Área de submissão: Estratégia

Title: SHARED VALUE CAPABILITY GOVERNANCE A PATH TO PERFORMANCE

ABSTRACT

How do companies coordinate their capabilities to create and share value with multiple stakeholders and at the same time guarantee performance? This question is a challenge for the updated the strategic management studies. For this, the theoretical foundation lies in Stakeholder and Resource-Based Theories. The theories have twofold objectives: (a) help companies to identify their stakeholders and their claims, and (b) develop capabilities to attend to them. However, it is the combination of the two theories that allow us to discuss the challenges of coordinating capabilities to manage multiple stakeholders sustainably. The research is an exploratory, qualitative approach. We applied a multiple case theory-building study to deeply investigate companies' processes of developing capabilities to share value with multiple stakeholders. In-depth interviews with seven companies' multiple stakeholders (shareholders, suppliers, employees, customers, and community) are the key elements of our study. The results indicate that shared value capability is the coordinated management of the processes of strategic choices for value creation, mapping of stakeholders' bargaining power, value capture mechanisms and the communication and exchange mechanisms that aim to generate superior performance for the organization and social-environmental benefits for its stakeholders. We contributed to Menghwar and Daood's (2021) and Muhlbacher and Bobel's (2019) research by describing how firms develop distinguished capabilities to create share value. The results also emerged a new configuration of the firm's value chains, contributing to Porter and Kramer's (2011) forms of shared value strategies where the firm's activities within its value chain are not a linear sequence model. Unlike, departments are borderless and interconnected and their activities overstep their borders. This research investigated organization in Brazil with a stakeholder-orientation approach, other studies can investigate how shared value capabilities will function in shareholder-oriented companies.

Keywords: Shared Value, Stakeholder theory, Resource-Based Theory

RESUMO

Como as empresas coordenam suas capacidades para criar e compartilhar valor com vários stakeholders e, ao mesmo tempo, garantir o desempenho? Essa questão é um desafio para os estudos atuais de gestão estratégica. Para isso, a base teórica está nas Teorias de Stakeholders e a Baseada em Recursos. As teorias têm objetivos duplos: (a) ajudar as empresas a identificar seus stakeholders e suas reivindicações, e (b) desenvolver capacidades para atendê-los. No entanto, é a combinação das duas teorias que nos permite discutir os desafios da coordenação de capacidades para gerenciar múltiplas partes interessadas de forma sustentável. A pesquisa é uma abordagem exploratória e qualitativa. O estudo se baseia no método de construção de teoria a partir de casos múltiplos e investiga os processos das empresas de desenvolver capacidades para compartilhar valor com várias partes interessadas. Entrevistas em profundidade com diferentes grupos de stakeholders de sete empresas (acionistas, fornecedores, funcionários, clientes e comunidade) são os elementos-chave do estudo. Os resultados indicam que a capacidade de valor compartilhado é a gestão coordenada dos processos de escolhas estratégicas para criação de valor, mapeamento do poder de negociação dos stakeholders, mecanismos de captura de valor e mecanismos de comunicação e troca que visam gerar desempenho superior para a organização e benefícios socioambientais para seus stakeholders. Os resultados contribuem com as pesquisas de Menghwar e Daood (2021) e Muhlbacher e Bobel (2019), descrevendo como as empresas desenvolvem capacidades distintas para criar valor compartilhado. Os resultados também sugerem uma nova configuração da cadeia de valor da empresa, contribuindo para o entendimento da implementação de estratégias de valor compartilhado de Porter e Kramer (2011), onde as atividades da

empresa dentro de sua cadeia de valor não são um modelo de sequência linear. Ao contrário disso, os departamentos são interconectados e sem limites rígidos, assim suas atividades ultrapassam as fronteiras do departamento. Esta pesquisa investigou organizações no Brasil que adotam uma gestão orientada para stakeholders, outros estudos podem investigar como as capacidades de valor compartilhado funcionam em empresas orientadas para os acionistas.

Palavras-chave: Valor Compartilhado, Teoria de Stakeholders, Teoria Baseada em Recursos

Introduction

Resource-based and Stakeholder theorists (Zollo, Minoja, and Coda, 2017; Barney,2018; Freeman, Dmytriyev and Phillips, 2021; McGahan,2021) agree that both theories complement one another and may help organizations to implement a stakeholder orientation approach. A stakeholder-oriented firm aims at creating shared value with stakeholders and simultaneously guaranteeing its profitability (Henderson, 2021; Harrison, 2020; Barney, 2018; Porter and Kramer,2011). The combined theories have twofold objectives: (a) help companies to identify their stakeholders and their claims (Clarkson,1985; Freeman, 1984), and (b) develop capabilities to attend to them (McGahan, 2021; Zollo, Minoja and Coda, 2017; Barney, 1991). Therefore, “claimancy rights establish which individuals or groups can capture the value created by the firm” (Klein, Mahoney, McGahan and Pitelis, 2019 p.10), and the firm’s capabilities operationalize how it creates value (Henderson, 2021; Freeman et al., 2021; McGahan,2021; Barney,2018; Zollo, Minoja and Coda, 2017; Porter and Kramer, 2011,2006; Nag, Hambrick and Chen, 2007).

