

Article

## Creating shared value in international business: A research agenda

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### Abstract

The objectives of this conceptual perspective article are to explore the extent to which the umbrella concept of creating shared value (CSV) is embraced and utilized by the international business (IB) literature, and to suggest avenues in order to leverage the potential of this concept in future IB research. Our literature review suggests that although corporate social responsibility (CSR) has been a growing research topic in IB literature, there is not yet any research by IB scholars on CSV. Aiming to create a research agenda in this direction, this study suggests ten avenues for future IB research to embrace the CSV concept. Pursuing these avenues will contribute not only to the IB literature but also to the CSV literature, which suffers a number of criticisms. Managers as well as policy makers can find tips from this study to stimulate CSV.

**Keywords:** Creating shared value, international business, corporate social responsibility.

### 1. Introduction

On the one hand, the role of business in society is under criticism following the Enron / Arthur Andersen scandal in 2001, the subprime mortgage crisis in the US in 2008, and the Volkswagen emissions scandal in 2015. On the other hand, social and environmental challenges are demanding urgent actions as stated in the sustainable development goals of the United Nations. The case of the drying of the Aral Lake as a result of storing water from the Amu Derya River, the lake's main source of fresh water, for use in the nearby cotton fields in Uzbekistan, or the case of the pollution of the Citarum River in Indonesia by chemicals leaking from nearby garment factories, exemplify, among many more similar cases in other emerging and least-developed markets, the possible destructive impacts of business on the nature and the community. Realizing that business-as-usual is a dead end (Pfitzer and Scholz 2019), there has been an increase in the amount of research on corporate social responsibility (CSR) since the 2000s. The umbrella concept of creating shared value (CSV) was introduced in 2011 as a means to offer businesses new revenue generation opportunities by addressing unmet social needs in their core strategy, i.e. create social value, without making any trade-off from economic returns, i.e. create economic value (Porter and Kramer 2011). What differentiates CSV from CSR is that the former merges social benefits and economic benefits in the heart of company's core strategy (Porter and Kramer 2011). CSV received positive responses from managers of multinational companies (MNCs) like General Mills, SAP, AB InBev, Toyota, Dow, and Lilly, which undertook successful CSV initiatives (see FSG 2019). The responses from the academia, however, were mixed

(see Aakhus and Bzdak 2012; Beschorner 2013; Pfitzer et al. 2013; Crane et al. 2014; Dembek et al. 2016; De los Reyes et al. 2017; Vallentin and Spence 2017; Glauner 2019; Lee 2019), which is natural given the concept's recentness.

The primary focus of international business (IB) literature has been economic, including topics like internationalization, international market entry modes, MNCs, exporting, and foreign direct investments. However, there is a significant increase in the amount of research on CSR including systematic literature reviews during the last two decades (see Lockett et al. 2006; Egri and Ralston 2008; Kolk and Van Tulder 2010; Kolk 2016; Kourula et al. 2017; Pisani et al. 2017; Haque 2018; Zhao et al. 2018; Wettstein et al. 2019). In addition, there are already a number of published cases of CSV initiatives in international context (see Rangan and Rajan 2007; Porter et al. 2016; 2017a; 2017b). Despite these efforts, there is hardly any attempt in the IB literature to utilize CSV and develop a theoretical understanding of it in cross-border operations. Attempting to apply CSV in the context of IB, especially in emerging markets and least-developed markets, is promising because on the one side these markets provide growth opportunities, and on the other they bear significant social problems (Michelini and Fiorentino 2012; Kolk 2016). This research makes a contribution in this direction by suggesting an agenda of ten avenues for future research on how to integrate the young CSV concept into the IB literature. Pursuing these suggestions can open new directions for the IB literature, which may be "running out of steam" and suffering criticisms of legitimacy as a scholarly field (see Buckley 2002; Peng 2004; Buckley et al. 2017; Poulis and Poulis 2018). It can also contribute to the conceptual and empirical development of the CSV concept while strengthening its legitimacy with enhanced applications in different contexts.

