a challenge to the delivery of shared value. The lack of understanding was driven by the inability to understand what shared value was and differentiate it from CSI. In addition, employees having a mindset that did not embrace shared value and not taking shared value seriously also hindered the delivery of shared value.

The above is supported by the literature. In a bid to drive sustainability-orientated innovation to address societal needs, traditional organisations found it difficult to get employees to think like entrepreneurs which was important to build an innovative culture that seeks to solve societal challenges (Geradts & Bocken, 2019). Management needed to provide a clear sense of direction through the articulation of how sustainability fits into the organisation's broader goals (Geradts & Bocken, 2019). Furthermore, a common purpose between the employee and organisation helped set the direction of what both employees and organisations do (Geradts & Bocken, 2019).

Geradts and Bocken (2019) also identified resources, a collaborative environment, positive reinforcement and accountability as other factors that were important to instil a culture of sustainability-oriented innovation.

The findings of this study suggest the following:

- a) The lack of understanding and acceptance of shared value on the part of employees hinders its delivery.
- b) This challenge was supported in the literature where in order for organisations to address societal challenges through sustainability-oriented innovation, required a conducive organisational culture (Geradts & Bocken, 2019). This is enabled by employees and the organisation having a common purpose which then determines what employees and organisations do. Importantly, the organisation's purpose provides clear direction in terms of how sustainability fits into its broader goals (Geradts & Bocken, 2019). Resources and a collaborative environment were other factors that were important to instil a culture of sustainability-orientated innovation (Geradts & Bocken, 2019).

6.3.5. Collaboration

The enormity and complexity of societal issues required the collaboration with other organisations with similar objectives. As such the choice of partners was important as was understanding their roles. Furthermore, collaboration eased financial constraints that any single organisation faced alone.

The literature was supportive of the above finding. Geradts and Bocken (2019) identified collaboration as an essential element to build a sustainability-orientated innovation culture in an organisation. Collaboration, with both internal and external parties, addressed any gaps in skills and resources (Geradts & Bocken, 2019).

In addition, Kramer and Pfitzer (2016) noted that organisations faced barriers within their operating systems that hindered shared value strategies. To overcome these barriers Kramer and Pfitzer (2016) recommended organisations to participate and foster multisector coalitions which required a common agenda, mutually reinforcing activities and constant communication amongst other requirements (Kramer & Pfitzer, 2016).

The findings of this study suggest:

- a) Collaboration was important for the delivery of shared value given the size and complexity of societal issues.
- b) Similarly, the literature noted that collaboration, with both internal and external parties, aided the establishment of a sustainability-oriented innovation culture in the organisation (Geradts & Bocken, 2019). Furthermore, organisations needed to establish multisector coalitions with a common agenda and mutually reinforcing activities in order to overcome barriers to shared value strategies in their operating environment (Kramer & Pfitzer, 2016).

6.3.6. Research outcomes for Research Question 2

The second question aimed to understand how organisations operationalise shared value. Following the above analysis, the following key insights were established.

- Technology is an enabler to creating shared value in that it presented opportunities to develop new approaches which solved societies problems including reaching underserved markets and having a positive impact on the environment.
 - This was supported in the literature where Porter and Kramer (2011) highlighted the enhanced productivity of the value chain through the efficient use of resources due to technology, which in turn had a positive impact on environmental performance. Technology also enabled the redesign of products and distribution channels to access underserved markets (Porter & Kramer, 2011).
- Finance is critical to deliver shared value creation from both providing the necessary financial resources as well as investing in the required systems and processes.
 - The literature is supportive of the requirement of systems and processes where Herrera (2015) identified structures and processes that enabled CSI. Furthermore, there is also alignment in terms of the importance of funding and corporate support for shared value (Geradts & Bocken, 2019).
 - However, there appears to be little consideration in the literature on the cost implications of shared value. In fact, Dembek et al. (2016) found that there was no cost perspective provided in the cases of shared value, which instead focused more on benefits only.

