

A CONCEPTUAL MODEL OF CREATING SHARED VALUE STRATEGY, BUSINESS COMPETITIVENESS AND FIRM SUCCESS

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Abstract

Creating Shared Value is an ability of organizational to linking between value creating of societies and companies' economic value through various strategic. The fundamental ideas to expand both of enterprise and society, which can help create the new opportunity which enhanced competitive advantage and corporate sustainability. Therefore, this conceptual paper aims to investigate the relationship of three dimensions of creating shared value strategy are; 1) social- oriented product development 2) productivities capability, and 3) collaboration potential. Consequently, creating shared value outcome is business competitiveness which led to corporate sustainability in that all relationships of the construct are positively expected. The contributions of this paper are useful for research to implement for strategy management. In future research, foods and beverage manufacturing in Thailand expected that empirical research will manifest creating shared value strategy, whether or not it will comprehensively accomplish corporate sustainability.

Keywords: Creating Shared Value Strategy, Business Competitiveness, Firm Success

Introduction

During the last decade, the concept of corporate social responsibility has been recognizing the importance, its gaining reputation, performance, and sustainability. However, corporate social responsibility is no longer just a trendy new concept more and more companies also taking on extra-curricular activities on the strength of it is now a matter ingredient in companies' attempts lead to sustainable development ultimate (Lapina, Burkus and starineca, 2012). Expectancy, business concerns of a wide group of stakeholders that is more inclusively addressing the shared value through society activities that created shared value which will result in long- term sustainable growth (Font, Guix and Bonilla-Priego, 2016).

Currently, creating shared value as a new idea to socially responsible business practices has been introduced is creating share value which linking between a concept of corporate social responsibility and creating shared value as a method to added together social value and shareholder (Porter and Kramer, 2007). Moreover, Kenter et al., (2015) argued that the shared values as the relationship between broad, ethical values or attitudinal values and monetary measure that is adapt and improving neoclassical economic valuation methods lead to ecosystems make to human wellbeing.

More and more companies are created shared values by collaborative design in process which shared their knowledge about both the design process and the design content participants (Du, Jing and Liu, 2012), also, the extent to work progressively with farmers, to reduce the negative environmental externalities to existing farming practices and beneficial interdependence along the supply chain (Bowe and Horst, 2015) and new products and services development should identify the societal needs and (Porter and Kramer, 2011) that all lead to business growth and long-term benefit sustainability.

Based on the literature of society development research, most research in corporate social responsibility has focused on three dimensions were; 1) social-oriented product development 2) productivity capability, and 3) collaboration designs. However, there is a few research which investigates the creating shared value strategy and its outcome. From the literature review, these issues have elucidated on the research gaps. Therefore, the key purpose of this paper is to examine the relationships between three dimensions of creating shared value strategy, business competitive and firm success.

The next section is the literature reviews that describe the conceptual model. Therefore, the relationships between the construct of the each variable are established, and develops the relate proposition for study. Moreover, the sections describe the theoretical contribution, managerial contributions, and suggested directions for future research. Finally, the findings of the study are summarized in the conclusion section.

Literature reviews

In this paper discusses and examines a conceptual model of Creating Shared Value Strategy, business competitiveness, and corporate sustainability. Thus, the conceptual, relationship and research models are provided in Figure 1.

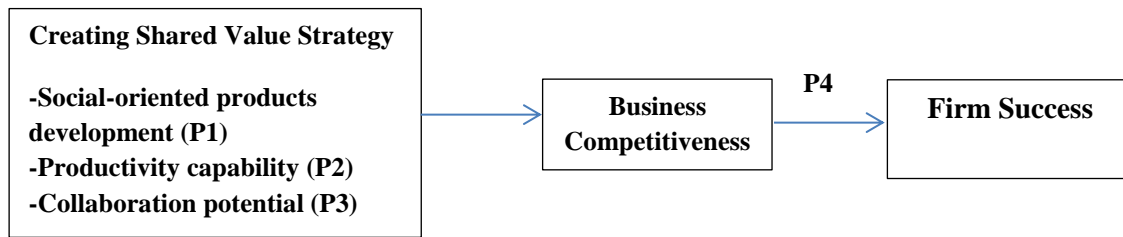


Figure 1: A Conceptual Model of Creating Shared Value Strategy, business competitiveness and Firm success

