A CROSS-NATIONAL ANALYSIS OF SHARED VALUE INITIATIVES
Abstract

Title: A cross-national analysis of Shared Value Initiatives

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Key words: Shared Value, CSV, National Business Systems, Institutional settings, Cross-national analysis

Thesis purpose: The purpose of this thesis is to explore if the concept of Creating Shared Value would remain valid when considering it at the hand of different national institutional settings around the world and their influence on business conduct.

Methodology: A qualitative approach has been chosen to explore the research question of this thesis. First, we theorized Matten & Moon’s (2008) framework regarding explicit and implicit CSR and expanded it to the concept of CSV. Second, a cross-national case study was conducted using secondary data. The cases were analysed with a framework we developed based on Whitley (1999), Amable (2003) and Hotho (2014).

Theoretical perspectives: Previous research concerning shared value and national business settings serve as the underlying theoretical foundation for this paper. We critically analysed the concept of CSV and provided a breakdown of the underlying theoretical assumptions. Based on institutional differences in national business systems, the CSV concept was divided into two shared value constructs that would reflecting these institutional environments.

Empirical foundation: For this study, a cross-national multiple case study approach has been used, describing four cases and their shared value practices. The data for these cases was gather through triangulation of different secondary data sources, obtained through research articles, publications, corporate webpages and other sources.

Conclusions: The contributions of this paper are two-fold. On the one hand, several contributions have been provided to the theoretical field of shared value. On the other hand, contributions have been made considering the operationalization of shared value in cross-national contexts based on institutional settings and the business systems approach.
Acknowledgements

We would like to thank Lund University and the teaching staff of the business administration department, to have guided us in our career path and provided us with the tools to look beyond the obvious and form our own criteria. Special gratitude goes out to our supervisor, Johan Dergård, for his significant support and guidance throughout the course of this thesis project.

Lund, 23rd of May 2017

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Matthias Beck

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Jerom Lemke

I would like to give special thanks to my parents for always supporting me during my entire education. I would also like to thank them and my friends, both at home and in Sweden, for their encouragement and moral support which made my stay and studies in Sweden more enjoyable.

.........................................................
Matthias Beck

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Jerom Lemke
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1. Introduction

This section will present the research topic of this thesis paper, starting with a short background on the subject. This will be followed by the research gap which will form the basis for our research purpose and question. Lastly, an overview will be presented considering the remaining sections of the paper.

1.1 Background

The concept of Creating Shared Value (CSV) (Porter & Kramer, 2011) has been seen both as a visionary new insight (Harvard Business School, 2012) for the business community and as a form of intellectual piracy by some in the research community (Crane et al., 2014). The latter argue that the concept is not new and heavily borrows from legacy research from different disciplines (Crane et al., 2014; Strand et al., 2015), even though its outset, that of creating societal value, is generally accepted in literature as the way forward (Dembek et al., 2016).

With around five years between the concept’s launch and this thesis, citing has been numerous. Many have quoted the theory and some went further by providing empirical data through case studies (e.g. Biswas et al., 2013). Others looked at it more critically, reconsidering its construct (Moon et al., 2011) or evaluated the originality of the contribution (Crane et al., 2014; Strand et al., 2015; Strand & Freeman, 2015; Dembek et al., 2016). The latter is not strange, considering that the CSV concept did not come as unexpected and left a paper trail of preceding literature published by the same authors (Porter & Kramer, 2002; 2006; 2011). In the process, they slowly walked away from the neoclassical economic view of the firm of profit maximization (Friedman, 1962/2002; 1970) and refocused the concept of strategic competitive advantage, among others envisioned in the five forces model (Porter, 1979; 1980; 1985) by moving towards a more cooperative stance. By doing so, they accepted the benefit of what they coined context-focused philanthropy (Porter & Kramer, 2002, p. 67), and even went as far as to predict that “CSR will become increasingly important to competitive success” (Porter & Kramer, 2006, p. 92), hereby laying the basis for the construct now widely known and adopted as CSV (Porter & Kramer, 2011).

According to Porter & Kramer (2011), CSV broadens Adam Smith’s invisible hand and aims at the creation of economic value through societal value, thereby changing the focus from philanthropy to self-interested behaviour (p. 77). Therefore, they argued that CSV should be perceived as a superseding version of CSR (Porter & Kramer, 2011, p. 76). However, linking economic gain to societal value does not mean that both concepts do not have overlapping elements, especially when taking into account the importance granted to CSR in the preceding articles of the CSV concept where the combination of economic and societal value was still conceptualized as “Strategic CSR” (Porter & Kramer, 2006, p. 89; Crane et al. 2014). Considering this, it would be reasonable to argue that certain legacy research on CSR could be extended to the CSV concept, especially considering that CSR itself has been linked with concepts such as social technology (Leandro & Neffa, 2012), sustainability (Verboven, 2011), the stakeholder approach (Crane et al., 2014; Strand et al., 2015; Strand & Freeman, 2015) and numerous other contributions within the field of societal value creation.
1.2 Research Gap

The discussion on CSV and other related concepts has been ongoing for half a decade and although they coincide with the aim for societal value creation, they differ in the way to achieve this. An arguable difference is the focus of CSV compared to that of CSR. Where the latter is sometimes seen as externally enforced initiatives (Carroll, 1999; Porter & Kramer, 2006) and other times as a voluntary contribution (Vogel, 2007), CSV advocates control over these decisions by the company itself (Porter & Kramer, 2011), thereby, from a business perspective, suggesting best practices that guide how strategically selecting initiatives could lead to a win-win situation between economic and societal value creation. The concept, as holistically as it has been applied, does not consider, however, the different institutional frameworks which corporations are subject to themselves, which in turn might influence the firm’s internal decision-making process itself.

It has been well-documented that business preferences and conduct (Whitley, 1999; Amable, 2003; Tempel & Walgenbach, 2007; Hotho, 2014; Noorderhaven et al., 2015) differ around the world, often originating through the historical context of different forms of institutional frameworks that would form the conditions for the raison d’être of a company. Even though capitalism, or better formulated: capitalistic business conduct, has been the status quo for a big part of the world market, national differences have had their weight on what is expected from a firm (Whitley, 1999; Amable, 2003; Hotho, 2014). This does not only relate to firms that want to conduct business transnationally, but also to how their own country of origin influenced the business conduct from inception. This would give space to argue that what for one company is appropriate as economic and social value creation, for other companies this would not be the case.

The current construct of CSV (Porter & Kramer, 2011) does not give any viable considerations towards the aspect of how cross-national institutional frameworks influence shared value initiatives from inception. This is something that cannot be said about the field of research on CSR, where studies have been performed that consider institutional settings and subsequent business systems (Whitley, 1999) to be relevant and a defining factor for the approach to CSR (Aguilera & Jackson, 2003; Matten & Moon, 2008; Brammer et al., 2012). The authors Matten & Moon (2008) divide CSR conduct into two distinct groups based on national business systems and distinguish between companies that perform “implicit CSR” and those that perform “explicit CSR” (Matten & Moon, 2008). With the former, the authors refer to the role of a corporation within “the wider formal and informal institutions for society’s interests and concerns” (Matten & Moon, 2008, p. 409). Implicit CSR in general exists of rules, values and norms that are often imposed externally and foster stakeholder engagement and obligations of corporate actors that ought to consider collective above individual terms (Matten & Moon, 2008). With explicit CSR, corporations are freer in their way of expressing the responsibility to provide societal input and often express this through strategies that unite social and business value (Matten & Moon, 2008). The authors build their classification upon previous research on institutional frameworks and business systems (Aguilera & Jackson, 2003; Tempel & Walgenbach, 2007) and extend this by providing a conceptual framework that allows scholars to analyse CSR initiatives (Matten & Moon, 2008).

When considering this split definition of CSR, certain similarities between explicit CSR and the CSV concept arise which would further strengthen the question to which extent the influences of national institutional frameworks could play a role in both the CSV concept and the business approach to CSV initiatives.
1.3 Research Purpose

The current institutional effects on CSV initiatives (Porter & Kramer, 2011) as such are underrepresented. The outset of the construct is that companies can take control over their value creation initiatives, but overlook the aspect that the institutional environment may impose a control of itself over the company’s conduct, thereby influencing the decision-making process on these initiatives and hence providing ground that external factors could be at the inception of acclaimed CSV initiatives.

Bhimani (1999) highlights that “management controls [...] have been found, in some contexts, to have characteristics that are country-specific rather than supra-national” (p. 413) and that many studies comparing practices in different countries are rather of descriptive than of explanatory nature. This is reinforced by the fact that various scholars (e.g. Lachman et al., 1994; Shields, 1998) have expressed a need to compare and evaluate the similarities and differences in corporate practices and control among different countries from a more analytical and interpretive perspective. In an attempt to contribute to this demand in research, the purpose of this thesis is to explore if the current form of the CSV concept would remain valid when considering the role of national institutional settings on business conduct. To be able to achieve this, the thesis will investigate the following research question:

Do national institutional settings influence a company’s decision on shared value initiatives?

To explore our research question, use will be made of the Business Systems approach of Whitley (1999) and the variety of capitalism approach of Amable (2003), which together form an approach of dominant “National Business Systems” or NBS (Tempel & Walgenbach, 2007). The latter mentioned will function as an independent factor or framework in this paper to be able to measure CSV initiatives cross-nationally (Bhimani, 1999). To narrow our analysis, a similar approach to that of Matten & Moon (2008) will be theorized where two opposing cross-national settings will be set out. Subsequently, two propositions derived through a theoretical analysis will be evaluated based on a cross-national multiple case study.

1.4 Continued outline of the thesis

In the upcoming chapter, called theoretical analysis, we will elaborate in greater detail on two concepts that are relevant for our thesis, namely National Business Setting and CSV, and build up our theoretical framework. In the chapter that follows, we will discuss the methodology of this thesis where we will describe our research strategy as well as our data collection and analysis process. We will also justify the qualitative research approach we chose and explain the research design. In the fourth chapter, we will describe and analyse four shared value initiatives based on the created NBS framework. In the subsequent chapter, discussion and conclusion, we will discuss this paper’s results and conclude with the contribution, limitations and future research possibilities.
2. Theoretical Analysis

In this chapter, we will review the theories and foundations applied for our research. In the next section, we will look at the theoretical angle, which will be the independent perspective through which we will explore acclaimed shared value initiatives from a cross-national setting. Before doing so, in the second section, the concept of CSV will be broken down to understand what the concept entails and how it classifies initiatives as CSV. In the last section, we will be theorizing two different constructs of shared value based on cross-national influences from institutional settings, finishing with two propositions that will be explored later in the paper.

2.1 National Business Systems approach

Where the current conceptualization of CSV (Porter & Kramer, 2011) is envisioned as a company-centric process of shared economical and societal value creation, through the business systems approach and its overarching institutional theory, CSV would be placed in a broader social structure. In this context, the concept would be subject to rules, norms and routines that dictate business conduct in the form of authoritative guidelines for societal behaviour (Scott, 2004). In this section, the national business systems approach as theoretical lens will be explained, which will form the basis for our propositions at the end of the chapter.

According to Amable (2003), it is not so much to state that an individual institution would form a decisive factor on economical behaviour of a firm, but rather the collective of national institutions together that would outline incentives and limitations to business conduct and thereby influence both a firm’s investments in specific assets and skills and a firm’s strategic position, be it cooperative or opportunistic (Amable, 2003).

Within the contemporary field of institutional theory, two leading streams have evolved, named new institutionalism (DiMaggio & Powell, 1991) and the business systems approach (Whitley, 1999). Although both focus on organizational adaptation to institutional environments, they differ in their conclusions (Tempel & Walgenbach, 2007). Where the first addresses universal dispersion of practices and how organizations ratify them, the latter looks at how corporations are under continuous influence of national institutional frameworks in which they find themselves embedded (Tempel & Walgerbach, 2007). Both approaches could be of interest to analyse how organizations embed CSV conduct.

However, where new institutionalism would look at universal adaption of the concept, the business system approach would look at the societal pressures, hence presenting institutional controlling factors on business conduct which is in line with the purpose of this paper. We therefore acknowledge that there are similar approaches to the business systems approach (Whitley, 1999), including the national innovation systems approach of Lundvall & Andersen (1988). The business system approach, however, has been generally adopted throughout research and accepted by peers (e.g. Tempel & Walgenbach, 2007; Whitley 2007; Hotho, 2014; Noorderhaven et al., 2015), providing an ample field of research which would cause us to reason for the use of this theory as the basis of our paper.
2.1.1 Business system approach

The business system approach (Whitley, 1999) looks at the effect of institutions on corporations on a national level, based on the assumption that “nation states constitute the prevalent arena in which social and political competition is decided in industrial capitalist societies’ (Whitley, 1999, p. 19). In this context, the author considers two key elements as the basis of the approach, namely “the extent to which, and dominant ways through which, organizational routines, hierarchies and institutionalized expectations coordinate economic decisions and actors” (Whitley, 1999, p. 32), thereby considering the integration of commercial activities by the firm, and the ‘ways that differently constituted groupings of social actors control economic activities and resources’ (p. 32), taking into consideration that social actors, such as suppliers, competitors, customers and employees, are both users and providers of capital (Tempel & Walgenbach, 2007, p. 4). The overall aim of the business system approach is to address the variances in which social actors are organized and interact (Whitley, 1999).

Based on the above mentioned underlying assumptions, Whitley (1999) proposes certain key characteristics to relate business systems with each other, namely:

i.) “Ownership co-ordination”: considers the nature of corporations as economic actors in diverse societies (Tempel & Walgenbach, 2007), thereby observing the relationships among principles and agents and the weight the principle exercises on business conduct (Whitley, 1999).

ii.) “Non-ownership coordination”: related to a form of imposing economic direction not specifically associated with the firm but that “share[s] common obedience to established rules of conduct in the pursuit of collectively agreed goals” (Whitley, 1999, p. 31), including three forms of interorganizational conduct defining differences in relationships: between the actor’s value chain, among competitors, and among companies in diverse trades (Tempel & Walgenbach, 2007).

iii.) “Employment relations”: considering how agent relationships are managed and conditioned at the hand of the degree of independence among principal and agent (Whitley, 1999), thereby considering issues as commitment and degrees of trust granted to the employees.

