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<b>Title:</b>	<i>SHORTCOMINGS AND CHALLENGES OF CREATING SHARED VALUE IN MANAGEMENT SCIENCE: A CRITICAL REVIEW</i>
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## INTRODUCTION

In recent years, challenges of capitalistic systems has increasingly been recognized as one of the major contributors to social, environmental, and economic problems<sup>7</sup>. Corporations are increasingly realizing the benefit of society. Even worse, more and more businesses are beginning to accept corporate responsibility, every What's more, he has been blamed for society's failures<sup>8</sup>. The law of legitimacy of business has fallen to a level that has not been seen in recent history. This declining confidence in business leadership has also eroded, with political leaders setting policies that undermine competitiveness and the economy. Business growth is caught in a vicious cycle<sup>9</sup>. A large part of the problem companies have with themselves is that they are trapped in an outdated approach to value creation that has emerged over the last few decades and ignore the broader impacts that determine their long-term success<sup>10</sup>. How can companies ignore the well-being of their customers, the depletion of natural resources for businesses, the viability of key suppliers, or the economic distress of the communities in which they produce and sell? How can companies think that shifting activities to low-wage locations is a "sustainable" solution to competitive challenges?<sup>11</sup>.

Civil society governance has often exacerbated this problem by attempting to address societal weaknesses at the expense of business. The possible balance between economic productivity and social progress has been institutionalized as policy options in the past decades. Companies must take the lead in bringing business and society together<sup>12</sup>. Recognition among thought leaders and complex thought, and promising elements of a new emerging model. However, we still lack an overall framework to guide these efforts, and most companies remain stuck in a "social responsibility" where social issues are at the periphery, not at the core. The solution lies in the principle of shared value, which includes the creation of economic value<sup>13</sup>. It is in a way that creates value for the society by addressing it. Needs and challenges. Businesses must connect corporate success with social progress. The shared value is not social responsibility, philanthropy, or even sustainability, but a new way to achieve a successful economy. This issue is not at the edge of what companies do, but at the center, and we believe it can lead to the next big transformation of business<sup>14</sup>.

Business and society have been pitted against each other for a long time. This is partly why economists have justified the idea that in order to provide social benefits, companies

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<sup>7</sup> Taghipour, A., Khazaei, M., Azar, A., RajabzadehGhatari, A., Hajiaghahi-Keshteli, M., & Ramezani, M. (2022). Creating Shared Value and Strategic Corporate Social Responsibility through Outsourcing within Supply Chain Management. *Sustainability*, 14(4), 1940

<sup>8</sup> Khazaei, M., Ramezani, M., Padash, A., & DeTombe, D. (2021a). Creating shared value to redesigning IT-service products using SYRCS; Diagnosing and tackling complex problems. *Information Systems and e-Business Management*, 19(3), 957-992

<sup>9</sup> Porter M.E., Kramer M.R. (2011) The big idea: Creating shared value. *Harvard Business Review*.

<sup>10</sup> Khazaei, M., Ramezani, M., Padash, A., & DeTombe, D. (2021b). The quantification role of BWM in problem structuring methods: SYRCS methodology. In *The International Workshop on Best-Worst Method* (pp. 252-271). Springer, Cham.

<sup>11</sup> Porter M.E., Kramer M.R. (2018) Creating Shared Value. In: Lissen G., Smith N. (eds) *Managing Sustainable Business*. Springer, Dordrecht

<sup>12</sup> Wieland, J. (Ed.). (2017). *Creating Shared Value – Concepts, Experience, Criticism*. Ethical Economy. Springer International Publishing.

<sup>13</sup> Spitzack, H., & Chapman, S. (2012). Creating shared value as a differentiation strategy – the example of BASF in Brazil. *Corporate Governance: The International Journal of Business in Society*, 12(4), 499–513.

<sup>14</sup> Porter M.E., Kramer M.R. (2011) The big idea: Creating shared value. *Harvard Business Review*.

must create their own economic success<sup>15</sup>. In neoclassical thinking, the need for social improvement—such as safety or the employment of the disabled—imposes a constraint on the firm. Adding a constraint to a profit-maximizing firm, the theory says, will undoubtedly increase costs and decrease profits<sup>16</sup>. Today, every country manager is expected to design a business plan that delivers progress on those issues as well as shareholder returns<sup>17</sup>.