- Employees are a critical stakeholder in the operational delivery of shared value. As such their alignment was necessary in terms of understanding the shared value strategy and having the necessary skills and an enabling culture in place.
 - This was aligned to the literature in that people capability and the establishment of an incentive scheme were among the operational drivers for SBMI (Bocken & Geradts, 2020). Additional factors including a clear sense of purpose and positive reinforcement helped employees to participate in sustainability-oriented initiatives (Geradts & Bocken, 2019).
 - Organisational culture was also imperative to drive, enable and embed social innovation (Herrera, 2015).
- The lack of understanding and acceptance of shared value on the part of employees hinders its delivery.
 - This challenge was supported in the literature where in order for organisations to address societal challenges through sustainability-oriented innovation, required a conducive organisational culture (Geradts & Bocken, 2019). This is enabled by employees and the organisation having a common purpose which then determines what employees and organisations do. Importantly, the organisations' purpose provides clear direction in terms of how sustainability fits into its broader goals (Geradts & Bocken, 2019). Resources and a collaborative environment were other factors that were important to instil a culture of sustainability-orientated innovation (Geradts & Bocken, 2019).
- Collaboration was important for the delivery of shared value given the size and complexity of societal issues.
 - Similarly, the literature noted that collaboration, with both internal and external parties, aided the establishment of a sustainability-oriented innovation culture in the organisation (Geradts & Bocken, 2019). Furthermore, organisations needed to establish multisector coalitions with a common agenda and mutually reinforcing activities in order to overcome barriers to shared value in their operating environment (Kramer & Pfitzer, 2016).

6.4. Discussion of Research Question 3

What are the outcomes of shared value?

This research question sought to determine what the outcomes of shared value were. The themes that emerged are discussed relative to the literature in the following.

6.4.1. Social impact

There is a transition from measuring outputs towards assessing the impact of shared value initiatives. However, the measurement of impact is proving a challenge due to the lack of a standard measurement methodology. Given this it is difficult for organisations to determine the impact that their initiatives have on the issues they are trying to help solve.

The difficulty of measurement is supported by the literature. Dembek et al. (2016) found that the lack of definitional clarity impeded the operationalisation and measurement of shared value. The contributions to the measurement of shared value represented varied approaches from measurement of externalities to triple bottom line (Dembek et al., 2016). Furthermore, measurement was in the form of assessment frameworks as opposed to specific measurement tools (Dembek et al., 2016).

The findings of this study suggest the following:

The impact of shared value is a challenge to measure due to the absence of a standard measurement framework. In this regard, the continued lack of definitional clarity and specific measurement tools will continue to limit the operationalisation and measurement of shared value (Dembek et al., 2016).

6.4.2. Measurement and evaluation

The absence of a standard measurement framework poses a challenge for measurement and evaluation in general. This may limit the impact of the organisation's shared value initiatives, as well as making comparisons between organisation difficult.

As mentioned in section 6.4.1, the lack of definition clarity and specific measurement tool will continue to limit the operationalisation and measurement of shared value (Dembek et al., 2016). Similarly, Pfitzer et al. (2013) acknowledged that there was

no universal system for companies to monitor the progress of their delivery of scalable social and business benefits, and that it was still a work in progress. In the absence of a measurement tool, Pfitzer et al. (2013) suggested a straightforward process which included estimating the business and social value, establishing intermediate measures to track progress and assessing the shared value produced.

The findings of this study suggest:

The absence of a standard measurement methodology poses a challenge for the measurement and evaluation of shared value. This will continue to limit the measurement and operationalisation of shared value.

6.4.3. *Shared value*

Shared value strategies recognised the interdependence of business and society. It was underpinned by a commercial objective which in turn enabled the creation of value for stakeholders and communities. Societal value encompassed social, economic and environmental and was in line with the nature of the business.

This is supported by the literature and in line with Porter and Kramer's (2011) original conceptualisation of shared where they noted the intertwined relationship between business and society, where the competitiveness of business depends on the health of the communities and vice versa. Specifically, Porter and Kramer (2011) defined shared value "as policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates" (p. 66).

The findings of this study suggest:

The research findings and the literature are aligned in that both recognise that shared value creates value for both organisations and communities in which they operate in. Shared value recognises the interdependency between the competitiveness of a company and the society it operates in (Porter & Kramer, 2011).

6.4.4. *Research outcomes for Research Question 3*

The third research question aimed to answer what the outcomes of shared value were. From the above analysis, the following key insights were established.

- The measurement and evaluation of shared value in general and its impact on society is a challenge due to the absence of a standard measurement framework. In this regard, the continued lack of definitional clarity and a specific measurement tool will continue to limit the operationalisation and measurement of shared value (Dembek et al., 2016).
- Shared value appreciates the interdependency between business and society. It creates value for the organisation whilst simultaneously creating value for the communities in which it operates (Porter & Kramer, 2011).