However, the current literature does not posit if the firm needs a capability for each stakeholder or if there are central capabilities to manage all stakeholders and how the firm coordinates its capabilities to share value (Menghwar and Daood’s,2021; Muhlbacher and Bobel ,2019). From the organizational perspective, if the organization needs a different capability to manage each stakeholders group it may be extremely costly and so being a barrier for the organization to implement mechanisms to manage stakeholders (Stoelhorst, 2021; Muhlbacher and Bobel ,2019). On the other hand, from the stakeholders’ perspective if the organization decides to create value for a specific group of stakeholders that proves to be costly and therefore losing productivity and competitiveness, the organization may decide to end up its relationship with this stakeholder group who may lose value in the long term (Stoelhorst, 2021). Thus, the literature does not demonstrate how the firm develops and coordinates its capabilities to create shared value with stakeholders and at the same time achieve superior performance. Our thesis is that the firm creates share value with essential stakeholders by establishing a joint value creation and for that needs distinguished capabilities.

Therefore, this paper aims to investigate how the firm develops and coordinates distinguished capabilities to share value with stakeholders and achieve performance. Our thesis is that the firm needs to develop distinguished capabilities to manage its relationships with stakeholders to create and share value with them. We designed the research as a theory-building multiple case study (Eisenhardt, 2021,1989). We selected companies from different sectors that expressed a stakeholder orientation through their sustainability reports, digital media, and videos. These companies’ leaders accepted our invitation to participate in the research and authorized data disclosure. The database is composed of secondary data from the companies’ reports and primary data. In-depth interviews with the selected companies’ constituencies of the priority groups of stakeholders (shareholders, customers, employees, and communities) are the key elements of our study.

We contribute to the updated investigation on capability development to stakeholder management. Extending Menghwar and Daood’s (2021) and Muhlbacher and Bobel’s

(2019) research, we contribute to clarifying how the firm coordinates distinguished capabilities to share value with multiple stakeholders. Our results show that shared value capability is the coordinated management of the processes of strategic choices for value creation, mapping of stakeholders' bargaining power, value distribution criterium, value capture mechanisms, and the communication and exchange mechanisms that aim to generate superior performance for the organization and social-environmental benefits for stakeholders. Our managerial contribution is a capability development map that managers can use to implement stakeholder-oriented strategies. This research contributes to the implementation of sustainable development global goal 8. Specifically, we help to explain how companies can promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity, and innovation, and encourage the formalization and growth of micro, small and medium-sized enterprises by taking a stakeholder turn and developing capabilities to manage their relationship with multiple stakeholders.

Stakeholder-Resourced based Theory and value creation

The firm needs coordinated processes (capabilities) to manage stakeholders' claims (McGahan, 2020) and create value (Cabral, Mahoney, McGahan, and Potoski, 2019). The current argument is that a model of appropriation of economic profit that assumes that shareholders appropriate all the economic profits generated by a company is not consistent with the model of resource-based theory (RBT) of generating economic profit (Barney, 2018), since other non-shareholder stakeholders were also responsible for generating those profits (Barney, 2018, 2015; Mahoney, 2013). In this way, scholars argue that the firm needs specific capabilities to manage multiple stakeholders (Barney, 2018; Zollo, Minoja, and Coda,2018) that enable and support the firm's value proposition on both the competitive and the stakeholder systems (Zollo, Minoja, and Coda,2018). Extending the definition of Helfat and Peteraf (2003) we propose that capabilities for stakeholder management consist of a systematic way of coordinating (governing) resources and processes to create value for stakeholders. Based on that, we ought to understand which capabilities the firm needs to create shared value and how to coordinate them. Table 1 synthesizes the capabilities, resources, and processes to create shared value with stakeholders mentioned in the literature.

Therefore, a better way to understand the firm's performance outcomes on both competitive and stakeholder systems may be a comprehensive notion of how value is created and appropriated (Stoelhorst, 2021; Zollo, Minoja, and Coda,2018; Klein et al., 2010) and the firm's challenge is to design governance mechanisms to enable value allocation with external stakeholders (Cabral et al., 2019). Four appropriability mechanisms may enhance resources as competitive advantage sources. They are (a) complementarity (when the firm has assets that combined enable the achievement of goals), (b) property rights (the firm's ability to prevent others from profiting from the deployment of its resource), (c) governance (the firm's ability to use resources more effectively and efficiently than its competitors), and (d) embeddedness (how the firm can build a capability cluster and complementary resources around its strategically important resource) (Klein et al, 2013; Klein et al., 2010).

Besides, stakeholder- resource based theorists argue value should be created for multiple stakeholders incorporating their claims and value capture should go beyond profits (Zollo, Minoja, and Coda, 2017; Barney,2018; Freeman, Dmytriyev and Phillips, 2021; McGahan,2021). Therefore, stakeholder-oriented approach adds intangible attributes to both value creation and appropriation outcomes (Harrison, 2020; Porter and Kramer, 2011; Harrison et al, 2010). For this, the firm needs specific capabilities to help strategic decision choices, since several stakeholders' claims may differ from the firm's strategic objectives and its core business (Henderson, 2021; Porter and Kramer,2011). Hence, adaptive change, learning and, relational capabilities (Zollo, Minoja, and Coda,2018) may strengths the firms' ability to understand environment characteristics and learn by trading to combine stakeholders' claims and the firm's core objectives.