Before discussing the concept of creating shared value for both companies and society, Porter and Kramer<sup>18</sup> first developed and related CSR activities to the value chain of their consulting companies to obtain the best results. Also, when a company uses the value chain to chart all the social consequences of its activities, it has, in fact, created a list of problems and opportunities; Opportunities - mainly operational issues - that need to be explored and prioritized<sup>19</sup>. Moreover, Pourmansouri et al.<sup>20</sup> suggested that an essential aspect regarding corporate governance of the companies is focused on improving performance but also on increasing value for shareholders.

## RESEARCH BACKGROUND

### *Origins of shared value*

At a very basic level, a company's competitiveness and the health of its surrounding communities are deeply intertwined. Business needs to succeed. Society needs not only to create demand for its products, but also to provide critical public assets and a supportive environment<sup>21</sup>. A society needs a successful business to provide job opportunities and wealth creation opportunities for its citizens. This interdependence means that public policies undermine the productivity and competitiveness of businesses, especially in a global economy where facilities and jobs can easily relocate. NGOs and governments have not always understood this connection<sup>22</sup>.

In the old, narrow view of capitalism, business contributes to society by making a profit, which supports employment, wages, purchases, investments, and taxes. Doing business as usual has enough social benefits<sup>23</sup>. A company is largely an independent entity and social or community issues are outside its proper scope. (This is a persuasive argument advanced by Milton Friedman in his critique of the whole concept of corporate social responsibility).

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<sup>15</sup> Pfitzer M.W, Bockstette V, Stamp M. (2013). Innovating for Shared Value. Harvard Business Review. SEPTEMBER 2013 ISSUE.

<sup>16</sup> Porter M.E., Kramer M.R. (2018) Creating Shared Value. In: Lenssen G., Smith N. (eds) Managing Sustainable Business. Springer, Dordrecht

<sup>17</sup> Porter, M. E., Larsson, S., & Lee, T. H. (2016). Standardizing patient outcomes measurement. N Engl J Med, 374(6), 504-506

<sup>18</sup> Porter M.E, Kramer M.R. (2006). Strategy and society: the link between competitive advantage and corporate social responsibility. Harvard Business Review. 2006 Dec;84(12):78-92, 163

<sup>19</sup> Porter M.E, Kramer M.R. (2006). Strategy and society: the link between competitive advantage and corporate social responsibility. Harvard Business Review. 2006 Dec;84(12):78-92, 163

<sup>20</sup> Pourmansouri, R., Mehdiabadi, A., Shahabi, V., Spulbar, C., Birau, R. (2022) An Investigation of the Link between Major Shareholders' Behavior and Corporate Governance Performance before and after the COVID-19 Pandemic: A Case Study of the Companies Listed on the Iranian Stock Market. Journal of Risk and Financial ManagementT, 15(5), 208, <https://doi.org/10.3390/jrfm15050208>

<sup>21</sup> Kramer M.R., Pfitzer M.W. (2016). The Ecosystem of shared value. Harvard business review, ISSN 0017-8012, Vol. 94, N° 10, 2016, 89 págs

<sup>22</sup> Porter M.E., Kramer M.R. (2011) The big idea: Creating shared value. Harvard Business Review

<sup>23</sup> DehghanNayeri, M., Khazaei, M., & Alinasab-Imani, F. (2020). The critical heuristics of iranian banking credit system: analysis of the antithetical opinions of the beneficiaries. Systemic Practice and Action Research, 33(3), 363-392

What is shared value? The concept of shared value can be defined as operating policies and procedures that enhance a company's competitiveness while simultaneously enhancing economic and social conditions in the communities in which they operate. Creating shared value focuses on identifying and expanding the connection between social and economic progress. This concept is based on the assumption that both economic and social progress should be considered using value principles. Value is defined as benefits relative to costs, not just benefits alone<sup>24</sup>. Value creation is a well-recognized idea in business where profit equals revenue from customers minus costs incurred. However, businesses have rarely approached social issues from a value perspective, treating them as side issues. This problem has destroyed the connections between economic and social concerns<sup>25</sup>.

In the social sector, thinking in less value terms is common. Social organizations and government institutions often see success solely in terms of benefits achieved or money spent. As governments and non-governmental organizations think about more value, their interest in working with businesses will inevitably grow. An effect that has become even stronger in the current economic recovery, where rising incomes are less likely to compensate for high unemployment, and the distress of local business pressures and severe pressures on social services<sup>26</sup>.