6.5. Conclusion

As indicated at the outset, Chapter 6 discussed the findings of the research findings relative to the literature. The following conclusive insights for each of the research questions were established, as listed in Table 5.

Table 5: Research outcomes – Summary of key insights

Research question	Key insights
1. How do organisations create shared value at the business model level?	1.1 Business models that are intended to create shared value should take a holistic view of the organisation's stakeholders over and above just the customer. This holistic view is achieved through stakeholder engagement to understand the needs and expectations of stakeholders and to enable the creation and sharing of value. ○ Although not seemingly addressed in the literature, the notion of building trust with stakeholders is key especially in an environment with many competing interests. 1.2 Leadership support is critical to the delivery of shared value as it enables its adoption within organisations. ○ However, the literature does not appear to explicitly address the role of leadership in delivering shared value. Instead the role of leadership may be implicit given the strategic focus on SBMI (Bocken & Geradts, 2020).

- **Strategic focus on SBMI rendered it integral to the to the organisation's strategy** (Bocken & Geradts, 2020). This is a similarity in that strategic focus on SBMI demonstrates top management's commitment to creating shared value.

1.3 The integration of sustainability and strategy was important in order to elevate sustainability to the strategic level and to embed it into the organisation.

- This is supported by the literature where **integrating shared value and sustainability into the strategy aids the delivery of shared value**. Integration gives shared value and sustainability the required strategic focus and is a driver to the development of dynamic capabilities to achieve SMBI (Bocken & Geradts, 2020). Further, Herrera (2015) notes the **significant business model innovations that arise through integrating social and environmental factors**.

1.4 A purpose-led strategy aligned to the ethos of shared value was important for the delivery of shared value. This was supported by the literature which indicated that linking an organisation's purpose to societal good provided a clear direction for the organisation (Geradts & Bocken, 2019).

- In addition to purpose, the literature highlighted **organisational culture including corporate values and organisational norms, which management could leverage to enhance social innovation** (Herrera, 2015). Further, culture aids the development of dynamic capabilities required for the design and operation of business models to proactively position the business in line with prevailing market conditions (Teece, 2018).

2. How do organisations operationalise shared value creation?

2.1 Technology is an enabler to creating shared value in that it presented opportunities to develop new approaches which solved societies

problems including reaching underserved markets and having a positive impact on the environment.

- This was supported in the literature where Porter and Kramer (2011) highlighted the **enhanced productivity of the value chain through the efficient use of resources due to technology**, which in turn had a positive impact on environmental performance. **Technology also enabled the redesign of products and distribution channels** to access underserved markets (Porter & Kramer, 2011).

2.2 Finance is critical to deliver shared value creation from both providing the necessary financial resources as well as investing in the required systems and processes.

- The literature is supportive of the requirement of systems and processes where Herrera (2015) identified **structures and processes that enabled CSI**. Furthermore, there is also alignment in terms of the importance of funding and corporate support for shared value (Geradts & Bocken, 2019).
- However, there appears to be little consideration in the literature on the cost implications of shared value. In fact, Dembek et al. (2016) found that there was no cost perspective provided in the cases of shared value, which instead focused more on benefits only.

2.3 Employees are a critical stakeholder in the operational delivery of shared value. As such their alignment was necessary in terms of understanding the shared value strategy and having the necessary skills and an enabling culture in place.

- This was aligned to the literature in that **people capability and the establishment of an incentive scheme were among the operational drivers for SBMI** (Bocken & Geradts, 2020). Additional factors including a clear sense of purpose and positive reinforcement helped employees to participate in sustainability-oriented initiatives (Geradts & Bocken, 2019).
- **Organisational culture was also imperative** to drive, enable and embed social innovation (Herrera, 2015).

2.4 The lack of understanding and acceptance of shared value on the part of employees hinders its delivery.

- This challenge was supported in the literature where in order for organisations **to address societal challenges through sustainability-oriented innovation, required a conducive organisational culture** (Geradts & Bocken, 2019). This is enabled by employees and the organisation having a common purpose which then determines what employees and organisations do. Importantly, the organisations purpose provides clear direction in terms of how sustainability fits into its broader goals (Geradts & Bocken, 2019). Resources and a collaborative environment were other factors that were important to instil a culture of sustainability-orientated innovation Geradts and Bocken (2019).