The remainder of the article is structured in the following manner. Section 2 makes a holistic review of the state of the art of the CSR literature in conjunction with its integration to IB literature, and section 3 does the similar exercise for CSV together with its integration to IB literature. It shall be noted upfront that this is an exploratory conceptual study, and thus it is not a systematic literature review article. A research agenda on how to integrate CSV to IB literature is presented in section 4, and finally, the article ends with a conclusion in section 5.

## **2. CSR and its integration to IB literature**

CSR implies corporate commitment for economic, legal, ethical, and philanthropic responsibilities in order to ensure the sustainable development and well-being of the community (Carroll 1979; Kotler and Lee 2005). European Commission (2011) defines it broadly as the responsibility of companies for their impacts on society. CSR can materialize as a reaction to external institutional pressures, i.e. responsive CSR, or on a proactive voluntary basis, i.e. strategic CSR (Baron 2001; Porter and Kramer 2006; Vallentin and Spence 2017). Responsive CSR is about being a good corporate citizen by complying with obligations to acquire a license to operate; as such, responsive CSR initiatives are mostly at operational level, and they are considered as additional costs (Porter and Kramer 2006; Vallentin and Spence 2017). Strategic CSR, on the other hand, goes beyond responsiveness and considers responsibility as an opportunity that can benefit the company and the society simultaneously (Porter and Kramer 2006; Vallentin and Spence 2017). Galbreath (2006) provides a typology of CSR strategies taking into consideration the responsive vs. proactive nature of initiatives as well as their temporal impact (short-term vs. long-term). The four strategies of this typology are shareholder strategy, defensive altruistic strategy, reciprocal strategy, and citizenship strategy (*ibid.*). Managers take a responsive short-term attitude in the shareholder strategy and the defensive altruistic strategy by prioritizing economic value over social value and minimizing their efforts to fulfill CSR (*ibid.*). Their attitude becomes more proactive and long-term in the reciprocal strategy and the citizenship strategy. While they aim to find a balance between economic value and social value in the reciprocal strategy, they integrate social problems into the corporate strategy proactively in the citizenship strategy (*ibid.*).

During the last two decades CSR has received increasing attention from IB scholars, reflected by the fact that the share of CSR articles in the IB literature has increased from 0.5% in 2002 to 5.2% in 2015 (Kourula et al. 2017; Pisani et al. 2017; Zhao et al. 2018). IB scholars argue that CSR can be a means to overcome the obstacles of liability of foreignness and improve MNC competitiveness in international markets as CSR initiatives help to build

a positive image and gain trust and support in the host market (Vogel 2005; Kostova et al. 2008; Kurucz et al. 2008; Bondy and Starkey 2014; Zhao et al. 2018; Bai et al. 2019). Kolk (2016) identifies three subthemes under CSR research in the IB literature. These are green environment, poverty reduction and sustainable development, and ethics, rights and responsibilities. Another study by Zhao et al. (2018) reveals five research trends of CSR in the IB literature. These are business ethics, integration of stakeholder management, the evolution of the CSR concept, the political and social demands of CSR, and the financial implications of CSR. While Kourula et al. (2017) suggest inclusive development and the sustainable development goals of the United Nations for the future research agenda of IB, Wettstein et al. (2019) call for IB research to embrace business responsibilities and human rights as promising future research avenues. As the subthemes are diverse, it is difficult to have a consensus on what CSR exactly means in IB context (Egri and Ralston 2008; Montiel and Delgado-Ceballos 2014; Kolk 2016). Similarly, literature reviews by Lockett et al. (2006), Egri and Ralston (2008), Kolk and Van Tulder (2010), and Pisani et al. (2017) suggest that there is need for a theoretical understanding of international CSR especially in emerging markets and least-developed markets. In most of the literature, MNCs are identified as the major vehicle to tackle grand social challenges since they have the resources which even some of the governments can't match, and traditional governmental and nongovernmental approaches have so far failed (Porter and Kramer 2011; Kolk 2016; Kourula et al. 2017; Uzhegova et al. 2018). Kolk (2016) proposes a framework for analyzing the impact of MNCs on sustainable development not only through foreign direct investment projects but also international trade and pro-poor initiatives. Given a recent rise in foreign direct investments and international trade from emerging-market MNCs, such as from China, cross-border CSR practices undertaken by emerging-market MNCs should also be researched (Wettstein et al., 2019). While CSR studies on MNCs are on the rise, the topic is under-researched in the context of small and medium-sized enterprises (SMEs), which is an opportunity for future research (Uzhegova et al. 2018).

