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UNDERSTANDING VALUE CREATION, DISTRIBUTION, AND CAPTURE IN STAKEHOLDER-ORIENTED FIRMS

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Introdução

The strategy field and business management are taking a stakeholder turn. Scholars argue that revisiting economic theories foundations is an effective way to go beyond the debate of shareholder primacy versus stakeholder approach. In line with that, the Resource-Based Theory adopts a stakeholder perspective to investigate how profit is created and appropriated. The argument is that under conditions of uncertainty, seeking multiple stakeholder value rather than only shareholder value is a better way to achieve sustainable performance.

Problema de Pesquisa e Objetivo

The fundamental questions in the strategy field of investigation are how value is created and appropriated and to whom. In other words, how does the firm manage its relationship with stakeholders to create and appropriate value? Our thesis is that the firm needs to manage a stakeholder value system. For this paper, value system is defined as a system composed of three-stage processes: creation, capture, and distribution. The coordination of these three-stage processes aligned to the stakeholders shared purpose will lead the firm to sustainable performance.

Fundamentação Teórica

Stakeholders value creation embraces interactions in inflows and outflow to generate value. It is a utility function of tangible and intangible attributes resulting from the firm's activities. By understanding the factors that drive stakeholders' utility function and the relative weight of each factor in the composition of the total utility, the firm can create shared value, which is defined as expanding the total set of social and economic values generated by the firm within its value chain activities.

Metodologia

We designed the research as a theory-building on multiple case studies with companies from different sectors (Pets, Mineral Mining, Chemical, and Paper industry). The criteria of selection embraced the firm strategic orientation, access to different stakeholders, access to data, and disclosure authorization. In-depth interviews with primary stakeholders (shareholders, customers, employees, communities, and suppliers) are the key source of information of our study. We did 24 interviews with stakeholders of 7 different companies from June 2020 to July 2022

Análise dos Resultados

Our findings show that the stakeholder value system is composed of value creation, distribution, and capture. These three processes do not happen in a sequential and linear timing. Value capture happens in the short, medium, and long term. It may happen before value creation and value distribution when knowledge is the value. Value creation is a dynamic and endless process whereas value distribution is based on formal and informal contracts and demands criteria to satisfy both the firm and stakeholders.

Conclusão

We aimed to answer the question of how the firm creates, distributes and capture value. Business and society are interconnected. The individual may be at the same time an employee, a customer, a supplier, a shareholder, and a community member. Business objectives are defined by the means that it is good for the company if it is good for the world. The decisions are made considering the

impacts for the planet, for society and for profitability. Further investigation should deepen in value capture and contemplate more interviews.

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