According to Tempel & Walgenbach (2007), business systems consist of a mix of these characteristics, presenting certain forms of interconnectedness. They continue by arguing that any discrepancies between the characteristics could in fact create frictions between institutional settings and certain social actors (Tempel & Walgenbach, 2007).

To be able to conduct business, and subsequently engage in shared value initiatives, the previously mentioned characteristics ought to be considered by means of the institutions which dictate “access to critical resources, especially labour and capital” (Whitley, 1999, p. 47), and thereby form the essence of these characteristics. Therefore, four diverse institutional features are identified: “the state [political system], the financial system, the skill development and control system [education/labour system], and dominant conventions governing trust and authority relations [cultural system]” (Tempel & Walgenbach, 2007, p. 5; Whitley, 1999). The interconnectedness between these four institutional areas is of importance (Whitley, 1999), meaning to say that if a change occurs in one area, it will most likely influence other areas as well. It is argued that, through the historical input and cooperation of institutions in these areas, distinctive factors of business systems arise that would separate them from other business systems (Whitley, 1999).
2.1.2 National business systems

In his work, Whitley (1999) presents six ideal business systems: compartmentalized, collaborative, highly-organized, state-organized, fragmented, and industrial coordinated, which form the basis for a company’s ownership coordination, non-ownership coordination and employee relationships (p. 42). These business systems are, however, not universally adopted, but influenced themselves by the earlier mentioned dominant institutional characteristics. This causes that certain of these six ideal business systems are predominantly represented in specific societies, hence giving rise to “National Business Systems” or NBS (Tempel & Walgenbach, 2007). This societal effect on business systems (Maurice & Sorge, 2000; Whitley, 2002) is argued to share key elements with the variety of capitalism approaches (VoC) of market economies (Hall & Soskice, 2001; Amable, 2003; Whitley, 2007; Hotho, 2014), as it is reasoned that, during and after the era of industrialization, specific national institutional contexts have generated distinct forms of business systems that envision different forms of capitalism (Amable, 2003).

To explore how NBS could influence the concept and initiatives of CSV, the dominant national institutional factors, as explained by Whitley as the political, financial, education/labour and cultural system (Whitley, 1999), ought to be considered. It is argued, however, that Whitley based his theory on a synthesis and compilation of studies without leaving a clear definition that would operationalize the concept (Noorderhaven et al., 2015). Consequently, it would be important to understand the underlying dominant institutional factors that form the basis of the NBS approach and that will form the guidelines for further analysis of the CSV concept and initiatives. A further aspect that should be considered is the scale of analysis, as the NBS approach entails a variety of business systems, each with a distinct set of ownership coordination, non-ownership coordination, and employee relations (Whitley, 1999) that are subsequently bound to different national institutional settings.

2.1.2.1 Selection of NBS and underlying VoC

Considering the NBS, a selection will be made in which our research question will be most reflected. We therefore consider a cross-national analysis like the one presented by the authors Matten & Moon (2008) in which a study is conducted that analyses two market economies: the United States and Europe, linking them to the concept of VoC (Hall & Soskice, 2001; Amable, 2003) and their dominant compartmentalized and collaborative business systems (Whitley, 1999). This study is of particular interest as it focuses on opposites on both the VoC and subsequently the dominant NBS. This approach would present an opportunity to explore our research question, as through analysis of opposites, it could be argued that there would be little interference of factors that could provide overlaps in both VoC and NBS, and thereby extend the analysis beyond the range of this paper.

Continuing the argumentation of Matten & Moon (2008), these dominant settings would be linked to the VoC of the United States and Europe. In literature, the VoC for the United States has been generally agreed upon, coined by different authors as liberal market economy (Matten & Moon, 2008), market based economy (Amable, 2003) and Anglo-Saxon cluster (Hotho, 2014), all resembling similar values. The European market, coined by Matten & Moon (2008) as coordinated market economy, is argued to be more diverse and presents various VoC (e.g. Amable, 2003; Hotho, 2014). In the work of Amable (2003), often cited for his work on VoC (Whitley, 2007; Tempel & Walgenbach, 2007; Hotho, 2014; Noorderhaven et al., 2015), the opposing VoC to that of the United States is the social democratic economic VoC (see a complete list of VoC in Amable, 2003, p. 15-107) which represents the countries of Sweden, Denmark and Finland. This is a categorization that finds support in the work of Hotho (2014) who argues for a
similar Nordic cluster. Based on these opposing qualities to the VoC from the United States, this grouping of countries will form our second group for analysis.

2.1.2.2 Dominant national institutional factors to NBS

Having established our reasoning for scale of our approach, the dominant institutional factors (Whitley, 1999) together with the related values of VOC (Amable, 2003) will be presented in table 1, thereby providing the groundings of the NBS which is set out further ahead in the paper. The specific national institutional details will be derived from the work of Amable (2003), often a source of VoC used by Whitley himself (Whitley, 2007). However, for the cultural system element (Whitley, 1999), Amable (2003) does not provide evidence and use will therefore be made of the research of Hotho (2014) who used a slightly different approach (Noorderhaven et al., 2015) but based a significant part of his work on the two previously mentioned authors.

Table 1: Selected market settings and NBS

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Political system</td>
<td>Product-market competition</td>
<td>State involvement</td>
<td>None</td>
<td>High</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Price/quality competition</td>
<td>high (price)</td>
<td>High (quality)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Non-price “coordination”*</td>
<td>low</td>
<td>high</td>
</tr>
<tr>
<td></td>
<td></td>
<td>State involvement</td>
<td>low</td>
<td>high</td>
</tr>
<tr>
<td>Financial system</td>
<td>Financial sector</td>
<td>Protection shareholders</td>
<td>high</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ownership concentration</td>
<td>low</td>
<td>high</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sophistication financial sector</td>
<td>high</td>
<td>none</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Source of funds</td>
<td>investors</td>
<td>mix</td>
</tr>
<tr>
<td>Education/labour system</td>
<td>Education</td>
<td>Public expenditure</td>
<td>low</td>
<td>high</td>
</tr>
<tr>
<td></td>
<td>Wage/labour nexus</td>
<td>Employee protection</td>
<td>low</td>
<td>moderate</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Union strength</td>
<td>none</td>
<td>high</td>
</tr>
<tr>
<td>Cultural system</td>
<td>N/A**</td>
<td>Trust in institutions</td>
<td>high</td>
<td>high</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Principle/agent trust</td>
<td>high</td>
<td>high</td>
</tr>
</tbody>
</table>

* left in original location. Argued by Amable (2003), joint coordination in innovation and production influenced by nations financial and education/labour systems (p.85-87)

** Institutional factor not considered in work of Amable (2003), replacement criteria from Hotho (2014)

Source: Own elaboration (based on Whitley, 1999; Amable, 2003; Matten & Moon, 2008; Hotho, 2014)

The differences between the institutional settings of the United States and that of the social-democratic cluster are argued to be numerous (Amable, 2003; Matten & Moon, 2008; Hotho, 2014; Noorderhaven et al., 2015). The political system between both markets is often considered as one of the main differentiating features (Matten & Moon, 2008). As can be found in table 1, the role of the government in the social-democratic cluster is greater than in the United States (Amable, 2003). In the former, governments are more engaged in both economic and social activities (Heidenheimer et al., 1990), with nationalized or mandated organizations for health insurance and pensions, among other things. In the US, this role is more discrete and often leaves the market at arm’s length where it provides regulatory
guidelines for the market to function (Noorderhaven et al., 2015). It is further argued that in cases when the United States government is active, it is often through incentive creation to business owners via negative tax expenditures (Matten & Moon, 2008).

Considering financial institutions in both markets, it is often a trade-off between the source of capital coming from the market or from banks (Noorderhaven et al., 2015). In the United States, companies ought to rely more on venture capital and investors, whereas in Europe banks are still a regular source for corporate financing (Amable, 2003). Further differences can be observed in the political and education/labour systems (Whitley, 1999) which refer to rules and practices regarding the development of knowledge and skills among people (Matten & Moon, 2008). One important factor is the educational system provided to people, which in the United States is mainly market driven compared to Northern Europe where education is rather controlled and guided by the state (Noorderhaven et al., 2015). Further aspects encompass the extent to which companies affect labour market procedures or the power of trade unions. In Europe, due to the increased number of members, unions have traditionally been debating issues rather on a national scope than on a firm level as in the US (Molina & Rhodes, 2002).

Finally, cultural systems are related to the norms and beliefs people in certain geographic areas have when it comes to acceptable behaviour of different societal and corporate actors (Matten & Moon, 2008) and their perception of trust towards these actors (Hotho, 2014), which in the work of Hotho (2014) present comparable results between both markets. This, however, does not reflect issues related to the level of work performed, where in the United States blue collar positions are more treated as expendable compared to European counterparts (Noorderhaven et al., 2015), thereby affecting the issues of trust.

2.1.2.3 Specifying selected NBS
When considering these institutional features, envisioned through VoC (Amable, 2003), it is important to consider how these effects have influenced the compartmentalized (United States) and collaborative (socio-democratic cluster) business systems which form the basis of our analysis and are at the inception of business conduct in different countries (Whitley, 1999).

A compartmentalized business system is categorized by having a high ownership coordination and low non-ownership coordination, promulgating a variety in ownership structures (Hotho, 2014) often through shareholder or “market” constructions, but without high influence which leaves the direct control to the company (Noorderhaven et al., 2015). This form of business systems developed through institutions provides for privatization opportunities and a market driven society with low state interference (Hotho, 2014). It is argued that this kind of system does not promote long-term economic engagement (Whitley, 1994), intensifying competition between companies, invoking mergers and acquisitions, and creating firms of often significant size (Whitley, 2000).

The collaborative business system, subject to its more collaborative society, is known for its high interconnectedness with other economic actors (Whitley, 2000), causing a more alliance-based ownership form and forming strong relationships with suppliers, customers, and authorities (Noorderhaven et al., 2015). Similarly, relationships with banks are fostered due to a company’s reliance on credit (Whitley, 2007). The relationship between employer and employee are of a cooperative kind, extending large trust towards the employee (Hotho, 2014).
The following table summarises the differences between both business systems:

**Table 2: Comparison of NBS**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ownership coordination</td>
<td>Primary means of ownership control (direct, alliance, market contracting)</td>
<td>Direct (shareholdings)</td>
<td>alliance</td>
</tr>
<tr>
<td></td>
<td>Extent of ownership integration of production chains</td>
<td>high</td>
<td>limited</td>
</tr>
<tr>
<td></td>
<td>Extent of ownership integration of sectors</td>
<td>high</td>
<td>limited</td>
</tr>
<tr>
<td>Non-ownership coordination</td>
<td>Extent of alliance coordination of production chains</td>
<td>Arm’s length</td>
<td>high</td>
</tr>
<tr>
<td></td>
<td>Extent of collaboration between competitors</td>
<td>low</td>
<td>high</td>
</tr>
<tr>
<td></td>
<td>Extent of alliance coordination of sectors</td>
<td>Arm’s length</td>
<td>high</td>
</tr>
<tr>
<td>Employment relations and work management</td>
<td>Employer-employee interdependence</td>
<td>low</td>
<td>considerable</td>
</tr>
<tr>
<td></td>
<td>Delegation to, and trust of, employees</td>
<td>varies</td>
<td>high</td>
</tr>
</tbody>
</table>

**Source:** Own elaboration (based on: Whitley, 1999, p. 34; Noorderhaven et al., 2015, pp. 117-121)

2.1.2.4 Qualities of NBS over time

Although NBS are generally perceived as long-term and robust in nature (Hothro, 2014; Noorderhaven et al., 2015), their stability depends on the dynamism of their overarching institutional systems and their susceptibility to change, an aspect allied to new institutionalism (DiMaggio & Powell, 1991). In this context, a co-evolutionary process is argued that is highly linked to path-dependent decisions (Noorderhaven et al., 2015). The authors Matten & Moon (2008) argue that a certain form of business systems standardization is taking place due to the fact that organizational and management practices are increasingly legitimized across different cross-national institutions. This leads to the possibility of codification of practice into rules and laws, perceived as best practices but foreign to the national business settings (Matten & Moon, 2008).

A further aspect considering cross-national institutional influences on NBS is that of normative pressure, where “[e]ducational and professional authorities [...] directly or indirectly set standards for “legitimate” organizational practices” (Matten & Moon, 2008, p. 12), hereby causing the effect that management education is increasingly standardizing and concepts such as CSR, a northern American concept of origin (Carroll, 1999), are introduced in European business schools (Matten & Moon, 2008).

Lastly, a factor that could cause gradual change in NBS lies in regional institutions such as the European Union (Noorderhaven et al., 2015). Depending on the effectiveness of national institutions and agencies, regulatory practices from these regional institutions could slowly change business settings in a country, which further leverages a standardization of norms and practices.
2.2. The concept of CSV

To understand how to relate the NBS approach to the CSV construct, we should first understand the theoretical basis of the construct, thereby observing the differences between CSV and the underlying relationships with other theories. An important lead is the argument of Porter & Kramer (2011), saying that CSV should be perceived as a superseding version of CSR (p. 76). To understand this claim, the CSV concept should be broken down, or in good contemporary terms “unboxed”, before being able to apply the concept in a framework. Prior to the article of CSV (Porter & Kramer, 2011), two preceding articles were published that form the basis for what we now know as CSV (Porter & Kramer, 2002/2006).