2.5 Collaboration was important for the delivery of shared value given the size and complexity of societal issues.

- Similarly, the literature noted that **collaboration, with both internal and external parties, aided the establishment of a sustainability-oriented innovation culture** in the organisation (Geradts & Bocken, 2019). Furthermore, organisations needed to establish multisector coalitions with a common agenda and mutually reinforcing activities in order to overcome barriers to shared value in their operating environment (Kramer and Pfitzer (2016). In addition,

3. What are the outcomes of shared value?

3.1 The measurement and evaluation of shared value in general and its impact on society is a challenge due to the absence of a standard measurement framework. In this regard, the continued lack of definitional clarity and a specific measurement tool will continue to limit the operationalisation and measurement of shared value (Dembek et al., 2016).

3.2 Shared value appreciates the interdependency between business and society. It creates **value for the organisation whilst simultaneously creating value for the communities in which it operates** (Porter & Kramer, 2011).

Source: Developed by author

CHAPTER 7: CONCLUSIONS

7.1. Introduction

The final chapter concludes with the principal conclusions of the research which demonstrate the fulfilment of the research objective of understanding how organisations create shared value at the business model level. In addition, the chapter presents a conceptual framework as a research contribution to aid the understanding of how shared value is created at a business model level, as well as guide organisations with its implementation. Furthermore, in terms of contribution the chapter also highlights the extension to the shared value theory that the study makes.

In addition, the chapter also discusses the implications for management and other related stakeholders. General research limitations of the study are identified and suggestions for future avenues of research are put forward.

7.2. Principal conclusions

7.2.1. How do organisations create shared value at the business model level?

The research established a number of factors related to how organisations create shared value from a business model perspective. A purpose-led strategy is imperative for the delivery of shared value especially where the purpose is aligned to the ethos of shared value. Purpose was underpinned by organisational culture including corporate values and norms which management could leverage to create social innovation (Herrera, 2015).

Shared value required the necessary leadership support to ensure its adoption across the organisation. The strategic focus on sustainability and integration of social innovation into the strategy and operations of an organisation ensured shared value was a critical component of strategy to enable the organisation to achieve its objectives, as well as create opportunities for creating shared value (Bocken & Geradts, 2020; Herrera, 2015).

A key component of creating shared value is the adoption of a stakeholder perspective. In this regard stakeholder engagement was imperative to establish the needs and expectations of all stakeholders and not only customers and

shareholders. This is in line with business models for shared value that also adopt a stakeholder perspective (Lüdeke-Freund, et al., 2016; Bocken & Geradts, 2020; Freudenreich et al., 2020). Importantly, in light of competing stakeholder interests, the objective of engaging is to build trust with stakeholders.

7.2.2. How do organisations operationalise shared value creation?

The research identified a number of enablers of shared value creation. The support of the finance function was important from an investment perspective as well as the development of systems and processes. Herrera (2015) identified the importance of structures and processes to enable social innovations. Corporate support and funding were also deemed important by Geradts and Bocken (2019).

Collaboration, both internally and externally, was a critical attribute of creating shared value. It aided the establishment of a sustainability-oriented culture (Geradts & Bocken, 2019) and helped overcome barriers in the operating environment (Kramer & Pfitzer, 2016).

Employees were critical to the delivery of shared value and it was necessary to ensure their alignment through driving understanding of the shared value strategy and the possession of the requisite skills. This was to be underpinned by an enabling culture. Organisational culture and values fostered social innovation (Herrera, 2015), while a sense of purpose, personnel development and an incentive scheme were among the factors essential to develop a culture for sustainability-orientated innovation and SBMI (Geradts & Bocken, 2019; Bocken & Geradts, 2020).

Lastly, technology presented the organisation with shared value opportunities particularly regarding new approaches to solve societal issues, as well as reaching underserved markets and minimising any adverse environmental impact (Porter & Kramer, 2011).

7.2.3. What are the outcomes of shared value?

Shared value took into consideration the interdependency between business and society. Similar to Porter and Kramer (2011), creating shared value recognised that the competitiveness of business was dependent on the health of society and vice versa. Importantly, shared value had a commercial objective to create value which in turn would simultaneously create value for society.