International CSR research involves multiple stakeholders from different countries and as a result demands the simultaneous consideration of global and local CSR (Pisani et al. 2017). Comparative international CSR studies use different theoretical lenses. For example, using the Cultural, Administrative, Geographic and Economic distances (CAGE) framework, Campbell et al. (2012) examine CSR practices of bank affiliates from 32 countries. The study reveals that CSR initiatives vary significantly in different countries, and that there is need for higher levels of CSR investment in CAGE-distant countries to reduce the liability of foreignness. Katz et al. (2001), who examine the cross-cultural variation of CSR policies and practices using Hofstede's cultural dimensions, suggest that culture shapes a nation's expectation of CSR conduct. Bondy and Starkey (2014) find out that most MNCs do not consider the host country national culture in the development of their CSR policies and argue that the use of standardized CSR policies may lead to disconnection from local issues and to ethnocentric behaviors of managers. Since this may have a negative impact on the MNC's competitiveness, they recommend an integrated CSR internationalization strategy that combines global CSR practices with the spirit of local responsiveness. There are also calls in international CSR research for an increasing use of the micro-foundation approach, which is about understanding the roles of managers and employees using behavioral and social identity theories (see Kolk 2016; Muller and Kolk 2010; Crilly et al. 2012). Further future research avenues include applying stakeholder theory in international CSR research (Surroca et al. 2013; Pisani et al. 2017), studying the roles of subsidiaries on international CSR practices (Durand and Jacqueminet 2015), and examining international CSR as a phenomenon by studying its antecedents and consequences (Pisani et al. 2017).

### **3. CSV and its integration to IB literature**

CSV envisions addressing social problems in the core strategy of the company and simultaneously increasing the pie of economic value for all stakeholders (Porter and Kramer 2011). Similar to strategic CSR and citizenship strategy, social problems are tackled proactively and with a long-term orientation (see Galbreath 2006; Vallentin and Spence 2017). As such, CSV embeds a social purpose in the culture of the company (Pfitzer et al. 2013). Porter and Kramer (2011) argue that companies are the best candidates to tackle social problems because they have more

resources than both governments and non-governmental organizations (NGOs). They also have the economic motivation to solve social problems because on the one hand social problems affect company productivity negatively by incurring additional costs, and on the other, they represent unserved market opportunities (ibid.). Empirical research on CSV covers diverse sectors from mostly developed countries such as banking (see Bockstette et al. 2015; Ilmarinen and Akpınar 2018), insurance (see Jais et al. 2017), and health care (see Matinheikki et al. 2017). There are relatively few studies from emerging markets (see Lapina et al. 2012; Spitzack and Chapman 2012).