2.2.1 Defining the concept of CSV

In their article from 2002, Porter & Kramer argue for competitive advantage through corporate philanthropy, once stated by Carroll (1991) as the highest form of CSR. The authors suggest that outside forces are increasingly demanding higher levels of CSR, but at the same time internal forces of investors demand short-term profit maximization (Porter & Kramer, 2002). The authors argue that companies ought to be “more strategic in their philanthropy” (Porter & Kramer, 2002, p. 57) and reason that not only social but also economic goals should be achieved through corporate philanthropy (Porter & Kramer, 2002), thereby refocusing the initiatives from a publicity focus only towards initiatives that would generate economic gains and at the same time help related societal causes. In other words, to unify the social and economic objective into one “convergence of interests” (Porter & Kramer, 2002, p. 59) and, if performed in the right way, to set in motion a virtuous circle that could improve the competitive context.

This thought was extended to the general concept of CSR in a later article (Porter & Kramer, 2006), where the authors argue how to achieve competitive advantage by means of CSR. In this context, it is important to maintain the same core message of intertwining societal value with economic value and to introduce the value chain as a key element for society value creation (Porter & Kramer, 2006). The article further argues for the use of “strategic CSR”, which is advocated as strategic philanthropy (Porter & Kramer, 2002) combined with value chain activities that would be beneficial to society and at the same time address corporate strategy (Porter & Kramer, 2006, p. 89), as opposed to the so-called “responsive CSR” which is defined as “acting as a good corporate citizen, attuned to the evolving social concerns of stakeholders” (Porter & Kramer, 2006, p. 85). This latter form of CSR practice, however, does not always interlink with the corporate strategy. The overall message the authors conclude with is that “CSR will become increasingly important to competitive success” (Porter & Kramer, 2006, p. 92), thereby advocating the control a company could internalize by addressing societal issues and use their knowledge base and funds to turn these issues into a strategic competitive benefit (Porter & Kramer, 2006).

Considering these two articles, CSR has been given an important stage for the further development of CSV. A differencing factor that could be argued for is the focal point of both concepts. Where CSR is seen by some as externally imposed rules (Carrol, 1999; Sheehy, 2015) and by others as something of a more voluntary nature (Vogel, 2007), from a business perspective the concept is considered as an external non-ownership pressure (Whitley, 1999) that could influence business if not reacted upon, hence promulgating the corporate philanthropical stance (Porter & Kramer, 2002; 2006). According to Porter & Kramer (2011), it is CSV that broadens Adam Smith’s invisible hand and aims at the creation of economic value through societal value, thereby changing the focus from philanthropy to self-interested behaviour (p. 77), hence refocusing the societal initiative from an external societal focus to an internal corporate perspective.
It can then also be argued that through CSV, two different streams of management practices have been brought together. On the one hand that of CSR, and possibly some of its related fields. On the other hand, that of value maximization, maintaining the centralized stance of companies serving their own goals and how to improve these (Friedman, 1962/2002; 1970), thereby supporting the shareholder approach of the firm. From this joint perspective, the authors envision the theory as a possible “next evolution in capitalism” (Porter & Kramer, 2011, p. 77).

Possible evidence for the desire to control societal initiatives can be found in the definition of shared value, stated 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” (Porter & Kramer, 2011, p. 66). The authors argue that value principles ought to be at the basis for societal and economic progress, defining value as “benefits relative to costs, not just benefit alone” (Porter & Kramer, 2011, p. 66).

Porter & Kramer (2011) describe three ways of how this value can be generated: companies can innovate products and reconceive markets, they can redefine productivity in the value chain, and they can set up supportive industry clusters in the geographical areas where the company operates (Porter & Kramer, 2011). These concepts are not new and all share a common variable, namely the author. Michael Porter, as one of the leading strategic management researchers, has united the concepts of his previous theories: the value chain (Porter, 1979; 1985), product strategies (Porter, 1996) and industry clusters (Porter, 1998) into one embodiment.

An interesting aspect of these theories is its original focus. All three share the values of competitive strategy and competitive advantage, a term often used in the papers of Porter (1979; 1980; 1985; 1986; 1996; 1998) and best embodied in the five forces model (Porter, 1979; 1980; 1985) which considers that firms not only ought to compete with rivals but also engage with other stakeholders such as employees, customers, suppliers, and authorities. It promotes a negativistic stance where the behavioural assumption of self-interest thrives, an aspect often related to the liberalism management philosophy (or shareholder theory) of Milton Friedman, argued as a predominantly American management concept (Ghoshal, 2005) which in turn is associated with liberal market driven economies and compartmentalized business systems (see e.g. Amable, 2003; Whitley, 2007; Hotho, 2014; Noorderhaven et al., 2015).

Considering this, it is interesting to see that Porter & Kramer (2011), in their opening status, argue that “the purpose of the corporation must be redefined as creating shared value, not just profit per se” (p. 76). In this context, it is implied (Strand & Freeman, 2015) that CSV breaks with tradition considering the shareholder perspective (Friedman, 1962/2002, 1970). Nonetheless, even if the authors would break with the tradition once promoted by Friedman (1962/2002, 1970), the core concept of CSV, to only create societal value if economic value would be in reach, suggests that it at best could be considered as a contemporary revision of shareholder theory rather than a break with it.

### 2.2.2 A model of underlying theories to CSV

To visualize the CSV concept, based on the dialogue presented above, a model has been devised in figure 1 that envisions the different elements that drive the concept of CSV. Its form, a pyramid, is deliberately chosen. The bottom of the pyramid represents its basic construct, that of CSR, which is discussed through the work of Porter & Kramer (2002; 2006; 2011) and formed the initiating factor of the shared value concept. The second level is that of the traditional economic view, or profit maximization, driven by the shareholder perspective, and providing the input of economic value. The third level represents the modes
through which the authors suggest realizing CSV initiatives. The three levels combined represent the concept of shared value creation (Porter & Kramer, 2011), as indicated by the bold lines. We argue a further relation, namely between the modes (third level) and shareholder perspective (second level) (Ghoshal, 2005), which might have indirect influence on the concept of CSV, as indicated by an interrupted line.

**Figure 1:** Underlying theories of CSV

![Diagram of CSV theory](image)

Source: own elaboration (based on: Porter & Kramer, 2011)

### 2.2.3 CSV in a cross-national business system setting

To our knowledge, no other research has considered the concept of CSV in a cross-national setting and observed its practices through a national business system lens. An extensive revision of the CSV concept by Dembek et al. (2016) found evidence of 2690 publications on CSV, of which 403 were journal articles. A total of 73 articles of these 403 entries considered the construct of CSV (Dembek et al., 2016), but as the authors argue none of these articles view the CSV concept from an institutional or “societal stakeholders” perspective, seeing this lack as “a critical shortcoming” (p. 244). This is quite contrary to the research field of corporate social responsibility, where various scholars have used the theoretical lens (Aguilera & Jackson, 2003; Matten & Moon, 2008; Brammer et al., 2012).

According to Brammer et al. (2012), “[s]eeing CSR through the lens of institutional theory highlights its contested and contingent nature” (p. 21). They further state that “[i]nstitutional theory alerts scholars to the simple fact that corporate agency is largely shaped by the dominant intuitions of the ‘business system’ (Brammer et al., 2012, p. 21). If this holds for CSR, it seems valid to say that there would be a certain sense of legitimacy for the CSV concept as well, considering that CSR is at the basis of the CSV construct. To explore this and to be able to provide our propositions, we will use the work of the authors Matten & Moon (2008), who present CSR through a cross-national analysis as both explicit and implicit of nature, as a starting point.
2.2.3.1 A cross-national concept of explicit and implicit CSR

Matten & Moon (2008) look at how CSR and its practices are dealt with in the United States and in Europe, the historic development of CSR as a concept originating from in the United States (Carroll, 1999), as well as issues related to its application nowadays (Matten & Moon, 2008). To understand this development, the authors (Matten & Moon, 2008) make use of the institutional theory and NBS approach (Whitley, 1999), as briefly explained in section 2.1.2.1, which they argue is more suitable to comprehend dissimilarities between countries’ corporate management and governance than, for example, agency theory. This is because agency theory does not sufficiently consider the diverse conceptions of stakeholders and their interests, which may differ considerably among countries (Aguilera & Jackson, 2003; Matten & Moon, 2008). Another aspect is the relations and way of cooperation between stakeholders, where institutional theory looks at the social element of CSR and allows the concept to be viewed from a more wide-ranging perspective (Matten & Moon, 2008).

According to Matten & Moon (2008), the four institutional characteristics of political, financial, educational/labour, and cultural systems (Whitley, 1999) have assuredly shaped the national business systems of the US and Europe. Based on these NBS, the authors relabel the original concept of CSR into two opposing streams defined as explicit CSR and implicit CSR (Matten & Moon, 2008), and discuss the differences between rather explicit CSR in the US and rather implicit CSR in European countries. The authors thereby present explicit and implicit CSR as opposing constructs (Matten & Moon, 2008).

When considering explicit CSR, it is defined as activities companies undertake because they feel responsible for certain societal issues (Matten & Moon, 2008). Usually, those activities include corporate schemes and actions a company engages in on a voluntary basis as it views those schemes and actions as something that is required from them by society (Matten & Moon, 2008). CSR in its explicit form may occur as an answer to critique or demand by stakeholders, and it may include collaboration with other institutions (Matten & Moon, 2008). However, regardless of how it occurs, it is important to note that explicit CSR takes place because of companies’ own judgment of what is expected from them, and not because they are legally obliged to do it (Matten & Moon, 2008), thereby presenting a company centric focus.

On the other hand, Matten & Moon (2008) define implicit CSR as “values, norms and rules that result in (mandatory and customary) requirements for corporations to address stakeholder issues and that define proper obligations of corporate actors in collective rather than individual terms” (p. 409). Although it is considered that business associations are related to certain requirements, thereby providing input for its framing and legitimisation, it is not expected that individual companies could provide influence over this process (Matten & Moon, 2008). Companies performing implicit CRS often describe their role in a wider societal setting, thereby addressing issues more from a societal interest and concern (Matten & Moon, 2008).

Both features of explicit and implicit CSR have been summarized in figure 2 (as presented in Matten & Moon, 2008, p. 410).
Matten & Moon (2008) continue by discussing two features of explicit and implicit CSR. The first is that of language towards society. It is argued that with explicit CSR, companies address their policies and performance towards their stakeholder through the vocabulary of CSR, thereby stressing their use of it. This is contrary to firms performing implicit CSR who do not make the communication of their practices a focal point (Matten & Moon, 2008). It is argued that in countries where implicit CSR are the norm, too explicitly stated CSR practices could be seen as bragging (Strand et al., 2015) as these practices are sometimes expected in society.

A second feature is that of intent. Although similar practices could be performed by corporations that conduct implicit CSR compared to the ones that conduct explicit CSR, the difference is whether it has been performed on a voluntary and deliberate basis or as a reaction to the business system of the company (Matten & Moon, 2008). In this context, it is argued that if the use of CSR was of voluntary and deliberate nature and “often strategic” (Porter & Kramer, 2006 as cited in Matten & Moon, 2008, p. 410), it would be of explicit form. On the other side, implicit CSR conduct is guided by “codified norms, rules and laws” (Matten & Moon, 2008, p. 410) where societal rules and norms are made an explicit part instead of social business conduct which stays more in the background (Matten & Moon, 2008), hence giving meaning to implicit CSR of acting responsible but without claiming to be the author of it (Matten & Moon, 2008).

Having grasped the core elements of the article (Matten and Moon, 2008), a clear difference in business conduct has been delineated and translated to the concept of CSR. The well-documented diversity in business systems (Amable, 2003; Matten & Moon, 2008; Hotho, 2014) as outlined in section 2.1 further strengthens the argument that the current representation of CSV (Porter & Kramer, 2011) might not grasp all shared value initiatives correctly, thereby labelling them as CSV while they might have found its innate reasoning not from an internal control perspective, but from an external control perspective. To explore this aspect, we will apply the explicit and implicit CSR logic to the concept of CSV (Porter & Kramer, 2011).
2.3. Conceptualizing explicit and implicit shared value

Through the previous section, a broad foundation was presented behind the reasoning that CSR could be seen as an underlying concept to that of CSV. A further aspect of CSR was explored by analysing it through a NBS lens, leading to the definitions of explicit and implicit CSR. As argued, the connections between CSR and CSV would therefore lead us to the assumption that a similar form of explicit and implicit shared value would be a viable idea considering the cross-national differences in NBS.

2.3.1 Explicit shared value

To understand the concept of CSV in an explicit/implicit construct, the differences between CSR and CSV are of importance. The starting point is that the authors Porter & Kramer (2002; 2006) do not doubt the validity of CSR, but challenge the initiatives analysed in relation to the corporate strategy of the firm. Their main argument is that if CSR is strategically applied and going beyond mere publicity to actual economic value creation, it would be beneficial for the firm (Porter & Kramer, 2006). This thought is then extended by proactively implementing these concepts into the policies and operating procedures and thereby achieving competitive advantage (Porter & Kramer, 2011).

Observing the abovementioned differentiating factors presented throughout the work of Porter & Kramer (2002; 2006; 2011), a company centric inside-out focus is revealed, something that shares similarities with explicit CSR (Matten & Moon, 2008). Where the CSV concept differentiates is in terms of the set of recommended modes of value chain integration (Porter, 1979; 1985), product strategies (Porter, 1996), and industrial clusters (Porter, 1998). However, beyond this aspect, the CSV theory’s core principle shares common ground with that of explicit CSR in both language and intent (Matten & Moon, 2008). To be able to visualize this and relate the CSV concept (Porter & Kramer, 2011) to the implicit/explicit CSR constructs (Matten & Moon, 2008), a comparison is created in figure 3.