The best companies once took on a wide range of roles in meeting the needs of workers, communities and supporting businesses. However, as other social institutions appeared on the scene, these roles were lost or delegated. The investor's time horizons allowed him to think narrowly about suitable investments<sup>27</sup>. As the vertically integrated company relied more on external vendors, outsourcing weakened the connection between companies and their communities. As companies moved different activities to more locations, they often lost touch with each location. In fact, many companies no longer recognize a home; But they see themselves as "global" companies. These developments caused major progress in economic productivity. However, something deeply important was missing in this process, more fundamentally opportunities for value creation. The scope of strategic thinking has shrunk<sup>28</sup>. Using this concept, companies can avoid short-term prosocial behavior that is socially or environmentally useless in order to obtain long-term economic benefits<sup>29</sup>.

### **DIFFERENCES IN SHARED VALUE AND SUSTAINABILITY**

In an article published on [sharedvalue.org](http://sharedvalue.org) in 2015 by Hanks and Robbins, the differences between the concepts of sustainability and shared value are explored. From the point of view of the audience, sustainability is most similar to the concept of shared value and may be considered the same in the minds of people. Kramer also acknowledges this similarity in his articles and speeches. Therefore, it is necessary to understand the differences between these concepts correctly and from key points of view. Although these terms are often used

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<sup>24</sup> Porter M.E., Kramer M.R. (2018) Creating Shared Value. In: Lenssen G., Smith N. (eds) *Managing Sustainable Business*. Springer, Dordrecht

<sup>25</sup> Porter M.E., Kramer M.R. (2011) The big idea: Creating shared value. *Harvard Business Review*

<sup>26</sup> Porter M.E., Kramer M.R. (2018) Creating Shared Value. In: Lenssen G., Smith N. (eds) *Managing Sustainable Business*. Springer, Dordrecht

<sup>27</sup> DehghanNayeri, M., Khazaei, M., & Alinasab-Imani, F. (2020). The critical heuristics of iranian banking credit system: analysis of the antithetical opinions of the beneficiaries. *Systemic Practice and Action Research*, 33(3), 363-392

<sup>28</sup> Porter M.E., Kramer M.R. (2011) The big idea: Creating shared value. *Harvard Business Review*

<sup>29</sup> Hwy-Chang Moon, Jimmyn Parc, So Hyun Yim and Nari Park. (2011). An Extension of Porter and Kramer's Creating Shared Value (CSV): Reorienting Strategies and Seeking International Cooperation. *Journal of International and Area Studies* Vol. 18, No. 2 pp. 49-64

together or interchangeably and generally share the desired result, they differ in scope and application. Hanks and Robbins<sup>30</sup> describe the differences between these two concepts as follows:

a) Shared value: Regarding business strategy and the decisions that companies make in pursuit of profit, it is obvious that it refers to a specific type of business strategy; A company that provides a competitive advantage by addressing social challenges. Shared Value works explicitly within the framework and seeks business in addressing societal challenges.

b) Sustainability: While it certainly means different things to different people, it captures a broader perspective. This need for systemic change and transformation is needed, which is finally achieved by lenses based on the value of information. As John Ellington said: "If shared value is essentially about creating new types of win-win outcomes, then sustainability is about identifying and managing the inevitable win-lose and lose-lose outcomes, and it is one of the great challenges that the global economy will face it in the coming decades. Shared value is in the context of responding to social challenges through a "win-win" business lens<sup>31</sup>.

So it can be said that while the supporters recognize the shared value of understanding the need for a broader system, achieving these changes will require the dedication of more than one business. But by framing social challenges in the language of business, we are more likely to engage businesses, and tap into their capacity for innovation and their impact to create positive impact, both for our businesses and for our society.

