## Examining Distinctions and Relationships between Creating Shared Value (CSV) and Corporate Social Responsibility (CSR) in Eight Asia-based Firms

## Abstract

Corporate activities conducted under the banner of creating shared value (CSV) have gained popularity over the last decade, and some MNCs have espoused that CSV has entered the heart of their practices. There has, however, been criticism about the lack of a standard definition of CSV. The purpose of the current study was to develop a working definition of CSV by identifying distinctions between CSV and various conceptions of corporate social responsibility (CSR). We conducted 26 semi-structured interviews with managers and stakeholder representatives of five multinational corporations (MNCs) and three small and medium enterprises (SMEs), all headquartered or rooted in Asia. These firms had received public recognition for their CSV engagement. We compared and contrasted interviewees’ conceptions and descriptions of CSV and traditional CSR (philanthropy) and mapped these against Carroll’s four-layer model of responsible corporate management. Interviewees tended to frame CSV as a sustainable business model that generates social and economic value simultaneously. Traditional CSR was characterized as “giving back” some of the surplus from economic returns. In addition, interviewees described examples of strategic CSR, which involved pump-priming interventions for empowering and enabling stakeholders of the CSV practices of the focal firm to participate in the associated wealth and well-being co-creation.

**Keywords:** Corporate social responsibility, creating shared value, qualitative, Asia.
**Introduction**

In recent years, concern for corporate engagement in society has gained traction among academics, think tanks, multinational corporations (MNCs), and development organizations. Traditionally, it was believed that the interests of business and society were different, and commentators like Friedman (1970) urged companies to focus on wealth creation for shareholders and to refrain from social engagement (Bockstette & Stamp, 2011).

In the early 1980s, Freeman (1984) presented stakeholder theory. Subsequently, a series of concepts about business-society relations emerged, such as responsible corporate management (Carrol, 1979, 1991), bottom of the pyramid (BOP) (Prahalad, 2004), strategic CSR (Porter & Kramer, 2006), social entrepreneurship (Yunus, 2009), and CSV (Porter & Kramer, 2011).

Under the banner of CSV, businesses began to claim to have taken transformative action, such as redesigning their products or changing their supply and distribution methods, in order to address social and environmental problems while concurrently deriving profit (Porter & Kramer, 2011). CSV has thus been represented as a “sweet spot” beyond traditional, philanthropy-oriented CSR, in that CSV is claimed to entail practices that benefit the firm while simultaneously advancing the economic and social conditions of the communities with which the company co-operates (Porter & Kramer, 2011; Maltz & Schein, 2012; Moon et al., 2011; Pfitzer et al., 2013). Some MNCs have accordingly espoused that CSV has entered the heart of their corporate practices (Porter & Kramer, 2014).

In reviewing literature, we found that four critical concerns about CSV have been expressed. The first is that the “doctrine” of CSV unjustly demeans corporate philanthropy and voluntarism (Aakhus & Bzdak, 2012; Elkington, 2011), which have been undertaken by firms and their employees under the banner of traditional CSR. Second, advocates of CSV have been accused of ignoring what some regard as inherent trade-offs between economic interests, especially those of resource rich MNCs, versus societal needs (Aakhus & Bzbak, 2012; Brown & Knudsen, 2012; Crane et al., 2014; Elkington, 2011).

Third, despite Porter & Kramer (2011), there is no consensus about a standard definition of CSV, and no clear delineation between CSV and various conceptions of CSR (Aakhus & Bzdak, 2012; Crane et al., 2014; Dembek et al., 2016). Fourth, contemporary CSV literature (Bertini & Gourville, 2012; Corazza et al., 2017; Invernizzi et al., 2016; Maltz & Schein, 2012; Michelini & Fiorentino, 2012; Pfitzer et al., 2013) focuses exclusively on Western companies. Literature does not provide evidence about how managers in Asia-based MNCs and SMEs understand, define and practice CSV, and how they distinguish this from various forms of CSR.

Among the abovementioned concerns, the first and third reflect that there is confusion because of multiple meanings of CSR. In our discussions, we shall refer to three different conceptions of CSR. One conception of CSR refers to a broad set of diverse policies and practices that as forms of responsible corporate management address the legitimate needs and expectations of the various stakeholders of the firm (Carroll, 1979, 1991), i.e., “broad” CSR. A second conception, which we call “traditional” CSR refers to corporate philanthropy, i.e., donations and volunteerism activities that are largely unrelated to the firm’s business model (Emerson et al, 2000). A third conception refers to “strategic” CSR (Porter & Kramer, 2006), which is based on providing pump-priming donations or free services to stakeholders, which may contribute to competitiveness by helping to build the capacity of the latter and/or differentiate the firm’s market offerings.

Regarding the four concerns about CSV, first, we shall analyze perceived distinctions between CSV and traditional CSR. Second, we shall explain the case for potential synergy rather than conflict between the economic and social goals of a firm and thereby establish our position on whether business interests necessarily conflict with societal interests.

Third, we shall explain why some CSV projects may not, in practice, be as distinct from CSR as is avowed by some advocates of CSV. For example, a focal firm may inject investments into one of its CSV projects via strategic CSR (Porter & Kramer, 2006), or a focal firm’s CSV project may receive external subsidies through philanthropic sponsorship by wealthy external MNCs or by government funded international NGOs. Thus, we shall argue that the setting-up of some CSV projects can entail pump-priming through internal cross-subsidization or externally sourced sponsorship.

Fourth, we shall examine the perceptions of managers within eight focal Asia-based firms, along with those of representatives of external stakeholders of those firms, regarding the nature of their CSV practices and the contrasts between CSV and traditional CSR. Among the eight focal companies, five (Towngas, Lawsgroup, Guardforce, UA Cinemas, and Fimmick) claim to have practiced CSV within Hong Kong, a high-income developing economy (UN, 2020). The other three (English Tea Shop, Sehat Kahani, and Mishal) claim to have practiced CSV within low-income underdeveloped economies in Asia (i.e., Pakistan and Sri Lanka) (UN, 2020). These companies also claim to have engaged in various traditional and/or strategic CSR activities. All eight companies have received some form of public recognition for their CSV contributions, which was the basis for approaching them as prospective case study firms.

The CSV literature has theorized some conceptual distinctions between CSV and traditional CSR (Kramer, 2011; Moore, 2014; Porter & Kramer, 2006, 2011; Williams, 2008; Von, 2016). However, these conceptual distinctions have not been supported by evidence from the field. Therefore, one of the contributions of this study is that it develops a practical definition of CSV and maps this against Carroll’s (1979, 1991) four-layer model of responsible corporate management, which is also mapped against traditional CSR. Another contribution is to identify how strategic CSR and traditional CSR practices support the CSV projects of some of our focal firms, based on practical examples provided by managers and stakeholder representatives.