Figure 3: Comparison of concepts - Explicit & Implicit CSR versus CSV

<table>
<thead>
<tr>
<th>Explicit CSR</th>
<th>CSV</th>
<th>Implicit CSR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Describes corporate activities that assume responsibility for the interest of society</td>
<td>≈</td>
<td>Describes corporations’ role within the wider formal and informal institutions for society’s interests and concerns</td>
</tr>
<tr>
<td>Consists of voluntary corporate policies, programs, and strategies</td>
<td>≡</td>
<td>Consists of values, norms and rules that result in (often codified and mandatory) requirements for corporations</td>
</tr>
<tr>
<td>Incentives and opportunities are motivated by the perceived expectations of different stakeholders of the corporation</td>
<td>≡</td>
<td>Motivated by the societal consensus on the legitimate expectations of the roles and contributions of all major groups in society, including corporations</td>
</tr>
</tbody>
</table>

Source: own elaboration (based on Matten & Moon, 2008; Porter & Kramer, 2011)

As argued in figure 3, linkages with explicit CSR seem strong, indicated through qualitative reasoning with the equal to and almost equal to signs based on the discussions presented throughout the previous sections. In the case of implicit CSR, however, they appear weak or even absent, indicated with the not equal to sign. Considering the latter, even though Porter & Kramer (2011) make references to government regulations and civil societies, they do so from a company centric view (Friedman, 1970)
which indicates that they may be enablers or stressors to business practices and even state that in their concerns “they have often exacerbated the [societal] problem[s] ... at the expense of business (Porter & Kramer, 2011, p. 64). This centric focus can be further seen in the initiatives presented in the article, which are from an inside-out focus, like water and energy use, environmental impact, employee health, among others (Porter & Kramer, 2011, p. 68), and not so much linked to other major groups in society or their roles and contributions.

This would lead us to state that CSV is in line with the explicit CSR construct of Matten & Moon (2008), and therefore could be considered as “Explicit Shared Value”. This form of shared value would be of the voluntary kind, in line with the construct of explicit CSR. This is reasoned since through a shift of concepts from CSR to CSV, no influence would be exercised on the institutional settings of a county, leaving the NBS unaltered.

A further factor representing explicit shared value would be that the selection and description of societal causes is done out of strategic nature that would (eventually) contribute to economic value, moving away from a more philanthropical stance of CSR as presented in Matten & Moon (2008), where companies engage in societal issues out of a responsibility sentiment, and adding the angle of shareholder theory (Friedman, 1962/2002) as discussed in section 2.2. Matten & Moon (2008) argue that voluntary policies, programs and strategies represent explicit CSR, something that beyond a certain element of intent hints to the element of verbally expressing CSR. Porter & Kramer (2011) stay in the same line, but consider not to only have strategies, but act strategically by merging it into a company’s policies and operating procedures, hence internalizing intent.

The latter aspect could be a key differentiator between explicit CSR and explicit shared value, thereby maintaining a company centric focus, looking at possible societal initiatives from an inside-out focus and linking them to the core strategy of the company, with the aim of eventual economic gain and competitive advantage.

Remembering the original reasoning behind the explicit CSR construct (Matten & Moon, 2008) and its linkages with a market based VoC and compartmentalized business system, it would be valid to argue that the concept of CSV, or now considered explicit shared value, would have its grounding theories and its own concept based on the business settings found in the United States. This would, however, pose the question if it properly explains shared value initiatives performed by northern European companies, especially those predating the CSV concept itself. Or, otherwise, if the fundaments of these initiatives could be originating from its social-democratic VoC and collaborative business system, causing alternative underlying assumptions of shared value to arise, or in other words initiatives of “Implicit Shared Value”.

### 2.3.2 Implicit shared value

A starting point to detect alternatives that could explain implicit shared value would be to analyse the critics of the CSV concept. Crane et al. (2014) can be argued as the ones that have most vocally expressed their critics, but they were not alone (e.g. Aakhus & Bzdak, 2012; Strand & Freeman, 2015; Strand et al., 2015). They all argue that the CSV concept heavily resembles the stakeholder approach (Rhenman, 1964; Freeman, 1984/2010), a theory acclaimed to represent a wider societal view of business conduct. Therefore, the concept will be reviewed to see if a relationship could be established with the constructs of explicit and implicit CSR (Matten & Moon, 2008), to see if valid arguments could be provided to be able to theorize Implicit shared value.
2.3.2.1. Cross-national characteristics of the stakeholder approach

It is often thought that Edward Freeman (1984) is one of the first scholars to put the concept of wider company engagement on the map, at the hand of the stakeholder theory. Strand & Freeman (2015), however, provide evidence to reconsider this. Two decades before Freeman published his book *Strategic Management: A Stakeholder approach* (*Freeman, 1984*), the Scandinavian researcher Eric Rhenman (1964) presented the first stakeholder map in the Swedish version of his book *Industrial Democracy*. The map, a circle (company) with multiple overlapping ellipses (stakeholders), visualizes the core concept of stakeholder theory, namely that the company together with its stakeholders share a “jointness of interests” (*Strand & Freeman, 2015*).

With jointness of interest, the author (Rhenman, 1964/1968) argues that the survival of a corporation “is a common goal of all stakeholders” and “creates interdependence between the stakeholders” (*Rhenman, 1968*, p. 54), explaining the reasoning of overlapping ellipses on the stakeholder map. According to Strand & Freeman (2015), this has been one of the three major Scandinavian contributions to the wider field of stakeholder theory. A second contribution is that of “cooperative strategic posture” (*Strand & Freeman, 2015*, p. 72), which, although not naming it in this way, Rhenman (1968) promotes as the use of a cooperative stance towards stakeholders, considering it as the core responsibility of a manager and envisioning it as a mode to improve production and efficiency of the firm (p. 5). Rhenman (1968) strongly opposes the competitive stance where stakeholders are seen as competitors. A last contribution is the rejection of profit maximization, where as much value as possible ought to be created for the shareholders. Rhenman (1968) argues that wider stakeholder value creation would go before the interest of shareholders. Through this overall vision of business conduct, Rhenman (1964/1968) implies internalization of shared value initiatives into the practices and policies of the firm.

Although the work of Rhenman (1964, 1968) has been published decades before, the concept really took off with the publications of Freeman (1983/1984) on the matter. The stakeholder map presented in the work of Freeman (1984/2010), although similar in kind to that of Rhenman, depicts the companies and stakeholders as separate entities with arrows pointing both ways, thereby promoting the “wide” stakeholder description of “any group or individual who can affect or is affected by the achievement of the firm’s objectives” (*Freeman, 1983*, p. 91). Emphasizing a form of dependency, which is better described by Freeman’s “narrow” stakeholder description: “Any group or individual on which the organization is dependent for its continued survival” (*Freeman, 1983*, p. 91).

An interesting aspect between both visualizations and initial description of the theory is if Freeman himself, as a US American scholar, could have been influenced by underlying concepts of liberalism of Friedman (Ghoshal, 2005), by considering stakeholders as “them and us” in his original work’s definition (*Freeman, 1983*) instead of the jointness of interest from Rhenman that tends more towards an “us” approach from inception. This is something that finds evidence in Slinger (1999), where Freeman acknowledges that the initial thought was to enhance comprehension on how businesses could fulfil the needs of various external parties and only later, and together with other scholars (e.g. Donaldson & Preston, 1995; Donaldson, 1999; Phillips, 2003; Freeman, 2008), developed the theory into the concept as we know it today (*Freeman, 2010*).

As mentioned, the original approach (*Freeman, 1984*) also called the instrumental stakeholder theory, aimed to show executives how to deal with the “framework, processes and philosophy of stakeholder approach to manage an organization more effectively” (p. 27). According to some scholars (e.g. Kaler,
2003), this is a more indirect approach to shareholder theory where profit would be maximized as an outcome of a well-managed company (Freeman, 2008). In this context, arguing that by ignoring the interest of non-shareholders and only focussing on profit maximization, the possibility of value destruction for all stakeholders involved could take place (Mansell, 2013). In more recent work of Freeman (2010), the author suggests that the stakeholder theory is compatible with the maximizing shareholder value objective of Friedman’s theory (Freeman et al., 2010), considering that a surge in stakeholders’ value could be related to shareholders’ value increment (Freeman, 2008).

Even though both streams of stakeholder theory were developed separately, the similarities were numerous (Rhenman, 1964; Freeman, 1983). However, we argue that the initial difference in approach could be partly explained through the different institutional factors influencing the NBS observed. Rhenman, Swedish from origin, wrote his book (1964) in a society subject to an elevated level of government influence, strong labour unions, a low sophistication of financial markets and an important level of public expenditure on education, as found in a social-democratic economy (see table 1, Amable, 2003) and leading to the discussed collaborative business system (Whitley, 1999). It could be argued that this influence created an outside-in focus concerning a company’s business conduct.

Freeman, on the contrary, is an American scholar, subject to opposite institutional influences, hence low government and union involvement and highly sophisticated financial markets, leading to a compartmentalized business system (Whitley, 1999). In other words, an inception focusing more on an inside-out conduct, similar to that of the CSV concept. However, as argued by various authors (Nasi, 1995; Freeman, 2010; Strand et al., 2015), through extensive research on the topic and considering the lifespan of the theory, its current focus has shifted towards a more outside-in perspective.

When considering the input of both Freeman (1984) and Rhenman (1964/1968) and comparing it to the concept of explicit and implicit CSR (Matten & Moon, 2008), direct analogies could be advocated, as can be found in figure 4. This provides an interesting insight as it stresses the importance of national business systems in research even further. Where Matten & Moon (2008) use the institutional theory and the business system approach explicitly for their analysis of CSR practices, both Rhenman and Freeman did not. They were, however, part of a business system when they constructed their version of the stakeholder theory, hence explaining their differences, which now united into one stream of theory is seemingly compatible with the concept of Matten & Moon (2008).
Although the reasoning, as depicted with equal to signs, in figure 4 is based on qualitative literature analysis, the outset of both Freeman (1983; 1984) and Rhenman’s (1964) original inputs was that of wider societal engagement, or in the words of Porter & Kramer (2006; 2011) shared value creation. The differentiating reasons of both initial approaches - presenting company engagement with an inside-out (Freeman, 1983) and outside-in (Rhenman, 1964) focus - leave the assumption that NBS have played a significant role in their theorizing of societal engagement through business conduct.

Although we will not add to the debate whether Freeman’s original approach is showing similarities with the concept of CSV (Porter & Kramer, 2011), as argued by various authors (Aakhus & Bzdak, 2012; Strand & Freeman, 2013; Strand et al., 2015), our approach does, however, suggest that similarities among theories could have arisen through the interpretation of the business system and its actors. This would give evidence that NBS not only influence shared value practices themselves, but also the theories that describe and moderate them.

2.3.2.2 Implicit Shared Value theorized

Considering Rhenman’s approach to stakeholder theory (1964) theorized over five decades ago, its contributions remain valid when comparing them with the concept of implicit CSR of Matten & Moon (2008). With the contribution of jointness of interest and cooperative strategic posture, the author (Rhenman, 1964) resembles the value of implicit CSR where corporations are part of a wider societal setting and act accordingly through their behaviour and commitments (Matten & Moon, 2008). This leads us to the reasoning that Implicit shared value could be theorized.

A differentiating factor, however, is that although certain practices might be mandatory in the settings of a collaborative business system, it deviates here from the construct of implicit CSR. Where in the latter, certain practices would be expected and hence implicitly dealt with as opposed to the more explicit and verbally expressed counterpart in the United States (Matten & Moon, 2008). The construct of implicit shared value is not so much based on the language used rather than the practices performed (or intent). The stakeholder theory from Freeman and Rhenman shares the idea of internalizing shared value
practices with the concept of CSV (Porter & Kramer, 2011). It is, however, not the company centric view (inside-out) of CSV (Porter & Kramer, 2011) that is promulgated, but a wider societal view; “we” the company are part of a bigger whole (outside-in).

Our interest goes to Rhenman’s work that from inception showed this outside-in value, something as reasoned through the discourse of this chapter finds its innate influences in the NBS and its overarching institutional values. It could then also be argued that the theory made a first approach to shared value, where it links societal value through a cooperative strategic posture to the core of the business processes. It can be further reasoned that where the original wording of “implicit” would remain fitting when initiatives organized by the firm are seen as part of a bigger whole, often generated through different alliances. This contrasts with “explicit”, where the initiative stems from a company centric perspective and is often promoted as such.

2.3.3. Characteristics of Explicit and Implicit shared value

To finalize, a summary of characteristics will be presented in table 3 that describes the underlying differences between the explicit and implicit shared value constructs. These two theoretically opposing constructs represent shared value initiatives that are performed on one side in countries with a compartmentalized business system, such as the United States, and on the other side in collaborative business systems which includes the countries of Sweden, Denmark and Finland, based on the selection made and explained in section 2.1.

Table 3: Characteristics of explicit and implicit shared value

<table>
<thead>
<tr>
<th></th>
<th>Explicit Shared Value</th>
<th>Implicit Shared Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Shared value</strong></td>
<td>“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” (Porter &amp; Kramer, 2011, p. 65)</td>
<td>Create social value in cooperation with relevant societal actors that will lead to sustainable long-term effects, for both society and the firm, whereby social value increase stimulates the economic value increase of the firm.</td>
</tr>
<tr>
<td><strong>View on society</strong></td>
<td>Society is a way through which organizational strategies and goals could be achieved</td>
<td>Society consists of different social actors through which the company needs to find its purpose and ways to contribute</td>
</tr>
<tr>
<td><strong>Focus of business practices</strong></td>
<td><strong>Competitive/cooperative stance</strong></td>
<td><strong>Outside-in</strong></td>
</tr>
<tr>
<td>NBS (Whitby, 1999)</td>
<td>Compartamentalized</td>
<td>Collaborative</td>
</tr>
<tr>
<td>VoC (Amable, 2003)</td>
<td>Market-Based</td>
<td></td>
</tr>
<tr>
<td><strong>Management theories describing phenomenon</strong></td>
<td>Creating Shared Value (Porter &amp; Kramer, 2011)</td>
<td>Stakeholder theory (Rhenman, 1964; 1968)</td>
</tr>
<tr>
<td></td>
<td>Instrumental Stakeholder theory (Freeman, 1983; 1984)</td>
<td>Contemporary Stakeholder theory (Freeman, 2010; Strand &amp; Freeman, 2015)</td>
</tr>
</tbody>
</table>

Source: own elaboration
2.4 Shared value in a national business setting

Based on these assumptions laid out in the previous sections, we argue that NBS play an important role when conceptualizing share value. This leads us to reason that the concept of CSV is not as universally applicable as it seems to be, or better said, not all shared value initiatives are conducted through an inside-out approach as advocated by Porter & Kramer (2011). Consequently, through the assumptions developed in this paper, we propose two propositions to evaluate our reasoning.

