

# A selected literature review on the changing role of stakeholders as value creators

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## Abstract

**Purpose** – The purpose of this paper is to investigate the changing role of stakeholders in value creation since the inception of literature on stakeholders and sustainability from 1984 and 1987, respectively until 2015. To understand interrelationships among key terms of stakeholder and sustainability literature.

**Design/methodology/approach** – The paper explores the changing role of stakeholders as a source of value creation through extensive literature review by adopting text mining approach. VantagePoint is the tool used to facilitate text mining literature of sustainability and stakeholder and related literature from 1984 to 2015.

**Findings** – This paper reveals that the major trends in firm's approach towards stakeholders has changed over the years from demonstration of compliance in 1984-1994, safeguarding of reputation from 1994 to 2004, to finally co-creating value with stakeholders from the period of 2004-2014.

**Research limitations/implications** – There have been extensive literature reviews done on stakeholder and sustainability literature, but only few have studied the integration of stakeholder and sustainability literature. This paper has used a novel approach, i.e. VantagePoint software to analyse the sustainability and stakeholder literature.

**Originality/value** – The changing role of stakeholders as a value creator have provided new research avenues in value creation process. The emerging challenge that firms now face is to co-create sustainable value by engaging both internal and external stakeholders.

**Keywords** Sustainable development, Stakeholders, Stakeholder engagement, Value creation, Stakeholder theory, Sustainable value

**Paper type** Literature review

## Introduction

Stakeholder literature and sustainability literature have come a long way since their inception in 1980s when Edward Freeman wrote the first book on stakeholder theory in 1984. Soon after that appeared the Brundtland Commission report on sustainable development (SD) was published in 1987. With the publication of these volumes and the steady development of their theories and concepts over the years, it can be observed that there has been a significant change in the understanding and implementation of stakeholder theory and sustainability theory, respectively over the years. This changing trend has been of an encompassing nature where value is created not just for one stakeholder but also for other stakeholders like community, NGO's, media and others (Horisch *et al.*, 2014). Literature states that stakeholder theory and sustainability management are similar as "they describe what companies actually do, suggest options how to solve problems, and add to value creation" (Horisch *et al.*, 2014; Starik and Kanashiro, 2013).

The main objective of a firm prior to the evolution of stakeholder and sustainability theory was just to create economic value for shareholders. Renowned author Milton



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Friedman in 1970, had stated in his famous article named “The Social Responsibility of Business is to Increase its Profits” that a firm’s only objective is to create profits (value) for shareholders. But with passing of time and the evolution of the above theories, i.e. sustainability and stakeholder theories in 1980s, we can see a major shift in management literature. Where in firms do not just create value for shareholders (economic value) but are trying to create value in all three dimensions, namely, economic, social and environmental, thus helping in creation of value for all stakeholders: internal stakeholders – employees, investors and external stakeholders – NGO’s, society, government, media and others.

The worsening state of natural environment due to global warming and depletion of natural resources are causing huge risks and constraints on firms today. But these new challenges are also offering them newer opportunities to create new value by addressing the needs of the people at the bottom of the pyramid (BOP). So, to adapt to these unforeseen challenges and opportunities, firms need to accommodate more stakeholders so as to gain access to newer knowledge. With this new acquired knowledge, they can develop new products and technology which are environment friendly and which also addresses the needs of the people at BOP. So firms that engage more number of stakeholders will be in a better position to create sustainable value (SV) as they will have access to knowledge and requirements of its stakeholders. SV will help in creating not just economic value but also environmental and social value for all stakeholders. Also firms need to engage with a wider range of stakeholders because environment is a public good and firms have social obligations towards satisfying the societal and environmental needs of stakeholders. One of the ways to create SV is the co-creation process, it is a process in which two entities come together to create a new value through interaction and dialogues. Today, with easy access to new technologies and social networks it is possible to interact and co-create with a much wider range of stakeholders which was nearly an impossible task in the earlier period. Many of the firms today are mostly co-creating economic value with customers but when firms want to create SV they need to co-create with a variety of stakeholders, both internal stakeholders and external stakeholders. Considering all the stakeholders and by integrating their knowledge and views into decision making, will help firms have a license to operate, innovate and compete (Sachs and Rühli, 2011). Thus, it can be concluded that stakeholders are becoming an important source of value creation.

In this paper, we have used VantagePoint software and adopted text mining methodology with applications of natural language processing (NLP). The paper’s major research focus is to study the changing role of stakeholders in value creation and how integration of sustainability and stakeholder literature have accelerated this change in perception of stakeholders as a source of value creation. Pictorial representation of literature showcasing the integration of sustainability and stakeholder theory is done through Aduna cluster and factor map based on principal component analysis (PCA).

## **Research methodology**

### *Literature search*

Different terms have been used in the research papers to study stakeholder theory like “stakeholders”, “stakeholder engagement”, “role of stakeholders in sustainability”. This is felicitated with search terms such as “Sustainability”, “Sustainable Development (SD)”, “Stakeholders”, “Stakeholder Engagement (SE)”, “Co-creation”, “Value creation”, “Sustainable Value (SV)” during the period 1984 to 2015. A keyword search was done to get the number of hits, which was considered as a proxy for the number of research articles published. Since sustainability, stakeholders and value creation are interdisciplinary topics, relevant articles get published in a wide variety of domains.