The rest of the paper is divided into five sections. First, in our literature review, we analyze some diverse conceptions of CSR, and seek to clarify the nub of the controversy between advocates of CSV and defenders of traditional CSR. Second, we explain the multiple case study approach adopted for the research, introduce the eight focal firms and their practices of CSV, and explain the methods adopted for data collection and data analysis. Third, we present our findings about five perceived differences between CSV and traditional CSR, and map these against Carroll’s (1979, 1991) pyramid model. Fourth, we present our findings about CSV and how this can be supported by strategic CSR and traditional CSR. Finally, we offer conclusions, identify theoretical and practical implications, and suggest directions for future research.

**Literature Review**

**Mapping the meanings and definitions of CSR and CSV**

*Meanings of CSR*

CSR is a portmanteau term and has been characterized as one of the most contentious concepts in the academic literature, with as yet no universally accepted definition (Moon & Shen, 2010). Carroll (1979, p. 500) defined CSR very broadly, stating that it: “encompasses the economic, legal, ethical and discretionary expectations that society has of organizations at a given point in time.” Carroll (1979, 1991) represented broad CSR as four layers of a pyramid that represent different facets of responsible corporate management. Figure 1 presents Carroll’s (1991) pyramid model, comprising layers of economic, legal, ethical, and philanthropic responsibility, respectively.

[Insert Figure 1 about here]

Within Carroll’s (1979, 1991) pyramid, the four layers represent complementary corporate responsibilities. Thus, the economic layer represents the fundamental need to maintain financial viability, accountability, and transparency, without which a firm would normally cease to operate. The legal layer of the pyramid entails abiding by all applicable laws. The ethical layer reflects expectations that businesses should behave in a manner consistent with societal norms and values (Garriga & Melé, 2004), including international and industry-wide standards (Cramer, 2005). The top layer of Carroll’s (1979, 1991) pyramid comprises philanthropic responsibility, which entails voluntary activities associated with ‘giving back’ to society, such as charitable donations and employee volunteerism. Recently, Fordham & Robinson (2018) even proposed adding a fifth layer to the pyramid, labelled “CSR interaction”, concerned with improving the dialogues between the firm and local communities and other stakeholders, oriented to bringing about benign social change.

Taking Carroll’s (1979, 1991) pyramid as a reference point, we may regard the various aspects of broad CSR as complementary means for addressing the legitimate demands of the various stakeholders of the firm (Fordham & Robinson, 2018; Freeman, 1984; Donaldson & Preston, 1995; Freeman et al., 2007; Maak & Pless, 2006). Broad CSR may be contrasted with “business as usual”, i.e., preoccupation with satisfying expectations within only the economic and legal layers of Carroll’s pyramid (Dyllick & Muff, 2016; Friedman, 1970).

Advocates of CSV (Moon et al., 2011; Porter & Kramer, 2011; Wójcik, 2016) appear to direct their critiques at the alleged insufficiencies of corporate activities within the philanthropic layer of Carroll’s pyramid, i.e., traditional CSR. They consider that traditional CSR is unrelated to the business value chain or to core strategic business issues. Carroll (1979, 1991) with a broad conception of CSR, offers a complementary perspective, implying that honoring ethical *and* legal *and* economic responsibilities is of considerable strategic importance for a business, because failure to do so risks losing legitimacy. The controversy between Carroll (1979, 1991) and advocates of CSV relates to whether corporate philanthropy, i.e., traditional CSR, is desirable [Carroll (1979, 1991) says that it is] or whether it can and should be superseded by CSV [CSV advocates such as Porter & Kramer (2006) imply that it should be superseded].

*Meanings of CSV*

Since Porter & Kramer’s (2011) seminal work, CSV has caught the imagination of business practitioners and has been a subject of great debate among the academic community. A large number of firms around the world claim to have adopted CSV and have reported their associated activities through sustainability reports, annual reports, corporate websites, and press releases (Brown & Knudsen, 2012; Rocchi & Ferrero, 2014; Spitzeck & Chapman, 2012).

Porter & Kramer (2011) represented CSV as a self-regulated strategy that is at the core of the business model of the firm, and they argued that governments do not need to impose social mandates on firms, because well-crafted CSV strategies would meet social needs while concurrently achieving economic goals. Other commentators have offered definitions that more or less align with this initial conception. For example, Wójcik (2016) defined CSV as an action-oriented, sustainable business strategy that generates significant business-related and social benefits simultaneously. McGahan (2012) argued that CSV retains the assumption that the corporation as primarily chartered to generate returns on invested capital but can address social goals through business strategies. Kuenkel (2015) characterized one form of CSV as involving a participative approach to building and operating supply chains where learning advantages arise because “people are part of shaping their own future” (p. 125). Banerjee & Jackson (2017) considered CSV to be like the “bottom of the pyramid” approach (not to be confused with Carroll’s pyramid), which they regarded as a market-based strategy.

Critics have nonetheless argued that there is a lack of clarity and consensus about the various meanings and definitions of CSV (Dembek et al., 2016). According to Crane et al. (2014), CSV is a portmanteau framework, under which concepts such as stakeholder theory (Freeman, 1984), social entrepreneurship (Yunus, 2009), conscious capitalism (Sisodia, 2011), and the bottom of the pyramid (Prahalad, 2004) have been lumped together. Corazza et al. (2017) examined the CSV-related disclosures of 29 Western MNCs and found that the majority had not clearly distinguished CSV from other approaches, such as triple bottom line (Elkington, 1997), stakeholder theory (Freeman, 1984), blended value (Emerson, 2003), bottom of the pyramid (Prahalad, 2004) and social entrepreneurship (Yunus, 2009).

***Distinguishing CSV from CSR***

Notwithstanding criticisms about the theoretical vagueness of CSV, some differences between traditional CSR (i.e., philanthropy) and CSV have been identified in previous literature. Corazza et al. (2017) found, for example, that most of the firms in his study appeared to view CSV as an antonym of traditional CSR. The first perceived difference concerns orientation toward profits. Thus, traditional, philanthropic CSR is perceived to entail giving away resources arising from previously made profits, whereas CSV is regarded as seeking to generate returns on investment and achieve competitive advantage, while concurrently creating social and environmental value (Moczadlo, 2015; Moon et al., 2011; Moore, 2014; Porter & Kramer, 2006, 2011). Second, traditional CSR tends to be undertaken with the primary intention of brand building through activities that may be unrelated to the firm’s business operations, whereas CSV is considered to be integrated within the core business model (Porter & Kramer, 2006, 2011; Von, 2016; Williams, 2008). Third, traditional CSR is perceived to entail responses to external pressures for socially desirable actions, whereas the CSV agenda is construed to be internally driven (Porter & Kramer, 2006, 2011). Fourth, it has been observed that traditional CSR activities are typically led by the corporate communications, public affairs, or marketing departments, whereas the design and implementation of CSV is normally driven by the top management (Moore, 2014).

The above analyses of perceived differences between CSV and traditional CSR leaves open the question of the correspondence or mapping between CSV and Carroll’s (1979, 1991) pyramid of broad CSR. We believe that there is a need for greater clarity about the distinctions between CSV and various forms of CSR, as perceived by practitioners, and that practical illustrations are needed to guide strategic decision making in firms regarding resource deployment for, and configuration of, these various categories of activity.