The first proposition is reflecting our view of the construct of explicit shared value. This form of shared value created by companies is subject to societies with market-based economies at its inception (Amable, 2003), which in turn leads to a compartmentalized business system (Whitley, 1999). The value creating initiatives are reasoned from an inside-out focus, where the company’s self-interested behaviour stands central towards the selection of the shared value initiative.

**Proposition 1:** Explicit Shared Value

\[ \text{COMPARTMENTALIZED BUSINESS SYSTEM} \rightarrow \text{EXPLICIT SHARED VALUE “Inside-out focus”} \]

\[ \text{Creating Shared Value (Porter & Kramer, 2011)} \]
\[ \text{Stakeholder approach (USA) (Freeman, 1983/1984)} \]

\[ \text{MANAGEMENT THEORIES} \]

**Source:** Own elaboration

Consequently, we theorize that the compartmentalized business system has influence over the origins of the shared value decisions made by companies located in a market-based economy, as indicated by the relationship established between the two values with an arrow.

A further relationship is theorized, considering the management theories describing the shared value phenomenon (Porter & Kramer, 2011; Freeman, 1983; 1984). Once a concept (or management theory) on shared value has been formalized and presented to society, the concept itself becomes a moderating factor to the phenomenon of shared value. Hereby, the shared value practices would be made more visible to a bigger target group. The concepts themselves can thereby alter the practices. An example of this could be the modes of operationalization as presented in the CSV concept of Porter & Kramer (2011). This moderating factor is theorized by a dotted arrow pointing at the other arrow representing the relationship between the NBS and shared value initiative. The arrow is presented as dotted, as evidence for this relation might be hard to provide.

A similar proposition is proposed for the collaborative business system and intrinsic shared value, with similar underlying relations as the earlier mentioned proposition. The management theories presented in this proposition are derived from a Scandinavian setting (Rhenman, 1964; 1968; Strand & Freeman, 2015), which is in line with the values of a social-democratic economy and the previously mentioned NBS.
**Proposition 2**: Implicit Shared Value

A last aspect to consider is if there are signs of cross-fertilization of shared value concepts that originate in one NBS, but are transferred to another NBS. This is a concept considered in the neo-institutionalism theory of DiMaggio & Powell (1991), where universal adoption of certain concepts are promulgated and thus change the original language and intent of shared value initiatives.

**Source**: Own elaboration
3. Methodology

This section will discuss our research approach relating to our thesis paper’s research question and purpose. First, we will explain the research strategy in greater detail, followed by a section on our research design. Then, we will describe how we analyse and collect the data, both for our theoretical analysis and for our empirical data. A section of limitations will be presented for the distinct parts of the research approach, including a review of its reliability, validity, and replicability. A concluding section will be dedicated to axiological considerations.

3.1 Research strategy

This thesis paper will be conducted through a qualitative research strategy based on the underlying aspects described below.

The research is based on already consisting concepts, namely that of CSV (Porter & Kramer, 2006; 2011) and NBS (Whitley, 1999; Amable, 2003; Hotho, 2014), which would make this research contributing to the knowledge in this field. Considering the data sources available, the ground to consider a quantitative strategy would be scarce. The quantitative strategy is often linked to data gathered from numbers from data collection techniques and used to test relationships among subsets of variables analysed at the hand of statistical models (Creswell, 2009). Considering that the sources of data that will be analysed are of non-numerical origin, the quantitative strategy would be difficult to follow. Therefore, and considering our research approach orientation, the choice of qualitative research strategy is in line with the purpose to analyse the CSV phenomena in a social setting, leaning on subjective data obtained from other research sources that often have derived data themselves using the qualitative research strategy.

Bryman & Bell (2015) point out that qualitative research argues that social reality and human behaviour are complex in nature, are in need of interpretation and are divergent from natural sciences. Qualitative research approaches can be of subjective nature, where they try to embody the human complexity as distinctive social actors and researchers try to capture these subjective nuances (Rubin & Babbie, 2016). For our analysis, it would be hard to approach cases from a scientific approach, as they are all highly context-specific and therefore universal solutions would not be valid.

Both research questions and research design require a significant deal of context-specific information which will be gathered from the companies themselves as well as from scholars. In this context, one could consider that the researchers performing an investigation are social actors themselves, thereby selecting a research design, setting an outline, and observing outcomes through a theoretical lens specific to themselves which could differ if done by others.

3.2 Research design

The applied research design for this thesis is that of comparative design (Bryman & Bell, 2015). In combination with the qualitative research strategy, this form of design is frequently seen as an extension of the case study design, where multiple case studies are conducted for the purpose of comparison. Hereby, a consideration would have to be made between the unique and common variables among the different cases, which frequently provide theoretical reflections on the outcomes (Bryman & Bell, 2015).
and establish the circumstances under which a theory holds or not (Yin, 2013). This would contrast the single case study design, where researchers map contingent elements and provide an in-depth analysis of a sole case study (Pernot & Roodhooft, 2014).

A frequent form of comparative design is that of research in the cross-cultural or cross-national field (Bryman & Bell, 2015) which is the case in this thesis. Through a theoretical analysis, propositions will be formulated that will be evaluated with the help of empirical study in the form of a multi-case analysis. The criteria for this multi-case analysis are related to their cross-national profile. A reason for a cross-national multi-case setting in this thesis is that, according to Bryman & Bell (2015), a cross-national setting gives space to question the adaptability of management theories and practices in different national contexts, representing the purpose presented in this research.

A further consideration is the level of analysis that will be used for this thesis. According to the SOGI model - an acronym for: Societies, Organizations, Groups, and Individuals (Bryman & Bell, 2015) - the level of analysis could differ according to the principal unit of measurement and analysis. Our research will focus on a societal level and national business systems in which the analysed companies encounter themselves. Therefore, we recognize that our cases are originally produced from an organizational level of analysis, but through our theoretical lens of national business systems will be approached from another level of analysis.

### 3.3 Data collection and analysis

For this thesis, the primary source of data has been of secondary kind. This type of information is defined as data gathered by someone else in the form of raw data and/or compiled data, often for a different study (Bryman & Bell, 2015). In contrast, primary data is collected by the researchers themselves based on the criteria selected for the respective study (Bryman & Bell, 2015). The decision has been made to collect data of secondary sources as no application of national institutional factors on CSV initiatives is known to date, and therefore we go through existing literature and perform a qualitative analysis of this literature to reach to our propositions. This caused an iterative process of examining, breaking down, comparing, and categorizing of the secondary data (Strauss & Corbin, 1990, p. 61) with the aim to reach a set of propositions.

There are advantages associated with the use of secondary data, covered by Dale et al. (1988) and readdressed in Bryman & Bell (2015). These include a reduction in cost and time, the opportunity for cross-national analysis, the opportunity for longitudinal analysis, access to high-quality data, more time for data analysis and the fact that reanalysis might offer new interpretations (Dale et al, 1988; Bryman & Bell, 2015).

#### 3.3.1 Data collection and analysis for theoretical analysis

In the context of our purpose, our starting point for our theoretical analysis were the two concepts of Creating Shared Value (CSV) and National Business Systems (NBS) as a part of wider institutional settings. Literature was analysed with a focus on the typical features, development, and motives of the concepts. The analysis aimed at historical and peer-reviewed articles as well as (chapters from) books as these types of literature are viewed as highly suitable data sources according to Wolfswinkel et al. (2013). Accordingly, we have used google scholar and Lund University’s library catalogue Lovisa as well as LUB search as our primary search engines. The keywords when searching included Shared Value, Creating
Shared Value, Shared Value Creation, CSV and on the other side, terms such as institutional theory, business systems and national business systems.

After collecting the articles, we omitted the papers that did not seem to contribute much to our study by filtering out the articles with titles and abstracts that appeared to refer to areas not relevant for our topic or used the concept just for referral. In addition, we made use of the much-acknowledged (Atkinson & Flint, 2001; Brown, 2005; Waters, 2015) snowball technique which is claimed to be a “particularly effective tool” (Noy, 2008, p. 330) in literature research. According to the snowball principle, we reviewed articles and book chapters that other authors referred to and that seemed relevant for our paper as well.

Through this method, and through the earlier mentioned approach of “examination, breakdown, comparing, and categorizing of data” (Strauss & Corbin, 1990, p. 61) in both subjects of CSV and NBS, we came on the track of relevant literature (Matten & Moon, 2008) that provided us with a basis for further analysis, thereby defining two cross-national settings (Bhimani, 1999). Before this could be applied, a similar process was conducted on the concept of CSV (Porter & Kramer, 2011) which provided an analysis of the concept, and classified the underlying theoretical groundings. Regarding the article by Matten & Moon (2008), two emergent constructs could be built around the CSV concept, theorizing two cross-national constructs of shared value.

These constructs presented additional requirements to be able to evaluate the constructs in cross-national settings, thereby inducing further need of literature revision. Therefore, literature was reviewed considering the critics of the CSV approach (Crane et al., 2014; Strand & Freeman, 2015; Strand et al., 2015) which provided us with groundings to consider the stakeholder approach (Rhenman, 1964/1968; Freeman, 1984/2010) for analysis and complete the characteristics of the constructs leading to the proposal of two propositions to be evaluated at the hand of case studies.

3.3.2 Data collection and analysis for our case settings

In the process of gathering data for the analysis of different national settings, we searched for CSV initiatives in a first step. Our aim is to explore whether different national business systems derived from institutional settings may have an influence on the respective CSV initiatives, which is similar to the approach of Matten & Moon (2008) when they contrasted two opposing geographic areas, namely the US and Europe. After a further definition of these two geographical areas, we only included those initiatives that took place in a social-democratic environment and those that occurred in market-based economies as classified by Amable (2003).

After a thorough google search and filtering out two initiatives from social-democratic countries (Denmark and Sweden) and two from a market-based economy (the United States), we used a qualitative content analysis to examine the cases. A qualitative content analysis can be described as “a research method for the subjective interpretation of the content of text data” (Hsieh & Shannon, 2005, p. 1278) and “aims to provide knowledge and understanding of the phenomenon under study” (Downe-Wamboldt, 1992, p. 314). In more detail, we gathered data both from academic articles and from the companies themselves, and analysed in which way societal and economic value was created in order to be correctly classified as a CSV initiative. This was done based on specific markers such as: “shared”, “economic”, “social”, “society”, “values”, “CSV”, “benefit”, “advantage”, “competitive” and combinations of these.
In the following step, we examined the texts for indicators of explicit or implicit shared value based on the characteristics described in chapter 2 and on indicators presented in the NBS literature (Whitley, 1999). These indicators or markers helped us revise the literature in a timely fashion while filtering out the main message, thereby considering words as “society”, “stakeholder”, “actor”, “social”, “alliance”, “ownership”, “employee”, “institution” among others. In the cases, we searched for societal or national markers that could link the initiative and the company to a specific NBS.

Each original case file presented a different richness of data. Therefore, once the company and shared value initiative were selected, a triangulation of different written sources took place. In this context, we considered both internal and external sources such as annual/sustainability reports, research articles, websites, or management magazines, which created a higher level of validity and the possibility to treat them as cases on their own.

3.4 Limitations of the methodology

The methodology presented in this work is not without limitations. Therefore, this section will present the limitations considered for the distinct aspects of the methodological approach.

A risk of the comparative design and the subsequent multiple case analysis is that one could pay less attention to unique context and more to ways on how to contrast the cases (Dyer & Wilkins, 1991). This point is valid for this thesis, as the cases will be looked at for their descriptive quality, thereby searching for certain content that will be evaluated through our theoretical lens to be able to test our propositions.

Another injunction to this design as mentioned by Bryman & Bell (2015) is that we needed to form a precise focus already in the beginning, namely to focus only on social-democratic and market-based initiatives and to exclude all others. However, we do not see this consideration as a limiting factor as the purpose of the thesis is to evaluate if the concept of CSV would hold under different national institutional settings, and consequently, we established a more precise focus to be able to evaluate the selected cases.

Due to the nature of this research, being a thesis project with limited time, secondary information is of substantial importance. Both the criteria for the theoretical analysis and the information we refer to when analysing the cases are delivered by other authors, therefore representing secondary data. One of the risks with this issue is that there is no control over the quality of the sources which, furthermore, might have been collected for other purposes (Bryman & Bell, 2015). To minimize this risk, and with the time concern in mind, careful consideration was made with regards to the selection of secondary data sources and sufficient material or academic support will be gathered.

3.5 Reliability, validity and replicability of research approach

When considering the reliability, validity and replicability of the design, Bryman & Bell (2015) indicate that the case study design depends to a substantial extent on the researcher’s perception of appropriateness for the evaluation of case study research. One issue with a lot of concern in this context is the external validity or generalization of the results (Yin, 2009). It is argued that the findings of case studies are hard to generalize and compared to other case studies (Yin, 2009). However, given the limited scope and time frame of our thesis paper as well as its qualitative nature, we would like to point out that our purpose was not to end up with generalized findings. Rather, it was our aim to contrast two opposite national business settings and show how they could influence shared value initiatives, and our paper
should therefore rather be seen as a primary reference point. According to Saunders et al. (2012), reliability and validity do not play a critical role in this setting as the findings of a qualitative study cannot be easily replicated because of its subjective and interpretative nature which has been discussed earlier. Nevertheless, we attempted to enhance the reliability and validity of our work by aiming for high transparency in explaining all sections and procedures of our thesis in detail.

