Shopping for Shared Value

- A study about shared value creation at a shopping center -

David Thurfjell (22941) & Sara Öskog (22764)

Abstract

Today, capitalism is increasingly held responsible for many of the social and environmental issues we can see in the world today. Adding to that, legitimacy of business has plummeted to a level never seen before in recent history. Traditionally, financial and social value creation has been held against each other. This trade-off implies that by focusing on one, the other will be negatively affected. But does it really have to be this way?

A solution to overcome this trade-off can be the concept of shared value, where societal needs are turned into business opportunities. By using a shared value approach, it is possible to address needs and challenges in the society in a way that creates *both* financial value and social value.

This is a case study examining shared value initiatives at Frölunda Torg, a shopping center in Gothenburg, Sweden. The study aims to determine how shared value can be created by identifying factors that are essential for the value creation. Based on qualitative interviews, our findings suggest that there are three factors vital for shared value to be created. These factors are (i) networking within the ecosystem, (ii) creating a shared value culture, and (iii) having proper measurement practices. However, our empirical findings also suggest that these factors can be difficult to implement and apply.

Keywords: shared value, collective impact, ecosystem, corporate social responsibility (CSR)

Acknowledgements

We would like to express a warm thank you to everyone who has helped us during the process of writing this thesis.

First, we would like to thank our supervisor Mikael Samuelsson for invaluable advice and help, and for being flexible with the supervision at the time we were hiding out in France. We would also like to thank the other members of our supervision group for your opinions, good insights, and support during long nights of writing.

We would like to express our appreciation for Susanne Sweet and Tommy Borglund. Thank you for taking your time to introducing us to Skandia and helping us with our thesis.

Furthermore, we want to thank the case company, Skandia, for giving us the opportunity to study this particular case. Thank you for always being accommodating and giving us good access to the material needed to conduct this study.

Lastly, thank you Charlotte Becker for really putting an effort into reading and giving us valuable feedback, and thank you Maïlys Gerbaud for hosting us during a well needed study break in Paris.

Not to forget all family and friends that have been an invaluable support during this time.

Thank you!

Table of Contents

1. Introduction

This section will introduce the concept of shared value and a short background to why we believe this is an interesting topic to study. The introduction will also present previous research in the area, leading to the thesis' purpose and research question. To conclude, this section also present important definitions and limitations of the study

1.1 Background

In 1970 Milton Friedman published a paper in The New York Times Magazine called *The Social Responsibility of Business Is to Increase Its Profits* where he meant that corporate social responsibility is nothing short of "hypocritical window-dressing" (Friedman, 1970, p.5). It is fair to say that now, 47 years later, times have changed. Recent examples of corporations where profits have been valued above everything else has presented us with corporate disasters such as Enron and WorldCom, scandals that have increasingly helped to paint the picture of capitalism as the cause to many of the social and environmental issues that we find in the world today. The legitimacy of business has decreased to a level never seen before in recent history (M. E. Porter & Kramer, 2011). Porter and Kramer (2011) argue that business is caught in a vicious circle. A circle where businesses have had a short-term view of value creation, overlooking social issues affecting long-term success, and governments and civil society therefore attempts to solve the social issues by setting regulations at the expense of business.

The pressure from governments and society on businesses to take responsibility for the consequences of their activities has led to corporate social responsibility (CSR) being a non-negotiable priority for business leaders worldwide. In a recent study 93 percent of CEO's believe that sustainability issues will be a key to future success for their business and, in the future, it will be critical to have sustainability fully integrated into the strategy and operations of the firm (Lacy, Cooper, Hayward, & Neuberger, 2010). The concept of CSR is not bad per se, but it is unlikely to be the solution to society's challenges. Today, many of the CSR programs are shallow, generic, and disconnected from the core business. It is often simply a response to external pressure and a way to mitigate risks of negative publicity

(Porter & Kramer, 2006). By pitting business against society and seeing social value as a trade-off from financial value, corporations often overlook the greatest opportunities to benefit society. Porter and Kramer (2011) claim that capitalism is the best approach to meet human needs, but the traditional, narrow conception of capitalism has prevented businesses from doing so. They mean that the "social responsibility mindset" has to change to where the societal issues are at the core of the company instead of in the periphery. According to them, the solution is the concept of "shared value" in which needs and challenges in the society are addressed in a way that creates *both* financial value and social value.

1.2 Problematization and Research Gap

After Porter and Kramer (2011, p.64) coined the term "Creating Shared Value" in their 2011 Harvard Business Review publication with the same, the concept rapidly gained attention and many businesses have jumped aboard the shared value train. The concept's rise to fame has led to it becoming a buzzword within management research. In a literature review conducted by Dembek, Singh, & Bhakoo (2016) they find that the absolute majority of articles (78.57%) reviewed mention the term "shared value" just as a common word rather than as a theoretical concept. This somewhat fuzzy application of the concept has led to many papers and reports mentioning shared value but at the same time, very few of these actually provide a thorough analysis of how the shared value concept is applied in practice.

As mentioned above, there is not a unanimous perception of the concept. Critics argue that the concept, as presented by Porter and Kramer (2011), is naïve and by simplifying the reality it ignores the tensions between financial and social value creation (Crane, Palazzo, Spence, & Matten, 2014). Brown and Knudsen (2012) dispute the way the concept is presented and argue that the change in the organization and the organizational culture needed for the implementation of the concept is largely overlooked. Obviously there is a disagreement in the perception of the shared value concept, is it really as simple as Porter and Kramer put it?

Up until today many cases and examples of the success of shared value have been presented. However, most of these are mainly focused on the corporate side of the shared value concept and many of the examples do not mention social benefits at all (Dembek, Singh, & Bhakoo, 2016). Furthermore, most of the examples of shared value are very brief and are not supported by any data. In the cases where data is provided it is mainly sourced from internal documents and through interviews with managers at the examined organization (Dembek et al., 2016). Empirical studies on shared value creation that includes the perspectives of multiple stakeholders, especially from societal stakeholders, are virtually absent today and this is a critical weakness of the concept.

This thesis aims to fill the theoretical and methodological gap in previous research by conducting a study involving perspectives from both the corporate side as well as multiple societal stakeholders.

1.3 Purpose and Research Question

The purpose of this thesis is to examine shared value initiatives at a shopping center and to determine how shared value can be created. Our aim is to use the insights learned from the case to increase the knowledge about essential factors that facilitate shared value creation in practice. By identifying these factors, we aim to reduce the research gap stated above and provide useful insights for companies pursuing shared value strategies.

1.3.1 Research Question:

What factors are essential for the creation of shared value, with a commercial location as a hub for shared value initiatives?

1.4 Definitions

Two of the recurring concepts in this thesis are *shared value* and *stakeholders.* Below is a definition of the key concepts for the study.

1.4.1 Shared Value

As stated earlier in the introduction, the concept of shared value has been presented in a rather vague way in previous research with a number of different definitions. The most frequently used definition for the concept is the one presented by Porter and Kramer in the article *Creating Shared Value* published in 2011 in Harvard Business Review. In the article they define shared value as "*policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates.*" (M. E. Porter & Kramer, 2011, p.66). This is the definition of shared value that will be used throughout this thesis.

1.4.2 Stakeholder

There are many definitions on what a stakeholder is, and some definitions are more narrow than others. One of the classic definitions is: *"A stakeholder in an organization is any group or individual who can affect or is affected by the achievement of the organization's objectives"* (Freeman, 1983, p.46). This is a rather broad definition of what a stakeholder is since it can include virtually anyone, both groups and individuals affected directly by an organization's actions but also stakeholders that are affected indirectly. This definition is consistent with Porter and Kramer's (2011) focus on addressing both cost and benefits when assessing shared value opportunities. If the definition of stakeholders is too narrow and only includes primary stakeholders that are affected directly by the organization's activities, there is an imminent risk that some groups or individuals are overlooked and the opportunity to create shared value is not evaluated properly. Therefore, we will adopt the broader definition by Freeman in this thesis.