Table 1: Capabilities, resources, and processes

Capabilities	Resources and Processes	Reference
Complementarity	Assets combined that enable the achievement of goals	Klein et al, 2013; Klein et al., 2010
Property rights	Ability to prevent others from profiting from the deployment of its resource	Klein et al, 2013; Klein et al., 2010
Governance	Ability to use resources more effectively and efficiently than its competitors	Klein et al, 2013; Klein et al., 2010
Embeddedness	Building a capability cluster and complementary resources around the firm' strategically important resource	Klein et al, 2013; Klein et al., 2010
Close relationship capability	Intention to rely on relational contracts, joint wealth creation, high levels of mutual trust and cooperation and communal sharing of	Jones, Harrison and Felps (2018)
Adaptive change	Sensing and prioritizing indicators from the environment, searching potential solutions and developing a replicable framework	Zollo, Minoja and Coda (2018)
Learning	Brainstorming and debriefing. Insights related to upcoming or past experiences	Zollo, Minoja and Coda (2018)
Relational	Creation and development of trust-based relationships with customers and multiple stakeholders	Zollo, Minoja and Coda (2018)
Monitoring uncertainties	Monitoring of both behavioral and environmental uncertainties that could affect stakeholder firm specific investment	Hoskisson; Gambeta; Green, and Li (2018)
Human capital	Employees' bargaining power to develop firm-specific capital	McGahan (2021)
Sustainability	Acquisition, setting, and distribution of resources to create and capture value	McGahan (2021)
Fair value mechanism	Benefits distribution according to the amount of resource supply	Harrison, Bosse, and Phillips (2010)
Giving voice to stakeholders	Stakeholder communication systems employment and discourse of sensitive information	Harrison, Bosse, and Phillips (2010)
Multiple stakeholders´ hub	Connectivity	Harrison, Bosse, and Phillips (2010)
Exchange knowledge	Innovation by exchangeable knowledge	Harrison, Bosse, and Phillips (2010)

Source: developed by the authors

Adaptive change capabilities are characterized by processes that sense and prioritize indicators from the environment relative to the firm's strategic interests, searching for potential solutions among some ongoing alternative actions for the selected material themes. And finally design a replicable unique framework to be implemented throughout the organization. Learning capabilities are characterized by knowledge articulation processes, such as brainstorming and debriefing. They aim at sharing insights related to upcoming or past experiences and, are usually necessary when the firm needs to tackle a certain strategic topic. By using similar learning processes, the firm may develop different capabilities. Relational capabilities are characterized by the firm's processes to create and develop trust-based relationships with customers and multiple stakeholders. They can be identified as instruments that enable the sharing of know-how and private information between the firm and its customers and multiple stakeholders being a support to different strategic choices positioning.

Additionally, a firm achieves sustained competitive advantage through unique bundles of resources that are often created by key stakeholder firm-specific investments (FSIs) (Hoskisson; Gambeta; Green, and Li,2018; Barney, 1991) which is defined as investments in firm-specific assets. However, the firm can appropriate value using its bargaining position, after stakeholders have made their investment, therefore "behavioral and environmental uncertainties are the primary hazard barriers that need to be addressed by the firm to incentivize stakeholder firm-specific investments (FSIs)" (Hoskisson et al.,2018 p.12) and promote resources and capabilities' development to achieve sustained performance.

Based on that, the firm needs provisions of several protective processes to encourage its stakeholders to engage and continue to supply resources within the value creation system. For that, a multiple stakeholders' management capabilities are required. They are (1) the Board's resources and processes to monitor both behavioral and environmental uncertainties that could affect stakeholder firm-specific investment (Hoskisson; Gambeta; Green, and Li,2018); (2) human capital which is characterized by employees' bargaining power to develop firm-specific capital to create value and the dilemmas that this creates for the organization; and, (3) sustainability that is characterized by the idea that the accumulation of resources and capabilities strengthen the firm's ability to create and capture the value and weaken multiple stakeholders' control over resources and capabilities that generate value. Besides, within sustainability, "causal ambiguity, tacitness, and complementarities developed within the organization may powerfully overwhelm the capacity of external stakeholders to develop coherent positions in negotiating to protect external resources and capabilities of value to the firm" (McGahan, 2021 p.1741).

Thus, we may undertake that multiple stakeholder management capabilities emphasize the interactions between the firm and its external stakeholders (communities, government, supply-chain partners, investors, and customers) to monitor possible behavioral and environmental threats and take control over the resources and processes that create value. In both situations, the firm is committed to specific stakeholders in the acquisition, setting, and distribution of resources to create and capture value. Notwithstanding, this link constitutes a high risk for the firm to create and capture value. For different reasons, the same stakeholder that initially contributes to the firm's value creation may afterward be a barrier to it. Which requires an adaptation of the governance structure to manage and solve stakeholders' conflicts over shared resources when actors differ in goals, interests, bargaining strength, and beliefs about what they deserve (Klein et al., 2019). Therefore, it seems to be rather important for the firm to understand whether and how resources become valuable, rare, costly to imitate, and organized (Barney, 1995) to create socially valuable outcomes through the interaction between the firm and its stakeholders and which capabilities may avoid conflicts.

However, incremental investment in stakeholder relationships, as a resource, may not result in superior performance, since employees may only share information that will improve the firm's processes if they believe the organization will listen to them and share the value created (Harrison, Bosse, and Phillips, 2010). People aim to capture value from their actions, action potential, and value-creating advantages (Pitelis and Teece, 2010). Therefore, other capabilities should be developed. They are (1) a trustworthy mechanism capability to fair value distribution (e.g., employees who provide more to the value creation process receive greater benefits), (2) a process of giving voice to stakeholders as managers make strategic decisions (e.g., stakeholder communication systems and discourse of sensitive information), (3) a routine to connect multiple stakeholders (e.g., the firm is a "hub" in the innovation network) and, (4) the firm's capability to translate knowledge into value, which considers that value can be created in exchanges when the firm identifies in the trading process, differences in relevant values that have greater potential gains; or complementary routines that can be profitably combined such as innovation of products and services.