3.6 Axiological considerations

The concept of axiology relates to values and how they can affect the results of our paper. According to Saunders et al. (2012), values influence the foundation of this thesis as we authors chose a topic based on the areas we are interested in. Our individual backgrounds also play a role in this context, which is reinforced by Heron (1996) who considers that scholars are exhibiting their axiological skills when their values would be translucent.

Prior to writing this thesis paper, we both had a basic understanding of the topics that are referenced in this paper. Bickman & Rog (2008) refer to those pre-existing ideas as preconceptions. According to Gilje & Grimen (2007), past experiences form a big part of people’s preconceptions which affect how they detect and analyse critical issues as well as how they select and utilize relevant theories (Gilje & Grimen, 2007). It is therefore crucial for researchers to be sensitive of their pre-perceptions as they might lead to a bias both in the writing and the analysis phase of academic papers (Gilje & Grimen, 2007). As researchers, we are aware that our preconceptions have influenced us and will consequently attempt to avoid them influencing our investigation.

Firstly, it is worth mentioning that we come from similar yet different countries, namely the Netherlands and Germany, which may have impacted our way of thinking. We do, however, not see our different background and our different personalities as something negative, rather, these differences have enabled us to see things from various perspectives and analyse the subject matter in enriching discussions. Due to our different background, living abroad and our past work experience, we claim to have a good idea of how management theory can be applied differently. As business students at Lund University, we have become familiar with concepts such as stakeholder theory, sustainability and CSR. Since those concepts are in line with our general interest for sustainability issues, we chose the topic we are presenting in this thesis paper. However, in an effort to erase our preconceptions, we have attempted to gather as much new information as possible and focus on the articles referred to in this thesis as well as on the data collected for this purpose.
4. Shared value in different business settings

In this chapter, we will present a cross-national study of four cases. First a brief review of selection criteria will be provided. This will be followed by two sections, each representing a NBS and will consist of two cases each. First a case description will be given, that will be analysed afterwards. A summary of case settings and found results will be provided in the end section.

4.1 Introduction to the cases

To evaluate the propositions, four case studies will be presented in this chapter based on the relevant national business system criteria. For a balanced cross-national comparison, two companies will be analysed from the United States, representing a market-based economy with compartmentalized business systems. Considering the other two companies originating in social-democratic markets with collaborative business systems, one case example comes from a company in Sweden and the other from Denmark. The companies to be described and analysed are presented in table 4:

Table 4: Case companies

<table>
<thead>
<tr>
<th>NBS</th>
<th>Company</th>
<th>Sector</th>
<th>HQ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compartamentalized Business System</td>
<td>Walmart</td>
<td>Retail</td>
<td>USA</td>
</tr>
<tr>
<td></td>
<td>Verizon</td>
<td>Telecommunications</td>
<td>USA</td>
</tr>
<tr>
<td>Collaborative Business System</td>
<td>Skandia</td>
<td>Financial services</td>
<td>Sweden</td>
</tr>
<tr>
<td></td>
<td>Novo Nordisk</td>
<td>Pharmaceuticals</td>
<td>Denmark</td>
</tr>
</tbody>
</table>

Source: Own elaboration

An important aspect to consider is the reach of influence of NBS. The cases to be discussed and analyzed have been selected because they were taking place in their home market, which meets the requirement of being subject to NBS influence. One exception to this rule has been made. The initiative presented from the company Novo Nordisk was outside of the borders of its own NBS, but as it was explicitly stated throughout the data gathered, the values of this CSV initiative were conceived on the company’s home market, hence staying within its NBS influences. The NBS characteristics that will be analysed throughout the case analysis are presented in table 2 in chapter 2.

4.2 Market-based economy cases

4.2.1 Walmart case

Founded in the United States in 1962, Walmart is a global retailing chain and one of the world’s largest corporation by returns as well as one of the biggest employers with 2.3 million employees (Fortune Global 500, 2016). Over 60% of the company’s sales come from the United States (Walmart Annual Report, 2016). The case of Walmart, as presented in the works of Maltz et al. (2011) and Maltz & Shein (2012) and cited in various papers (Dembek et al, 2016; Kramer & Pfitzer, 2016), is seen as a prime example of CSV.
4.2.1.1 Walmart Case description
With regards to the initiative documented by Walmart, the company wanted to cultivate shared value via inducing competitive response (Maltz & Schein, 2012) by starting to sell generic drugs at one-third the original price. Walmart offered those drugs both to people with health insurance and to those without (Saul, 2010). It was estimated (Maltz et al., 2011) that this course of action made it more affordable for people with low incomes to purchase drugs and thereby caused an estimated saving of $610 million a year for their customers, which does not only lead to health improvements, but also to a reduction of hospital visits respectively a reduction of costs for the healthcare system. The company on its turn tried to boost store traffic with this initiative so that people would buy other products as well (Maltz et al., 2011).

According to Walmart’s annual report (2007), the initiative that started in only one state resulted in favourable outcomes and led the company to expand it to other regions in the country. As Walmart (2007) states, “[t]he response from our customers has been outstanding because we have saved them money where they need it most - in reduced healthcare costs” (Walmart, 2007, p. 12).

In order to not lose revenue, competitors adopted Walmart’s pricing level of generic drugs, however, due to higher overall costs on their part, they could not reach Walmart’s profitability, especially considering the powerful position that Walmart posed over its cost structure (Saul, 2010) and its value chain (Maltz et al., 2011). The fact that Walmart pushed its competitors to make investments that are not profitable led to an improved competitive advantage for the company (Saul, 2010). Simultaneously, they created and cultivated social value as more individuals could afford to buy prescribed drugs.

4.2.1.2 Walmart Case analysis
Through the information retrieved from various sources for the Walmart case, certain links between the market-based economy (Amable, 2003) and compartmentalized business system (Whitley, 1999) could be established.

A first indication of linkages with the broader institutional settings is that of the societal issue at stake which forms the basis for the company’s shared value initiative. The problem setting provided indicated that people of low income groups could not afford medicine (Maltz et al., 2011). Consequently, one could deduce that market prices are not regulated which is an indication of none to low state involvement in product-market competition as well as low social protection towards vulnerable groups in society. These are all indications of market-based economies (Amable, 2003) and a form of societal problem which would be very unlikely to occur in many western European countries due to governments providing universal healthcare coverage (Maltz et al., 2011).

When considering the economic value linked to the initiative, Maltz et al. (2011) gave two explanations. Firstly, the intended improved store traffic could be perceived as an overall aim of business conduct. However, as store traffic ought to increase overall sales by 1% for the initiative to be beneficial for the shareholders and receive their approval (Maltz et al, 2011), direct indications towards ownership coordination and control, which are in line with the compartmentalized business system, can be seen. Although it is argued that companies in the United States are in direct control over operations, justifications to shareholders ought to be given for projects that deviate from creating economic value for the firm (Noorderhaven et al., 2015).
A second element lined out is the competitive aspect of the initiative, stating that competitors tried to mimic the initiative but could not cope with the cost base in the same way Walmart did. Consequently, Walmart’s competitive position was strengthened. Although this conduct is not unique, it gives straightforward signs of the non-ownership coordination of the company by showing no form of cooperation with the competitors whatsoever. This is something typical for companies in the compartmentalized business system. However, by collaborating with competitors, Walmart could have scaled the initiative to reach an even wider public and its interlinked societal benefits, beyond that of the reach of its own stores. Therefore, it could be stated that the initiative originated out of self-interest, an aspect associated with the underlying assumption of CSV (Porter & Kramer, 2011).

The strategy itself, competing through price, is common in market-based economies like the US, where price competition among firms is prevalent as the state does not intervene to a great extent in price-setting (Amable, 2003). The fact that Walmart decreased its prices for drugs significantly therefore makes sense from a liberal market perspective. The company reacted to the need of the people for affordable medication and at the same time created economic value for itself.

The elements presented above, with signs of self-interested behaviour, seem to be in line with the “strategic” nature of shared value concept. Therefore, it could be argued that the company is performing CSV according to the construct of Porter & Kramer (2011), or as we argue engaging in explicit shared value. This is further reinforced by the fact that Walmart communicates such CSV initiatives very openly on its homepage and its reports (Walmart Global Responsibility Report, 2017), making use of the “vocabulary” of CSV.

### 4.2 Verizon case

Verizon Communications is a United States telecommunication conglomerate and the biggest US service provider considering wireless communications (Verizon Corporate Webpage, 2016). The company was founded in 1984 as Bell Atlantic but was renamed in the year 2000 to Verizon. Today, roughly 2,000 institutional investors possess around 70% of the company’s shares (NASDAQ, 2017).

#### 4.2.2.1 Verizon Case description

In the year 2011, Verizon was striving to change its philanthropical position of providing grants on a regular basis to a more strategic posture and become an incubator for solutions, thereby wanting to shift from one-time gifts to the community to a larger project that would target social issues that otherwise might not have been addressed (Verizon Case, 2015).

The telecommunications company Verizon was aware of a social challenge present in US education where students would rank low in both math (30th) and science (23rd) compared to other international countries (Verizon Case, 2015). These figures, as US market averages, would be even worse when considering education in low-income areas (Verizon Case, 2015). Therefore, the company engaged in initiatives with schools located in underserved parts of the country where many students come from low-income families and have a mother tongue other than English (Verizon Case, 2015). According to McLoyd (1998), circumstances like these tend to make it more difficult for students to perform well in school and to have access to computers and other technological devices that would favour their interest in technical subjects such as Science, Technology, Engineering and Mathematics (STEM).
Due to regulations established by the US government, the company could not directly donate its products to schools, and therefore, together with the non-profit organization Digital Learning, the company created a project called Verizon Innovative Learning School (VILS), aiming at improving students’ results in STEM subjects by coaching teachers on how to integrate technology into their class and by enabling students to leverage their learning experience with the help of electronic devices (Liel, 2016). The company saw technology as one of the key factors in students’ success at learning, and, in collaboration with other organizations, provided the school with the necessary devices in order to improve students’ skills in STEM subjects (Kiser et al., 2014).

Over time, Verizon included more schools in their VILS program as well. The results of the technology-based learning approach can be described as overall positive with scores in mathematics improving by several percent in the first two years after launch of the initiative and teachers reporting positive impacts on their students’ demeanour (Gwynn, 2014; Verizon Case, 2015; Verizon Wireless, 2015). Furthermore, one third of the students enhanced their academic results and more than half of them increased their technological capabilities (Verizon Case, 2015), which is confirmed by surveys and statistics (Gwynn, 2014; Verizon, 2016).

Furthermore, the Verizon Innovative Learning School program made it possible for teachers to be competently coached in the use of devices. Therefore, from a societal perspective, value was created in the form of better educational outcomes and, in the long-run, better career opportunities for students in an increasingly important field where qualified workers are sought (Kuenzi, 2008; Becker & Park, 2011).

From a company’s economic perspective, Verizon benefitted from this for several reasons. Firstly, the initiative fulfilled marketing and public relations purposes as the company could promote its name by funding the program and offering electronic devices free of charge, thereby improving its reputation. Secondly, the initiative enabled Verizon to gain knowledge about consumer behaviour which it could further use for its product development and business strategy (Verizon Case, 2015). Lastly, VILS made students become more familiar with technology and interested in STEM subjects which are areas where skilled workers are constantly required and in which Verizon, as a telecommunications company, could need future employees. Verizon therefore also had economic benefits arising from its VILS programs.

4.2.2.2 Verizon Case analysis

Verizon identified a social issue, namely that students from poorer areas with little access to technology tend to perform worse than peers of the same age coming from a more advantageous socio-economic background (Duncan & Murnane, 2011). This can be seen as an issue originating from an institutional level in market-based economies (Amable, 2003) as the education system in the US is “characterized by greater differences in the quality of education available to rich and poor pupils” (Hotho, 2014, p. 685) which is further reinforced by several scholars (Bailey & Dynarski, 2011; Reardon, 2011). A factor aggravating this situation is the fact that even if schools were equipped with technological tools, many teachers were not adequately trained to integrate them (Verizon Case, 2015), which may be due to the rather low public expenditure in the education system which is a characteristic connected to institutional settings in market economies such as that of the US (Amable, 2003).

As stated in the Verizon Case (2015), the company was originally not allowed to donate its laptops and tablets directly to schools due to US law, and therefore involved “non-profit partners who in turn select and give devices and data to schools” (Verizon Case, 2015, p. 10). Therefore, it can be argued that,
regarding non-ownership coordination (Whitley, 1999), the extent of alliance coordination in this initiative is rather at an arm’s length since Verizon was legally not permitted to distribute its products and services to schools directly. It had no other choice but to include the non-profit organization Digital Learning and others in order to bypass this restriction.

From an economic perspective, making students familiar with subjects that are related to the telecommunications industry can be seen as a long-term, strategic investment that Verizon could bear fruits of only in many years ahead from a workforce-perspective. If Verizon wants elementary and high school students to become future STEM experts that it can attract, it would take a while until they finish their education and enter the labour markets. On a more short-term perspective, however, it is stated that the initiative enhances the company’s reputation (Verizon Case, 2015). Observing this fact, however, causes doubts about the legitimacy of the initiative being named CSV, and subsequently explicit shared value.

The case description makes clear how and why the presented initiative took place and an arm’s length relationship could be established with the necessary partners to realize this initiative. Its relations with other social actors such as competitors, however, stay obscure, making it difficult to completely analyse the distinct aspects of NBS. If one looks at the company’s ownership structure (NASDAQ, 2017), the company should reflect its performance to its shareholders at appointed moments, thereby hinting to a compartmentalized business system preferred form of ownership structure. Its relation to the presented case initiative, however, would be of no more than anecdotal value as no further impact of the initiative could be analysed.