Creating shared Value Strategy

Creating shared value is defined as abilities of organizational to linking between value creating of societies and companies' economic value through various strategic. The fundamental ideas to expand both of enterprise and societies. The increasing interest in shared value has heightened the need to implications for the business and society. The shared values have been recognizing the importance to competitive advantage and business success. The term shared value has also been used in diverse ways. Kenter et al., (2015) also shared values refer to values held in common by stakeholders in particular contexts such as the urban and rural group.

Moreover, Porter and Karmar (2011) argue that creating shared values involves together creating economic value and society, shared values as a new way can give rise to the next major transformation of business strategy. The organization can be created in three key ways of creating shared values are: 1) by reconceiving products and markets 2) by redefining productivity in the value chain, and 3) by enabling local cluster development.

In the prior literature review, this paper defines creating shared value strategy as abilities of organizational to corporate process linking between value creating of societies and companies' economic value through various strategic. Three dimensions of creating shared values strategy are; social-oriented product development, productivities ability, and collaboration potential. A more detailed discussion of these dimensions is provided below. Social-oriented Product Development

Social-oriented product development is defined as the organizational concentrate of research and development new product and service which focused on customer health that can resolve a problem include low costs and low prices of products. In term of social product development has emphasized to gain customer trust, loyalty lead to business success. The new ideas to competitive advantage products development such as organic products and eco-products. Doorn and Verhoef (2011) extended the organic product to part of the social product that can generate corporate social responsibility initiatives. In addition, Demirel and Kesidou (2011) revealed that eco-innovation is stimulating tools to improve products and processes by providing solutions for cleaner production and consumption. Moreover, product and service quality makes the strong positive impact on superior performance (Cretu and Brodie, 2007). Interesting point, Porter and Karmar (2011) suggest that a product good for customers is greater opportunities arise organizational advantaged through the create societal benefits, like healthier food or environmentally friendly products. Therefore, the first proposition is as follows:

P1: Social-oriented product development will have a positive influence on business competitiveness

Productivities Capability

Productivities Capability refers to organization ability to create new operation and technology including reconfiguring value chain activities to drive resource and labor productivity lead to benefits society (Font, Guix and Bonilla-Priego, 2016). Portor and Karmar (2011) reveals of new thinking is far greater than traditionally of congruence societal progress and productivity in value chain that invents several new ways can often be achieved with better technology such as energy use and logistics, resource use, procurement, distribution, employee productivity, and location that all illustrate reimagining from the perspective of share value. Furthermore, Ketchen and Hult (2007) argue that share value of supply chain as strategic weapons to gain advantages by three attributes: agility, adaptability, and alignment in particular in order to do extremely well and multiple outcomes. Therefore, the proposition is elaborated as follows:

P2: productivities competency will have a positive influence on business competitiveness

Collaboration Potential

Collaboration potential defined as the level of working together, supporting information and consulting between individual personnel, group or inter-organizations such as customers, and partners that have positively related to achievement of organizational learning (Dawes, Lee and Midgley, 2007). In term of collaboration, participants including across sectors and enterprises, organizational and NGOs, by shared their knowledge and technology (Bowe and Horst, 2015). In the collaboration of share value including communities, academic programs, trade associations, and non- profit organizational (Porter and Karmar, 2011).