Although CSV received a lot of attention in short time, it has been subject to significant criticisms. The first criticism is about its originality in that it resembles earlier concepts like the bottom of the pyramid, mutual value, blended value, stakeholder management, strategic CSR, triple bottom line, and conscious capitalism (Crane et al. 2014; Dembek et al. 2016). The second criticism is about its rigor. While Crane et al. (2014) applaud that CSV elevates social goals to a strategic level, they criticize it strongly in that it ignores the inherent tensions between economic value and social value and at the same time takes a shallow conception of the company's role in society. Vallentin and Spence (2017) further acknowledge that CSV does not deal at all with the fundamental problems of corporate irresponsibility. Recent studies by de los Reyes et al. (2017) and Lee (2019) aim to offer solutions in response to this criticism. De los Reyes et al. (2017) introduce the CSV+ ethical framework, which offers a solution in resolving B-case "win-lose" issues. Building on this framework, Lee (2019) suggests applying the logic of appropriateness in order to overcome the challenge of managerial bounded rationality in making strategic decisions. The third criticism on CSV relates to its perception of social needs not as ethically important ends but as means to achieve economic goals (Aakhus and Bzdak 2012; Beschorner 2013). Taking this to a higher level, Vallentin and Spence (2017) question whether shared value as such is merely a reflection of business as usual flying under a new flag. In response to this criticism, Glauner (2019) takes a constructive approach and suggests that there is the need for a paradigm shift to consider markets in symbiosis rather than in competition and offers the ethicological business model as an alternative. This model argues that companies will only survive if they apply global ethos values (reciprocity, fairness, truthfulness, and partnership) and the principles of natural resource creation (locality, freedom, sense of scale, diversity, and value creation) to their businesses. The fourth criticism is that Porter and Kramer (2011) underestimate the potentials of philanthropy and CSR when they introduce CSV as a superior alternative (Aakhus and Bzdak 2012; Beschorner 2013). Vallentin and Spence (2017) argue that Porter and Kramer create unnecessary conceptual confusion by trying to differentiate CSV from CSR with logically inconsistent arguments. They suggest that in order to make CSV distinct from CSR, the boundaries of CSV need to be drawn clearly, there should be an agreed way to measure CSV, and it should be explained how CSV can be applied at organizational level. This study views CSV not as an alternative to philanthropy or CSR but as a complementary approach for businesses to tackle social problems (Aakhus and Bzdak 2012; Lapina et al. 2012; Hartman and Werhane 2013).

Porter and Kramer (2011) identify three ways to achieve CSV. Companies can innovate new products and services in the first way by addressing unmet social needs of unserved or underserved markets (Type 1 CSV). This way is similar to the bottom of the pyramid concept, targeting disadvantaged communities in emerging markets and least-developed markets (see Prahalad 2010). Emerging markets and least-developed markets are promising for achieving Type 1 CSV because they possess significant social problems and high growth opportunities (Michelini and Fiorentino 2012; Kolk 2016). In the second way, companies can redefine productivity in the value chain in order to address social problems and at the same time achieve significant cost savings (Type 2 CSV). Examples of this way include the optimization of inbound and outbound logistic routes, improvements in employee health and safety, and the recycling of waste materials (Porter and Kramer 2011). Type 2 CSV can be realized in all markets independent of their level of development. Finally, companies can develop the capabilities of local clusters in the third way through infrastructure development, trainings, and enhanced collaboration (Type 3 CSV). Strong local clusters enhance regional prosperity and at the same time contribute to the company's productivity and innovativeness (Delgado et al. 2010). Recent studies by Alberti and Belfanti (2019) and Yelpeo and Kubelka (2019) find out that clusters indeed are the most suitable for undertaking collective CSV initiatives. Type 3 CSV can also be realized in all markets, but the impact of the potential social value would be higher in emerging and

least-developed markets. The implementation of Type 3 CSV is the most challenging among the three ways. Challenges arise in that it requires high investments which have long pay-off period, and as a result, it is difficult to gain the engagement of a variety of stakeholders, and there may be free-riders in collective projects (Porter and Kramer 2011). Lee (2019) argues that implementing CSV in general is challenging because managers are subject to the problem of bounded rationality, and consequently, they are not capable of achieving the dual mission of creating economic and social value. Kramer and Pfitzer (2016) further argue that a collective-impact approach with leadership is always necessary for Type 3 CSV. This approach demands the implementation of a shared value-oriented entrepreneurial vision, a common agenda and strategic alignment, a shared value-oriented innovation, networking capabilities, a shared measurement system, mutually reinforcing activities, constant communication with all stakeholders, and strong leadership (Kramer and Pfitzer 2016; Matinheikki et al. 2017; Mühlbacher and Böbel 2019). Pfitzer et al. (2013) also acknowledge that embedding a social purpose in the culture, measuring economic and social value, and co-creating with external stakeholders are highly important for delivering successful CSV innovations. Maltz and Schein (2012) recognize that CSV initiatives have a higher probability to succeed when companies have the capability to do so, when there is consistency between the creation of economic value and social value, and when the social value can be cultivated beyond the company that created the initiative.