It appears that no prior research has been undertaken to establish how managers in Asia-based firms that have received recognition for practicing CSV define CSV and distinguish this from traditional CSR. From practitioner accounts, the current study set out to develop a working definition of CSV vis-à-vis Carroll’s (1979, 1991) pyramid and as analysis progressed, we discovered from interviewees’ accounts how, in practice, traditional CSR and strategic CSR could, through different pathways, support CSV.

Prior studies on CSR have often employed quantitative measures that have been guided by an epistemology of positivism (Robertson & Samy, 2017). Such studies have included investigations of the impact of philanthropy, i.e., traditional CSR, on social and financial performance [e.g., Li et al. (2021), Liao (2020); Wang et al. (2008)], as well as the impact of broad CSR on financial performance, e.g., Wang et al. (2016). Positivist-oriented studies have also investigated the impact of CSV adoption on firms’ financial performance (Fernández-Gámez et al., 2019; Jones & Wright, 2018). One problem with these latter studies on CSV is that they used proxy measures of antecedent variables that assessed the ethical layer of Carroll’s (1979, 1991) pyramid rather than directly analyzing whether the business models or projects adopted by the surveyed firms embraced the philosophy and practice of CSV. Reflecting the need for methodological pluralism (Easterby-Smith et al., 2008), we refrained from using a positivist approach and instead adopted an interpretivist approach to match our research questions, as explained below.

**Research Methodology**

In our research, we did not seek to measure quantitatively whether there was any difference between CSR (whether traditional or broad) and CSV in terms of their impact on social and economic outcomes. Instead, we addressed two open-ended research questions. These are: (1) How do managers of the Asian firms and their stakeholders define CSV and distinguish their CSV practices from traditional CSR? (2) Within the focal firms, are there cases where CSV projects appear to be supported by traditional or strategic CSR, and if so, how? In order to address these research questions, we adopted a qualitative research approach that is interpretative in nature (Creswell & Clark, 2011), and is based on social constructivism (Bryman, 2001; Guba & Lincoln, 1994; Hatch & Cunliffe, 2006). This approach assumes that individuals seek to understand their world by developing their own meanings based on their experiences (Walker, 2015). Accordingly, we sought to understand the experiences, opinions, perceptions, and interpretations of senior managers and stakeholders of Asian firms that were all practicing CSV with most also adopting traditional and/or strategic CSR. RQ1 for our study reflects that:

“Rather than determining cause and effect … (q)ualitative researchers are interested in understanding how people interpret their experiences, how they construct their worlds, and what meaning they attribute to their experiences” (Merriam and Tisdell, 2016, pp. 5-6).

Social constructivism thus seeks to increase knowledge and understanding of the focal phenomena without directly seeking to establish causality, in contrast with how positivist researchers address their research aims through statistical probability (Burr, 2003). By adopting social constructivism, we sought to encourage respondents of our study to freely describe (Creswell & Creswell, 2017) their understandings, grounded in their experiences, of key perceived distinctions between CSV and various conceptions of CSR.

RQ2 required that in our research:

“(T)he researcher(s) establish patterns and look for a correspondence between two or more categories” (Creswell, 2013, p. 199).

Thus, we chose a multiple qualitative case study design (Eisenhardt, 1989), to increase the generalizability of the findings due to the replications of patterns that emerged from multiple data sources (Yin, 1994). In combination with semi-structured interviews, the multiple case study method provided an opportunity to develop in-depth understanding of the practices of some Asian firms, as perceived and explained by senior managers and stakeholders of those firms.

#### **The Focal Case Firms**

Eight companies, comprising five MNCs (Towngas, Lawsgroup, Guardforce, UA Cinemas, and ETS), and three SMEs (Fimmick, Mishal and Sehat Kahani) were approached for the current study. Five of these firms are rooted in a high-income developing economy (Hong Kong) and three in low-income underdeveloped economies (Pakistan & Sri Lanka) of Asia. As the main purpose of the current study was to develop a working definition of CSV by identifying both the espoused and the practical distinctions between CSV and various forms of CSR, and any possible interrelationships between them, it was necessary to select companies for study, which have claimed to practice not only CSV but also traditional and/or strategic CSR.

The five Hong Kong firms were selected on the basis of having received *Business for Social Good* awards from Our Hong Kong Foundation, in recognition of their CSV performance. Three of them (Lawsgroup, Towngas and Fimmick) had received their respective awards in 2017 (Hong Kong Council of Social Service, 2017; Lawsgroup, 2017; Marketing Interactive, 2021; Towngas, 2017), The other two Hong Kong firms (Guardforce and UA Cinemas) had received *Business for Social Good* awards in 2019 (Guardforce, 2019, Our Hong Kong Foundation, 2019).

The criterion for selecting the three non-Hong Kong based firms was that they and/or their CEO had received similar kinds of recognition. Thus, The English Tea Shop had won a UK-based “National Business Award for Sustainability” (Briggs, 2017) and was reported to have embraced CSV on relocation as a subsidiary from Sri Lanka to the UK in 2010 (Menear, 2020). The CEO of Mishal, one of the two Pakistan-based firms, had been honoured as a *Young Global Leader* by the World Economic Forum in 2010 (PRWeb, 2010) and an article claimed that Mishal had been practicing CSV since its inception (Innovation Development Communication, 2015). The CEO of Sehat Kahani, the other Pakistan-based firm, was the first Pakistani woman to win the “Rolex Award for Enterprise” (Saeed, 2019) and was an invited speaker at the 2017 Africa Shared Value Summit (Shift, 2018).

Background information of each focal firm is presented in Table 1. One of the eight focal firms (Towngas) was a Hong Kong based publicly listed company, and had been publishing annual Environmental, Social and Governance (ESG) or Sustainability reports since 2013. Six firms were privately held or part of larger, privately held entities, and among these, only Lawsgroup had chosen to publish an annual Corporate Social Responsibility (CSR) and Sustainability report, which it had done so since 2017. The remaining firm (Guardforce) was a subsidiary of a firm listed on the Shanghai stock exchange, which had chosen not to publish annual ESG reports. The respective CSV and CSR activities of these firms are explained next.

[Insert Table 1 about here]

*Towngas*

This is a Hong Kong-based energy supplier with significant operations in the Peoples Republic of China (PRC) and Thailand. Towngas was one of the first companies in Hong Kong to have embraced CSV. The firm’s main CSV project involved building an environmentally friendly combined power and heat (CPH) plant in one of the public hospitals (Nethersole Hospital) of Hong Kong. This is fueled by gas piped from a landfill gas processing plant owned by Towngas. This CPH project has generated substantial socio-economic benefits for both Towngas and Nethersole Hospital. It has substantially reduced the electricity cost of Nethersole Hospital and has provided them with an independent source of energy, while Towngas is obtaining a new revenue stream by selling gas to the hospital.

 Towngas is also practicing various traditional CSR activities. These include: the distribution of rice dumplings, moon cakes and servings of hot soup; donation of gas appliances to the community; installation of washlet toilets at elderly care centers; and sponsorship of major events held by various NGOs.