1.5 Limitations

The research concerning social value creation has been extensive and apart from shared value there are many other existing concepts on this subject. Examples include "Blended value", "Bottom of the pyramid", "Triple bottom line", and many more. Because of the limited scope of this thesis regarding time and resources we have limited ourselves to study literature and practices related to the shared value concept. Furthermore, we find the shared value concept of particular interest since it has rapidly been embraced by a number of the world's leading corporations and because of the limited research done on the subject.

Another limitation is the measuring of the value creation. In this study we have decided to take into consideration whether measuring is attempted or not, but we have chosen to disregard how it is conducted and how accurate it is. This choice was made because of the complexity of the measuring process and with this thesis' purpose in mind we believe a deeper examination of the measuring process will not be necessary to answer the stated research question.

2. Method

This section will present the chosen research approach, method, and strategy for the thesis as well as explaining the collection- and analysis of data. Further, limitations of the chosen method will be brought up together with a discussion regarding the credibility and ethics of our research.

2.1 Research Approach

This thesis is generally of an iterative research approach where elements from both deductive and inductive research are combined. By using a deductive approach initially, existing theory was used to stipulate a general approach for the thesis and to form a preliminary research question in order to guide data collection. Some of the questions for the interviewees were rooted in the major theories of shared value. However, because of the rather limited and unstructured literature on the subject, other questions were more open and exploratory in their nature to allow new insights to be discovered. During the process of collecting the data new findings were expected that required additional theory to be reviewed, a characteristic of inductive research. Hence, the application of an iterative approach, which involves a weaving back and forth between data and theory, was considered appropriate for this study (Bryman & Bell, 2011).

2.2 Research Method

Due to the nature of the study, where a small geographical area in Sweden was examined, there was a limited potential sample for the data collection and a qualitative method was therefore considered viable. Furthermore, because of the limited and rather inconsistent previous research conducted on the subject the problem setting was of an unstructured nature. Hence, this study is of an exploratory nature where we wanted to remain flexible in order to adapt the research as our understanding of the research problem increased throughout the process. In the exploratory approach the study examined perspectives from multiple institutional sectors as it was critical to get an in-depth understanding of the

interviewees to see the examined situation through their eyes. In order to achieve the desired outcomes of this kind of exploratory research a qualitative method was deemed suitable (Ghauri & Grønhaug, 2010).

Typically, a qualitative method is applied when using inductive research to generate theory. However, a qualitative method can also be employed when testing theory in deductive research and due to the nature of the intended study a qualitative method was considered suitable (Bryman & Bell, 2011).

2.3 Research Strategy

The chosen design for the research is a single case study where Skandia Fastigheter's property at Frölunda Torg and the surrounding geographical area was examined.

The distinguishing features of a case study is an intensive examination of a certain bounded situation or setting (Bryman & Bell, 2011) and Ghauri & Grønhaug (2010) mean that case study research is of particular use when there is a difficulty in examining a certain phenomenon outside of its natural setting. A case study is therefore a suitable study design for this thesis to get an in-depth understanding of a specific situation, which is the goal of this thesis.

When deciding on a case study design, there is a choice between a single case study and a multiple case study and they both have advantages and disadvantages. Yin (2014) presents five rationales for which a single case study design is appropriate. One of the rationales is labeled the *common* case where the setting of an everyday situation is examined to provide knowledge about social processes related to theoretical interest (Yin, 2014). A disadvantage with examining a single case compared to multiple cases is that the evidence collected is not as compelling and the research may not be regarded as being as robust as if multiple cases were to be examined (Yin, 2014). However, for a multiple case study to be considered robust, it is critical to follow a replication design where the selected cases predict similar

results. (ibid.). Considering the resource- and time frame for the thesis this issue was seen as being too problematic and hence, a multiple case study was disregarded.

2.3.1 Sampling

A great deal of work was put into the sampling process for the conducted interviews. To accomplish the largest variation possible in the sample, a non-probability sample was chosen. The sampling form applied for the thesis is labeled as "purposive sampling", a strategy where the researcher wants to ensure that there is a large variation in the sample and that the interviewees within the sample have different key characteristics (Bryman & Bell, 2011). Furthermore, during the initial interviews, a snowball sample was made by asking the interviewees for suggestions of organizations and persons that would be relevant for the data collection. At one point in the interviews, we started to receive similar answers to our main themes. At this point we considered a theoretical saturation to be achieved, and no further data was collected.

The reasoning for this type of sample was the desire for a broad variety of different organizations, operating in different sectors (private, public, and non-profit) to get multiple perspectives on the studied issue. Another reason for this sampling strategy was the limited sample size of organizations operating in a close proximity to the geographical area in question.

2.3.2 Limitations of Sample

The non-probability sample limits the possibility to generalize since the sample is very unlikely to be representative of the population in general. Furthermore, because of the limited time and resources for the project, only a small number of organizations were covered in the sample. Another potential limitation of a non-probability sample is the practice to let a single respondent represent a whole organization. Although the desire was to interview the person believed to have the most relevant knowledge about the subject for this thesis there is always a risk of a personal bias.

The authors limited knowledge about the geographical area for the case study could also prove a limitation to the purposive sample since there is a risk that organizations and people of interest for the thesis were not contacted at all. However, by applying a snowball sample the initial interviewees local knowledge was leveraged to mitigate this risk.

2.3.3 Explanation of Sample

Interview Person	Type of stakeholder	Interview Person	Type of stakeholder
IP1	Skandia Fastigheter	IP7	Non-profit sector
IP2	Skandia	IP8	Public sector
IP3	Non-profit sector	IP9	Public sector
IP4	Non-profit sector	IP10	Private sector
IP5	Non-profit sector	IP11	Private sector
IP6	Non-profit sector		

2.4 Data Collection

In this section the applied method of collecting data will be explained and motivated. With the aim to receive the best possible understanding of the social phenomena studied, an effort has been made to collect data from multiple sources. This will be further explained below.

2.4.1 Pilot Study

In order to get an insight into the field of interest for the thesis, pilot studies were made with researchers with knowledge within the area of shared value, social entrepreneurship, corporate social responsibility (CSR) and sector logics. To obtain a broad picture of the field,

and to be able to receive perspectives from the respondent, the studies were held as unstructured interviews with few prepared questions under a conversational form (Bryman & Bell, 2011). The pilot interviews resulted in knowledge about the areas of our interest, and provided necessary information that helped us move forward in the process of data collection.

2.4.2 Semi-Structured Interviews

The majority of the data was collected through 11 semi-structured interviews. Semi-structured interviews are preferred when there are specific topics that need to be covered, but the situation still demands flexibility in order to be open for new perspectives and insights (Bryman & Bell, 2011). This structure suited us well because we wanted to create an understanding of a situation from different views of the stakeholders involved.

The interviews were worked through with interview guides that consisted of questions and topics that were based on our chosen theories. To open up for new insights the interview guides also consisted of open questions of an exploratory nature, to cater for the interests and background of the respondents. The interview guides were also adjusted to if the respondent were a part of Skandia or an external stakeholder, and if the respondent had knowledge about the concept of shared value. The interviews were done face-to-face, except for two, which were done over telephone. All the interviews were held in Swedish and citations in the results section have been translated into English. Furthermore, all interviews were recorded and transcribed to ensure correct data for further analysis. (ibid.)

2.4.3 Additional Data Sampling

Additional data has been collected from organizational documents, such as annual reports and project reports that have provided us with information about the organizations, companies and projects that have been part of our research. Great access to data was given, which resulted in a large base of information for the research. Data regarding companies and organizations has also been collected from online sources such as websites of the different actors involved. Because the additional data has not been created for business research the four different criteria; authenticity, credibility, representativeness, and

meaning have been taken into consideration when choosing and assessing the quality of the documents (Scott, 1990).

Moreover, we participated in a daylong seminar and workshop at Frölunda Torg in Gothenburg, with participants from Skandia, Skandia Fastigheter, Wingårdh Arkitektkontor as well as sustainability researchers. The workshop provided us with information about the area around Frölunda torg and its history. The different projects created by, or with, Skandia and Skandia fastigheter, were also presented. To further get a better understanding of the area, three days, on different occasions, were spent at and around Frölunda Torg.