Proposed Framework to Discovery Shared Value Capability

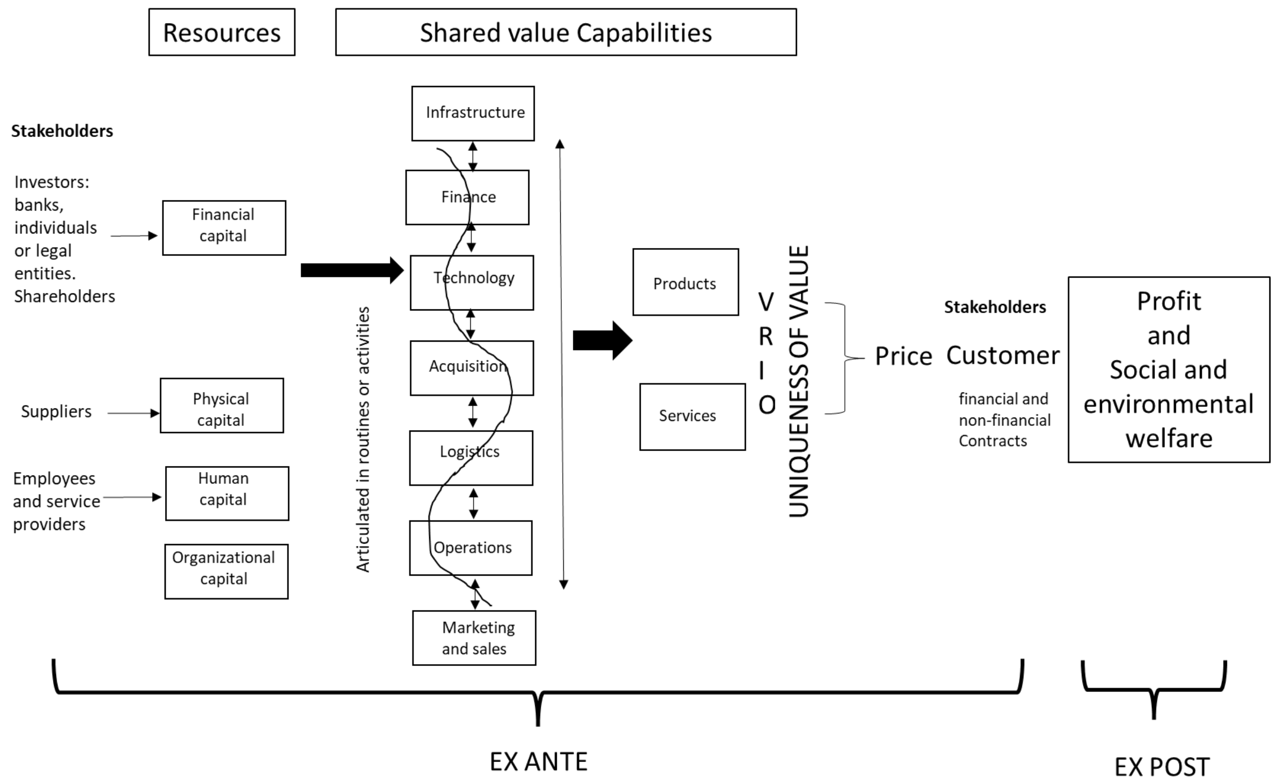
Based on the capabilities founded in the literature, we aim to investigate how these capabilities are coordinated to share value with multiple stakeholders, guaranteeing the firm's performance. We argue that a shared value capability is necessary.

Shared value (SV) is defined as benefits relative to costs, and the concept focuses on maximizing social impact per dollar spent (Spitzeck and Chapman 2012). Shared value (SV) is “a journey of companies and their stakeholders discovering new markets and efficiencies by focusing on unmet social or environmental needs” (Pfitzer and Scholz ,2013 p.5), without subtracting value from shareholders or any other key stakeholder group, increasing the total value created for all essential stakeholders (Harrison et al., 2010; Porter and Kramer, 2011; Argandoña, 2011; Tantalo and Priem, 2016). Stakeholders’ value creation strategies should incorporate both business and stakeholders’ claims guaranteeing a long-term vision that unites the participants of an organization to take part in the business competitiveness arena (Freeman, Dmytriyev, and Phillips, 2021; Porter and Kramer, 2011).

Besides, shared value encourages the development of new capabilities that may become part of the organization’s competitive advantage (Muhlbacher and Bobel,2019). However, and despite the importance of developing shared value capabilities, the current literature does not show what constitutes a shared value capability neither demonstrates how it is developed or coordinated to achieve the firm’s performance and stakeholders’ benefits. However, scholars argue that there should be no trade-off between profitability and social or environmental welfare (Henderson, 2021; Porter and Kramer, 2011; Jensen,2002; Freeman, 1984). Social needs, like more traditional market needs, define markets and create business opportunities. Whereas, social harms are not always externalized by companies, but create often internal costs (Menghwar and Daood,2021; Spitzeck and Chapman 2012; Porter and Kramer,2011).

Based on the above argumentation, our proposed framework was established joining fundamental elements of stakeholder and resource-based theories adding shared value capabilities governance. Therefore, Figure 1 describes the value creation process we propose to investigate how the firm coordinates shared value capabilities to achieve profits and social environmental welfare. In the ex-ante process, the stakeholders- investors (shareholders and non-shareholders) provide financial capital. The stakeholder-supplier provides physical capital (raw material, structure). And the stakeholder- the employee provides human capital. Organizational capital is developed internally by the firm’s employees and shareholders.