Furthermore, organization capability of local clusters fostered greater improve company productivity and competitive advantage. Similarly, Du, Jing and Liu (2012) suggest that collaboration can help designers to created shared understanding by using TeamMind toward product quality. Therefore, the participation potential as strategic management its road to success is the organization's capability of collaborating with the best partners. Hence, the proposition is elaborated as follows:

P3: collaboration designs will have a positive influence on business competitiveness

Business Competitiveness

In general, the concept of competitiveness focuses on the developments of prices and cost in production factors that can potentially affect firm performance such as market shares, sales growth and other performance (Testa, Iraldo and Frey, 2011). Sharma et al., (2010) suggest that a competitive advantage as a preponderance financial performance. Furthermore, the competitive advantage causes firms to enhance new opportunities to firm success, especially the firm focus on social care and environmental protection such as reducing energy and recycling resources. Then, firm competitiveness is defined as the superior organizational achieved by the organizations' potential to create a new product innovation, improving productivity, and gain the trust of local collaboration when compared with others is same industry. Hence, the proposition is proposed as follows:

P4: business competitiveness will have a positive influence on business success

Firm Success

The continuous challenge for managers and researchers is measuring organizational success. Previous, researcher often used short-term financial measures as an indicator of business success. However, the new idea of success in recent years explains organizational perspectives beyond financial and non- financial measures (Prasertsang, Ussahawanitchakit, and Jhundra-indra, 2012). . In this paper deploy Kaplan and Norton concept of balanced scored card as firm success in a sense of sustainable development as the intention of the firm about its results generating a notable firm and perceivable economic, customers, internal business process, and learning and growth its appropriate (Kaplan and Norton, 2007). Therefore, firm success defined as an ability of the firms to achieve the firm's goal by both financial and non-financial such as sales growth, market shares, customer satisfaction and productivities improvement to increase corporate sustainability.

Contributions

Creating shared value strategy is important at various levels in all perspective of the organization. It is very importance for the business to gain competitive advantage leads to corporate sustainability (Porter and Kramer, 2011). In the perspective of the creating shared value strategy, many researchers suggest creating shared value as an organization's capability to integrating their internal resources and society to deploy for creating competitiveness advantage over competitors. This paper defines creating shared values strategy as abilities of organizational to linking between value creating of societies and companies' economic value through various strategic. It also includes application in administration and management to adapt resources and abilities within the organization for the changing environment. The literature review found a lack of literature on the empirical research role of creating shared value strategy and firm success. Therefore, the main aim of this paper has been to consider the conceptual framework of creating shared value strategy, business competitive and firm success.

This paper provides a useful theoretical contribution in management research by determining the relationships between creating shared value strategy and firm success through business competitiveness, in all expect a positive relationship from the construct. Furthermore, this paper develops three dimensions of creating shared value strategy consist of; social-oriented product development, productivities capability, and collaboration potential. It I a link that connected of business competitiveness and firm success ultimately.

For future research, the researcher should have proof of this paper's suggestion. The foods and beverage business should be suitable to show evident of this conceptual model which as two seasons are the foods and beverage business rapidly growth and increasing interesting of people wellbeing, and the foods and beverage business has closed relationships various supply chain which can help gain quality of productive.

Therefore, future research required to confirm, expand, and examine the hypothesis with empirical in the foods and beverage business. It expects that empirical research will manifest creating shared value strategy, whether or not it will comprehensive accomplishment corporate sustainability.

Conclusion

This paper is intended to provide an obvious understanding of relationships between creating shared value strategy, business competitiveness, and corporate sustainability. Additionally, this paper focuses on four dimensions of creating shared value strategy; namely, social-oriented product development, productivities capabilities, and collaboration potential. However, although based on the literature review, all relationships between each dimension of creating shared value strategy and its consequents looks, seem positive.

The contributions of this paper are useful to expand stakeholder theory, and implement suggestions for practitioners to business administration. Future research, foods and beverages manufacturing in Thailand that empirical research will manifest creating shared value strategy comprehensively and that will accomplish corporate sustainability.

Biography of the author

Srisunan Prasertsang, Ph.D. Assistant Professor (Mahasarakham University), She was the lecture in the business management program, Faculty of Business Administration and Accountancy, Roi-Et Rajabhat University, Thailand.

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