However, the measurement and evaluation of shared value was a challenge. Measurement frameworks in place predominantly focused on outcomes and were inadequate to measure impact, which was deemed more important. This challenge in terms of measurement and evaluation emanated from the absence of a standard measurement framework. Negatively, the measurement challenge limits the operationalisation of shared value (Dembek et al., 2016) as well as the ability to assess progress and make comparisons.

7.3. A proposed framework

Following the above conclusions, the researcher developed the SVBM conceptual framework introduced in Chapter 2 and updated it in Figure 4 below. The framework depicts how organisations can create shared value from a business model perspective. The numbers in the framework relate to the three research questions addressed in this study. The aim of the framework is to provide organisations with guidance on how to think about the delivery of shared value.

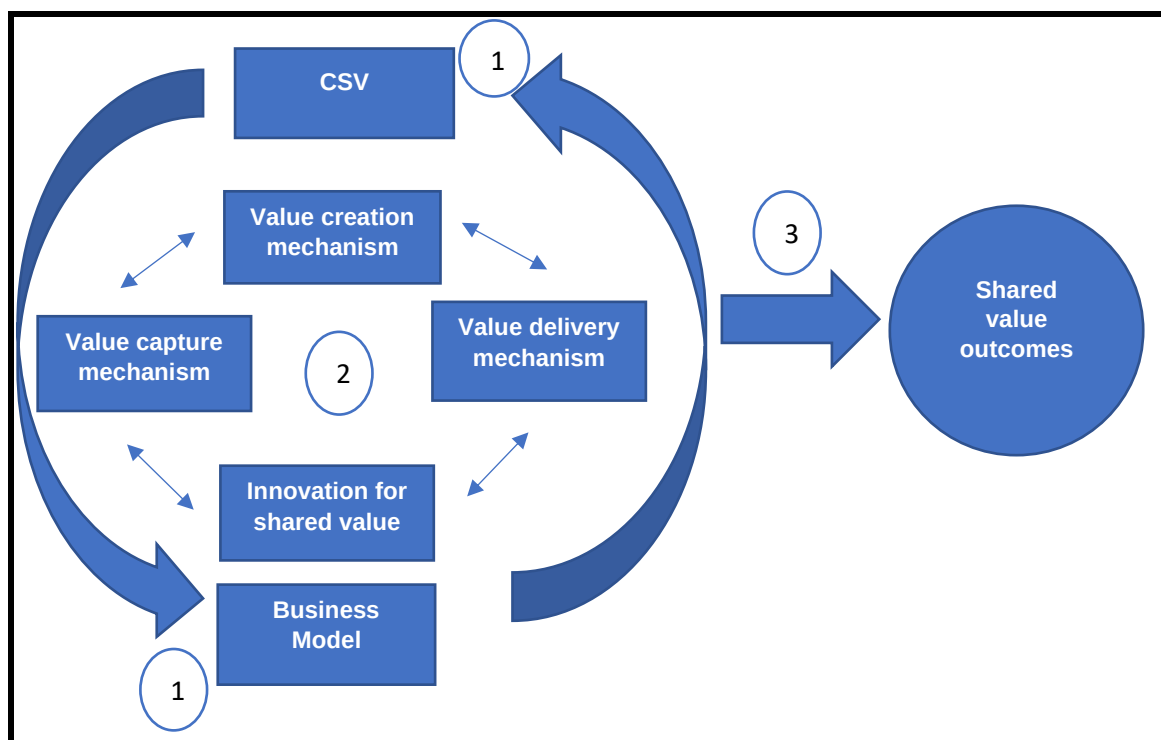


Figure 4: Conceptual framework for shared value business model

Source: Developed by author

The SVBM conceptual framework presents a business model process for enabling shared value creation.

