

STAKEHOLDER ROLE CONFLICTS AND COLLABORATIVE PROCESSES IN SHARED VALUE CREATION: A SOUTH AFRICAN PERSPECTIVE

Ongayi Wadesango

University of Limpopo

ABSTRACT

This literature review explores the conflicts in stakeholder roles and the challenges of creating shared value in the South African context. It highlights how mismatched expectations and historical power dynamics among government, companies, NGOs, and communities impede effective collaboration. While shared value is intended to integrate economic, social, and environmental goals, the existing adversarial relationships, particularly between civil society organisations and JSE-listed companies, limit its implementation. The review identifies that current regulatory framework, though designed to redress apartheid-era inequalities, may unintentionally hinder innovation and cooperation. Scholars agree that collaboration is critical, yet there is limited consensus on how to resolve conflicting stakeholder roles, goals, and interests. A shift towards norms-based frameworks and innovative, inclusive strategies is proposed as essential for sustainable shared value creation. The South African experience illustrates the urgent need for practical tools to guide stakeholder engagement, measure value creation, and redefine power relations. This study supports the development of an integrated shared value creation model, emphasising ethical collaboration and long-term impact.

Keywords: Shared Value, Stakeholder Roles, Collaboration, South Africa.

1. INTRODUCTION

The concept of shared value has emerged as a transformative approach that seeks to bridge the gap between business success and societal progress. It goes beyond traditional corporate social responsibility (CSR) by embedding social and environmental considerations into core business strategies. Rather than treating social impact as a cost or peripheral concern, shared value involves generating economic value in a way that simultaneously addresses social and environmental challenges. Scholars such as Porter and Kramer (2019), Dyllick and Muff (2016), and Schaltegger et al. (2016) argue that this approach can lead to more sustainable and inclusive economic systems, particularly in developing contexts like South Africa.

South Africa presents a unique landscape for examining shared value due to its complex socio-economic history, marked by deep-rooted inequality, unemployment, and dependency on government social grants. In this context, the roles of key stakeholders, government, companies, non-governmental organisations (NGOs), and communities are often misaligned. Historical legacies, conflicting expectations, and power imbalances have resulted in antagonistic relationships rather than constructive partnerships. The persistence of role confusion among these actors has hindered efforts to co-create solutions that benefit all parties and achieve meaningful social impact.

This literature review critically examines the tensions that arise from these role conflicts and evaluates how they affect the process of shared value creation. It further explores the conditions necessary for effective collaboration, the importance of redefining stakeholder power dynamics, and the need for ethical, norms-based frameworks to support integrated value creation. By focusing on the South African context, this review aims to highlight both the challenges and opportunities that exist in advancing shared value through collaborative and innovative strategies.

2. CONFLICT OF STAKEHOLDER ROLES IN SHARED-VALUE CREATION WITHIN THE SOUTH AFRICAN CONTEXT

Existing literature highlights significant conflicts between the roles stakeholders currently play and the roles they are expected to play in the process of creating shared value in South Africa. These conflicts largely stem from historical legacies, such as apartheid, as well as misaligned expectations and power imbalances among key role players—government, companies, NGOs/CBOs, and communities.

2.1.1 The government and municipalities

The government and municipalities are traditionally tasked with enforcing legal frameworks to regulate the private sector. However, in the context of shared value creation, their role should evolve to include setting strategic goals, stimulating innovation, and creating regulations that enable shared value. Unfortunately, although post-apartheid legal codes were implemented to address inequality, they often unintentionally hinder shared value creation (Viviers & Els, 2017).

2.1.2 Companies

Particularly those listed on the JSE, are typically involved in social investment and stakeholder engagement. However, they are expected to go beyond this and actively collaborate with NGOs to create social and environmental benefits that also drive economic value. Presently, companies often face pressure from government and civil society, leading to strained, even adversarial, relationships (Viviers & Els, 2017).