2.4.4 Credibility of Findings

The reliability and validity for qualitative research should, according to LeCompte and Goetz (1982), be divided between internal and external validity and reliability.

The external reliability depends on to what extent the research can be replicated. What should be taken into consideration is that this research is based on one case study, and that some situations and projects that are analyzed are unique, because of their composition with many different actors involved. The research can therefore be difficult to apply in another context and can affect a replication attempt. The internal reliability depends on how the research team is composed, if there is more than one observer, and to what degree they agree on the findings that they observe. This research has been conducted by two observers, all interviews have been recorded and transcribed, and the data has been processed individually before being discussed, hence increasing internal reliability.

The internal validity depends on how good the conformity is between the observations made and the theoretical ideas developed. One can argue that the validity in qualitative research is of a stronger nature because of the observations being made during different occasions and a longer time-period. The external validity refers to "the degree to which findings can be generalized across social settings" and caution must be taken because a case study delivers a small sample and the results might not be found in other social settings.

Consideration should also be taken to the lack of standardization in semi-structured interviews (Bryman & Bell, 2011) and that the knowledge of the research area might not be equivalent between the different respondents. In order to increase the reliability in this research, caution has been taken by making an effort to eliminate subjective opinions. Because of our good relationship with the case company in question, our interpretation of the results could potentially be biased in favor of the case company. However, since we are aware of this, we believe this risk can be reduced in order to provide a more objective analysis of our data.

2.4.5 Research Ethics

Even though the topics covered in this research have not been of a sensitive nature, caution has been taken with respect for the individuals involved in order to not cause any harm, and ethical guidelines have been followed (Bryman & Bell, 2011). Because the topic of collaboration and relations between different stakeholders was covered, the decision to anonymize the respondents and organizations was made, except for the company that the field study is based on. In line with Diener and Crandall (1978) all participants were well informed regarding the project and its aim, and permission for audio recording was granted from all interviewees.

2.5 Analysis of Data

The processing of the collected data begun with reading through transcripts, documents, reports and notes from observations, in order to identify important and significant parts. The data was read through once more and notes were added in the margin. From the notes recurring themes were identified and based on those themes the material was coded. Additionally, when analyzing the data important themes from the theoretical framework were taken into consideration and applied as codes as well. Hence, the process had both an inductive and deductive approach. The codes were refined and clustered to form five categories, relating to our theoretical model, (i) identifying needs for shared value creation,

(ii) ecosystem and collective impact, (iii) measuring value, (iv) shared value in the organizational culture, and (v) shared value creation.

In an attempt to separate personal influences from the data analysis, the data and transcripts have been coded individually before being compared and discussed. The citations used in the empirical presentation have been chosen either because of their importance in the context of our theoretical framework or because of many respondents stating the same thing.

3. Theory

This section will present the theoretical framework of this thesis. The framework will depart from the concept of shared value and from there additional theory will be added. In the end of this section we present a model to show how we believe the different theories can be connected to create shared value in practice. Additionally, some of the major criticism towards the concept is brought up.

3.1 What is Shared Value?

Today, companies are given more responsibility and blame for negative social impact, and a way of handling and taking responsibility for the social aspects is by implementing Corporate Social Responsibility (CSR) into the business. Traditionally there has been a problem that investment terms have made the distinction between social and financial value, causing investors to make the choice between doing well or doing good (Emerson, 2003). By making that distinction companies risk overlooking essential factors for a long-term business growth and Porter and Kramer therefore suggest that "The solution lies in the principle of shared value, which involves creating economic value in a way that *also* creates value for society by addressing its needs and challenges." (M. E. Porter & Kramer, 2011, p64).

A key aspect of shared value is that there should not be a trade-off between creating the different values. Instead, by identifying a social need, a business opportunity can be created and a win-win situation can arise. They argue that business and society have been held against each other and that a positive social impact has been seen as a cost deducted from the financial value, but what they mean is that a dysfunctional society and business environment can instead be a cost for the business. That is why they argue that businesses need to take more responsibility for the environment where they operate, but not in separate corporate responsibility projects, but rather implemented in their business strategy. (M. E. Porter & Kramer, 2011).

The idea is to leverage the interdependence between social and economic progress, leading to a bigger pie of value that can be shared between stakeholders, rather than simply

redistributing existing value from one stakeholder to another (Maltz & Schein, 2012). One example of this is the concept of Fair Trade, where farmers' revenue is increased through higher prices for the buyers, relocating existing resources. Conversely, a shared value initiative could be to improve growth techniques and creating a local cluster of suppliers and institutions that could potentially result in increased efficiency, yield, quality, and sustainability. Something that would benefit both the farmers and the farmers' customers (M. E. Porter & Kramer, 2011).

3.2 The Ecosystem of Shared Value

The shared value should be created by cooperating within the ecosystem where the business is operating. Companies need to recognize that they are part of an ecosystem and that they cannot function in isolation because the social environment that they are part of affects the business. In order to make improvements for the ecosystem, a collective impact is needed through multisector coalitions. By pursuing collective impact, companies can advance social progress as well as gain a competitive advantage by finding business opportunities overlooked by competitors (Kramer & Pfitzer, 2016). Creating long-term alliances with local organizations in the ecosystem is a vital tool for the creation of shared value. By obtaining specific know-how from local organizations, the relations with the community can be improved and this will aid the co-creation of value since specific needs of the market can be identified (Michelini & Fiorentino, 2012).

According to Kramer and Pfitzer (2016) there are five elements needed when creating shared value within your ecosystem, and they argue that the elements for common impact are: *A common agenda* that involves a common vision that the different actors can work towards. The value created needs to be measurable in order to evaluate if the project has been successful, thus a *shared measurement system* is necessary. Because the shared value is a collaboration between different actors with different expertise and knowledge, it is important that the activities are divided in a way that creates the best value from the actors' competences and results in *mutually reinforcing activities*. The activities must be followed up in order to be synchronized, and to create trust and understanding for one another *constant communication* is required. The collective impact requires a coordinating and

supportive function, a **dedicated "backbone" support**. The coordination for the activities should not be made by companies, because they are not "neutral players", but they can however have an important role in launching the project and contribute with mentoring.

If the ecosystem is successfully leveraged, corporations can achieve a relatively rapid change in the society. Yet, for shared value to be optimized it is crucial that the shared value initiatives are cultivated by other organizations. Since the sphere of influence is relatively low even for large corporations, they have a very limited probability of achieving shared value unless they actively join forces with other organizations to reach the community (Maltz & Schein, 2012).

3.2 Shared Value in Practice

In a literature review made by Dembek et al. (2016) they analyze previous literature regarding the shared value concept and they go through all the examples provided. They find that there is a vast difference in how authors have approached the concept and how they define shared value. One difference is how they approach the outcomes of shared value. These are described in many different terms, and frequently as some kind of "value". The different terms often have a very similar meaning, if not the same, but it provides a fragmented picture of the concept. Dembek et al. (2016) proposes that the outcomes of shared value should be considered from the perspective of needs. Partly because needs are seen as the building blocks of value creation and also because this goes well together with Porter and Kramer's (2011) idea of focusing on needs and challenges to create shared value. For shared value to be created, both societal needs as well as organizational needs have to be addressed but the authors also discuss *what* needs should be addressed. They pose the question if sales of toothpaste should be considered shared value since it addresses the social need of dental health while it is also addressing a corporation's need for profit. If it is, then they mean that virtually all business activity could be portrayed as shared value. Therefore, the authors argue that the needs addressed should be advancing both social and organizational well-being (Dembek et al., 2016).

3.3 Shared Value in the Organizational Culture

Another critical aspect for shared value to be created in practice is the company culture. Brown and Knudsen (2012) argue that shared value strategies have to be implemented in the core business model and then backed by a supportive and strong organizational culture in order to be impactful for the company. Unless social performance is valued at the executive level of a company, it is unlikely to be taken seriously by the employees and it will effectively be hindered from reaching its full potential. If there is a culture in the company promoting values conflicting with those of the shared value initiatives the shared value creation will inevitably be undermined and most probably end up as nothing more than a waste of resources. To achieve shared value, it is central that the initiatives are coherent with the core business activities and the company has to recognize the strategical implications for creating shared value. There has to be a holistic approach to strategy where not only economic value creation is considered, but also social and political value creation (Brown & Knudsen, 2012).