1. In light of the prevailing societal challenges, business needs to recognise and appreciate the interdependence between business and society and realise that their competitiveness depends on the health of society and vice versa (Porter & Kramer, 2011). In order to remain sustainable business therefore needs to adopt a CSV ethos where it creates value for itself as well as the surrounding communities in which it operates (Porter & Kramer, 2011). To create shared value, business needs to explicitly consider its business model architecture to ensure its value creation, capture and delivery mechanisms are aligned to deliver shared value and, in the process, establish a competitive advantage for the business (Teece, 2010).
2. To meet the dual objective of CSV and retaining competitive advantage, business needs to innovate its business model (Foss & Saebi, 2017; 2018) to reconfigure the value creation, delivery and capture mechanisms in line with CSV. Importantly, in this regard the innovation needs to specifically incorporate shared value, which includes the wide spectrum of societal challenges and the multiple stakeholders. This process is iterative and ongoing in line with evolving nature of societal challenges and continuously changing market conditions, which requires management's dynamic capabilities to adjust the business model as required (Teece, 2018).
3. The adoption of the CSV ethos (1) coupled with business model innovation that designs value creation, delivery and capture mechanisms (2) towards the explicit deployment for creating shared value outcomes. These shared valued outcomes (3) address prevailing societal challenges that encompass social, environmental and economic spheres.

7.4. Research contribution

The research contributes to the shared value literature and specifically extends shared value theory. The research makes the following theoretical contributions:

- Shared value is considered a relatively new theoretical concept and lacking empirical grounding (Dembek et al., 2016). As such, this study advances knowledge of shared value as a theoretical concept and further develops its empirical grounding.
- As shared value is primarily analysed at the project level, by this study assuming a business model perspective it contributes to the theory base by

providing an understanding of the implications of a business model level analysis, which are relatively different to the project level.

- Further, in adopting a business model perspective, the study extends the shared value theory by specifically incorporating the business model/sustainable business model innovation constructs into the CSV theory. This integration led to the development of the author's SVBM conceptual framework as reflected in Figure 4 above.
- The conceptualisation of shared value developed in the study aids shared value's operationalisation.

7.5. Implications for management and other relevant stakeholders

The SVBM conceptual framework in Figure 4 could provide management and other interested stakeholders with an understanding of how organisations create shared value at the business model level for the benefit of both the organisation as well as society at large. The SVBM framework brings to the fore and reflects the continually evolving interplay between the business model and CSV to ensure the delivery of shared value objectives that address social, economic and environmental challenges in society. In line with Dembek et al. (2016), it provides management with guidance on how to operationalise CSV.

Management could consider the following recommendations when developing and/or implementing a shared value strategy:

- First, management could recognise and appreciate the important role of business in society in light of the prevailing challenges. In this regard, it is important for management to consider and establish a clear purpose for their business beyond making money. This will provide the organisation and its stakeholders a *raison d'être* and a clear sense of direction.
- Developing a purpose-led strategy in line with the ethos of shared value is critical for the successful implementation of a shared value strategy. To adopt and embed the shared value strategy across the organisation, management could consider establishing a culture and performance management framework that is supportive of shared value.
- Stakeholder management could be elevated to a strategic level as societal challenges are likely to get increasingly more complicated which will in turn further heighten stakeholder needs and expectations. Stakeholder

engagement could be aimed at understanding stakeholder needs and expectations with the intention and commitment to help address them. The ultimate objective could be to develop mutually beneficial relationships based on trust.

- With the existent gap in measurement and evaluation which may limit the impact that organisations make in addressing societal issues, management could invest the necessary resources to establish a robust measurement framework to be able to assess the outcomes as well as impact of their shared value strategies. Being part of domestic and global initiatives could be beneficial in this regard, particularly regarding the establishment of standardised measurement framework.
- Given the myriad of societal challenges, management are advised to ensure the diversity of their workforce to allow them to understand these issues from different perspectives and develop innovative ways to address challenges. This understanding could help develop suitable shared value opportunities. Linked to employee diversity, is employee alignment through recruitment, training and development and performance management.
- Collaboration, both internally and externally with like-minded partners, will be critical in the delivery of shared value. Given the size and complexity of prevailing society challenges, no one organisation will be able to make a significant impact on these challenges. Moreover, collaboration helps alleviate any skills and resource limitations that an organisation is likely to face.
- Related to collaboration, organisations could also aim to build a healthy relationship with government, which is a critical stakeholder from a development perspective. There are significant capacity constraints on the part of government which the private sector could help address, particularly from a skills point of view. In addition, business could engage with the government from a regulatory perspective to ensure that legislation that is introduced is conducive for business competitiveness and growth to enable business to be in a position to simultaneously create value for society.
- Digital and technology will play a significant role in delivering shared value, especially following the COVID-19 pandemic. Technology will play a key role in the development of new products and services and provide the ability to reach markets previously unreachable. In addition, technology will also be

beneficial for the environment. In this regard management would demonstrate strategic foresight in allocating the necessary investment and resources towards digital and technology transformation.