Figure 1: Value Creation Process



Source: developed by the authors.

The left side of the figure shows stakeholders and the resources they provide. Within organizational departments, resources are coordinated into routine activities and become the firm's capabilities. These capabilities enable the firm to deliver products and services as a value proposition. Customers' willingness to pay for the value proposition determines the firm's profitability in the ex-post context. Whereas the ex-post scenario shows the firm's positive performance that results in both profit and social and environmental welfare. It is a win-win scenario of shared value creation.

Although, Figure 1 presents a linear and positive process in which the firm will always take financial resources from a type of stakeholder and will always have the result of the equation Cost(C) - Price (P) = P (Profit), a positive value, business historical performance records show that companies do not always have profits. They may also have losses, which occur when value generation costs are higher than the price paid for the value generated. In this case, there is no profit to be distributed. Therefore, it seems rather complementary to understand how shared value capabilities function in a non-profitable scenario. In line with that, Harrison (2020) argues that few resources can provide a competitive advantage permanently or even for long periods. He suggests that the firm's success lies in the system that creates and utilizes its resources and capabilities rather than in any single resource or capability. Therefore, we aim to investigate how the firm coordinates its distinguished capabilities to share value with multiple stakeholders and at the same time guarantee its performance.

Methodology

This study proposes a shared value capability development process composed of ex-ante and ex-post scenarios. It is qualitative exploratory research based on the multiple case theory-building approach (Eisenhardt, 2021,1989). We aim to investigate how the firm coordinates its distinguished capabilities to share value with multiple stakeholders and at the same time guarantee its performance. Our sample selection to be purposeful to achieve valuable results (Eisenhardt,1989) picked companies that have demonstrated either in their integrated report or through media a stakeholder-oriented approach (Freeman, 1984). And despite the relevance of the study of previous literature, common sense, and experience is what allows the development of a testable, relevant, and valid theory (Eisenhardt (2021, 1989). Therefore, selecting participants from five stakeholder groups enabled us to better link with real data and empirical reality (Eisenhardt (2021, 1989). Besides, the organizational capability is a construct lacking explanation on the managerial aspect (Harrison, 2020).

Based on that, the research question inquiring how the firm coordinates its distinguished capabilities to share value and achieve performance is answered by "knowledgeable agents, namely, people in organizations who know what they are trying to do and can explain their thoughts, intentions, and actions" (Gioia, Corley, and Hamilton,2013 p.17) and helped us fill the literature gaps. In line, Yin (2013) argues that empirical case studies thrive when accompanied by theory and logical investigation, not when treated as mechanical data collection. Therefore, data collection and analysis are key elements to fill the literature gaps on how the firm coordinates its capabilities to share value and achieve performance. We used primary data collected in the field through in-depth interviews and secondary data from firms' annual reports, websites, and digital media information and conducted a comparative analysis (Eisenhardt, 2021, 1989) among seven companies.

We followed a well-structured guideline (Lincoln and Guba, 1985 Apud Nowell, Norris, White, and Moules, 2017) to establish the quality of our qualitative multiple case study research. We started this investigation by formulating the interview protocol which contemplates specific questions about how the firm coordinates its capabilities to share value and achieve performance which brought reliability to the research. From the protocol, we developed a data record (interview recordings and transcripts, and, the firm's documents). We asked the first interviewee of the focal company to choose a project he/she could explain to us in detail how things were done. This first informant indicated other stakeholders to build our interview agenda. From that, we interviewed other stakeholders contemplating the same project but not only. The interviewee was free to talk about the selected project and introduce another one. The interviews took an average of 40 minutes and were recorded and transcribed. We started this research in June 2020 and it's an ongoing study since new companies keep being interviewed. The companies' selection criteria are a stakeholder-oriented strategic approach (Bridoux and Stoelhorst, 2022; Freeman, 1984), access to the firm's stakeholders, and data disclosure authorization. Most of the contacts were done through LinkedIn and personal introduction.

We selected five groups of stakeholders for the in-depth interviews: shareholders (supply financial capital), customers (supply financial return), employees (supply human capital), suppliers (supply physical capital), and community (supply knowledge). This paper presents the results that emerged from 24 interviews with stakeholders of 7 different companies from June 2020 to July 2022. Table 2 demonstrates the firm's sector, the number of interviews, and the individuals' positions from different stakeholder groups.