### **HOW IS SHARED VALUE CREATED ?**

Companies can create economic value by creating social value. There are three distinct ways to do this:

- Reinventing products and markets
- Redefining productivity in the value chain
- Creating industrial clusters in company locations

Each of these is part of a circle of shared value. Improving value in one area creates opportunities for others. The concept of shared value preserves the boundaries of capitalism and creates success for companies with their social improvements. There are many ways to serve new needs, gain efficiencies, create differentiation, and develop markets. The ability to create shared value applies equally to developed economies and developing countries, although specific opportunities are different, opportunities will also vary across industries and companies; But every company has them, and their scope is much wider than it is known<sup>32</sup>. The relationship between competitive advantage and social issues:

There are several ways that addressing social concerns can provide productivity benefits for a company. For example, consider what happens when a company invests in a wellness program, the benefits to society as employees and their families become healthier, the company minimizes employee absenteeism, and productivity increases. The Figure 1

<sup>30</sup> Hanks.J,Robins.N (2015). Sustainability and Shared Value. [www.sharedvalue.org](http://www.sharedvalue.org)

<sup>31</sup> Hanks.J,Robins.N (2015). Sustainability and Shared Value. [www.sharedvalue.org](http://www.sharedvalue.org)

<sup>32</sup> Porter M.E., Kramer M.R. (2018) Creating Shared Value. In: Lenssen G., Smith N. (eds) Managing Sustainable Business. Springer, Dordrecht

shows some areas where connections are stronger<sup>33</sup>.



**Figure 1**  
The relationship between corporate productivity and social responsibility<sup>34</sup>

### HOW DOES SHARED VALUE DIFFER FROM CORPORATE SOCIAL RESPONSIBILITY?

Creating shared value (CSV) should replace corporate social responsibility (CSR) in guiding corporate investment in their communities. CSR focuses more on reputation and has only a limited relationship with business, which makes it difficult to justify and maintain them in the long term; In contrast, CSV is essential for the company's profitability and competitive position. It has also acquired the company's unique resources and expertise to create economic value by creating social value<sup>35</sup>.

**Table 1**

*Transition from social responsibility to shared value creation<sup>36</sup>*

CSR	CSV
Value: Good job	Value: Social and economic benefits relative to cost
Citizenship, philanthropy, sustainability	Company and society share social value
Caution in response to external pressures	Integral to the competition
Profit increase from profit maximization	Profit maximization
The agenda is determined by external reporting and personal priorities	. The agenda is a specific and internal company.

<sup>33</sup> Porter M.E., Kramer M.R. (2011) The big idea: Creating shared value. Harvard Business Review

<sup>34</sup> Porter M.E., Kramer M.R. (2006). Strategy and society: the link between competitive advantage and corporate social responsibility. Harvard Business Review. 2006 Dec;84(12):78-92, 163

<sup>35</sup> Porter M.E., Kramer M.R. (2018) Creating Shared Value. In: Lenssen G., Smith N. (eds) Managing Sustainable Business. Springer, Dordrecht

<sup>36</sup> Porter M.E., Kramer M.R. (2018) Creating Shared Value. In: Lenssen G., Smith N. (eds) Managing Sustainable Business. Springer, Dordrecht

Limited impact on corporate budgets and CSR budgets	Increase the total budget of the company
Example: fair buying and selling	Example: Converting procurement to increase quality and efficiency

In his speeches and articles, Porter has repeatedly criticized the position of social responsibility of companies and called it an activity outside of the main mission of companies. The articles published by the Harvard Business Journal about the creation of shared value after 2011 and the articles published by the FSG consulting group have repeatedly addressed the questions raised regarding the similarity of shared value with other perspectives in the field of corporate responsibility. Also, in a book titled "Creating shared value as a factor of future competition" published by Lielvon in 2018, all the concepts close to shared value that may be confused with shared value from the audience's point of view are examined. have given. All these concepts somehow revolve around the responsibility of companies in society based on Table 2.