7.6. Limitations of the research

The study's limitations from a methodological perspective were sufficiently addressed in Section 4.11. There were several additional general limitations to the study which the researcher identified, and these are briefly discussed below.

- The research only focused on relatively large listed organisations that were primarily based in Gauteng. As such results from smaller and/or unlisted organisations located elsewhere in the country could be different from what was garnered in this study.
- The research included six industries (financial services, mining, telecommunications, transport and logistics, manufacturing and retail) and therefore these and other industries could be explored in more depth.
- With the setting of the study being in South Africa, the insights garnered relate to a developing country context. These insights may well be different from those emerging from a developed market setting.
- The research did not specifically focus on purpose-led organisations in determining how shared value is created. Insights from purpose-led organisations could be different from companies that do not have a purpose-led strategy.
- The study was not focused on the measurement of shared value, which is an important element for its operationalisation.
- The research was also not particularly focused on establishing the definitional clarity of shared value. The lack of definitional clarity presents problems for the measurement and operationalisation of shared value (Dembek et al., 2016).

7.7. Suggestions for future research

Below are several recommendations for future research avenues.

- Future research could focus on conducting an industry specific study to understand how organisations in particular sectors create shared value. Given the relative importance of financial services and mining to the South

African economy and the high regulation thereof, these sectors could be a good starting point.

- As this study focused only on listed organisations, a comparative study could be conducted in the unlisted corporate space to understand how organisations create shared value and whether or not this process is different from their listed peers.
- A comparative study could also be conducted with organisations in developed markets to understand how they create shared value and whether it is different from less developed markets.
- Given the importance of a purpose-led strategy and organisational culture to the delivery of shared value, future research could focus on empirically ascertaining this and what the benefits are relative to organisations that do not have a purpose-led strategy.
- Similar to Dembek et al. (2016), another important avenue of future research could address how shared value should be measured. As it stands from the findings of this research and Dembek et al. (2016), the current measurement frameworks are inadequate.
- A final research avenue could be to conduct a study that considered the costs associated with shared value as well as to provide an assessment of the broader impact of organisations from a broad stakeholder base.

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APPENDIX 1: RESEARCH STUDY PARTICIPATION REQUEST

SUBJECT: GIBS MBA RESEARCH STUDY: Creating shared value

Dear xxxx

I was referred to you by xxxx, from [company]/who is my colleague on the MBA programme at the Gordon Institute of Business Science (GIBS).

I trust you are well.

As part of my MBA at the Gordon Institute of Business Science (GIBS), I am currently conducting a research study regarding how listed companies create shared value.

I am interested in your experience and knowledge about creating shared value (CSV) and your role in that process as [include title]. I am particularly interested in your professional knowledge of and experience in delivering shared value, including the outcomes, enablers and challenges. Your knowledge and insights will be invaluable to aid my research.

Importantly, [the company] according to the latest integrated annual report highlights the creation of shared value (CSV) as a key organisational imperative. Furthermore, [the company] is included in the annual EY Excellence in Integrated Reporting Awards, as well as being listed on the FTSE/JSE Responsible Investment index.

I would highly appreciate an hour of your time to interview you for this study at your earliest convenience.

Thanking you in advance for your favourable consideration and I look forward to hearing from you soon.

Best

Atusaye

APPENDIX 2: INTERVIEW PROTOCOL AND GUIDE

Creating shared value at the organisational level

Thank you for agreeing to participate in this study about creating shared value. My study is about how organisations create shared value. I am interested in **your experiences** of how organisations achieve this and how you are involved in the process.

INTRODUCTION AND WELCOME

Explain background to the research project.

Complete administrative requirements including completion of **informed consent form**.

INTRODUCTORY QUESTION

Please tell me about your experience and how you came to be involved in the shared value space, as well as your role in the company.

QUESTION 1: Please can you tell me about what are you trying to achieve and what are the expected outcomes and for whom?

QUESTION 2: Can you tell me about how you go about achieving these outcomes?

QUESTION 3: In your experience what are the challenges?

First could you tell me the internal challenges, and then could you go through the external challenges

QUESTION 4: In your experience what are the enablers?

First could you tell me the internal enablers, and then could you go through the external enablers

QUESTION 5: Can you tell me about how you measure and evaluate what has been achieved?