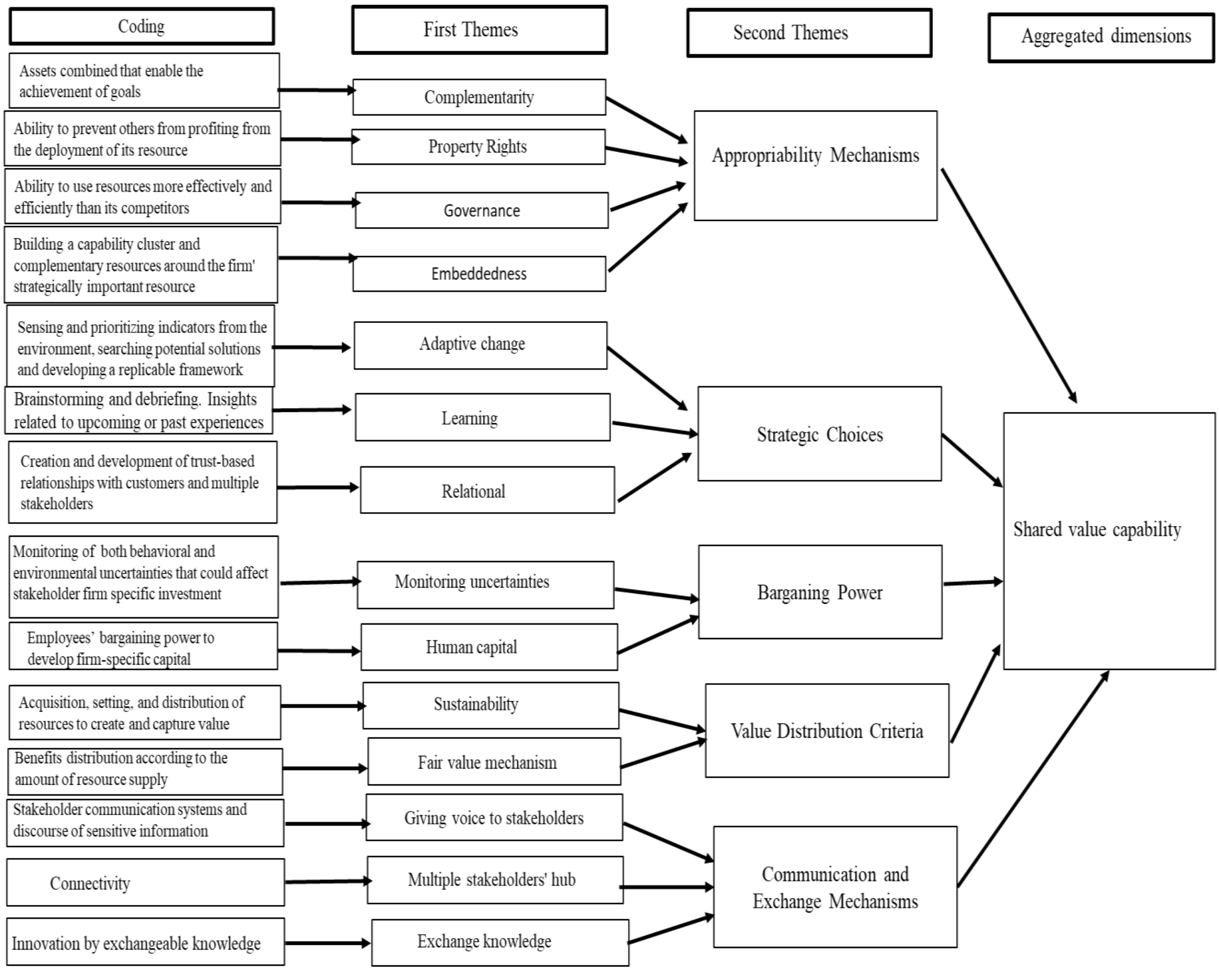
Table 2: Sample companies

Firm A	Mineral Mining	2 interviews	CEO and Head of sustainability department
Firm B	Ornamental Stone Mining	4 interviews	CFO, Production manager, Sales manager, Customer
Firm C	Chemical industry	2 interviews	Sustainability Director, Community member
Firm D	Chemical industry	4 interviews	Manager, Institute manager, Salesperson, Head of Communication
Firm E	Pets industry	6 interviews	Founder, CHRO, HR assistant(2), Supplier, Customer
Firm F	Paper industry	4 interviews	Sustainability Director, Sustainability manager, Strategy assistant, Sustainability and Social development assistant
Firm G	Chemical industry	2 interviews	President, Innovation and Sustainability manager

Firms A, B, C, D, and F operate in the B2B (business to business) market attending different countries. Firm E operates in the B2C (Business to Consumer) market only in Brazil. And Firm G operates in the B2B market only in Brazil. All the companies have more than 1000 employees and annual revenue over U$ 50 million. They are all leading companies in their sector and protagonists in taking a stakeholder-orientated turn. Although the number of interviews is different among sample companies, the data collected covered our questions, giving us enough information to develop reasoning. Eisenhardt (1989) argues that saturation occurs when new interviews and cases do not provide additional meaningful evidence or constructs, therefore, for this paper's purpose, the above sample may be considered a robust sample.

Figure 2, Capabilities code tree, establishes the variables of the construct investigated (shared value capability) that were used to codify the interview's transcriptions (Gioia, Corley, and Hamilton,2013). We started the coding by reviewing the literature. The Coding were extracted from the literature and are demonstrated in the theory foundation section. They are aggregated in the First themes which in turn are aggregated in the Second themes. The aggregated dimension, shared value capability, is composed of the second themes constructs.

Figure 2: Capabilities code tree



Source: developed by the authors

The interview protocol presents open questions used in the interviews. (1) How do you decide what stakeholders claims the firm will attend? (2) What value do you create in this project for customers, employees, suppliers, shareholders, and the community? (3) What activities do you do that generate this value? (4) How do you coordinate these activities?

Results

The section is structured according to the second themes and in the end of the section the aggregated dimension is defined.

Strategic Choices

Strategic choices embrace three processes to create value: adaptative choices, learning and relational that were identified in the literature and are exposed in the Code tree. The investigated organizations seem to have understood the importance that the ability to listen to multiple stakeholders, inside and outside the organization, leads to identifying key strategic objectives. Firm E's extract supports this idea demonstrating that a new function was created in the Human Resource department for this purpose. It is the Human Resource Business Partner (HRBP) aiming to listen to employees' claims daily and transforming them into strategic objectives. "My position here is strategic since it talks to specific areas. It is possible to collect data by listening and giving attention to specific areas and employees". Firm D collects data by sponsoring science fairs and courses to public schools' students and teachers and by having the head of communication department spreading how the firm develops innovation "We create narratives to spread how we do innovation. The audience may become clients. Communicating with as many people as possible is the best way to gain reputation and share value".