2.1.3 NGOs and Community-Based Organisations (CBOs)

once expected to hold government accountable and represent communities, are now frequently seen as extensions of government initiatives. Instead of acting independently, many NGOs are contracted by the state and lack the autonomy to fulfill their original watchdog role. In a shared value framework, NGOs are supposed to ensure that communities receive necessary services and benefits by holding both government and companies accountable. However, they tend to adopt confrontational postures toward JSE-listed companies, which disrupts collaboration (Oh, 2019).

2.1.4 Communities

Themselves are often portrayed as passive recipients of social aid, with about 17 million people relying on government grants (Nwokolo, 2017). Ideally, communities should transition toward self-reliance and play an active role in granting companies the "social licence to operate." However, there remains a widespread dependency on both state and corporate support, making it difficult to cultivate empowered and engaged communities.

These role conflicts reveal deep-seated tensions between civil society organisations, the state, businesses, and communities. The lack of clear roles, divergent interests, and opposing goals has made collaboration difficult (Vazquez-Brust et al., 2020). Furthermore, NGOs in South Africa are often perceived as government-aligned entities, tasked with supporting community needs while also regulating the private sector on behalf of the state (Weaver et al., 2019). To foster effective shared value creation, these power dynamics must be redefined. Companies and NGOs should be encouraged to collaborate in developing self-sufficient communities. NGOs must reclaim their role in representing society and holding the government accountable (Tee et al., 2018). Scholars such as De los Reyes et al. (2017) and Wójcik (2016) argue that the integration of ethics-based or norms-driven frameworks can help reduce stakeholder conflict and promote constructive engagement.

2.2. Creation of Shared Value – A Summary

Researchers including Dyllick & Muff (2016), Schaltegger et al. (2016), Busch et al. (2018), Jacobides et al. (2018), Moon and Parc (2019), Oh (2019), Jackson (2019), Giesen (2019), Porter and Kramer (2019), Vazquez-Brust et al. (2020), and Oskam et al. (2020) collectively agree that shared value is created through policies and business practices that simultaneously generate economic, social, and environmental value. Some approaches emphasise social and environmental outcomes with economic value as a secondary benefit, while others prioritise economic value with social/environmental benefits as by-products.

Regardless of the emphasis, shared value requires that all three dimensions economic, social, and environmental are addressed. Corazza et al. (2017) argue that shared value must be distinguished from corporate social responsibility (CSR) by adopting innovative models and practices that focus on creating sustainable systems. True shared value results in a self-sustaining community. In contrast, the growing number of South Africans dependent on social grants now estimated at 17 million indicates a society that is not yet economically self-reliant (Nwokolo, 2017).

Drawing from prior discussions, the characteristics of the shared value creation process can be summarised as follows:

2.2.1 Collaboration with Non-Governmental Organisations, Government, Communities, and Environmental Stakeholders

Effective collaboration helps identify shared value opportunities rooted in stakeholder concerns. It involves creating a common agenda, shared measurement systems, and clearly interconnected roles. However, existing research has yet to provide practical guidance on how this collaborative process should unfold. De los Reyes et al. (2017) and Wójcik (2016) highlight the lack of consensus among scholars on managing conflicting roles and interests. Porter and Kramer (2019) caution that simply compromising or trading off stakeholder interests is not a sustainable solution—instead, they call for innovative strategies that align all stakeholders' goals. This study supports this viewpoint and seeks to propose creative, context-specific strategies for JSE-listed companies operating in South Africa.

2.2.2 Identifying Opportunities Aligned with Business Strategy and Community Needs

There is a lack of concrete empirical examples showing how companies can collaboratively reform communities and promote social equity. Identifying opportunities that meet both business and community needs requires long-term engagement with social and environmental stakeholders (Adams et al., 2016). Companies must adopt new forms of inter-organisational collaboration and empower different actors (Matinheikki et al., 2017). Involving end-users in product and service development enables firms to create more relevant offerings (Giesen, 2019). Since shared value is still a relatively new concept, businesses that have not adapted their strategies accordingly cannot be said to be generating shared value. There is a pressing need for new accountability and disclosure frameworks to support this process.