**Table 2**  
*Concepts related to corporate responsibility, Liel von<sup>37</sup>*

Concepts	Definitions
Creating Shared Value (CSV)	Creating shared value as operational policies and practices that increase the company's competitive advantage, while simultaneously improving social and economic conditions in communities, where through operations and reclaiming products and markets, redefining productivity in the value chain and Building supporting industrial clusters works in corporate situations.
Corporate Social Responsibility (CSR)	The first type: Corporate social responsibility is related to dealing with the company's shareholders in terms of ethics or responsible behavior of the organization. Second type: Corporate social responsibility is defined as integrated activities and processes in the core of a company's business and strategy based on three dimensions of sustainability. These three dimensions are economic, environmental and social, which need to be followed by companies at the same time.
Corporate citizenship (CC)	Corporate citizenship refers to the active role of private sector institutions as "citizens", having rights and responsibilities. In addition, adopting business policies and corporate social responsibility practices. Corporate citizens are committed to maximizing the private sector's contribution to social development without undermining business practices.
Bottom of the pyramid	The purpose of this pyramid is to create business opportunities with people who are at the bottom of the economic pyramid and participate by using them as customers, suppliers, producers and shareholders.
Theory of shareholders	This company is a system of active stakeholders that includes a system larger than the host community, which provides the necessary legal and market infrastructure for the company's activities. The purpose of a company is to create wealth or value for its shareholders by converting shares into goods and services.
Corporate Sustainability (CS)	Corporate sustainability is a business approach that creates long-term equity value by considering opportunities and managing risks related to economic, environmental and social development.
Social Entrepreneurship	Social entrepreneurship is activities that aim to achieve social goals through the operations of organizations in the market.

## RESEARCH METHODOLOGY

The concept of shared value emerged from the Harvard Business School. HBR articles written by Porter and Kramer; It started more than a decade ago with a focus on the non-

<sup>37</sup> Liel von, B. (2018). Creating Shared Value as Future Factor of Competition. Springer Fachmedien Wiesbaden

profit sector. The investigation of how to create social infrastructure soon expanded. Investigating how corporate philanthropic activities can create social and economic value. Assessing shared value inspires and influences investors and business unit CEOs. The investment community is a key lever to encourage adoption of shared value at scale. Business strategies drive social outcomes and vice versa and will help create a new level of dialogue with investors. We compiled the results of this research by studying more than 20 articles and using in-depth interviews with 4 interviewees, two of whom were top managers of companies affiliated to the municipality and SNAP, and interviews with two academic experts and multiple reviews. we did. At the beginning of the explanation of the findings, we will examine the reason for the shared value lead from the perspective of the researchers in the past articles. Then, the interviews and the findings from the study of the articles have been explained in the form of two targeted topics in the interviews, i.e. the binding factors of attention to the creation of shared value in the future and the academic needs in this field.

## **FINDINGS**

### ***The perspective of researchers in the literature; Why is shared value the future of strategy?***

Porter and Kramer<sup>38</sup> believe that the key to unlocking the next wave of innovation and business growth is shared value, and this concept re-establishes a connection between the success of the company and the success of society. This relationship has been lost for decades in limited management views, short-term thinking and the gap between different institutions in society. According to Porter and Kramer, shared value is a concept that relies on the right and legitimate aspect of benefit, and it is a value that creates benefit for society and does not ignore it. Capitalist markets will undoubtedly continue to exert pressure on corporations, and this demand system will encourage many corporations to continue making profits at the expense of social needs. But as soon as the view of short-term interests prevails in companies, bigger opportunities will be lost<sup>39</sup>.

A new definition of capitalism is needed. This definition should be a bit more complicated and social goals should be permeated in it. Naturally, these goals should not come from the hearts of charities and can only be the result of the competition process of companies and the role of producing economic value. This new revolution in capitalist models is leading us to new ways of developing products, serving markets, and building productive companies. Creating shared value is actually a broader redefinition of Adam Smith's old concept of the invisible hand. Porter emphasizes that this concept is not a philanthropic view at all, but a self-interested behavior to create economic value based on creating values for society<sup>40</sup>.

### ***Binding levers: What factors will compel companies to come to shared value?***

Perhaps with a faster speed than the development of science and technology, awareness and information in society is increasing. Companies can't keep their activities and effects on the environment a secret like in the past. Many factors will stimulate companies further down the road, which:

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<sup>38</sup> Porter M.E., Kramer M.R. (2011) The big idea: Creating shared value. Harvard Business Review

<sup>39</sup> Liel von, B. (2018). Creating Shared Value as Future Factor of Competition. Springer Fachmedien Wiesbaden

<sup>40</sup> Porter M.E., Kramer M.R. (2018) Creating Shared Value. In: Lenssen G., Smith N. (eds) Managing Sustainable Business. Springer, Dordrecht

**1. The growth of information transparency:** In the last two decades, there has been a significant increase in information transparency. Nowadays, people want to be aware of the effective activities of the company in addition to the quality and type of product. Governments have also created new jobs such as whistleblowers to deal with corruption and violations, and provide information about companies and individuals to the public and professionals to detect violations. These approaches and their outputs have greatly increased the desire for transparency among the society and have drawn a lot of attention to this issue. Naturally, companies that do not have the necessary transparency will gradually be under pressure. Also, nowadays, various platforms have been created for the transfer of information and the power of restriction and concealment has been greatly weakened. On the other hand, if governments can prevent the release of dangerous information, companies will not have this ability. The result of such conditions will be companies turning to sanitizing products and activities.