3.4 Measuring Shared Value

Despite the widespread adoption of the shared value concept, the difficulties of measuring shared value has been a major limitation to the concept. The lack of a proper framework to measure the link between social progress and business success, and vice versa, has hindered the shared value concept to reach its full potential (M. E. Porter, Hills, Pfitzer, Patscheke, & Hawkins, 2012). Today, many companies measure social and environmental impact without taking to account the potential benefits for business performance as well as measuring financial results while disregarding the social impact (M. E. Porter et al., 2012). Without a way to measure the shared value created the concept can in many ways lose its edge compared to other concepts such as CSR, only when the link between social- and business value is properly measured the concept can give a competitive advantage to the organization and be attractive to "regular" investors. If this link is not demonstrated, managers may lack motivation to pursue shared value. Since a common perception is that doing social good requires a trade-off for a company, a manager with the responsibility to

optimize shareholder value is unlikely to prioritize shared value strategies unless there is a clear positive relationship between social and financial value creation (Maltz & Schein, 2012).

Porter et al. (2012) presents a four-step, looped, approach to measure shared value. The first step is identifying which social issues to target. By screening unmet needs in the society that overlaps with the core business opportunities for shared value are identified. These opportunities should present a way for the organization to either increase revenue or cut costs, simply identifying a need in the society that can be targeted is not enough to create shared value. The second step is to make a business case out of the identified shared value opportunity. The business case should be based on research, presenting how social improvement will improve business performance. The value-creation potential should be weighted with both results and costs, and from that a go or no-go decision is made. Thirdly, guided by the business case, the progress should be tracked and measured against the desired targets. The fourth and final step is focused on evaluating and validating the predicted link between social- and business results to determine whether the efforts have created a positive joint return for society and the business. Based on the evaluation, the shared value strategy can be refined in order to unlock further opportunities to create shared value.

Furthermore, it is important to clearly state the beneficiaries of the outcomes of the shared value initiative. Clearly deciding whose benefits and costs counts provides a clear indicator of where to measure the social value creation. This is in line with ordinary capital budgeting with the exception that stakeholders from a broader social perspective have to be taken into consideration (Dembek et al., 2016; Maltz, Thompson, & Ringold, 2011).

3.5 Criticism Towards the Concept

The concept of shared value was rapidly embraced by managers and corporations all over the world but it has not, however, avoided criticism and its value has been contested. Crane et al. (2014) deliver strong criticism towards Porter and Kramer and argue that the concept

of creating shared value is unoriginal, ignores the tension between social and economic goals, is naïve about the challenges of business compliance, and that it is being based on a shallow conception of the role of the corporation in society. Porter and Kramer are also criticized for cherry-picking shared value success stories while blatantly ignoring the negative impact the same corporations have on the society. Some of the shared value examples used involves corporations engaging in shared value projects in some activities, while having a business model that is effectively restricting the ability to create social value holistically at the corporate level (Crane et al., 2014; Brown & Knudsen., 2012). Additionally, the concept has been accused of being naïve and underdeveloped. Brown and Knudsen (2012) argue that Porter and Kramer take too lightly on the organizational changes in management practice that are needed to achieve shared value. Just replacing the term "CSR" with "shared value" will do little to change practice within the organization.

3.6 Summary of Theory

There is no secret that the idea of creating shared value has been appealing to organizations and managers across the globe. The concept of doing social good while at the same time generating benefits for the firm is a win-win situation that is difficult to turn down. Only in a matter of years after the "Creating Shared Value" article was published in 2011, leading corporations such as Nestlé, Unilever, The Coca-Cola Company, Western Union, and Intel openly implemented the concept into their business (Moore, 2014) and in Sweden the concept has had impact as well with Swedish examples including Skandia (Kramer, Pfitzer, Reichert, & Lund, 2016), Stora Enso (Stora Enso., 2014), and SCA (SCA, 2016). Even though the concept has had a widespread embrace in theory, there has been few studies actually examining the concept in practice and the value creation for stakeholders external to the company.

Previous literature and studies on the concept are rather fragmented and some of the examples seem to have a tendency of cherry-picking where they only show a narrow picture of the shared value creation and its implementation. Based on the previous literature we have identified a number of criteria which we believe are critical for the creation of shared value. These criteria will take its point of departure in Porter and Kramer's articles about

shared value (2006, 2011) and continue with the importance of ecosystems (Kramer & Pfitzer, 2016), the identification of needs (Dembek et al., 2016), the cultural aspect (Brown & Knudsen, 2012), and the importance of measuring the value created (Maltz & Schein, 2012; M. E. Porter et al., 2012). A theoretical model has been created to show the interdependence of these criteria for the ultimate goal of shared value. Building on the theories stated above and with the criticism towards the concept in consideration we believe this model provides a more holistic picture of the shared value concept. In our opinion, many of the current examples of shared value initiatives fall short in at least one of these criteria and there is a need for a more holistic study of shared value initiatives to examine this concept in practice.
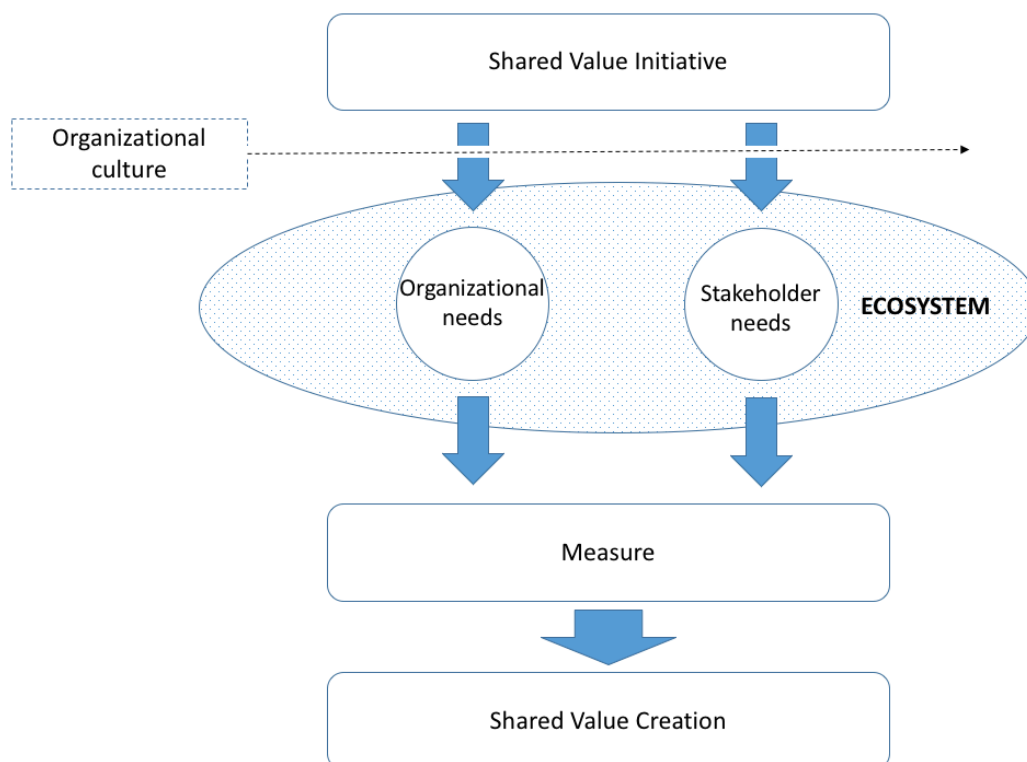

Figure 1. Model of shared value creation

4. Results and Analysis

In the beginning of this section we will present a short background to the case company and the recent changes made to our case site. Subsequently, the findings from the interviews will be presented and then analyzed in regard to our theoretical framework. Since the interviewees are anonymous, the results are presented with coded abbreviations instead of real names.