*Article selection*

The initial search on the topic at EBSCO led to 43,198 searches, after applying the filters of various subjects covered, the search topics came down to 12,072. Then, a filter on the list of journals was applied which reduced the count to 8,877, after applying the next filter of the geographical location of the study, the count was further reduced to 384.

These selected articles were filtered out based on abstracts, conclusions, topics covered and their relevance to the present literature review. Empirical papers were checked for adequate statistical analysis, conceptual/modelling papers were screened for discussion on established theories and models or conceptual papers. Methodological papers were reviewed for clarity and consistency in their initial assumptions, field of study, sample and also in their limitations.

Books and journals that could not be accessed on the internet were accessed in the library in the hard copy version. A total of 115 papers was finalised for the analysis after removal of duplicate entries from the list. There was a huge reduction in the final number of papers for analysis as many papers made a reference to the topics of sustainability, stakeholders and value creation but were not relevant to the scope of the present literature review. The final analysis of the selected 115 papers is given below.

*Text mining*

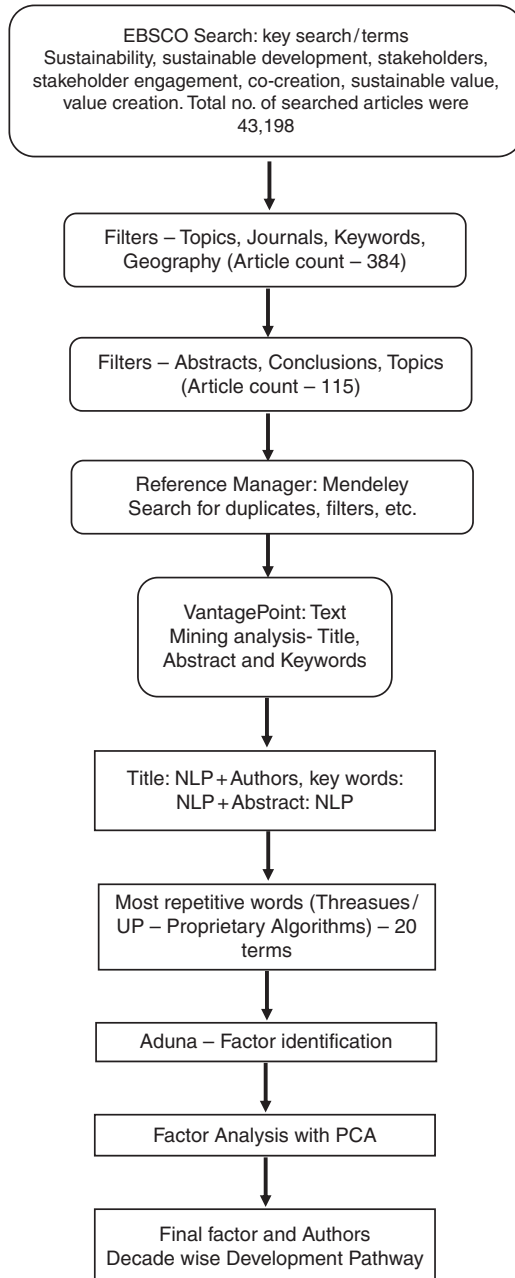
The paper aims to explore the transforming role of stakeholders in value creation with the inception of stakeholder and sustainability literature. This work adopts application of text mining through NLP to extract key terms and research themes from a select set of 115 selected articles from the field of stakeholder theory, sustainability and value creation. VantagePoint ([www.theVantagePoint.com](http://www.theVantagePoint.com)) software is used as text mining tool. This facilitates search, extracting, cleaning and analysis of the research records of 115 selected articles. Text mining covers the investigation and assists in the assessment and forecasting of technologies (Porter and Cunningham, 2005).

The selected 115 articles were analysed using the Mendeley software for any duplications, correct titles and author names. The typical research record includes author, title, publication year, abstract, keywords, journal, country and related bibliographic information. Key-term analyses, based on keywords and NLP extracted words of abstract helped to track the evolving role of stakeholders. Further, with extraction of prevalent key terms, the paper attempts to establish the relationship between key terms and authors' contribution to theoretical development of the role of stakeholders as value creators through inbuilt multi-dimensional scaling (MDS) and PCA. PCA is a data reduction technique that allows terms to be observed in multiple "factors" through factor analysis. PCA uses a small number of factors defining a large number of terms, showcasing as much data value as possible. This discussion restricts the application of these proprietary algorithms of VantagePoint algorithm without detailed explanation (for more details, visit [www.theVantagePoint.com](http://www.theVantagePoint.com)).

Figure 1 depicts stepwise approach of text mining followed by thematic understanding of the transformation in the role of stakeholders.