4.3 Social-democratic economy cases

4.3.1 Skandia case

Skandia is a Swedish company that was founded over 150 years ago and has been operating in the field of insurances and investments, among other things (Skandia, 2017). Skandia is a company that is mutually owned not by its shareholders, but by the almost one and a half million customers of the company’s life insurance branch (Skandia Sustainability Report, 2015). The customers have voting rights and can therefore determine the members of the Council of Delegates which in turn is responsible for appointing the company’s board of directors (Skandia Sustainability Report, 2015).

4.3.1.1 Skandia Case description

While Sweden was ranked high on the Global Gender Gap Index (World Economic Forum, 2015) and the Social Progress Index (The Social Progress Imperative, 2015), the country was facing several issues. One big challenge Sweden was confronted with was that of social exclusion; migrants had a significantly higher rate of unemployment compared to Swedes and, especially in the country’s three biggest cities, had a particularly tough time finding housing which was “largely due to the complex rental market regulations and their lack of social networks” (FSG, 2016, p. 6). Already in the late 2000s, the Swedish government was aware of this issue and made social inclusion one of its priorities for the upcoming years, starting joint efforts with the private sector (Government Offices of Sweden, 2015). However, the considerable number of refugees Sweden has accepted in the 2010s has intensified the situation and many of them have rather been relocated to areas outside of the city centre.
In order to work towards solving issues like these, Skandia launched the Ideas for Life Foundation aiming at collaborating with municipalities and NGOs all over Sweden in order to improve the life situations of people not included in the Swedish society and living in comparably underdeveloped areas outside of city centres (Skandia Sustainability Report, 2015; FSG, 2016). The Skandia Real Estate branch further engaged in green rental arrangements that were supposed to encourage the company’s clients to reduce the negative effects on the environment their operations have (FSG, 2016). Skandia can be seen as a pioneer in that regard as it possessed certifications related to sustainable estates such as BREEAM prior to them becoming a requirement (Skandia Sustainability Report, 2015; FSG, 2016).

As part of the Ideas for Life Foundation, Skandia invested in real estates that would improve the general living conditions in underdeveloped boroughs, seeing that the money that was at municipalities disposal was not enough to provide for infrastructure and new housings (Skandia Sustainability Report, 2015; FSG, 2016). With the aim to receive future benefits in the form of better educational opportunities or increased life quality and therefore higher attractiveness of the districts, Skandia invested in the development of “green” urban surroundings where both corporate and residential buildings should be established (FSG, 2016).

Together with other organizations, Ideas for Life Foundation aimed to measure the monetary benefits occurring if social exclusion can be avoided, thereby putting a certain financial worth on such initiatives (Skandia Sustainability Report, 2015; FSG, 2016). As quoted in a report by FSG, Skandia’s former CEO Bengt-Åke Fagerman said about the initiative “[i]n recent years, we have been increasing our investments in infrastructure, which generates a stable and long-term return for our savers. Our customers will benefit from this return over time through their pension payments” (FSG, 2016, p. 14). Furthermore, the people working at Skandia can dedicate working time to activities that are part of the Ideas for Life foundation every month (de Bakker, 2016). In the year 2015, around 10 percent of the employees committed to this by spending working hours on Ideas for Life projects as ambassadors (Skandia Sustainability Report, 2015).

4.3.1.2 Skandia Case analysis

After examining the societal impact of Skandia’s initiative, we can state that the investments made by Skandia certainly lead to a better infrastructure and more social inclusion for, in most cases, immigrants. Due to the housing shortage and less sophisticated infrastructure in some areas of Sweden’s biggest cities such as Malmö (Righard et al., 2015), Skandia decided to cooperate with municipalities, which can be seen as a form of non-ownership coordination, to improve the life situations of not only the people directly affected, but of the overall society. While Skandia’s effort to fund the building of new and renovation of existing public and residential buildings may not have solved the crisis, it has at least eased the situation to a certain extent.

From an economic view, it made sense for Skandia to invest in properties in a market where there is unsaturated demand. As the population in Sweden continues to grow, the company’s vision to achieve long-term return for the customers seems reasonable considering that Skandia will probably not have a hard time selling or renting out the properties it invested into, and consequently will receive positive long-term outcomes of their investments. Since Skandia seemingly profits economically from this initiative and societal value is simultaneously created, this undertaking can be seen as a form of shared value.
The collaborative business system emphasizes democratic decision-making and long-term collaboration (Amable, 2003) which can both be found in the case of Skandia. As mentioned earlier, the company’s customers represent its owners and by exercising their voting rights can directly influence the corporate structure of the company. This approach is also in line with Hofstede’s (1980) study which rates Sweden among the countries with the lowest power distance, that is, Swedish people generally do not accept that power is distributed unequally. An explanation behind this type of approach could be that values and norms such as equality and openness play a crucial role in the social-democratic country. Consequently, a top-down management approach with strict hierarchies is not commonly found in Sweden and other countries belonging to the social-democratic markets.

The company does not only stress its close and good employer-employee relations (Whitley, 1999; Skandia Sustainability Report, 2015) which can, for instance, be seen at its employees’ engagement in Ideas for life projects, but further stresses the long-term collaboration it undertakes with its business partners in the process of their shared value initiatives. In Skandia’s sustainability report (2015), they state that “long-termism is the characteristic in Skandia’s value foundation that most strongly permeates the business” (Skandia Sustainability Report, 2015, p. 6). With regards to non-ownership coordination (Whitley, 1999), Skandia can further be seen to have a high extent of alliance coordination across sectors which becomes evident in Skandia’s Sustainability Report 2015. Skandia states that they collaborate with different organizations in execution of their green and social investments, that they train suppliers to work sustainably and that they “believe the greatest effects can be achieved through collaboration across borders between business, civil society and the public sector. In this respect we are working via the Ideas for life foundation in an effort to boost cross-sector collaboration” (Skandia Sustainability Report, 2015, p. 30).

Taking all the above factors into consideration, it can be argued that Skandia’s shared value initiative represents one that is rather of implicit nature.

4.3.2 Novo Nordisk case

Novo Nordisk is a publicly traded Danish pharmaceutical company that was founded in 1923. The company is recognized as one of the most sustainable companies in the world (Corporate Knights, 2013) and has been brought forward in different articles and sources (Brown & Knudsen, 2012; Dembek et al., 2016; Harvard Business School, 2017) as a company resembling the values of CSV. This is a conceptualization that has not been undisputed and received counterarguments (Strand & Freeman, 2015).

4.3.2.1 Novo Nordisk Case description

Brown & Knudsen (2012) depict what would be necessary for the integration of CSV in companies. They argue that a company’s culture and values are prerequisites for CSR to be linked to business practices and hence engage in shared value (Brown & Knudsen, 2012). They use Novo Nordisk as one of the four examples to illustrate this necessity and indicate that Novo Nordisk would be a right candidate due to the company’s practices of implementing CSR into its corporate culture, and not use it as policies alone (Brown & Knudsen, 2012). This philosophy, “or Danish context” was expanded to their international operations through a value programme called “the Novo Nordisk Way” (Brown & Knudsen, 2012, p. 10) and was used as a global management tool with the aim to “eradicate diabetes” (Brown & Knudsen, p. 10) in China.
Novo Nordisk defines the Novo Nordisk Way as a “values-based management principle” that provides “10 essentials that set out specific behaviours stakeholders can expect to see from Novo Nordisk and its employees” and “[a]ll employees are held accountable for putting them into practice” (Novo Nordisk, 2016, p. 18). The essentials as stated in the Novo Nordisk annual report (2016, p. 18) are reasoned out of a patient-centred business approach, thereby maintaining good relations with key stakeholders and providing innovations to the benefit of these. Furthermore, in the essentials it is affirmed that the accountability of the firm goes beyond financial performance, and includes environmental and social advancement as well.

Although the case (Brown & Knudsen, 2012) describes the societal value of the CSV initiative, it does not consider the economic gain for the company. The latter has been specified on the webpage of Harvard Business School (Harvard Business School, 2017) which refers to the initiative of Novo Nordisk as a practical example of CSV. It is on said webpage where the initiative is explained as training programs for Chinese doctors, made possible in collaboration with local government, non-governmental organizations and opinion leaders, thereby providing treatment, screening and prevention support to over 55,000 doctors (Harvard Business School, 2017). In doing so, the market share of Novo Nordisk has risen from 0% to 63% on the Chinese market as of 2013 (Harvard Business School, 2017).

Interestingly, the same example has found counterarguments by Strand & Freeman (2015) who argue that the company is an example of promulgating a “cooperative strategic posture” (Strand & Freeman, 2015), referencing to historical document of the company and emphasizing that stakeholder involvement has been pursued for decades. In this context, the company does not see itself in the centre, but only as a part of a wide-ranging web of stakeholders that are interlinked with each other (Stormer, 2013). Novo Nordisk’s stakeholder map shows that the company refuses to adopt a narrow view of the firm and underlines the “jointness of interests” the company and its various stakeholders have (Strand & Freeman, 2015).

This discussion about the business practices of Novo Nordisk did not stay unnoticed by the company itself. In February 2013, the company brought together a panel of business and academic leaders to discuss the concept of CSV from Porter & Kramer (2011) in relation to their own “Sustainable Value” concept (Novo Nordisk blueprint for change, 2013). The latter is defined as “a core business strategy focused on addressing fundamental societal issues that provide community benefit, are scalable and generate return on investment” (Novo Nordisk Webpage, 2017), thereby surpassing what is captured in a profit-and-loss statement (Novo Nordisk blueprint for change, 2013). It was further argued that “Creating shared value focuses on measurable competitive advantages from building a social value proposition into strategic actions and may be a way to create sustainable value” (p. 3), further making the claim that CSV is “by intention narrow minded” (p.3). This claim is supported by the idea that “sustainable” value ought to promote: joint and ethical value creation, contribution to a healthier society, resilience, and guarantee the loyalty of future generations (Novo Nordisk blueprint for change, 2013), which promulgates a wider platform of value creation than that of CSV.
4.3.2.2 Novo Nordisk Case analysis

Where our initial search for CSV initiatives led us to the example of Novo Nordisk by Brown & Knudsen (2012), additional data gave supporting and opposing points of view.

Considering the argument of Brown & Knudsen (2012) and that of Harvard Business School themselves (HBS, 2017), the company engages in CSV by implementing societal value core to their operations. This means to say that social value is linked to economic value through business conduct (Porter & Kramer, 2011). The case argued as CSV was the implementation of “Danish context” practices to reduce diabetes-related problems in China, and thereby augment the market share of the company in China. Described like this, it resembles a company-centric initiative that engaged in joint social and economic value creation and hence seemingly resembles the concept of CSV.

Looking at it from a more institutional point of view and introducing the values of NBS, a different image is created that resembles the critiques from Strand & Freeman (2015) and Novo Nordisk themselves (Novo Nordisk blueprint for change, 2013). The case presented strong signals of non-ownership coordination including that of high alliance coordination, addressing the initiative through groups of social actors and thereby lifting the initiative out of a company context into a broader societal context. This reflects the critique of Strand & Freeman (2015) as the company forms part of a wider societal web and is not central to it. This form of high alliance coordination is reflected in the non-ownership coordination qualities of collaborative business systems and is directly related to the ownership coordination qualities where ownership integration in product chains and sectors is low, as the focus of the company is towards more alliance-based structures of integration.

A further aspect that indicates the influences of a collaborative business systems is that employment relations and the underlying employer-employee interdependence and delegation of/trust to employees is high. This can be seen in the fact that the management philosophy of the Novo Nordisk way is expected to be followed up by all employees, to the extent that they are held responsible for it (Novo Nordisk annual report, 2016). This trust could find its reflection in the institutional aspect of education and labour systems which is found in social-democratic economies (Amable, 2003). Countries such as Denmark possess a highly skilled labour force due to its significant expenditures for public education and high enrolment rates at universities, focusing on hands-on training and continuous learning (Amable, 2003). The powerful position of unions strengthens this, offering a moderate to high level of security and protection for employees (Amable, 2003; Campbell & Pedersen, 2007).

Taking all the above into account, it is not surprising that Novo Nordisk follows a rather implicit approach when it comes to their stakeholder engagement and shared value. The collaborative business system emphasizes democratic decision-making and long-term collaboration (Amable, 2003) which is reinforced by Novo Nordisk’s complex stakeholder map that links all interested parties together and visualizes the company’s position within this network and the Danish society. In summary, due to the reasons outlined above, we see Novo Nordisk and its shared value approach as being implicit, or as Novo Nordisk itself states, as being of sustainable value.
4.4 Analysis conclusions

In the previous sections, the four cases have provided us with useful information towards our conceptualization of cross-national practices of shared value, as theorized in the constructs of explicit and implicit shared value. The four cases were originally presented as shared value practices, but some inconsistencies were found in one of the cases that would call in doubt if shared value practices were performed even though it would be acclaimed to be so.

The second case, representing the company Verizon, provided reasonable evidence that would justify the assumption that the social value provided to society is arising out of institutional characteristics of market-based economies. Its economic value creation, however, is not as clearly related to economic value for the firm and only asserting to potential future benefits. Even though some similarities with shared value exist, its impact is too distant to be able to argue it would give the company competitive advantage. Hence it could be argued as a more strategically applied form of philanthropy, or explicit CSR as theorized by Matten & Moon (2008). Considering this, the case only presents certain validity, supporting linkages with compartmentalized business systems through the initiative, but lacks the evidence for a complete integration of explicit shared value.

With regards to the Walmart case, substantial evidence was provided for the explicit form of shared value. The company aimed at strengthening its competitive position through shared value initiatives, where an inside-out perspective could be considered. While the initiative has benefited society, it could have been scalable beyond Walmart’s reach to reach a larger public if more actors had been involved. An example could be through alliances with competitors. Consequently, Walmart did not consider wider societal engagement and centred the initiative around its own company’s strategy.