An important aspect of CSV initiatives is the measurement of the created economic and social value over time (Pfitzer et al. 2013; Pfitzer and Scholz 2019). Porter et al. (2012) propose the use of multiple measures for each of the three ways of CSV. With respect to innovating new products addressing unmet social needs (Type 1 CSV), economic results can be assessed through increased revenues, increased market share, increased market growth and increased profitability, and social results can be assessed through improved patient care, improved carbon footprint, improved nutrition, and improved education, depending on the nature of the social problem. With respect to redefining productivity in the value chain (Type 2 CSV), economic results can be assessed through improved productivity, reduced logistical and operating costs, secured supply, improved quality, and improved profitability, and social results can be assessed through reduced energy use, reduced water use, reduced raw materials, improved job skills, and improved employee incomes. Finally with respect to developing local clusters (Type 3 CSV), economic results can be assessed through reduced costs, secured supply, improved distribution infrastructure, improved workforce access, and improved profitability, and social results can be assessed through improved education, increased job creation, improved health, and improved incomes.

Protecting the environment, reducing poverty and hunger, improving health and well-being, and protecting human rights are international social problems which demand strategic contributions by businesses (Kolk and Van Tulder 2010; Wettstein et al. 2019). In practice there are already examples of CSV whereby companies address social problems in their core strategy and differentiate themselves from competition. One way to achieve that is to use “corporate charitable giving” as a point of differentiation. For example, TOMS shoes, a for-profit company operating in 11 countries, donates on every purchase of a pair of TOMS shoes a pair of new shoes to a child in need (Toms 2019). Charitable giving differentiates also Zambrero, an Australian Mexican quick service restaurant franchise that operates in five countries. Using the “Plate-4-Plate” logo as a strategic positioning tool in cooperation with their partner “Rise against Hunger”, Zambrero donates a meal to someone in need in least-developed markets on every burrito or bowl sale (Zambrero 2019). Unilever promotes women entrepreneurship in rural parts of India while strengthening its sales and distribution channels (Rangan and Rajan 2007). It has also been transforming its global supply chain to source all of its agricultural raw materials sustainably by 2020 (Henderson and Nellesmann 2012). Nestlé has transformed its product line fully to become a “nutrition, health and wellness company” (Porter et al. 2017a), Yara International has initiated the multi-stakeholder “Agricultural Growth Corridor Initiative” in Africa (Porter et al. 2016), and Novartis has developed a viable business model to improve health care in rural parts of India in a profitable manner (Porter et al. 2017b). Despite these evidences of international CSV initiatives in practice, the review of IB literature suggests that CSV has not yet been addressed in IB literature. As a redirection of IB research towards addressing grand social problems is a promising avenue to advance IB theory (Buckley et al. 2017), integration of the CSV concept can be one way to achieve this goal.

#### 4. A research agenda to integrate CSV to IB literature

This study addresses the need to integrate CSV into IB literature and presents a research agenda of ten avenues for future research on how IB can embrace and make use of CSV. The ten avenues are developed taking into account both the criticisms against the CSV concept and the good practices and criticisms from integrating CSR to IB literature. MNCs which operate in, have supply chains in, or do trade with emerging markets and least-developed markets have the highest potential to undertake CSV initiatives, especially of Type 1 and Type 3. This is because on the one hand they have the resources and capabilities to implement such initiatives, and on the other hand, emerging markets and least-developed markets offer enormous opportunities for creating shared value (Porter and Kramer 2011; Michelini and Fiorentino 2012; Kolk 2016). As such, future IB research could start by analyzing the existing practices of MNCs and their supply chains in emerging markets and least-developed markets. This, however, by no means aims to exclude SMEs that are born with a vision to solve social problems, following the recommendation by Uzhegova et al. (2018). Neither does it exclude CSV initiatives in developed markets (e.g., initiatives of Type 2 or initiatives targeting refugees in developed markets).

*Avenue 1:* Following the suggestion by Dembek et al. (2016), it will be useful to clarify what shared value exactly means in IB context and identify its means, outcomes, and beneficiaries. This is crucial for setting the boundaries for CSV and thus address a major critique against the concept (Vallentin and Spence 2017). Applying a stakeholder approach by conducting cost-benefit analysis for all stakeholders affected by the CSV initiative will contribute to achieve this objective in a systematic way (Surroca et al. 2013; Pisani et al. 2017).

