Creating shared value in the civil sector

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Objectives

1. Introduce shared value
2. What does shared value mean to us, at MT
3. What could it mean for you?
4. Sharing
What is Shared Value?

Shared value creation focuses on identifying and expanding the connections between societal and economic progress.

For businesses: Policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates.
Roots of Shared Value

Professors Michael Porter and Mark Kramer

Their belief that the capitalist system is under siege

Against the narrow view of Corporate value creation - optimising short-term financial performance, while missing the most important customer needs and ignoring the broader influences that determine longer-term success

Against the presumed trade-offs between economic efficiency and social progress that have been institutionalised in decades of corporate policy
Moving beyond trade-offs

Providing societal benefits does not temper success for businesses

Businesses cannot respond to externalities, like pollution, only through taxes, regulations or penalties, or corporate responsibility programs that manage reputation

Shared value recognises that societal needs not economic needs define markets.
Moving beyond trade-offs

Not about redistribution, instead about expanding the total pool of economic and social value

Fair Trade - increase the revenue farmers earn from crops by ensuring they get paid higher for same crops (10 - 20% increase)

A shared value approach to that - can farmers’ efficiency, yields & product quality be improved in a way that the overall pie of revenue increases? (300% increase)
The principle of shared value creation cuts across the traditional divide between the responsibilities of business and those of government or civil society. From society’s perspective, it does not matter what types of organisations created the value. What matters is that benefits are delivered by those organisations—or combinations of organisations—that are best positioned to achieve the most impact for the least cost.
Lottery of Birth

17% wage inequality from family background alone*

(Singh, 2010)
Our Problem Statement

In a rapidly changing labour market, young people whose schools, parents and communities are ill-equipped to provide them emotional and critical thinking skills, role models and diverse opportunities, find themselves left behind.

Despite advancements in reducing poverty, India historically has fared poorly in the field of social mobility. Studies find substantial intergenerational persistence, particularly in the case of low-skilled and low-paying occupations (Motiram and Singh, 2012)
On the other side

80% of engineering graduates are unemployable

In 2012 India was the worst place amongst G-20 countries to be a woman.
A serious juvenile offender can cost society upwards of $500,000 during adolescent years.
## White-Collar Salt Mine

A 2013 survey of 12,115 workers worldwide found that many lacked a fulfilling workplace.

<table>
<thead>
<tr>
<th>DO NOT HAVE THIS AT WORK</th>
<th>70%</th>
<th>Regular time for creative or strategic thinking</th>
<th>18%</th>
<th>DO HAVE THIS</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>66</td>
<td>Ability to focus on one thing at a time</td>
<td>21</td>
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<tr>
<td></td>
<td>60</td>
<td>Opportunities to do what is most enjoyed</td>
<td>33</td>
<td></td>
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<td></td>
<td>50</td>
<td>Level of meaning and significance</td>
<td>36</td>
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<td></td>
<td>50</td>
<td>Connection to your company’s mission</td>
<td>25</td>
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<td></td>
<td>49</td>
<td>A sense of community</td>
<td>35</td>
<td></td>
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<tr>
<td></td>
<td>48</td>
<td>Opportunities for learning and growth</td>
<td>38</td>
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<tr>
<td></td>
<td>47</td>
<td>Opportunities to do what you do best</td>
<td>36</td>
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<td></td>
<td>46</td>
<td>Ability to prioritize your tasks</td>
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<td></td>
<td>45</td>
<td>Overall positive energy</td>
<td>36</td>
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<tr>
<td></td>
<td>43</td>
<td>Understanding of how to be successful</td>
<td>40</td>
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<td></td>
<td>40</td>
<td>Ability to balance work and home life</td>
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<td></td>
<td>40</td>
<td>Ability to disengage from work</td>
<td>42</td>
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<tr>
<td></td>
<td>40</td>
<td>Comfort in truly being yourself</td>
<td>45</td>
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94 percent of those surveyed were in white-collar jobs; 6 percent were in blue-collar jobs.

Source: The Energy Project
Traditional business thinking

Expensive retraining and unlearning programs for new college graduates

Safety & well-being of employees through internal policies

Community give back through one-time activities
Shared Value Proposition

Build leadership, community sensitivity, and empathy in your workforce,

by

Helping them mentor and train young people from social or economic disadvantage, on critical life skills and work skills that

Will increase your employees’ well-being, productivity and sense of pride in your organisation, &
Will create a more work-ready future workforce and more connected local communities
1. Re-conceive products or markets to meet societal needs
2. Utilise resources, suppliers, logistics & employees more productively
3. Improve the local business environment

Frameworks of Shared Value
Products & Markets

Wells Fargo - product that helps customers pay down debt

GE’s green line of products - Ecomagination

Thomson Reuters provides farmers in India a $5 subscription service for crop & weather information
Re-looking at Value Chain

Walmart - reduced packaging and rerouted trucks to cut 100 million miles from its delivery routes

Hindustan Unilever has a cadre of rural women entrepreneurs who distribute their products in rural India
Building clusters to improve company productivity while addressing gaps or failures in the framework conditions surrounding the cluster

E.g Infosys in India building a University teacher training cluster to ensure teachers teach in industry-ready ways
What could it mean for your association or the organisations in your association to take a shared value approach?
What problem are you trying to solve and what greater ask do you have from stakeholders?
Can they see it from a shared value perspective - new products or markets; greater use of their value chain; or improving local clusters. Others?