*Lawsgroup*

This is a Hong Kong-based conglomerate, which owns multiple businesses such as property development and investment, retail, and apparel manufacturing. The firm’s CSV project has involved converting two of its surplus industrial buildings into shopping malls (D2 Place-1 and D2 Place-2), where they are offering retail space at affordable prices to young entrepreneurs, who had been unable to afford renting shops in premium shopping malls. Lawsgroup is receiving revenue from letting space for the retail shops, while the young entrepreneurs have a platform to establish their own businesses.

 Lawsgroup is also practicing traditional CSR activities. Since its launch in 1975, the firm has provided over the US$ 30 million to the setting up of schools and scholarships in Hong Kong, China, and the United Kingdom. Furthermore, Lawsgroup is also sponsoring an NGO named Fashion Farm Foundation (FFF), which is promoting the Hong Kong fashion industry around the world.

*Guardforce*

Guardforce is a Hong Kong-based MNC, which offers a diversified portfolio of services, including security logistics, security personnel, and security technologies. The firm has significant business operations in Hong Kong, Macau, Thailand, and Australia. In 2015, as part of its business diversification strategy, Guardforce began a CSV project, based on installing a facial recognition system in elderly care facilities in Hong Kong. This anti-wandering system (facial recognition system) enables front-line staff in elderly care facilities to protect and manage the elderly efficiently. This project has been applauded by various NGOs in Hong Kong and has afforded Guardforce the status of being a pioneer in the industry.

 Guardforce also engages in responsible corporate management practices aimed at reducing staff injuries and minimizing pollution. The firm conducts regular training sessions to enhance environmental awareness and occupational health and safety awareness among staff and claims to work to make continuous improvements to its environmental management and occupational health and safety management systems.

*UA Cinemas*

UA Cinemas operates multiplex cinemas in Hong Kong, the People’s Republic of China (PRC), and Macau. In Hong Kong, it is estimated that there are around 330,000 visually and hearing-impaired people (Ngo, 2015; CHP, 2016), who had been unable to enjoy movies in the cinema due to the absence of assistive devices. In order to address this issue, UA Cinemas has installed assistive devices in its four cinemas in Hong Kong to entertain visually and hearing-impaired people. The assistive device project has earned recognition on various business and social platforms as a successful CSV project.

 UA Cinemas also claims to engage in various traditional CSR initiatives. The firm organizes an annual “All Schools Mini-movie Competition”, which seeks to provide diverse learning opportunities to students and to give them a platform to display their work and pursue their filming dreams. Additionally, the firm offers UA Cinemas Scholarships to some students, who are majoring in movie-related courses, and organizes career simulation events, career planning workshops, visits, and workplace experiences for students.

*English Tea Shop (ETS)*

This is an organic tea company that is based in the UK but with its major manufacturing and supply chain operations in Sri Lanka, where the parent firm is headquartered. It also has business operations in the United States. The management of ETS claims to have implemented CSV across the whole value chain of the company. This includes having developed local clusters (Porter & Kramer, 2011), which involve collaborations with a large nexus of suppliers (farmers), farmer associations, industry organizations, trade associations, and international development agencies. The primary objective of developing local clusters was to improve the income and livelihood of local farming communities. ETS also engages in strategic CSR activities, analyzed in the second part of the findings section.

*Fimmick*

This is a medium-sized digital marketing agency, based in Hong Kong. Fimmick has established a social enterprise named Eldage, to implement its CSV activities. Through the platform of Eldage, Fimmick is seeking to preserve an aspect of the local culture of Hong Kong by promoting the artwork of local artisans, whose business prospects had been declining. Fimmick’s strategic CSR activities are analyzed in the second part of the findings section.

*Mishal*

Mishal is a small-sized communications solution service provider headquartered in Pakistan. Mishal has undertaken a CSV project named “Hidden Hunger”, about malnutrition, in collaboration with international and local development agencies and industry organizations. Malnutrition is a serious health issue in Pakistan, but many people there were not aware of its ramifications. The “Hidden Hunger” project has sought to build public consciousness about the issue of malnutrition.

Unrelated to Mishal’s CSV activities, the firm has sponsored several scholarships annually for underprivileged students at two leading universities in Pakistan. Mishal claims to be seeking to strengthen traditional CSR culture in Pakistan, and in order to do so, the firm has signed a memorandum with the National University of Modern Languages (NUML) to establish the National Academy for [traditional] Corporate Social Responsibility in Pakistan. The primary objective of establishing this CSR Academy was to create a unique model in Pakistan for private businesses to play their role as philanthropic enterprises.

*Sehat Kahani (SK)*

SK is a medium-sized tele-healthcare service provider operating in Pakistan. SK was established in 2015 with the mission of providing quality primary healthcare services to underprivileged communities of Pakistan. In order to accomplish its mission, SK has employed female healthcare professionals, who had previously been out of the workforce owing to social constraints. At the core of its CSV engagement, the firm has developed an online platform to enable these urban healthcare professionals to provide quality healthcare services at nominal prices to patients, located in underprivileged remote communities, in partnership with 25 medical clinics, which are operated by nurses in remote communities of Pakistan.

SK is also engaged in strategic CSR activities, associated with building public health consciousness, including organizing free health education campaigns in collaboration with some national and international organizations, targeting underprivileged communities. In terms of traditional CSR, SK also provides mental health screening and counseling services to female prisoners.

***Data Collection***

Data were collected by means of one-to-one semi-structured interviews, which allowed the interviewer (the first author) to adjust the details and order of questions (Bernard et al., 2016) in order to probe the unique circumstances, and CSR- and CSV-related understandings and practices of the focal firms. Semi-structured interviews are considered to be a suitable data collection tool because they encourage participants to share their experiences and views about the phenomena under discussion (Wengraf, 2001).

 The interview guide used for the interviews sought to examine the perceptions of interviewees about the meanings of CSV and CSR and the main distinctions between these two concepts. The interview questions for managers in the focal firms included: What do you understand by the terms, creating shared value (CSV) and corporate social responsibility (CSR)? How do you differentiate your CSV initiatives from CSR activities? Have you undertaken any CSR activities to support your CSV project in order to make it successful[[1]](#footnote-1)?

Altogether, 25 semi-structured interviews were conducted with managers of the focal firms, and with representatives of their stakeholder organizations. In addition, one interview was conducted with a representative of an independent Hong Kong-based think tank named “Our Hong Kong Foundation”, which has engaged in CSV advocacy directed towards the corporate and governmental circles in Hong Kong. This individual was conversant with the CSV practices of the five Hong Kong-based focal firms. All interviews were tape-recorded and lasted between 40-60 minutes. Table 2 lists the profile of interviewees.