CLOSING INTERVIEW

In terms of going forward where do you see this going?

Notes

When appropriate ask clarification questions to seek detail (e.g. can you give me an example of that? and to get the story straight (e.g. what does the acronym mean?).

Limit interruptions as much as possible

Source: Developed from Bogie (2016) and Josselson (2013)

APPENDIX 3: INTERVIEW CONSENT FORM

CREATING SHARED VALUE AT THE ORGANISATIONAL LEVEL

Researcher: Atusaye Mughogho, MBA candidate at the Gordon Institute of Business Science, University of Pretoria

I am currently a student at the University of Pretoria's Gordon Institute of Business Science and completing my research in partial fulfilment of an MBA.

I am conducting research on creating shared value at the organisational level and am trying to find out how organisations achieve this and to what end. The interview is expected to last about an hour and your experience and insights will help me understand how organisations create shared value.

Your participation is voluntary, and you can withdraw at any time without penalty. All data will be reported without identifiers. If you have any concerns, please contact my supervisor and/or myself. Our details are provided below.

Atusaye Mughogho

19384476@mygibs.co.za

+27 82 956 9462

Jill Bogie

bogiej@gibs.co.za

Participant's name: _____

Signature of participant: _____

Date: _____

Researcher's name: _____

Signature of researcher: _____

Date: _____

APPENDIX 4: DEVELOPED CODES

Table 6: List of code groups

Code group	Code group
Access to funds	Identifying the right opportunity externally
Accessing the internet	Impact of investment funding
Advocacy and stakeholder management	Inclusive shared value and economic growth
Apply a sustainability lens	Inconsistency across reporting
Awards reputation and stakeholder sentiment	Inequality and climate change
Bank power and perception	Integrate strategy with sustainability
Bankers association support	Lack of executive sponsorship
Benefit	Leadership prioritisation
Benefit for ecosystem and society	Logistics and administration
Board and management buy-in and support	Makes money through shared value model
Bridging education gap of middle management	Meaningful initiatives for both parties
Business that has not invested in digital will fall behind	Measure using case studies
Challenge of a transition to a just error	Measurement framework to track progress
Challenge of balancing preparation and selling	Measuring non-financial performance
Challenge of customer	Mindset challenge
Challenge of measuring social impact	Mineral succession planning
Challenge of new ways of working	Not seen as important
Challenge of not being able to see the bigger picture	Objectives and key results
Challenge of attracting investors and customers if products don't solve societal problems	Operating and regulatory environment
Commercial viability dependent on society	Participatory democracy
Competition will take care of you	Partnership and collaboration
Complex structure	People connection
Concept is ingrained in employees and partners	Positive impact
Concept of shared value is long term	Pressure to report and onerous reporting
Contribution to GDP	Purpose-led shared value strategy
Data and technology are enablers	Reorganisation and breaking down silos
Deniers	Resilient strategy and business model
Deploy capital and create wealth	Responsible to get medication and food in Africa
Designing for SV and sustainability	Right skills and driven workforce

Different definitions and metrics	Risk team is vital
Difficult to correlate activity with outcomes	Role clarity is important
Digital inclusion and mobile adoption	Safety is most important value
Earning license to operate by doing the right thing	Shared value is intuitive
Education process in communities	Shared value mindset and culture
Employee involvement and performance management	Shared value needs embedded integrated thinking
Empower stakeholders	Target to measure against
ESG KPIs	Time consuming advocacy role
Every area needs to understand their role enables CSV	Timing and strategy cycles
Finance required on board	Transformation imperative
Financial leverage and growth are enablers	Tripe bottom line
Food security	Trusted partner for doing business
Food waste	Understanding client needs
Getting message across and people to understand	Uneven understanding
Good corporate citizen	Unique purpose to drive Africa's growth
Growth of massive challenges	Use of foundational documents
How to amplify impact	Workforce diversity
Human challenges should be solved by business as capital owners	

Source: Developed by author

APPENDIX 5: ETHICAL CLEARANCE APPROVAL LETTER

**Gordon Institute
of Business Science**
University of Pretoria

**Ethical Clearance
Approved**

Dear Atusaye Mughogho,

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

You are therefore allowed to continue collecting your data.

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

[Ethical Clearance Form](#)

Kind Regards

This email has been sent from an unmonitored email account. If you have any comments or concerns, please contact the GIBS Research Admin team.