*Avenue 2:* There is the need to develop a rigorous approach to measure shared value in cross-border operations (Dembek et al. 2016). Is it suitable to use multiple metrics to measure economic value and social value separately for different ways of CSV, as Porter et al. (2012) suggest, or should there be a single common measure (Vallentin and Spence 2017)? What will be the most suitable metrics for international CSV? An objective of future research in this avenue can be to study the impact of CSV initiatives on competitiveness at company and region level. In-depth longitudinal case studies will be useful for exploratory purposes, but quantitative studies are needed to establish causal links between CSV initiatives and competitiveness. Longitudinal studies are needed because it will take a while before the impact of the CSV initiative will materialize.

*Avenue 3:* IB research should agree upon the appropriate level of analysis for international CSV. Should it be studied at product and initiative level, or at organizational level or social problem level? Most of the prior studies on CSV are at product or initiative level (Dembek et al. 2016). However, if by definition CSV is a strategy as argued by Porter and Kramer (2011), then will it not be more appropriate to study it at organizational level (Vallentin and Spence 2017)? The context of IB poses a limitation to this suggestion in that MNCs pursue different strategies in different regions of the world (see Rugman and Collinson 2004). Therefore, international CSV strategies could differ by region and by the nature of the social problem. In such cases it can be more suitable to analyze them at regional level or at the level of the social problem.

*Avenue 4:* A major criticism of CSV is that it ignores tensions between economic and social value (Crane et al. 2014; Dembek et al. 2016). Therefore, IB research should look into the tensions between creating economic value and creating social value both inside the MNC and also between the MNC and the affected stakeholders in different countries. Creating social value is a long-term investment, and economic returns may not be high (see Rangan and Rajan 2007; Porter et al. 2016; Porter et al. 2017a; Porter et al. 2017b). This situation raises concerns among MNC managers who are under pressure from financial markets to create economic value. Tensions can also arise between the MNC and stakeholders especially in emerging and least-developed markets. In these markets MNCs are sometimes perceived negatively by some due to their biased orientation towards creating economic value. Although Porter and Kramer (2011) argue that “not all profits are equal”, there are examples of such behavior in emerging or least-developed markets whereby an MNC eliminates inferior local competitors, or it locks in customers in a way that prohibits local development. An example for the former is the case of a fast food chain in an emerging or least-developed market. Thanks to its brand image and quality in hygienic standards, the fast food chain can achieve significant market share, resulting in the closure of a number of local restaurants in the vicinity. This was the case when Kentucky Fried Chicken entered Pakistan market. An example for the latter is a

5-star multinational hotel on the coast of an emerging or least-developed market, offering all-inclusive services to tourists. Imagine a group of foreign tourists spending all of their holiday at this hotel and not visiting a single place outside of it. IB scholars should also study these types of cases of not creating shared value in emerging and least-developed markets in order to understand the barriers to CSV. What hinders MNCs to cooperate with local competitors (i.e. cooptation) in ways that create win-win situations? How can possible tensions between MNCs and local public actors or NGOs be resolved in order to implement CSV initiatives successfully? The CSV literature on creating collective impact (see Kramer and Pfitzer 2016) addresses these questions, but more research is needed in IB context. Studying these tensions requires a broad perspective to include the institutions and mechanisms that govern the creation of economic and social value in emerging and least-developed markets, and the literature on public-private partnerships can offer further insights in this direction (Hodge and Greve 2018).

*Avenue 5:* IB research can take a closer look at Porter and Kramer's (2011) three ways of CSV. These ways have already been adapted with some changes in the contexts of the banking industry (see Bockstette et al. 2015) and the insurance industry (see Jais et al. 2017). How valid is this typology in the context of IB? Is there a need to adapt it? Do MNCs choose between the ways of CSV or pursue a number of them simultaneously? What factors lead to the choice of each way? Cases of international CSV practices should be studied in order to answer these questions.