Learning capability seems to be interconnected with adaptative change. After raising data e discussing its relevance to the firm's strategy, participants reported that best practices are incorporated to replicate the routine to other departments or even other business units as identified in the extract from Firm's E founder "We developed a platform. Every practice that is successful is shared with all our five business units. All CEOs and C-levels are connected every week and I participate in all important committees. Everybody is tuned".

All the companies emphasized the importance of having good reputation. However, reputation is defined as trustworthiness relationships where different stakeholders trust what the firm states and how it acts. Trust-based relationship with customers and multiple stakeholders seems to be a mandatory ability to be developed. Firm D extracts shows how important communication ability is within stakeholder relationships mechanisms "I study Public Relation and the ability to communicate with people and express people's image and the firm's image. How the firm wants to be recognized by everyone. My position is strategic, even though I work in the Human Resource department".

Bargaining Power

Bargaining power is composed of two processes, human capital, and monitoring uncertainties. Firm E extracts demonstrates how they monitor demands and manage to clarify uncertainties "Every week we have a meeting to talk about employees' and department's demands. For example, if we identify that all departments have a leadership problem, we decide to develop a project to improve that. We have different software that support us in getting data. Different dashboards are created, and we disclose that to everybody in the company". Firm G organizes weekly meetings "We listen to everybody to understand why certain claims are important. After looking only to external stakeholders, we understood our internal stakeholders had the same problems. So, we decided to start from them."

Value Distribution Criteria

Value Distribution criteria are composed of two processes, sustainability, and fair value mechanism. The investigated organizations understand that behavioral and environmental threats and the control over the resources and processes that create value are key elements to develop a value distribution criterion. The founder of Firm D emphasizes that transforming all employees in business partners, that is shareholders is a fundamental attitude that enables the firm to face important dilemmas in the relationship between the firm and its employees “Our most important program is “Everybody is a shareholder”. With this, everybody has the owner eye, the skin in the game. This is fundamental for us to distribute value for the families, impact society and all stakeholders. When we have good financial results, it is not only the owner, but everybody also prospers.”

Firm E recognizes that their core business is strength in the value creation and distribution process. “We search for innovation that means prosperity for everybody. Our collaboration culture enables both processes of creating and distributing value. It is the engine to value creation for stakeholders. We talk about profitability, ethics, growth, sustainability, risks communication and compliance.”

Appropriability Mechanisms

The combination of the firm’s assets is perceived by the research participants as a key element to value creation. Firm B’s extract confirms that from its CFO’s statement “It is not only one point. It is the combination of our actions that differ our path from others. Our clients come to us because they see it.” Firm A’ CEO says “value is translated into our behavior. It is a combination of how we do things, how we make decision on daily basis and how we use our resources to achieve profit and impacts”. “If we want to be competitive, we have to be the first to do things”, Firm D’ extracts confirm the importance of having the ability to prevent others from profiting from the deployment of its resource. Firm F’ extracts confirm this importance by saying “we want to be people who inspire”. Firm F states they redefined their value chain productivity to look from the tree to the customers. “We want to share value, enhance profitability by innovability. We put innovation in the service of sustainability”. Firm G extracts enhances the idea of the importance of being effective and efficient to be profit and generate good social impacts “We need to present better products. It has to be accessible, and we can help diminishing breathing problems.”