2.2.3 Projecting Economic, Social, and Environmental Value

Very few scholars have tackled the question of how to project shared value outcomes. Giesen (2019) maintains that social investment must now be central to corporate strategy, not a peripheral consideration. Yet, practical tools for forecasting and evaluating integrated value remain underdeveloped. García-Sánchez and Araújo-Bernardo (2020) argue that unless companies radically change their reporting culture, shared value disclosures will remain superficial. Like traditional financial reports that require forecasting and performance comparisons, shared value initiatives need tools to project and measure their combined social, environmental, and economic impacts.

2.2.4 Developing Strategic and Innovative Processes

To achieve shared value, companies must redesign production and distribution systems while addressing regulatory and cultural barriers. In South Africa, current power dynamics favour social and environmental stakeholders, due in part to post-apartheid policies. Crane and Ruebottom (2011) note that when stakeholders are given excessive power, companies may be compelled to act against their initial strategic intentions. Some stakeholders even expect to control aspects of corporate operations. However, the King IV Code prioritises the long-term sustainability of companies. Strategic innovation should therefore involve creating integrated frameworks that balance stakeholder interests and ensure mutual benefit.

2.2.5 Measuring Social and Environmental Value Using Established Tools

Shared value is not synonymous with philanthropy. It does not involve diverting existing profits into non-revenue-generating projects. Instead, it seeks to create new, simultaneous value across economic, social, and environmental domains (Busch et al., 2018; Moon & Parc, 2019). In South Africa, companies typically allocate at least 1% of net profit to Corporate Social Investment (CSI), but this study questions whether these expenditures genuinely create shared value. For shared value to be authentic, the benefits especially the economic ones—must be measurable and identifiable.

South Africa has policy frameworks that promote stakeholder inclusion, and the nature of engagement will be further detailed in the next section.

2.3 Collaboration

Collaboration entails shared ownership and mutual responsibility among stakeholders working toward a common goal. Scholars such as Van Ruler (2018), Lüdeke-Freund et al. (2016), Smith et al. (2019), Austin and Seitanidi (2012), Porter and Kramer (2019), Vazquez-Brust et al. (2020), and Oskam et al. (2020) agree that collaboration is central to shared value creation.

Effective collaboration is characterised by stakeholder independence, constructive management of differences, collective responsibility, and innovative problem-solving (Porter & Kramer, 2019; Vazquez-Brust et al., 2020). Despite strong theoretical support for collaboration, many scholars have not offered practical solutions to handle conflicts in roles, interests, and goals. Some, such as Corner and Pavlovich (2016) and Van Ruler (2018), advocate for compromise and trade-offs. Others, like Lenssen and Lenssen (2019) and Porter and Kramer (2019), argue that collaboration should aim for innovation that accommodates all interests without compromising key objectives.

In South Africa, persistent social unrest is a symptom of ineffective collaboration strategies (Madlala & Govender, 2018). Collaboration cannot succeed in an environment where communities view companies as contributors to poor living conditions. Promises that don't align with actual practices, one-sided compromises, and reactive stakeholder engagement prevent effective partnerships from forming. To counter

3. CONCLUSION

In conclusion, the creation of shared value in South Africa is a complex but essential endeavour that demands a redefinition of stakeholder roles, power dynamics, and collaboration mechanisms. The literature consistently reveals that although the concept of shared value promises simultaneous economic, social, and environmental benefits, its implementation is hindered by conflicting stakeholder expectations, historical inequalities, and institutional misalignment. Government, companies, NGOs, and communities each have important roles to play, but these roles are often misunderstood or distorted, leading to antagonistic relationships rather than synergistic partnerships. For shared value to be effectively realised, especially in the South African context, it is critical to move beyond superficial corporate social investment and embrace long-term, strategic collaboration underpinned by ethical frameworks and transparent accountability. Practical tools for measuring integrated value, projecting long-term impact, and engaging in equitable partnerships must be developed and embedded within corporate and public governance structures. Furthermore, cultural shifts in how companies and stakeholders perceive one another shifting from adversaries to co-creators are necessary to achieve self-sustaining, empowered communities. Ultimately, shared value creation is not just a business strategy but a transformative societal approach that requires innovation, trust, and a genuine commitment to inclusive development.

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