4.1 Background to Skandia and Frölunda Torg

4.1.1 Skandia

The study has been conducted as a case study on Frölunda Torg, a shopping center located in Gothenburg. The shopping center is owned and managed by Skandia Fastigheter Holding AB (Skandia Fastigheter), a subsidiary to Livförsäkringsbolaget Skandia (Skandia). Skandia see themselves as pioneers in sustainability and has recently been ranked high in various sustainability rankings such as #20 in Fortune Magazine's "Change The World List" (Fortune Magazine, 2016; Livförsäkringsbolaget Skandia,). In 2015 Skandia was the focal point of a shared value study conducted by FSG, a consultancy firm founded by Michael Porter and Mark Kramer, resulting in Skandia presenting a prime example of shared value strategies in practice.

4.1.2 Reconstruction of Frölunda Torg

On Skandia Fastigheter's website they boldly state "Properties that make a difference" and they argue that they are striving for a better society. Frölunda Torg, the focus of the case study, provides an interesting example to examine since it recently went through a 1.5 billion SEK reconstruction with the surrounding community in mind.

The shopping center Frölunda Torg was reopened in 2011 after a large reconstruction. The changes that were made included improvements that created more open spaces, more natural meeting places to encourage non-commercial interaction, and the removal of dark areas around the center. The purpose of the changes was to create a safer and welcoming

environment in order to receive more customers and therefore be beneficial to the business, which increased its turnover from 1.6 billion SEK to 2,9 billion SEK between 2009 to 2015 (Hök & Sanandaji, 2016). The renovation was not only made within the center, but also in public areas where the municipality invested heavily in infrastructure around Frölunda Torg.

4.2 Identifying Needs for Shared Value Creation

To identify the social needs and challenges in the community to target, seven of the respondents express the importance of involving local organizations that are rooted in the community. Especially in financially distressed areas there can be a suspicious attitude towards projects that are implemented from organizations from outside the area (Rädda Barnen, 2016). IP5 says that: *"Part of the job is to see how we can support organizing on the basis of the residents' needs. Often organizations try to start up a project without first anchoring it with the children, youth, and parents that it concerns.".* The same person continues to stress the importance of really talking to the residents in the community to see what needs they have and how important it is for the local people to take ownership of the social projects. IP5 provides an example of when the municipality tries to implement projects in the area: *"The last 10 years they have had a couple hundred projects with the goal to even out the social divide, but it just gets worse. And they ask 'What is the problem? We are putting a lot of resources into this'. And it turns out that many times it is because they come from outside the area".*

Before the large renovation of Frölunda Torg there was a big concern about safety issues in the area, especially after dark, when people didn't feel safe around Frölunda Torg. IP8 describes that the tram station was so poorly lit that the employees did not even dare to go home at night. At this time Skandia Fastigheter held many meetings with participants all across the social sectors, involving Skandia Fastigheter, the municipality, and other organizations. *"We met everything from pensioner's associations to inviting to neighborhood safety surveys. We had many of those meetings to listen to what the residents thought was unsafe and to hear what they wanted and also what they didn't want." (IP1).* To continue to work with and identify social needs IP2 means that it is necessary to start with addressing

the safety issues around the actual shopping center *"The shopping center is supposed to be much more than just being about safety but if people don't feel safe here, no one will want to take part in these projects anyway. So we have to start in the right end".* Furthermore, in the report released by Skandia they mention that there is extensive research showing that when a publicly accessible area, like a shopping center, is renovated, made nicer and cleaner, and is perceived as safe, then social exclusion will be countered and reduced (Hök & Sanandaji, 2016).

Another important question that was consistently brought up in the interviews was the need for a place where people could meet in the area. In the development process of the shopping center this was taken into consideration and Skandia Fastigheter tried to create an atmosphere where all people feel included and invited to spend time without feeling like they have to shop. IP2 says that: *"The social benefits around Frölunda Torg is about creating a meeting place without the large walls between different areas where there can be problems between different groups of people".* This has partly been done by having large open areas and by creating a lounge feeling inside with chairs and tables as well as a large area for families with children. *"I think it is so awesome that this feels like a place to hang out. We have regulars we meet every day. They just sit here and hang out, it is like a kindergarten for adults. Like every day, it is their routine"* (IP11).

Furthermore, four of the interviewees expressed a need for a forum where organizations from all different sectors could meet and network. The shopping center can be used for non-profits to inform about their activities and *"get new connections and maybe get new members"* (IP9) and there has been arranged meetings for organizations in the area where they can meet over the sectors with the municipality and also private businesses. IP1 describes one of the meetings *"It was a positive night because we got the opportunity to meet many organizations and they got the opportunity to meet each other as well as politicians and public officials that were here to talk about their view on the citizen organizations. So it was a very rewarding night."* and one of the goals with the meetings is to increase the networking between organizations, as IP2 puts it: *"And then we see that we have three others working with this and we create a hub around this matter, so they can for example collaborate at a conference and get a much bigger impact"* and continues *"It is not*

us who are supposed to do it but the organizations themselves. And if there are 13 organizations doing the same thing we can often give them some contact information and ask if they shouldn't work together,"

4.2.1 Analysis of Identifying Needs for Shared Value Creation

In general, the interviewees mention the importance and necessity of working and networking across institutional sectors since Skandia, Skandia Fastigheter, and organizations and associations from the private, public, and non-profit sector all have different knowledge and access to different people and information. One of the respondents from the non-profit sector is really stressing the importance of using local associations that have a good reputation in the low-income areas in order for the residents to trust and engage in the projects. By starting with the physical shopping center as the cornerstone and the means for the value creation, they have been working in a cross-sectoral manner to get multiple perspectives and to pinpoint social needs in the area. Thus, they have had a systematic approach to identify and clearly state the needs to target. The safety concerns around the center are in many ways treated as a hygiene factor, it has to be of a certain level before it is possible to fully leverage the position Frölunda Torg has in the area. Unless people are feeling safe, they are unlikely to be accessible and responsive to social initiatives at all.

Furthermore, the identified needs expressed in the interviews are all arguably advancing society in one way or another. In the report from Skandia they really demonstrate the link between a thriving society and good business, hence both organizational and societal needs are addressed. The importance of networking and mutual projects across sectors is also described as a key to value creation, by leveraging each other's knowledge and network effects it is possible to reach earlier inaccessible groups of people and increase the total impact of the value creation.

4.2.2 Conclusion of Identifying Needs for Shared Value Creation

To properly assess and evaluate shared value opportunities in the society, it is essential to work together with local organizations to use their skills and knowledge to access and learn about the community. By pinpointing needs in this manner, it is possible to better evaluate both organizational- and societal benefits and costs associated to a certain initiative.

4.3 Ecosystems and Collective Impact

When setting a common agenda together with all the different stakeholders involved, the process has been described as "*Together we look at what can we can agree on regarding identifying problems, setting common goals, a common agenda, and then we build activities that will reach these goals*." (IP5) and regarding setting goals for the project *"We set common goals, we don't have one goal with Accenture and one with Skandia, but Skandia, Accenture and Rädda Barnen, we all have the same goal"* (IP5). When discussing how the common agendas are reached, IP8 highlights that "It's all about understanding each other premises" From Skandia's point of view a common issue between different stakeholders was: *"Before the reconstruction the most important question for us as property owners, the municipality, district officials, politicians and citizens, the safety issue was the most important"* (IP1) The process of identifying the common agenda was done by close collaboration with the municipality according to IP2.

Measurement in the projects was described as: "*the activities that we cooperate in, we also measure together*" (IP5). IP1 described that a follow up regarding the safety issue in the reconstruction project was made, and thinks that measuring the project Fritidsbanken, a joint project at Frölunda Torg, will be done in some sense but that they will be lucky if they find anything because "*but I'm not sure how to do that*" (IP1). IP2 explains that Accenture has helped one of the projects they are involved in with an evaluation system, and this will be added to Skandia's current measurement models.