[Insert Table 2 about here]

***Data Analysis***

According to Corbin & Strauss (2008), qualitative data analysis involves a thorough investigation of a phenomenon and its related components in order to determine its properties, as perceived by the informants. Thematic analysis was conducted as a means to identify, analyze, and examine the common patterns (themes or categories) (Guest et al., 2012). A systematic procedure for coding and categorization was followed, as proposed by Charmaz (2014). In initial coding, raw data from the interviews were broken down into distinctive parts (phrases & sentences), and the “constant comparison method” was employed to distinguish the properties and dimensions of the emerging codes (Glaser & Strauss, 1967; Corbin & Strauss, 2008). In the next step, the most frequent initial codes were subsumed around broader categories, which in turn related to the concepts of CSV, traditional CSR, and strategic CSR, respectively. For the third step, prevailing themes were generated from the clusters of codes, categories, and concepts, and these emergent themes were clarified and checked for consistency across the body of data.

We have divided our explanations of the research findings into two sections. In the first section, we explain the perceived differences between the concepts of CSV and traditional CSR as indicated by the interviewees and on the basis of these distinctions, mapped the definitions of CSV and traditional CSR. In the second section, we analyze, on the basis of interviewees’ descriptions, how strategic CSR or traditional CSR supports the CSV activities undertaken by some of the focal firms. Quoted interviewees are identified by the serial numbers given in the second column of Table 2.

**Findings I: Differences Between CSV and Traditional CSR as Perceived and Practiced**

We identified five perceived differences between CSV and traditional CSR (i.e., CSR that is oriented toward philanthropy) as stated by interviewees, based on their own practitioner experience and observations.

***Distinction 1: Lack of Sustainability (Traditional CSR) Versus a Sustainable Strategy (CSV)***

Some interviewees of the focal firms perceived that traditional CSR projects are not self-sustaining, because these were seen mainly as involving charitable activities that do not create any economic benefits for the focal firms and their business stakeholders. Furthermore, interviewees also perceived that those activities that are undertaken as traditional CSR tend to be unsustainable means for addressing social and environmental issues, as they regarded them as continually cross-subsidized by revenue extracted from the core business operations.

“In [traditional] CSR, there is no involvement of the sustainability factor, and the majority of the businesses spend an extra share of profit to initiate CSR projects, which does not create any substantial value for the society or the stakeholders.” (12).

“In [traditional] CSR, businesses invest the money for the benefit of society, and this investment does not create any economic value.” (9).

In contrast, although very few interviewees were as skeptical about traditional CSR as interviewee (12) above, many emphasized that they perceived that CSV was a better means for conducting self-sustaining projects, and that it creates value for all stakeholders.

It appeared from the case analysis of ETS that the firm’s major CSV activities were perceived as sustainable and were perceived to be creating a wide range of benefits for their business and stakeholders as well. Accordingly, interviewees of ETS perceived that CSV is a sustainable business model, as explained in the following extracts:

“CSV is a more sustainable option as compared to [traditional] CSR, which lacks the element of sustainability. In CSV, all the stakeholders in the supply chain (suppliers, distributors, and employees) get the benefit from the business growth, and sustainability is the key element of the CSV approach.” (12).

“Today, shared value is not only a long-term commitment to sustainability in the organization, but it is also a more useful aspect of the business.” (10).

Another interviewee, from UA Cinemas, similarly perceived CSV to be a means to achieve sustainability:

“CSV is a sustainable business model for us, and when we take any business initiative, we always think of how we can address social issues.” (8).

Lawsgroup has targeted young entrepreneurs in Hong Kong and undertaken their CSV initiative to empower them, and senior managers in the firm believe that this fosters sustainability of the activities of a specific group of people, as explained in the following quote:

“In pursuit of CSV, companies target a specific group of people and try to develop a sustainable and profitable business model which enables the targeted population to achieve self-sustainability.” (4).

***Distinction 2: Philanthropy (Traditional CSR) Versus Empowering Stakeholders (CSV)***

Interviewees opined that traditional CSR essentially entails philanthropic activities. They perceived that this emphasizes giving away resources arising from previously made profits. Interviewees’ perceptions of the nature of traditional CSR activities are illustrated in the following extracts:

“[Traditional] CSR is a one-way contribution in which an organization contributes to society by donating some portion of its profit.” (4).

“In [traditional] CSR, companies mostly donate money and do not get any return except brand building.” (6).

“Generally, [traditional] CSR is considered as donation and philanthropy by the majority of the organizations.” (8).

“In [traditional] CSR, companies give back to the society through many ways which include charity, building schools, etc.” (13).

Some interviewees contrasted philanthropy what they perceived as the transformative ability of CSV to empower stakeholder groups financially and socially, through building their capabilities for work engagement as employees of the focal firm or as suppliers of services to it. It appeared from the case analysis of ETS that the main focus of that firm is on the empowerment of local suppliers; thus, senior managers in the firm perceived that CSV has potential for strengthening the supply chain, as explained by the CEO of ETS:

“CSV is a unique business model by means of which an organization can strengthen its stakeholder groups and can show long-term commitment to sustainability.” (10).

An interviewee from Lawsgroup explained how CSV was perceived to empower a group of underprivileged people:

“CSV is about capacity building, for instance, we can take an example of a group of underprivileged women who stay at home, and have not been generating any income, so in order to derive shared value, we can try to understand their needs, and give them some skills through training.” (4).

Another interviewee, from SK explained how their CSV activities were perceived to have led to financial empowerment for some healthcare professionals:

“Some of the healthcare professionals who started with us opened their own clinics in remote rural communities, so we have given them empowerment and confidence that they can give tele-healthcare services independently.” (21).

The statement by interviewee (21) was corroborated by an employee of SK, who explained how CSV activities of SK had enabled her to achieve financial empowerment:

“Before joining SK, I was dependent on my husband, but now I am independent and earning money by myself. SK has empowered me financially, and they truly believe in women’s empowerment. SK has empowered a significant amount of female healthcare professionals through its healthcare initiatives.” (22).

***Distinction 3: A Social Obligation (Traditional CSR) Versus a Win-Win Approach (CSV)***

Some interviewees indicated that they considered traditional CSR to be an exercise in meeting social obligations, through which a firm may gain social legitimacy within the society in which they operate. As illustrated in the following extracts, interviewees broadly believed that traditional CSR reflects a sense of social obligation, but some perceived that this may not have a sustainable impact on business or society.

“I think [traditional] CSR is an obligation, which compels a company to undertake some positive social initiatives to mitigate the harmful effects of business activities which are detrimental for the society and the environment.” (17).

“[Traditional] CSR is the obligation of a company to contribute to the society by undertaking social initiatives.” (7).

“[Traditional] CSR is a corporate obligation, and obligation without any value does not create any sustainable impact for the business and society.” (23).

By contrast, some interviewees in the focal firms perceived that CSV, as practiced by their respective firms, entails a win-win approach in creating substantial social, economic, and environmental value for each stakeholder. They perceived that their firms’ CSV practices were giving rise to significant mutual benefits for their respective firms and associated stakeholders, as illustrated below:

“We have developed a CSV business model, which creates value for both business and society, and it is a win-win for every stakeholder who is connected with the business.” (11).

“CSV is a win-win for every stakeholder who is working with this organization.” (12).

“The healthcare initiative of our company is a win-win for all stakeholders because female doctors who were out from the workforce have joined the workforce again and poor communities, who did not have healthcare facilities are getting good quality healthcare at economical prices.” (20).