*Avenue 6:* IB research can also study MNCs from emerging markets with the aim of finding out whether there are differences in their behavior in comparison to MNCs from developed markets (Pisani et al. 2017; Wettstein et al. 2019). Future enquiry should aim to understand the reasons behind possible differences and explore possible incentives to encourage the undertaking of CSV initiatives by emerging-market MNCs.

*Avenue 7:* Following the recommendation of Uzhegova et al. (2018), IB research can shift the focus from MNCs to SMEs and investigate whether there are cases of born-CSV companies. Questions for further enquiry in this avenue can be the following. How do CSV practices of SMEs differ from those of MNCs? Does Porter and Kramer's (2011) three ways of CSV apply equally-well for SMEs? What challenges do SMEs experience in initiating CSV? What kinds of resources and capabilities do they need to overcome these challenges? Are SMEs at a disadvantage or advantage in comparison to MNCs in implementing CSV?

*Avenue 8:* IB research can look into understanding the role of government policies and incentives to trigger and stimulate CSV initiatives. What kinds of CSV initiatives have been incentivized by governments? Have the incentives succeeded to deliver economic value and social value? Do governments have policies for CSV? How do they cooperate with companies in CSV initiatives? Applying a stakeholder cost-benefit approach or a public-private partnership approach may be appropriate in assessing the impact of government incentives for CSV (Surroca et al. 2013; Pisani et al. 2017; Hodge and Greve 2018).

*Avenue 9:* IB scholars propose that international CSR should be studied as a phenomenon (Pisani et al. 2017). Given the infancy stage of CSV, this argument applies equally well to CSV in IB context. Therefore, IB scholars can explore the drivers (i.e. antecedents), the underlying conditions and characteristics (i.e. phenomenon), and the outcomes (i.e. consequences) of CSV in IB context using for example the "Antecedents-Phenomenon-Consequences" framework by Narayanan et al. (2011).

*Avenue 10:* Finally, a related and promising trend in international CSR research is the focus on micro-level approaches such as the behaviors of managers and employees (Muller and Kolk 2010; Crilly et al. 2012; Kolk 2016). There are already some studies in this direction in IB research on CSR (see Muethel et al. 2011; Crilly et al. 2012). In a similar manner, focusing on the micro-foundations of CSV as the tenth research avenue can render important contributions to understand how employee values and management commitment can support and advance CSV. Specifically, approaching CSV from the perspectives of subsidiary managers and employees in the host country is critical to understand successful implementation of CSV initiatives.

## 5. Conclusion

This study assessed to what extent the concepts of CSR and CSV are integrated into the IB literature. The surprising finding was that although CSR has been getting increasing attention from IB scholars since 2002 (Zhao et al. 2018), there is no referral in the IB literature to CSV. This is surprising because the concept of CSV, which was introduced by Porter and Kramer in 2011, has received a lot of attention from other management scholars. It is also surprising because MNCs, the focus research object of IB scholars, together with their foreign direct investments, global supply chains, and international trade activities have a high potential to undertake CSV initiatives in especially emerging and least-developed markets, which bear high growth opportunities and social problems simultaneously (Michelini and Fiorentino 2012; Kolk 2016). As a result, this study makes a significant contribution by proposing a future agenda of ten research avenues for IB scholars about how to utilize the concept of CSV in IB context. Pursuing this research agenda will contribute to both the CSV literature and the IB literature, which are both facing criticisms regarding their contributions and rigor (see Buckley 2002; Peng 2004; Crane et al. 2014; Dembek et al. 2016; Buckley et al. 2017; Vallentin and Spence 2017; Poulis and Poulis 2018). By outlining a future research agenda, this perspective article hopefully triggers interest and direction for IB scholars.

Enhanced research on CSV in IB context shall contribute to a better understanding of social problems and their accompanying economic opportunities in international markets. Such understanding can offer tips for international managers on how to successfully undertake CSV initiatives and gain competitive advantage while contributing to their communities. It can also guide policy makers in host countries for providing the right incentives to stimulate CSV initiatives. Overall, CSV offers a promising opportunity to create win-win solutions for companies and their stakeholders.

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