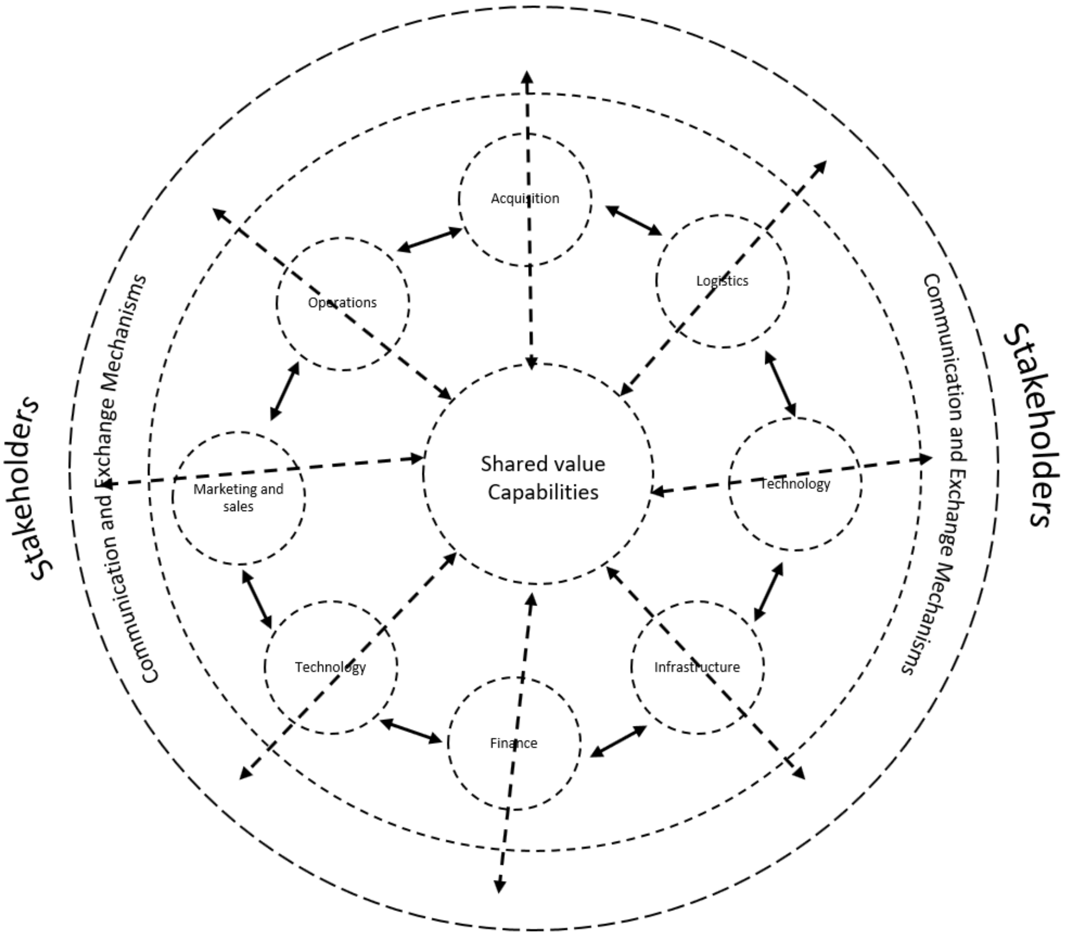
Communications and Exchange Mechanism

Communications and exchange mechanism is composed of the companies’ abilities of exchanging knowledge by being a hub among stakeholders. Companies D, E and G reinforce the importance of connecting stakeholders to create value and achieve superior performance. Firm E established a digital platform “We connect who need to take his/her dog for a walk to the person who likes dogs and may get money doing something she/he likes. Besides, connecting every Brazilian vet in a single place. They all have access to knowledge. I know how hard it is to be updated”. Firm E connects stakeholders by supporting its head of communication job. “I am the person who connects our suppliers and clients in my lectures. I go inside our clients’ firm to tell its people how we develop innovation. I talk to the client of my client. Sometimes, somebody says that bought from us because she/he heard my lecturer and decided to be our client.” Therefore, from the interviews extracts a definition of shared value capability emerged. It is the coordinated management of the processes of strategic choices for value creation, mapping of stakeholders’ bargaining power, value capture mechanisms and the communication and exchange mechanisms that aim to generate superior performance for the organization and social-environmental benefits for its stakeholders.

Discussion

Our proposal framework, presented in the theory foundation section presents a linear and positive process in which the firm will always take financial resources from a type of stakeholder and will always create value for another type of stakeholder. However, the results show that the firm’s activities within its value chain are not a linear sequence model. Unlike, departments are borderless and interconnected and their activities overstep their borders. Besides, value is created and capture by multiple stakeholders even outside the firm’s control. A person may be at the same time a customer, a supplier, an employee, a shareholder, and a member from the community. The connection between the firm and its internal and external essential stakeholders is done by a person with the ability to communicate the firm's purpose. Figure 3 shows the new configuration the firm's value chain in which distinguished capabilities are coordinated in a networking process to achieve performance.

Figure 3: Networking value chain



Source: developed by the authors

Besides, results demonstrates that performance is defined by profitability and social-environmental positive impacts. Therefore, the value proposition results are beyond economics. Positive impacts, that is positive consequences created by the firm's activities are part of what the firm wants to distribute as value. To achieve this new performance configuration, the investigated companies declared hiring not only different age people but people with different education and living backgrounds. A key education background we identified is the communication and journalism. Most of the sample organizations have a communication manager. He/she oversees communicating inside and outside the organizations its culture and strategic purpose. The firms understand they must communicate what they do, how they do it and the impacts its actions cause. Stakeholder-oriented approach seems to push not only value creation for multiple stakeholders but also seems to be a driver to innovation. Innovation in business model, as figure 3 demonstrates when delivering a new value chain configuration.

Shared value capability is defined as a set of coordinated processes that enable the firm to identify its essential stakeholders, make decision on what claims to address within its strategic objectives, develop in a collaborative way criteria of value distribution and mechanisms of value capture. Communication and exchange mechanisms processes enable the firm to identify bargaining power and clearly talk about its purpose. Stakeholders value capture seems to be connected to their perceived and subjective needs and interests in what tangible and intangible assets they may extract from the firm's activities. From the participants' perception economic benefits do not define where stakeholders will work or to what firm they will do business with. However, integrity and "walking the talk" behavior do.

Final Considerations

This research aimed to investigate how organizations coordinated distinguished capabilities to share value with multiple stakeholders and at the same time guarantee its performance. We applied a multiple case theory-building research and interviewed 24 constituencies from five stakeholders' groups of seven different companies. The results show that strategic choices for value creation, mapping of stakeholders' bargaining power, value capture mechanisms and the communication and exchange mechanisms processes that aim to generate superior performance for the organization and social-environmental benefits for its stakeholders defines shred value capabilities. The governance of these processes enables the firm to create shared value and simultaneously achieve performance.

We contributed to Menghwar and Daood's (2021) and Muhlbacher and Bobel's (2019) research by describing how firms develop distinguished capabilities to create share value. The results also emerged a new configuration of the firm's value chains, contributing to Porter and Kramer's (2011) forms of shared value strategies implementation. However, other researchers could investigate how shared value capabilities will function in a non-profitable scenario. This research investigated organization in Brazil with a stakeholder-orientation approach, other studies can investigate how shared value capabilities will function in shareholder-oriented companies.

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