

Understanding joint value creation and appropriation in stakeholder-oriented firms

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Resumo

The current debate on the New Stakeholder Theory argues that the firm needs to have a joint value creation system. This system is named the "stakeholder value system". However, the current literature does not describe how the system's elements (resources and capabilities, stakeholders, and governance) are related to one another to create and appropriate joint value. Therefore, the paper aims to describe how the firm coordinates processes to create and appropriate joint value with multiple stakeholders to achieve performance. We conducted empirical research designed as a theory-building on multiple case studies with companies from seven sectors. Value creation and appropriation processes do not happen in a sequential and linear timing. The value creation process is composed of three elements, organizational behavior, business model redefinition, and societal issues. Value appropriation is composed of four elements, materiality matrix, stakeholder bargaining power, retention of rents, and governance mechanism. Value distribution is the driver for value creation. We contribute to the new stakeholder theorists confirming empirically the importance of incorporating stakeholders' management to resources and capabilities governance for the firm to generate value and achieve performance. A further quantitative investigation could deep into value distribution as the dependent variable.