When taking into account the NBS effects in both market-based economy cases, especially the non-ownership coordination elements were defined in the case settings, confirming the values of low alliance engagement normal in compartmentalized business systems. The ownership coordination could be further investigated through triangulation of data and revision of corporate documents. Both companies are controlled by the management team, who on a regular basis must present results to their shareholder groups, which implies the often short-term vision of business performance (Amable, 2003) or market-based control. A further common aspect of both cases is the lack of evidence of employer-employee relationship, where no direct relationships indicating the relevance of the employees to the initiatives or which empowerment they receive are presented.

Even though the two cases do not share a similar consistency in applying their shared value practises, they do so in their indications of non-ownership values which is in line with the theorization of “competitive advantage” by Porter & Kramer (2011) and their concept of shared value. Furthermore, both cases are presented by FSG as examples of CSV, a point we do not consider to be completely accurate with the Verizon case. However, if the Verizon case could provide proof of concrete economic value generation and a competitive advantage, it could be seen as explicit shared value.

When considering the cases based in social-democratic economies, the companies conducting shared value initiatives presented conceptual difference in their reasoning behind the initiative compared to the companies that were subject to the market-based economies. These differences could often be traced back to the NBS settings of the social-democratic economies, thereby presenting arguable doubt if the
The concept of CSV, originally made by Porter & Kramer (2011), would properly describe these initiatives. Consequently, this provides evidence for this paper’s theorized implicit shared value.

The strongest evidence could be found in the non-ownership coordination, which in both cases has been high. The companies are presented as one of multiple participants in initiatives, working together with municipalities (Skandia), local governments, physicians and NGOs (Novo Nordisk). Considering the shared value initiative, this element of NBS is of importance as it gives indications of the vision of a company’s conduct of business practices, which through the analysis of these cases seems to aim at a wider stakeholder engagement or outside-in approach. In this regard, they contrast the inside-out approach of the market-based economy cases. Furthermore, both cases present a long-term view on shared value creation and reject a narrow economic vision of the firm. These two aspects are in line with the theoretical contributions made by Rhenman in his work five decades ago (1964; 1968).

An interesting aspect is that of ownership control which is part of the NBS ownership coordination. Even though the two companies have different forms of ownership structure, mutually owned by customers (Skandia) versus publicly traded (Novo Nordisk), both would be considered as an alliance form of control due to the dominant institutional settings of labour unions and other professional organizations. This means that external social actors have influence over the business processes such as wage setting and labour conditions in a company. This makes the dynamics of a publicly traded company in a social-democratic market very different from a similar company in a market-based economy, thereby automatically posing a wider societal outlook for companies originating in social-democratic markets. This aspect could directly be found in the declarations of both companies on their employer-employee relationships considering the shared value initiatives. Accordingly, they described high degrees of delegation and trust in and towards their employees in view of their relationship with the initiatives.

The abovementioned findings will be summarized in table 5:
<table>
<thead>
<tr>
<th>NBS</th>
<th>Company</th>
<th>Shared value initiative</th>
<th>Initiative subject to institutional settings</th>
<th>Ownership Coordination</th>
<th>Non-ownership coordination</th>
<th>Employer-employee relationship</th>
<th>Form of shared value applied</th>
<th>Focus of business practices</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Walmart</td>
<td>Reduce prices of generic drugs to one-third of the regular price</td>
<td>Yes: lack of government involvement with social actors, pricing preferences</td>
<td>Market based / shareholders</td>
<td>Low to none collaboration between competitors</td>
<td>-</td>
<td>Explicit</td>
<td>Inside-out</td>
</tr>
<tr>
<td></td>
<td>Verizon</td>
<td>Providing access to IT infrastructure and materials for schools in impoverished regions, to enhance student's skills in STEM-related mater</td>
<td>Yes: lack of public expenditure on education/labour system</td>
<td>Market based / shareholders</td>
<td>Arm's length alliance coordination due to regulatory impediments</td>
<td>-</td>
<td>Philanthropy (publicity for firm)</td>
<td>Inside-out</td>
</tr>
<tr>
<td></td>
<td>Skandia</td>
<td>Addressing issues of social exclusion, providing for green housing, to foster growth in community</td>
<td>Yes: Joint public and private initiatives to solve housing market problems</td>
<td>Alliance form, strengthened through mutual ownership</td>
<td>High level of alliance coordination between company and social actors</td>
<td>High form of delegation and thrust relationships between employee-employer</td>
<td>Implicit</td>
<td>Outside-in</td>
</tr>
<tr>
<td></td>
<td>Novo Nordisk</td>
<td>Integration of CSR practices into corporate culture, to make employees a part of the project to eradicate diabetes</td>
<td>Yes: consideration of non-price coordination, strong educational/labour and cultural systems influencing conduct of company</td>
<td>Alliance form of control due to national institutional settings</td>
<td>High level alliance coordination between company and social actors</td>
<td>High form of delegation and thrust relationships between employee-employer</td>
<td>Implicit</td>
<td>Outside-in</td>
</tr>
</tbody>
</table>

*Source: case studies (Walmart, Verizon, Skandia, Novo Nordisk)*
5. Discussion and conclusion

In this chapter, an overall discussion will be provided concerning the research outcomes of this paper, considering the purpose, research question and propositions presented throughout this work. Thereafter, conclusions will be presented including the contributions, limitations, and future research possibilities of this paper.

5.1 Discussion

With the observations from the cross-national case analysis in mind, evidence seems to be provided that could argue for a positive relationship between national business systems and that of a company’s shared value conduct. For both the compartmentalized and the collaborative business systems, different factors could be found that formed the basis of the shared value initiatives presented in the cases. Considering this, the thesis paper’s research question “Do national institutional settings influence a company’s decision on shared value initiatives?” could be answered positively.

A strong indication of NBS influences between the companies and their initiatives could be established in the NBS aspect of non-ownership coordination. As was found, companies in a social-democratic setting present their initiatives from a more outside-in perspective, often through alliance and a cooperative stance. The opposite was observed for companies in market-based settings, where the focus was more from an inside-out, competitive stance. Even in the case of Verizon, which could not be clearly verified as a shared value case, the company reasoned the social effort out of a publicity perspective which represents a company centric view.

The broader dominant institutional factors, as established by Whitley (1999) and in this paper operationalized by values of VoC by Amable (2003), had a seemingly important impact on NBS. Evidence of this could be found in the different indications of employer-employee relations involved in shared value initiatives. While in the market-based cases these relations were not directly mentioned, in the social-democratic cases the role of employees concerning these initiatives were considerably present, thus delegating important tasks of initiative building to the employees.

These differences and others presented in chapter 4 lead to argue that the CSV concept would not be universally applicable in all NBS settings as questioned in the purpose of this paper. The self-interested position of the firm, as presented by Porter & Kramer (2011), seems to find low support in the social-democratic based cases. This was even more so powerfully argued upon by the company Novo Nordisk which challenged the concept itself.

Taking this into account, the relationship between NBS and shared value initiatives, where the former has influence on the latter, would find positive feedback from this exploratory case analysis. This would confirm the first relationship in both proposition 1 (explicit shared value) and proposition 2 (implicit shared value). Considering the second theorized relationship of the moderating nature of management theories, as present in both propositions, limited evidence was found. Although linkages to both Porter & Kramer’s (2011) and Rhenman’s (1964) concepts were found, it could not be deduced how these management theories moderated a company’s behaviour.
We would, however, reason from a theoretical point of view that this moderating relation could have relevance. This could be more difficult to argue for when it comes to the contributions of Rhenman as the reach of his theory stayed mainly within Scandinavian academic literature (Nasi, 1995). The CSV concept (Porter & Kramer, 2011), however, being a product from Harvard scholars, had a bigger impact on business conduct. Considering this, from the four initiatives presented in this paper, three predated the conceptualization of CSV (Porter & Kramer, 2011) and were only named so afterwards. The concept of CSV was received with mixed acceptance by the companies themselves, especially in the case of Novo Nordisk. If acceptance would take place, however, the implicit/explicit shared value initiative could be expressed differently, or could go as far as to provoke a change from implicit to explicit shared value intent of newly performed initiatives. Subsequently, the latter exemplification of moderating relationship would enter in the realm of neo institutionalism research.

5.2 Conclusion

In the following, we will elaborate on the contributions our paper has made, both from a theoretical and from a practical perspective. We will further describe the limitations of our research and state the areas where future research could focus on.

5.2.1 Contributions

The contributions of this paper are two-fold. On the one hand, several contributions have been provided to the theoretical field of shared value. On the other hand, contributions have been made considering the operationalization of shared value in cross-national contexts based on institutional settings and the business systems approach.

5.2.1.1 Theoretical contributions

To our knowledge, this paper is one of the first to address the concept of shared value in a cross-national setting by observing the CSV concept (Porter & Kramer, 2011) at the hand of external factors on business conduct and not by explaining the business conduct itself. We presented an analysis on a more societal level instead of one on an organizational level as performed by, among others, Porter and Kramer (2011), and Freeman (1983; 1984).

To properly assess the CSV concept (Porter & Kramer, 2011), a breakdown of underlying theories has been provided, making a distinction between the theoretical origins of both social and economic value as presented in the concept. A further understanding of the modes of operationalization has been presented, in doing so providing linkages with historical work of the authors of the CSV concept themselves (Porter & Kramer, 2011). This model could be of use for further research, for scholars with interest in the debate of shared value.

Two constructs of implicit and explicit shared value further contribute to the wider field of sustainable business conduct. This constitutes a revision of Matten & Moon’s (2008) definition of explicit and implicit CSR and transfers the constructs to the field of shared value. In this context, both constructs have been provided with their own definitions and underlying characteristics based on cross-national settings, which to certain extents differ from the original constructs of Matten & Moon (2008).
Further implications have been provided to the debate of the validity of the CSV concept (Porter & Kramer, 2008) by adding a cross-national view to the field of criticism. We argued that scholars who observed the phenomena might themselves be influenced by institutional and NBS factors. We provided initial evidence for this claim based on the stakeholder approach analysis of Rhenman (1964; 1968) and Freeman (1983; 1984) as presented in this paper.

5.2.1.2 Practical contributions

In view of the practical contributions provided in this thesis paper, a first intent has been presented on how to approach a cross-national analysis of shared value. Therefore, we have used national business systems and dominant institutional settings (Whitley, 1999) as the basis for a cross-national analysis. The NBS was the dominant mode of analysis, complemented with the country-specific institutional settings (Amable, 2003). This approach provided us with a comprehensive observational framework of analysis to consider context-specific conditions in qualitative texts.

To further analyse these texts, a first intent of qualitative content analysis has been devised through which written documents on shared value initiatives could be analysed through a cross-national lens. By providing several key markers, texts could be analysed and compared on their shared value and NBS qualities. The markers could be perceived as a starting point for further qualitative content analysis where further operationalization could be applied for a more comprehensive analysis.

5.2.2 Limitations

Considering the limitations, one of the main issues has been the brief timeframe given for theory building, data gathering and analysis. This implied that certain concessions had to be made with regards to the design of the thesis. A first concession was that of research design considerations. Although we believe the comparative design is appropriate for cross-national analysis of business conduct, it is the rigorousness given to it which could be seen as a limitation. Although we intended to enrich the data presented in the empirical section through triangulation and qualitative content analysis, we were limited to written sources of the secondary kind, an aspect linked to the qualitative aspect of data which has influence on the external reliability of this thesis. With more time on hand, a proper in-depth codification of the qualitative sources could have been provided, which in turn could have been complemented by a multi-mode analysis of other resources such as interviews to further triangulate our sources and thereby strengthen our data, contributing to the overall quality of the thesis and its findings.

Another aspect is our selection of markets and NBS, which has been limited to two markets and subsequent NBS. Although it satisfied the purpose of this thesis and presented arguments as to why CSV could not be as universal as advocated, it would be hard to estimate the overall generalizability of the presented outcomes. This is especially true as the NBS used for the thesis were well documented opposites, hence leaving groundings that there could be alternatives in different NBS. Therefore, this paper should be considered as an initial reference point of the merger of two concepts which contributes to the bigger field of shared value and similar conceptualizations.

Another aspect which would have been interesting is the use of neo institutionalism with regards to NBS. With the help of neo institutionalism, we could have explored how CSV practices would be legitimized into different NBS, an aspect that now could only be theorized.
Furthermore, we chose not to engage in the broader literature of sustainability and related aspects, thereby only focusing on CSV and its directly related theoretical basis. We did so in order to not lose focus and stay close to our purpose and research question. This, however, might have caused that we have overlooked certain issues that could have been of value for this thesis.

5.2.3 Future research

Throughout this paper, some interesting subjects for future research appeared that would be of valuable contribution to the wider field of shared value and cross-national analysis.

An aspect of interest would be to see how NBS might influence shared value practices in a larger context. This could be done in two different directions. One would be to extend the current practice of two opposing NBS, but scale the analysis with more companies in a wider setting of industries. Another perspective would be to perform a wider cross-national analysis. Here, it would be interesting to not only extend the number of companies, but also look at a wider cross-national setting including markets such as that of continental Europe and Asian capitalism (Amable, 2003). In both cases, it would be with the aim to improve the validity of cross-national research on shared value practices. Furthermore, a research design of multi-modes could be beneficial as it could enhance the richness of data obtained.

A second perspective would be that of a longitudinal analysis of shared value practices, which could be both on a national and a cross-national scale. As presented in this paper, there are indications for the impact of management theories on shared value practices, both implicit and explicit. However, the research design and framework did not provide the right angle of analysis to be able to explore this statement properly. This could be overcome by using the neo institutionalism concept of DiMaggio & Powell (1991) which represents a tool that would observe how concepts would be adapted.

A longitudinal perspective could be used for different research considerations. One could be the analysis of shared value practices over a longer period of time. Through a (qualitative) content analysis, evidence of the influence of management theories over corporate practices could be investigated. A second angle could be to review the changes in national business systems themselves and how these changes affect shared value practices over time.
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