***Distinction 4: Corporate-Centric (Traditional CSR) Versus Social and Economic Value Creation (CSV)***

Some interviewees perceived that traditional CSR activities are primarily undertaken with intent to gain intangible benefits for the firm itself through engaging in activities that may be unrelated to the firm’s core business operations. Illustrative views are given below:

“[Traditional] CSR is a corporate strategy through which organizations build their public image and get a market reputation.” (16).

“In [traditional] CSR, companies get intangible benefits such as market reputation, brand building, market recognition, etc.” (2).

“In the modern corporate world, [traditional] CSR is seen as a corporate-centric strategy.” (25).

By contrast, according to Porter & Kramer (2011), in CSV, social issues are regarded as potential business opportunities, and companies create economic value by addressing social issues. It appeared that the CSV practices of the focal firms were perceived to have generated significant value for all the stakeholders. Sample comments are given below:

“CSV is a commercial strategy in which a company creates value for society and itself simultaneously. CSV means creating social and economic value concurrently.” (7).

“CSV is the shared value which is created by the business, and it benefits both society and business simultaneously.” (9).

Some interviewees perceived that CSV entails economic value creation by transforming a specific social issue into a business opportunity and activity:

“I think CSV means to create economic value by addressing a social issue such as healthcare and providing employment opportunities simultaneously.” (19).

“If we earn money through our business model by creating some additional value for the society such as environmental protection, poverty alleviation, etc. then it is CSV.” (1).

“In CSV, companies identify some social issues and generate profit by addressing it.” (26).

***Distinction 5: Disconnected from (Traditional CSR) Versus Integrated with the Core Business Model (CSV)***

Some interviewees expressed the view that typically, traditional CSR activities are largely unrelated to the business value chain and CSR practices are led by officers in support departments such as corporate communications, public affairs, or marketing departments:

“In [traditional] CSR, companies do not understand the real problem, and CSR initiatives do not guarantee that they would fulfill the needs of people.” (4).

“I think the majority of the organizations set up a separate department to undertake [traditional] CSR activities and appoint their heads.” (10).

By contrast, Porter & Kramer (2011) represented CSV as a strategy that is at the core of the business model of the firm. Interviewees likewise expressed the view that firms that embrace CSV address social issues through their respective business models. Moreover, they also perceived that CSV is grounded in the principle that business and society are intertwined. For example:

“In CSV, we address a social issue through our business model, which creates value for both business and society. The business cannot sustain without community and community cannot sustain without business, so we address a social need through the CSV business model.” (11).

“Business is connected to the society and in CSV; companies design those activities which integrate the social needs and issues into the core business model.” (10).

“**I think CSV is integrated into the company’s DNA and lies at the center of the core business model.” (15).**

***Summarizing the Distinctions, and Mapping them Against Carroll’s Pyramid***

The five ways through which interviewees distinguished traditional CSR from CSV are summarized in Table 3, where we also indicate corresponding distinctions, which have been drawn in prior literature that we reviewed earlier in this paper and are given in italics.

Interviewees equated traditional CSR, as practiced by many of the focal firms and possibly with reference to other firms that they were familiar with, primarily with the philanthropic layer of Carroll’s (1979, 1991) pyramid. They also characterized traditional CSR as being corporate-centric, lacking self-sustainability, involving giving away resources, targeting reputation building, and being tangential to or disconnected from core business models. Moreover, interviewees perceived that traditional CSR does not generate direct economic benefits, implying that it is consistent with the economic layer of Carroll’s (1979, 1991) pyramid only if there are sufficient internal and/or external funds to cover the associated activities. Overall, the characteristics of traditional CSR that our interviewees identified were broadly consistent with prior literature reviewed earlier in this paper.

Interviewees perceived that their firms’ own CSV initiatives were generating direct economic value, matching the economic layer of Carroll’s (1979, 1991) pyramid. They considered that CSV as a business strategy was enabling their firms to design and undertake self-sustaining projects, empower stakeholders through a transformational, win-win approach, and generate beneficial outcomes for society. They thereby implied that CSV inherently entails a social dimension, and that their associated activities were sound in terms of legality, ethicality, and corporate citizenship. Most of the CSV characteristics that interviewees mentioned matched prior literature on CSV, but among them were two new aspects, namely transformative impact on employees and win-win outcomes for stakeholders.

[Insert Table 3 about here]

On the basis of interviewees’ perceptions, their characterizations of CSV and traditional CSR have been mapped against Carroll’s (1979, 1991) pyramid model in Figure 2.

[Insert Figure 2 about here]

**Findings II: CSV Supported by Strategic CSR or Traditional CSR**

One of the contrasts that interviewees drew between CSV and traditional CSR, as analyzed above, is that CSV is core to the firm’s business model, whereas traditional CSR is tangential to it. This contrast is exemplified in some of the descriptions in our earlier section on *The Focal Case Firms*. For example, for Towngas the CPH project involves one of its core businesses, i.e. distributing gas, whereas distributing rice dumplings to the community does not. Arguably, another CSR activity of Towngas, distributing free gas appliances to the needy may possibly have led to a marginal increase in overall demand for gas, but because gas appliance sales is another important line of business for the firm, it is unlikely that the firm would extend their gas appliance donations beyond a small target group. Thus, we consider this CSR activity to be tangential to the core business model.

Our analysis of four firms, namely ETS, Mishal, Fimmick, and SK, indicates that their CSV projects appear to be supported by some elements of strategic CSR, while a key CSV project of Mishal appears to have been supported by the traditional CSR (philanthropy) of external organizations. Further explanations are given below.

***ETS***

In adopting CSV, the key purposes of the firm’s local cluster development have been to promote organic tea farming practices and to improve the social and financial conditions of local farming communities. The management of ETS claimed that the training that they have provided to the farmers has improved productivity and has enhanced the income of the latter. ETS’s CSV activities thus appear to be supported by strategic CSR:

“We are funding and investing in farmers and providing them materials and tools. Furthermore, we built irrigation lines and tube wells to provide water. We also bear the organic certification cost, which was a serious challenge for the farmers.” (10).

“We arrange free knowledge sharing sessions for farmers to increase their agricultural knowledge, which ultimately improves their output through better utilization of natural resources.” (12).

***Mishal***

Under the “Hidden Hunger” project, the firm has encouraged provincial and federal legislators to begin discussions on malnutrition and make policies accordingly to address it. The management claims that this project has increased Mishal’s profit significantly and has also developed greater public awareness about malnutrition. Within the project, there appear to be some supporting elements of strategic CSR:

“We have conducted several journalism training sessions, and for all these training sessions, we did not charge any money from the journalists.” (23).

Another interviewee stated that Mishal had received outside sponsorship for the “Hidden Hunger” project, implying that these were reflections of other organizations’ philanthropic CSR-related actions.

“We have initiated the Hidden Hunger project ourselves, but later on, various stakeholders like Nestle, and Australian Aid sponsored us.” (24).