**2. Competitors' performance:** due to the efforts made by business consulting companies such as FSG and the successful implementation of shared value in companies such as Nesle, IBM, Unilever, Toyota and several other international companies, the increasing expansion of this view in It is predictable between companies. Porter and Kramer<sup>41</sup>, predict that this view will spread rapidly in different industries. Competitors' performance according to this view will attract a lot of attention. Therefore, if large companies are not the leaders in entering this view, they will inevitably follow it to keep up with their competitors.

**3. Win-win strategy:** Due to the nature of the comprehensive view of shared value and mutual attention to the system's beneficiaries and those affected by the company's products and activities, gaining a competitive advantage in this way is accessible in the current situation. De los Reyes and his colleagues<sup>42</sup> while creating a framework to achieve shared value, consider the results of this view to be a win-win strategy.

**4. Academic efforts:** In recent decades, academics have paid a lot of attention to the development of the social role of companies. After Michael Porter proposed shared value in 2006 and criticized the theory of social responsibilities, it is clearly possible to see the change of academic trends in this field towards this concept. Only two papers by Porter and Kramer in 2006 and 2011 have been cited more than 12,000 times by academic papers. Shared value is rapidly entering other topics such as marketing, pricing, supply chain and other academic topics.

**5. Demands of non-governmental organizations:** many of the initial demands for more responsible business behavior, such as protecting the environment, improving working conditions in exploitative workshops in developing countries, or preventing human rights violations in countries with oppressive regimes. Non-governmental organizations such as Green Peace, Save the Children or International Children's Organizations have put them in the center of attention of the vast masses of people. Therefore, the traditional role of non-governmental organizations in the field of corporate social responsibility has been more like the role of police officers or security guards, or constant critics who have opposed the crooked behavior of organizations or exert pressure against certain methods. They are talking about their irresponsibility. In these years, organizations have increasingly responded to these protests and tried to show their responsibility against the criticisms of non-governmental organizations. In many cases, this sense of responsibility has led to a change in the existing

<sup>41</sup> Porter M.E., Kramer M.R. (2011) The big idea: Creating shared value. Harvard Business Review

<sup>42</sup> De los Reyes, G., Jr., Scholz, M., & Smith, N. C. (2017). Beyond the "Win-Win." California Management Review, 59(2), 142–167

behavior of companies. With the development and expansion of the concept of shared value, it is thought that these institutions will demand pressure to apply this view in companies.

**6. Recognizing long-term benefits:** In his articles and meetings regarding the creation of shared value, Porter has repeatedly emphasized that due to the two-way nature of the benefits resulting from this view for companies and society, the opportunities created from it are the long-term benefits of the company. will guarantee Recognizing the long-term benefits resulting from the implementation of the shared value approach will attract large companies to it.

**7. Conflict between the social roles of the organization:** One of the things that seriously endangers the reputation of the companies is the conflict between the real role of the company in the society/environment and what the managers of the company claim in the slogans and missions of the organization. For example, in an interview that Michael Porter had with the Financial Express news agency, he criticized Amazon. "What people don't know about Amazon is that it's one of the world's biggest polluters; it sends a box to the farthest reaches of the earth, and the only contents are a simple device," says Porter. On the other hand, Amazon has a social responsibility section on its website, which describes activities such as green packaging, helping to set up urban bicycle camps, setting up clean energy equipment such as wind turbines and solar panels, and mentioning several other things. Compliance with social and environmental responsibilities. Such contradictions, if they are noticed by the media and the public, can greatly damage the company's intangible assets and reputation.

**8. Media pressure and social networks:** The emergence and development of the new generation of social networks has faced serious changes in business equations. Now, every person has free and direct access to the world's most popular social networks with just one smartphone and can become a popular unofficial media. Now, unlike in the past, people in the role of a news agency directly produce content, and the media of the previous generation monitor the created content and reinforce or deny it for their survival. This issue is considered a serious threat for companies that try to hide problems and inconsistencies in their products and activities. Creating shared value is a way to reengineer all the things that a company might be charged with or encouraged by.