To be able to create shared value at Frölunda Torg, an outspoken strategy by Skandia Fastigheter has been to work with, and cooperate with stakeholders from different sectors in the area. (Hök & Sanandaji, 2016). When working with Centrumakademin, another joint project, the actors have different expertise and different roles that they can contribute with and according to IP2 the result will benefit from the collaboration with other actors. *"I think we can make a greater impact if we do something together"* and a reason for that is because of their different knowledge, *"Rädda Barnen has their network in the area, and they know what young people to reach out to, and we don't"*. According to IP2 the actors involved in the project will have different roles and contribute with parts in order to get the young people into the labor market *"together with Accenture and Rädda barnen we are going to create an exciting project where everyone contributes in some way"*. This way of working, with different roles, is something that IP5 confirms by describing *"We go into the project with our expertise and our resources* [...] *because that is what we know and do best, and we don't take the construction parts, because that is within their knowledge"*. IP8 describes the different contributions in one project with *"They contribute with facilities and we supply with staff"*. In one of the projects there is also a clear backbone system where a separate organization has a supportive role, *"the foundation of Fritidsbanken is a separate non-profit organization that run it"* (IP2).

The dialogue between the different actors has been described as: *"They had quite a lot of dialogue with us and at least with me and my boss: We got to take a part in the early work when they asked us what we really thought, and that was really, really interesting because we gave them something that they didn't expect"* (IP8). And when IP9 was asked if there had been any dialogue it was described as something that they had during a conference when the thoughts behind the project were shared from Skandia regarding the reconstruction project. From Skandia's perspective IP1 says that they strive towards having a dialogue with stakeholders wanting to be involved around Frölunda Torg to make sure needs from both sides are catered for.

4.3.1 Analysis of Ecosystems and Collective Impact

The findings show us that Skandia is creating common visions and goals with the stakeholders they are involved with. Kramer et al. (2016) discuss the importance of considering all participants' interests in a project, and in line with that the common visions are developed in a collaborative way. In some of the joint projects measurement is done, but it does not seem implemented into all projects. A simple reason for that might be that the measurement is difficult to make. A developed shared measurement system could help make projects more tangible and provide support for needed adjustments during the activities.

Our findings regarding mutually reinforcing activities in the projects indicate that activities are divided between the different actors based on their particular expertise and this is a factor that is taken advantage of to a large extent. This could explain why we have identified that creating common visions for the projects have been successful and that the projects are well established in the area. On the contrary, the backbone role does not seem as well established. This could be a good contribution for creating a neutral function to keep the actors involved aligned and informed.

It seems like Skandia has an experience of working with the different elements that are important when operating and collaborating within an ecosystem, but some factors can still be improved in order to create better collaborations. The areas identified are; using the benefits of a support function to a larger extent, having a good dialogue with the actors involved in order to be well coordinated, and an established measurement system.

4.3.2 Conclusion of Ecosystems and Collective Impact

An organization is not operating in a vacuum and the realization that it is part of an ecosystem is very valuable if shared value is to be created. The use of local organizations can help to facilitate access to the community for the launch and implementation of projects. It is vital to join forces with actors from all sectors; private, public, and the civil society, to take advantage of their unique expertise and knowledge. To achieve large impact and enable

long-term change, it is central that everyone involved can participate on their specific terms, to create a common vision that everyone can work towards and contribute to.

4.4 Measuring Value

Traditionally, measuring has been primarily focused on the financial side of value creation. IP1 says that *"we often follow up different kinds of attitudes, like combinations of marketing surveys measuring marketing issues"* and currently there has not been any attempts to try and measure the social impact from the recent reconstruction. According to IP2 they can see that there is less crime around Frölunda Torg and that the security guards at the center has had to interfere less after the renovation but this has not been quantified into the big picture.

There is an explicit goal to start measuring the projects done at Frölunda Torg from a social perspective where both the social and financial side are measured. The idea is that *"You will be able to quantify the economic side, have it as a base for decisions, and get an evaluation. Both human and financial is the idea"* (IP2).

Right now the social value is more measured in "soft" terms. Multiple respondents mention that something feels right and that it is good for the people working in the shopping center to be involved in something benefitting the social good. IP1 says: *"It is going to be difficult to measure this… I think we to some extent have to measure it like 'we think this is a good thing'"* and IP5 says *"we have seen clear results […] especially in the effects of the self-esteem of youth and how they see themselves"* (IP5). And there is also some doubt about how to measure the social value and correlations, *"To be honest, I think it will be difficult to find anything measurable for many of these questions"* (IP1), and even if they have had a positive growth, both regarding revenue and an increase in the value of the property, it is difficult to know the impact from social projects on this growth, *"what is what here? It is really difficult to know"* (IP1).

The time perspective is also mentioned multiple times where there is a belief that social projects may benefit financially in the long run but that it is difficult to know how much and how to measure it, or if it is even possible to measure it. IP1 puts it like this: *"I would say that we probably cannot measure these association days, it is probably impossible. What does it give? Hopefully the associations will grow stronger and spark an interest and get more members and then the youth and children have positive activities instead of negative, but how do you measure that? I don't know"*, and *"I think a lot of this is very long-term and can maybe change an attitude towards us as a property owner and the brand Frölunda Torg"*.

4.4.1 Analysis of Measuring Value

It is evident in the interviews that there is not a clear understanding of how the value creation should be measured or even where and what to measure. Traditionally the measuring has been focused on business metrics connected to the business side of the operations and it is likely that the interviewees are still stuck in a CSR-like mindset. For the shared value concept to be successful it is essential that both financial and social value can be quantified to get a holistic picture of the value creation. Hence, it is critical that the "soft" values mentioned today are transformed into quantifiable terms. Furthermore, the time aspect adds to the difficulty of a proper measuring. Since many of the projects involve working with youth, it is likely that benefits for the company will only appear further in the future. Hence, this must be taken into consideration when evaluating shared value opportunities.

When looking at the four-step approach presented by Porter et al. (2012) they are, however, off to a good start. With the help from organizations connected to the surrounding community social issues and challenges have been clearly identified and from the needs, beneficiaries of the social value can be derived. This provides a good foundation for measuring value, since identifying needs and beneficiaries are indicators of where to start measuring. Despite this they still lack good measuring processes. One reason for this could be the targeted need in itself. Before a shared value initiative is pursued the targeted needs should be evaluated in terms of both social- and organizational value. Unless this is

determined at the start there is a risk that the value will be difficult to measure and that there will be doubts whether it is even possible to measure it or not, something that was mentioned multiple times in our interviews.

Another reason for the lack of measuring could be the recent adoption of the shared value concept, it might take time for the organizations involved to shift from a CSR- to a shared value-mindset. Nevertheless, it is clear from Skandia's point of view that they strive towards changing this mindset to having proper tools for measuring the value creation. As the interviewee mentioned, in the future, the quantified value is supposed to be used as a base for decision making, a big leap towards a successful shared value initiative.

4.4.2 Conclusion of Measuring Value

Having proper tools for measuring the value creation is a central factor for the concept to have real impact both for the organization and for external stakeholders. Today there is no established model for this purpose and there is a tendency for the perceived value creation to drift from quantified business value to soft "feel good" value. These values could prove beneficial for the firm in the long-run, but then it is important to find the link between the soft values and financial value creation to be able to holistically evaluate shared value initiatives. Furthermore, it is imperative to find a way to account for the time aspect of measuring. Unless there is a long-term perspective in the measuring process, there is a risk that the true value creation will not be accounted for.

4.5 Shared Value in The Organizational Culture

Even if Skandia as a company has worked with shared value, it is only recently that they have been explicit in their pursuit of the concept. IP2 says that: *"We have worked with the strategy without actually knowing what it is. […] we got the question if they (FSG) could do a research paper and only when we got the research stating that what we do really is shared value did we dare to talk about the concept with leadership"*. After the research was done there has been a number of workshops together with leadership to try and develop this

concept within Skandia and for it to *"permeate more so it will be in the company […] so now it is in the business strategy, in the documents, that this is how we should work"* (IP2).