***Fimmick***

Under the CSV project of Fimmick, Eldage promotes and sells the products of local artisans through its online platform and organizes workshops for the artisans to display their artwork. The management claims that these arrangements have given financial empowerment to the local artisans. It appears that to support this CSV project, Fimmick is practicing strategic CSR. The firm offers physical space to the local artisans to display their artwork and conduct workshops and does not charge the artisans any fees. Furthermore, Fimmick distributes handicrafts engraved with different local cultural symbols to the public.

“We organize free workshops for local artisans through which we are promoting local culture and developing public consciousness.” (15).

***SK***

This firm has received many national and international awards for serving deprived communities while empowering female healthcare professionals, through its tele-healthcare CSV project. Interviewees from SK gave examples of supportive education, training and financial assistance provided by the firm that appeared to entail strategic CSR:

“We provide free health education to the community with the collaboration of industry organizations and international development agencies. We conducted several free health campaigns that were liked and appreciated by the community.” (19).

“We build the capacity of nurses (external stakeholders) through training, which aims to enhance their communication skills and medical knowledge. After giving them training, we provide the resources and establish their clinics.” (18).

***Summary: CSV Supported by Strategic CSR or Traditional CSR***

It appears that the aspects of strategic CSR that support the CSV programs of four of the firms entail: providing free materials, tools, facilities, training, and education to business partners; and free education to clients of business partners. All these aspects entail the strategic building or conservation of local clusters of suppliers, distributors or collaborators, while that of SK also entails strategic augmentation of services to address the needs of underserved communities. One firm, Mishal, utilizes external sponsorship funds (i.e., other firms’ traditional CSR) for similar purposes.

**Conclusions and Implications**

The current study indicated that the managers in and stakeholders of our eight focal firms perceived that there were clear distinctions between CSV and traditional CSR. As summarized in Table 3, The interviewees characterized CSV, as practiced by the focal firms, as being self-sustainable, empowering of stakeholders, win-win oriented, generative of concurrent social and economic benefits, and integrated with the firm’s business model. Interviewees drew several perceived contrasts between CSV and traditional CSR They characterized traditional CSR as not being self-sustaining, as “giving back” so as to discharge social obligations, as targeting reputation building, and as being tangential to the firm’s business model.

The distinctions drawn by interviewees between traditional CSR and CSV broadly matched with prior conceptual literature (von Liel, 2016; Moczadlo, 2015; Moon et al., 2011; Moore, 2014; Pirson, 2012; Pfitzer et al., 2013; Porter & Kramer, 2006, 2011; Verboven, 2011; Williams, 2008; Wójcik, 2016). Additional characteristics of CSV identified by some interviewees, namely adopting “win-win” approaches for stakeholders and having a transformative impact on employees, constitute further nuances that build on the CSV literature.

Thus, drawing on the interviewees’ descriptions about the key perceived distinctions between CSV and traditional CSR, our first main contribution is a working definition of CSV. We have represented this in the left-hand panel of Figure 2 (above), mapped it against Carroll’s (1979, 1991) pyramid (central panel of Figure 2) and have contrasted it with a representation of our interviewees’ conceptions of traditional CSR (right-hand panel of Figure 2). Our CSV definition challenges prior literature that claims that conceptualizations of CSV are vague and indistinguishable from various conceptions of CSR (Aakhus & Bzdak, 2012; Corazza et al., 2017; Crane et al., 2014; Dembek et al., 2016; Dubois & Dubois 2012; Kendrick et al. 2013).

Our second main finding is that in four focal firms (ETS, Mishal, SK, and Fimmick), CSV activities appear to be supported by strategic CSR activities. As our second main contribution, these latter instances serve to sharpen the picture of what is meant by Porter & Kramer’s (2006) conception of strategic CSR as a means of leveraging the firm’s expertise to empower and build the capabilities of stakeholders, who are thereby better equipped to contribute to and/or benefit from the CSV activities of the firm. Strategic CSR can thus play an important role in pump-priming CSV through capacity-building for suppliers and service augmentation for service recipients and thus contribute indirectly to shared value creation.

***Limitations and Suggestions for Future Research***

Finally, we identify six limitations. The first is that our data were primarily obtained through interviews, with secondary data sources playing a lesser role, reflecting that only two of the focal firms had issued stand-alone ESG or sustainability reports. Future researchers can seek out CSV-adopting firms that have issued such reports and (for example) and identify good practices in their disclosures relating to CSV and traditional, strategic, and broad CSR.

Second, since the practices of our case study firms are presented as illustrations of how CSV projects create social and economic value concurrently, a second limitation is that we did not study any processes of social audit (Zu, 2013) and financial accounting that might have been adopted by the focal firms to monitor, track, and measure the associated economic and social performance. Thus, we were not in a position to evaluate whether respondents’ perceptions about the differences between traditional CSR and CSR in terms of their impact on social and economic value creation were reflected in the focal firms’ accounting records and formal evaluation procedures. While this limitation may have reflected the absence of detailed information of this kind within our focal firms, research teams with the requisite professional background may attempt to target firms that are willing and able to provide such information.

Analyses of the impact of traditional CSR on financial performance have typically required non-intrusive, large-sample comparative studies. Based on publicly available information, such studies have analyzed measures of the amount of gift-giving (e.g., Li et al., 2021; Wang et al., 2008) and a binary measure of the provision or not of volunteer services (e.g., Liao, 2020) as antecedents, along with measures of overall firm financial performance to represent the dependent variable.

 The third limitation is that this study primarily examined for-profit companies, while future research could focus on the CSV perceptions and practices of social enterprises, and could, for example, identify distinctions and commonalities between the concepts and practices of CSV (Porter & Kramer, 2011) and social entrepreneurship (Yunus, 2009).

The fourth limitation is that we have focused on Asia-based CSV-adopting firms, so generalization globally is problematic. Future researchers can seek to replicate our findings from Asia about how practitioners in other regions espouse and perceive distinctions between CSV and traditional CSR.

The fifth limitation is that there is ambiguity about how the managers in four of our focal firms (ETS, Mishal, SK and Fimmick) construed the role of what we have analyzed as strategic CSR (Porter and Kramer, 2006) that support their CSV activities. In espousing contrasts with CSV, the respective interviewees referred to traditional CSR only. Our analysis indicates that the respective focal firms were making strategic pump-priming investments in local cluster development, with a view to generating mutually beneficial economic returns in the longer term, or strategic embellishment of services. That there can be key differences between managerial espousals and managerial practices has long been recognized (Argyris, 1976). Future research could seek to provide further clarification of the role of strategic CSR in supporting CSV programs that seek to develop or conserve local clusters of suppliers, distributors, partners, or customer relationships. We believe that such clarity would help practitioners add further value to CSV.

Our sixth limitation is that our sample of CSV-adopting firms is small. It is possible that they may have been biased towards emphasizing contrasts between CSV and traditional CSR. Future research could explore in more depth the role of traditional CSR (i.e., philanthropic sponsorship) provided by external benefactor firms as support for the CSV activities of a focal firm.**References**

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**Figure 1. Carroll’s (1991) Pyramid of responsible corporate management**

**PHILANTHROPIC Responsibilities**

*Be a good corporation citizen*

Contribute resources to the community

Improve quality of life

**ETHICAL**

 **Responsibilities**

*Be ethical*

Obligation to do what is right, just, and fair. Avoid harm

**LEGAL**

**Responsibilities**

*Obey the law*

Law is society’s codification of right and wrong.