## **ACADEMIC REQUIREMENTS AND SUGGESTIONS FOR FUTURE STUDIES IN THE FIELD OF SHARED VALUE**

Andrew Crane et al.<sup>43</sup> criticized this point of view. They raise their main question in this way that arguably the most important limitations are related to the initial stage of development of the CSV idea itself. Fundamentally, the CSV literature has not yet addressed what researchers call portfolio and distribution problems: how should a firm choose among the variety of potential cases it can handle? How should we determine an appropriate distribution of value among stakeholders?

The concept of shared value has been welcomed by many experts and researchers in the fields of strategy and social responsibility since it was proposed precisely by Porter and Kramer<sup>44</sup>. But academic productions and the expansion of its concept directly include a small number of articles and compilations. In this field, general articles have been written so far, most of which have been published in the Harvard Business Studies Journal and are the result

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<sup>43</sup> Andrew Crane Guido, Palazzo Laura J. Spence, Dirk Matten. (2014) Contesting the Value of "Creating Shared Value". California Management Review, Vol. 56, No. 2 (Winter 2014), pp. 130-153

<sup>44</sup> Porter M.E., Kramer M.R. (2011) The big idea: Creating shared value. Harvard Business Review

of the theories of Michael Porter, Mark Kramer and members of the FSG consulting team. Therefore, in interviews and reading articles, new cases for special attention in future studies have been discovered, which we will describe:

**A. Design of system troubleshooting models:** The main need is to create shared value in the field of current existing systems, which requires the existence of a troubleshooting model for existing systems. It is recommended to use critical thinking approaches and functional methods in systemic thinking in order to examine the system structure, especially in the part of reproducing products and markets. It is recommended to use research methods in liberating operations in order to more accurately understand conflicting views to discover possible dissatisfactions and injustices in system problem solving.

**B. Designing a business launch model based on shared value:** If we want to launch a new business based on shared value, problem solving and system development models will not be efficient and require designing a model to launch a business. We are new based on this concept. Considering the complexity of the issues and the multidimensional view in the design of business models in this field, it is suggested to use the methods of structuring complex issues and decision-making approaches in soft operations in order to consolidate the conflicting views and face the multidimensional complexity of decision-making.

**C. Discovery of selection criteria:** For various concepts such as sustainability, mana and other views, many criteria and metrics have been specified according to the fields of application. So far, there has been no research that mentions the details of shared value measurement criteria and metrics, and this will be one of the needs of this concept in different areas of application.

**D. Compilation of key performance indicators:** After creating shared value in their products and value chain, companies will not have any proper feedback of their performance without measuring and reviewing key performance indicators. Without key performance indicators, managers cannot properly define the context of success or measure it by an appropriate measure.

**E. Compilation of the concepts of creating shared value in different fields:** as Porter and Kramer<sup>45</sup> state at the end of their article, strategies for creating shared value should be developed in different fields. In the interviews and the study of various articles, the required areas were identified; supply chain, marketing, sales, product design and areas related to the organization's products and activities.

## CONCLUSION

Shared value is a business strategy that creates an improved profit formula or new market opportunity by addressing social challenges (such as unemployment, climate change, inequality, or resource scarcity). This strategy is typically activated through selected business units or product lines that evolve into one or more shared value initiatives. Creating shared value in internal operations that improve cost, input access, quality, and productivity through environmental, utilization Better results from resources, investment in employees, supplier capability and other areas. The purpose of shared value measurement is to track the progress and results of shared value strategies and its parallel goals of addressing a social problem and improving business.

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<sup>45</sup> Porter M.E., Kramer M.R. (2018) Creating Shared Value. In: Lenssen G., Smith N. (eds) Managing Sustainable Business. Springer, Dordrecht

Our purpose of conducting this research was to address social problems through the main activities of companies and economic enterprises, which can lead to more social benefits in addition to economic profit for the enterprise, since this issue has not been raised in our country. Due to the need to address this view along with other concepts; A background of this research has also been reviewed and it is necessary to have it in our Persian sources.

As the academic needs in this field were discussed in the previous section, it is necessary to design academic activities in the field of building evaluation models, reengineering models and business models with a shared value approach. It is also suggested that in order to develop this view in management science, researches should be carried out regarding the recognition of obstacles and the type of foundation in this field.

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