Eventually the goal is to have a shared value mindset in the whole corporation, including subsidiaries like Skandia Fastigheter but *"it will take time because first we have Skandia. It has to be implemented down to the co-workers here, to product development and other things. And then we have the subsidiaries and Skandia Fastigheter is a subsidiary"* (IP2) and *"Skandia Fastigheter are not used to work and think that way, so it might be difficult to explain why there is value in this for them"* (IP2). Earlier, a social focus and networking initiatives have been driven primarily on an individual level. *"I can say that it depends on who is sitting on that marketing position. Depending on how that person is, that is where the interaction come from"* (IP8) and from the inside it is a similar perception that they want to *"create something that is not dependent on a personal involvement from me or the marketing person but rather built on "do like this and it will be a good, positive, program"* (IP1).

It has been discovered that some of the stakeholders in the area feel more excluded after the renovation. IP6 described it as *"If we would like to have an information campaign, and hand out information pamphlets we are not allowed to do that at Frölunda Torg anymore"* and that they would like to do more activities there. IP3 describes it as *"a before and after"* the reconstruction because they had more activities on the square before and explains and that *"in relation to the reconstruction there was a change in what they wanted on the square, which actors they wanted to be seen there and what kind of profile they wanted"* and that they felt a bit removed, and the respondent continues to explain that when they have initiated activity on the square they have received the answer that it has to be *"commercially viable".* IP7 explained that they feel *"kicked out"* from having activities at Frölunda Torg and that they now have more collaboration with Kulturhuset instead that work very well. From Skandia Fastigheter's perspective, IP1 explained that they almost never turn down non-profit organizations that would like to have activities at Frölunda Torg because they want to be a part of the society through being a meeting place.

4.5.1 Analysis of Shared Value in the Organizational Culture

From leadership within Skandia it is apparent that they believe it will take time to align the whole company to a shared value mindset. It seems like much of the previous networking and joint projects on a local level has been dependent on the individuals involved at the time. Although this is something they are aware of, it is vital that everyone in the organization is on the same page regarding how, and in what, to invest time and resources. The interviewee from Skandia also brought up the issue that the subsidiaries are used to working in a different way where the primary goal is to create value for the parent company, and it will take time to implement the idea that the best way of creating value for the parent company is to create value for society. Right now it is apparent that there has been an inconsistent communication between Skandia Fastigheter and external stakeholders, leading to some of them feeling left out and excluded. This could be explained by an existing culture that is not aligned with a shared value mindset.

Furthermore, the interviewee from Skandia talked about the importance of getting executives within the company on board and implementing shared value thinking into the core strategy of the firm. This is the right end to start in since it is critical to have the support for shared value initiatives from managers. It is not unusual for shared value initiatives to be long-term projects and unless there is support from the executive level, there is a risk that these projects will be terminated before the impact can be measured.

4.5.2 Conclusion of Shared Value in the Organizational Culture

Creating a strong and supportive culture for shared value can be key for successful value creation. If not all parts of the company are aligned there is a risk that a shared value opportunity will not reach its full potential, or even fall between the cracks. If not all employees on the operational level are aware and educated on shared value, initiatives might be treated in a traditional, disconnected way. Subsequently, there is a risk that decisions and communication to stakeholders are lacking in regard of considering both organizational and societal value creation.

4.6 Shared Value Creation

Before the reconstruction of Frölunda Torg they identified the needs of making the area safer and more including (Hök & Sanandaji, 2016). In regards of creating a safer environment the respondents gave an unanimous picture of an improvement in the matter. IP5 described a change in the area by, *"It has become much, much better, lots of investments have been done by many."* According to IP3 the square and its surroundings feels like a safe area, *"I can't say I feel insecure at Frölunda Torg. In that sense I think they have succeeded".* IP6 said that *"The whole area has changed with all the reconstruction that has been done in the surroundings […] the square has also changed and gotten a lift, and there is a totally different atmosphere."* And IP6 also tells us that *"They have reduced criminality and then it is much brighter than it was before, when it was dark and a bit scary to walk around there."* IP5 has a similar opinion, *"I know that many feel safe at Frölunda Torg, even in the evenings because there is a lot of activity and it is well-lit and open"* (IP5). IP11, one of the commercial actors, explains that 10 years ago there were less people coming to Frölunda Torg because the area was rougher.

In regard of creating an area that would be a good meeting place, that is including and welcoming for a diverse crowd, nine respondents believe the area has become more including. IP6 told us that *"It is much better now than it was before. It is a very mixed crowd, which I like very much."* IP6 also gave us a picture of the situation at the square as, *"I know that everyone here (at the respondent's workplace) thinks so, that everyone is at Frölunda Torg. That's a cool thing. There are all kinds of people, and that is the good thing about it. I would say that everyone feels welcome."* The respondent continues to talk about the diversity with some of the wealthiest people in Gothenburg mixing with people that are less privileged. This is something that IP5 agrees on, it has become a new meeting place that has an important role in the community. From Skandia's perspective, IP1 explains that, *"Many of the things we did, was because we knew it would have a positive impact on the safety, and we saw that as an important question, partly because we wanted to create a safer center and area but also to be able to attract new customer groups that would not have chosen Frölunda Torg earlier."*

4.6.1 Analysis of Shared Value Creation

By identifying needs together with stakeholders in the area and implementing projects to meet those needs, Skandia has made changes that have affected Frölunda torg. The findings from our respondents' show that they experience the area as both safer and more including than before the reconstruction, and this result was unanimous between all respondents, even the respondents that were not necessarily satisfied with their current collaboration with Frölunda Torg. The improvements on the social side has had a positive effect on the business by generating more customers and new customer groups to Frölunda Torg. This could be referred to as a joint company and community value creation (M. E. Porter & Kramer, 2011), and one can argue that this is different from a CSR project that could be of a more philanthropic nature, because the outcome can be directly connected to positive business results.

4.6.2 Conclusion of Shared Value Creation

In the example of the reconstruction of Frölunda Torg, value has been created on both the social side and on the business side. The value was created from an identified need that they managed to satisfy in cooperation with stakeholders within their ecosystem.

5. Discussion and Conclusion

This section will bring up a discussion regarding the managerial implications from our research as well as the credibility and generalizability of our findings. This section will also conclude the results from our analysis and provide an answer to the stated research question. Conclusively, proposals for future research on the topic are given.

5.1 Managerial Implications

In this study we have studied and applied theory written on the subject on a case study to examine how shared value initiatives have been implemented in practice. We believe the insights learned in this study will help as a guideline for pursuing shared value in practice and we have identified three factors that we believe are vital for a long-term successful shared value strategy. Our hopes are that these insights can be applied into shared value strategies in practice and assist in the further development of this concept.

5.2 Credibility of the Study

The results and the analysis in our study are based on the assumption that the interviewees were all appropriate to provide a fair and correct picture of the situation. Because of the low number of interviews there is a risk for a biased result. Although we experienced a theoretical saturation with the conducted interviews, since the potential stakeholders for shared value creation around Frölunda Torg could be virtually anything or anyone, there is a potential risk that we have overlooked stakeholders with a different perspective of the situation. Furthermore, when trying to identify stakeholders affected by Frölunda Torg, a problematic task was to find stakeholders that were not there. With the extensive transformation of the area some groups of people might not be present anymore for different reasons. To mitigate the risk of missing stakeholders we asked the interviewees whether they could mention any groups not present today, but none of them did. If any

"missing" stakeholders would have been found, they could potentially have contributed to a different outcome of the study.

Lastly, since we used a qualitative research approach, it is impossible to completely eliminate the risk of a subjective bias.

5.3 Generalizability

The thesis aspires to answer a general research question, although in a specific context. Since the study is based on a single case study the generalizability of the results can be disputed. The context and community of which Frölunda Torg is a part of is unique in itself and these circumstances could prove problematic if the results are applied to a similar case. To be certain of the significance of our results it would be necessary to conduct further research on similar cases. Yet, despite the fact that our results are derived from a specific case we believe it is possible to apply the identified factors in a general sense, since the factors by themselves are not related to the specific circumstances for the case in question.