Play by the rules of the game

**ECONOMIC**

**Responsibilities**

*Be profitable*

The foundation upon which all other rests

**Figure 2. Perceived meanings & definitions of CSV and Traditional CSR vis-à-vis** **Carroll’s (1991) Pyramid**



**Economic Responsibility**

Only give-back if there is sufficient surplus to afford this

**Philanthropic Responsibility**

* Entails donations and charity
* Lack of sustainability
* Disconnected from core strategy
* Social obligation

**Traditional CSR**

**Carroll’s (1991) Responsible corporate management model**

**Economic Value creation**

* Create direct economic value
* Integrated within core strategy

**Social Value Creation**

* Entails sustainability
* Empowering stakeholders
* Design win-win solutions

**CSV**

**Table 1: Background information of companies**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Focal Company | Year of establishment | Business sector | Number of employees | Geographical locations | Ownership structure |
| Towngas | 1862 | Energy & telecommunication | 3000 | Hong Kong, PRC, Thailand | Publicly listed as HKG: 0003 (Hong Kong) |
| Lawsgroup | 1975 | Apparel manufacturing, property & investment, retail & branding | 2500 | Hong Kong, PRC, Myanmar, Bangladesh | Privately held |
| Guardforce | 1977 | Security & surveillance technology | 4000 | Hong Kong, Macau, Thailand, Australia  | Subsidiary of China Security Co., listed as SH: 600654 (Shanghai) |
| UA Cinemas | 1981 | Multimedia entertainment | 500 | Hong Kong | Subsidiary of Lark International, privately held |
| English Tea Shop | 2010 | Organic tea | 600 | Sri Lanka, UK | Subsidiary of Amazon Tea, privately held |
| Fimmick | 2009 | Digital marketing  | 100 | Hong Kong, Taiwan | Privately held |
| Mishal | 2003 | Media & communication  | 40 | Pakistan | Privately held |
| Sehat Kahani | 2015 | Healthcare | 20 (full-time) 1500 (part time) | Pakistan | Privately held |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Focal Case & (Stakeholder)** | **Serial****No** | **Department** |  **Designation** | **Years of service** | **Gender** |
| **Towngas** | 1 | Business Strategy | Managing Director | 26 | M |
|  | 2 | Marketing & Sales | General Manager | 37 | M |
|  | 3 | Corporate Communication | Senior Manager | 12 | F |
| **Lawsgroup** | 4 | Marketing & Retailing | Director | 5 | M |
|  | 5 | Marketing | Manager | 4 | F |
| **Guardforce** | 6 | Business Strategy | Chief Executive Officer | 36 | F |
|  | 7 | Business Development | Assistant General Manager | ? | M |
| **UA Cinemas** | 8 | Business Strategy | Managing Director | 6 | M |
|  | 9 | Marketing | Corporate Communication Manager | 3 | F |
| **ETS** | 10 | Business Strategy | Chief Executive Officer | 9 | M |
|  | 11 | Marketing | Manager | 6 | M |
|  | 12 | Supply Chain & logistics | Assistant General Manager | 11 | M |
| (Print Care) | 13 | Sales & Operations | Manager | 9 | M |
| **Fimmick** | 14 | Business Strategy | Chief Executive Officer | 10 | M |
|  | 15 | Marketing | Manager | 6.5 | F |
|  | 16 | Marketing | Assistant Manager | 3.5 | F |
|  | 17 | Operations | Manager | 1 | F |
| **Sehat Kahani** | 18 | Operations & Strategy | Chief Executive Officer | 4 | F |
|  | 19 | Operations & Strategy | Chief Operating Officer | 4 | F |
|  | 20 | Marketing | Manager | 1 | M |
|  | 21 | Information Technology | Manager | 3 | F |
| (Healthcare Professional) | 22 | General Medicine | Physician | 2.5 | F |
| **Mishal** | 23 | Strategic Management | Chief Executive Officer | 15 | M |
|  | 24 | Operations | Project Manager | 1.5 | F |
| (Academic Institute) | 25 | Business Incubation Center | Director | 5 | M |
| **Our Hong Kong Foundation** |  26 | Business Strategy | Associate sustainability consultant | 2 | M |

**Table 2: Profile of Interviewees**

**Focal companies:** Towngas, Lawsgroup, Guardforce, UA Cinemas, ETS, Fimmick, Sehat Kahani and Mishal

**Stakeholders (in brackets):** Print Care, Healthcare professional, Academic Institute and OurHong Kong Foundation

**Table 3: Perceived differences between CSV and Traditional CSR**

|  |  |  |
| --- | --- | --- |
|  | **Traditional CSR** | **CSV** |
| Interviewees’ perceptions | Lack of sustainability; not creating economic benefits and needing to be cross-subsidized | A sustainable business strategy: benefiting stakeholders through business growth |
| *Corresponding portrayals in previous literature*  | *Giving away resources derived from previously gained profits (Moczadlo, 2015; Moon et al., 2011; Moore, 2014; Porter & Kramer, 2006, 2011)* | *As above (Wójcik, 2016)* |
| Interviewees’ perceptions | Philanthropy: giving back to society | Empowering stakeholders: transformative impact on employees; transformative effect on suppliers |
| *Corresponding portrayals in previous literature* | *The “philanthropic or voluntary” layer of Carroll’s (1979, 1991) pyramid; Fordham & Robinson’s (2018) “CSR interaction”* | *Collaborative relationships with suppliers give rise to learning advantages (Kuenkel, 2015)* |
| Interviewees’ perceptions | Social obligation: gaining social legitimacy. | Win-win: creating value for all stakeholders |
| *Corresponding portrayals in previous literature* | *CSR is a response to external pressure for social desirability (Porter & Kramer (2006, 2011)* | *-* |
| Interviewees’ perceptions | Corporate-centric: aiming to gain intangible benefits for the firm such as image building  | Social and economic value creation: a commercial strategy that simultaneously benefits society |
| *Corresponding portrayals in previous literature* | *Primarily motivated by brand-building (Porter & Kramer, 2006, 2011; Von, 2016; Williams, 2008)* | *As above (Porter & Kramer, 2011; McGahan, 2012)* |
| Interviewees’ perceptions | Tangential to the firm’s business model: unrelated to the business value chain; delegated to officers in support departments | Integrated with the firm’s business model.  |
| *Corresponding portrayals in previous literature* | *As above (Moon et al., 2011; Moore, 2014; Porter & Kramer, 2011; Wójcik, 2016)* | *As above (Porter & Kramer, 2006, 2011; Von, 2016; Williams, 2008)* |

1. Interviewees generally interpreted questions involving CSR as being about traditional CSR, except in some cases when explaining how strategic CSR was being used to support CSV. [↑](#footnote-ref-1)