5.4 Conclusion

The purpose of this thesis is to add to existing knowledge about the creation of shared value in practice. To fulfill this purpose, we have tried to answer the stated research question:

What factors are essential for the creation of shared value, with a commercial location as a hub for shared value initiatives?

To answer the research question we have conducted a case study at Frölunda Torg, a shopping center owned by Skandia Fastigheter, where we have studied the perspectives from multiple stakeholders, with an emphasis on social actors. By analyzing the empirical evidence, we have identified three factors which we find critical for the creation of shared value. Based on the theoretical framework and our qualitative research we believe that these factors – networking within the ecosystem, a shared value culture, and proper

measuring practices – are necessary for shared value initiatives to be successful when a commercial location, such as a shopping center, is used as a hub for the initiatives.

A relatively successful shared value example is the reconstruction of Frölunda Torg. In the initial phase an ecosystem perspective was used to identify needs to target in the community, and to get the local residents involved. After the renovation the social impact was measured in regards of perceived safety and pleasantness, and it was clear that the renovation presented the desired results in those matters. On the business side, new customer groups were attracted to the shopping center because of the improvements. Moreover, a cleaner and safer place also resulted in less crime and vandalism at the shopping center, effectively saving money for the company.

However, after the initial phase with intensive networking much of this collaboration seemed to fade. Also, some stakeholders even felt more excluded from the area than before the renovation and meant that unless they could provide something "commercially viable" that draw visitors to the shopping center, they were not welcome. We believe this lack and gap in communication to be a knowledge and culture issue that could be avoided by having a strong shared value culture in the company. A shift in the culture could take time but will ultimately pull everyone in the same direction. Furthermore, for shared value initiatives to be prioritized and truly successful we believe there is a need to better quantify the achieved value creation, both in internal and external terms.

If the identified factors are implemented properly into the business strategy, shared value could provide a potent business case that could potentially lead to a successful future for the business. Nevertheless, we have also found that these factors can be difficult to implement and apply. Critics ask if it could really be that simple to achieve shared value. After this study, we are prepared to agree that they might be right.

5.5 Proposal for Further Research

In connection to our theoretical framework and results, we have discovered topics that could be interesting and important for further research. One area is connected to the measurement of shared value. In existing theory, a quantitative approach is suggested in order to use shared value for investment decisions. We suggest that more "soft" values could be included in order to give a more complete understanding of the value created when working with a social impact. In our interviews some people described social initiatives as something that "feels good" and these values are not widely raised in research before. It would be interesting to investigate if there is a clear relationship between "soft" values and financial benefits, within the shared value context.

Another identified area is the value created for non-profit organizations that derives from working together with well-known companies in projects. In our empirical data it was clear that organizations can easier receive funding and further collaboration when they have previously been part of projects with established companies, and these effects could be interesting to lift further in research.

The last area we suggest for further research is the approach to external stakeholders in shared value theory. In current research, it is not clear how companies should choose which stakeholders to include into project calculations. Stakeholders that are not included and that might be affected negatively from investments, can become a cost for the ecosystem that the company is operating in. Therefore, we recommend that additional research on the indirect effects between external stakeholders is made.

References

Printed Sources

Brown, D., & Knudsen, J. S. (2012). No shortcuts: Achieving shared value means changing your business culture. *Doi:10.2139/ssrn.2179926,*

Bryman, A., & Bell, E. (2011). *Business research methods* (3. ed. ed.). Oxford: Oxford University Press.

Crane, A., Palazzo, G., Spence, L. J., & Matten, D. (2014). Contesting the value of "creating shared value". *California Management Review, 56*(2), 130-153. doi:10.1525/cmr.2014.56.2.130

Dembek, K., Singh, P., & Bhakoo, V. (2016). Literature review of shared value: A theoretical concept or a management buzzword? *Journal of Business Ethics, 137*(2), 231-267. doi:10.1007/s10551-015-2554-z

Diener, E., & Crandall, R. (1978). *Ethics in social and behavioral research*. Chicago: Univ. of Chicago P.

Emerson, J. (2003). The blended value proposition: Integrating social and financial returns. *California Management Review, 45*(4)

Freeman, R. E. (1983). Strategic management: A stakeholder approach. *Advances in Strategic Management,* 1(1), 31-60.

Friedman, M. (1970). The social responsibility of business is to increase its profits. *The New York Times Magazine,* (September)

Ghauri, P. N., & Grønhaug, K. (2010). *Research methods in business studie*s (4.,[reorganized and expanded] ed. ed.). Harlow: Pearson Education.

Hök, L., & Sanandaji, N. (2016). *Utanförskapets geografiska dimensio*n. Livförsäkringsbolaget Skandia.

Kramer, M. R., Pfitzer, M., Reichert, N., & Lund, F. (2016). *Skandia group case study: Creating shared value in sweden's financial secto*r. http://www.fsg.org/skandia-group-case-study: FSG.

Kramer, M. R., & Pfitzer, M. W. (2016). The ecosystem of shared value. *Harvard Business Review, 201*6(October)

Lacy, P., Cooper, T., Hayward, R., & Neuberger, L. (2010). *A new era of sustainabilit*y. https://www.unglobalcompact.org: United Nations Global Compact & Accenture.

Lecompte, M. D., & Goetz, J. P. (1982). Problems of reliability and validity in ethnographic research. *Review of Educational Research, 5*2(1), 31-60. doi:10.3102/00346543052001031

Maltz, E., & Schein, S. (2012). Cultivating shared value initiatives: A three cs approach. *Journal of Corporate Citizenship, 4*7, 55-74.

Maltz, E., Thompson, F., & Ringold, D. J. (2011). Assessing and maximizing corporate social initiatives: A strategic view of corporate social responsibility. *Journal of Public Affairs, 1*1(4), 344-352. doi:10.1002/pa.384

Michelini, L., & Fiorentino, D. (2012). New business models for creating shared value. *Social Responsibility Journal, 8*(4), 561-577. doi:10.1108/17471111211272129

Moore, C. (2014). *Corporate social responsibility and creating shared value: What's the difference*?. www.sharedvalue.org: Heifer International.

Porter, M. E., Hills, G., Pfitzer, M., Patscheke, S., & Hawkins, E. (2012). *Measuring shared value: How to unlock value by linking business and social result*s. http://www.fsg.org/publications/measuring-shared-value: FSG.

Porter, M. E., & Kramer, M. R. (2006). Strategy & society: The link between competitive advantage and corporate social responsibility. *Harvard Business Review, 8*4(12), 78-92.

Porter, M. E., & Kramer, M. R. (2011). Creating shared value. *Harvard Business Review, 8*9(1), 62-77.

Rädda Barnen. (2016). *Röster Från Tynnere*d Rädda Barnen.

Scott, J. (1990). *Polity Press, 1990,*

Yin, R. K. (2014). *Case study research: Design and method*s (5. ed. ed.). London: SAGE.

Electronic Sources

Fortune Magazine. (2016). *Change the world.* Retrieved 5/14, 2017, from
http://fortune.com/change-the-world/

Livförsäkringsbolaget Skandia. *Skandia hållbarhet*. Retrieved 5/14, 2017, from
https://www.skandia.se/om-oss/hallbarhet/

SCA. (2016). *Shared Value Report.* Retrieved 5/6, 2017, from
http://www.sca.com/en/IR/Reports/Shared-value-report/

Stora Enso. (2014). *Shared value creation*. Retrieved 5/6, 2017, from
http://www.storaenso.com/newsandmedia/shared-value-creation

Oral Sources

IP 1. Skandia Fastigheter AB. Interview 2017-04-11

IP 2. Livsförsäkringsbolaget Skandia. Interview 2017-03-03

IP 3. Non-profit sector. Interview 2017-03-08

IP 4. Non-profit sector. Interview 2017-03-08

IP 5. Non-profit sector. Interview 2017-03-09

IP 6. Non-profit sector. Interview 2017-03-09

IP 7. Non-profit sector. Telephone interview 2017-03-16

IP 8. Public sector. Telephone interview 2017-04-07

IP 9. Public sector. Interview 2017-04-04

IP 10. Private sector. Interview 2017-03-09

IP 11. Private sector. Interview 2017-03-09