**Data analysis and method**

This study adopts "text mining" to adopt the steps that are necessary to clean and consolidate the rich set of bibliographic records of selected 115 articles from extensive search. This was followed by initial filtering with reference manager software Mendeley and finally all bibliographic records were merged in VantagePoint.



**Figure 1.**  
Text mining  
approach

*Treatment of records and fields*

The resulting set of 115 articles was analysed through VantagePoint. Using VantagePoint’s NLP routine, the key phrases were extracted from bibliographic records like abstracts, titles and authors keywords from the selected 115 articles.

The semantic and syntactic information are blended by NLP routine to estimate where the term strings to be separated and which specific words need to be included. The NLP function has been modularised in VantagePoint. With initial text cleaning treatments and fuzzy match, we consolidated key phrases which form the starting point for further term clumping. We then selected the top 20 relevant words, namely, capabilities, co-creation, competitive advantage, corporate social responsibility (CSR), environmental management, green, resource-based view, shared value, stakeholder analysis, SE, stakeholder management, stakeholder theory, stakeholders, sustainability, SD, SV, value and value creation. These selections are based on past experience, repetition (frequency of occurrences), expert knowledge and software's best application requirements (Zhang *et al.*, 2014).

#### *Bubble chart*

To show the evolution of literature and the number of publications over the years, the bubble chart is used as shown in Figure 2. Each bubble with a number and size indicates the number of publications in that particular year. The bubble chart gives the evolution and development of literature over the years, i.e. from 1984 to 2015. Most of the literature published before 1990s was in the form of books and thus very few research articles could be identified. For VantagePoint analysis, books were not included in the corpus.

The first major research publication in the present literature review was the theme of sustainability and environment management published in 1990. Over the years, a steady rise in the number of publications was observed. Sometime during 2003-2005, new concepts like corporate sustainability, co-creation, value creation, SV came into existence which since then have dominated the literature.

#### *Clustering*

Cluster analysis is a statistical procedure that can help in identifying which topic/terms co-occur and can be used to imply the interrelationships among key terms/topics with typical MDS algorithm routine in VantagePoint (Porter and Cunningham, 2005):

(1) Aduna cluster

Aduna cluster is an advanced algorithm based on *k*-means clustering which basically exhibits the interrelationships among the terms/topics with respect to their co-occurrences.

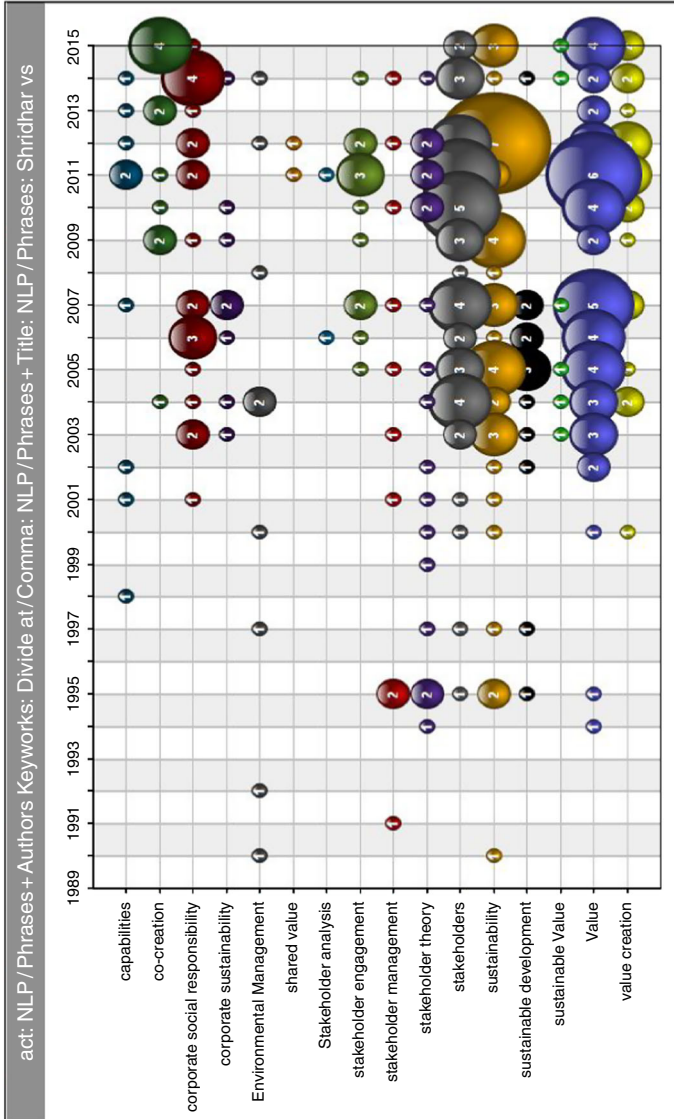
(2) PCA

As discussed, PCA is used to clump term set, to reduce the number of items dramatically for further analyses. The top 20 terms were selected for this research work and a factor map was generated via VantagePoint's PCA analyses. Finally, a 16-factor map was obtained.

### **Analysis and results**

#### *Aduna*

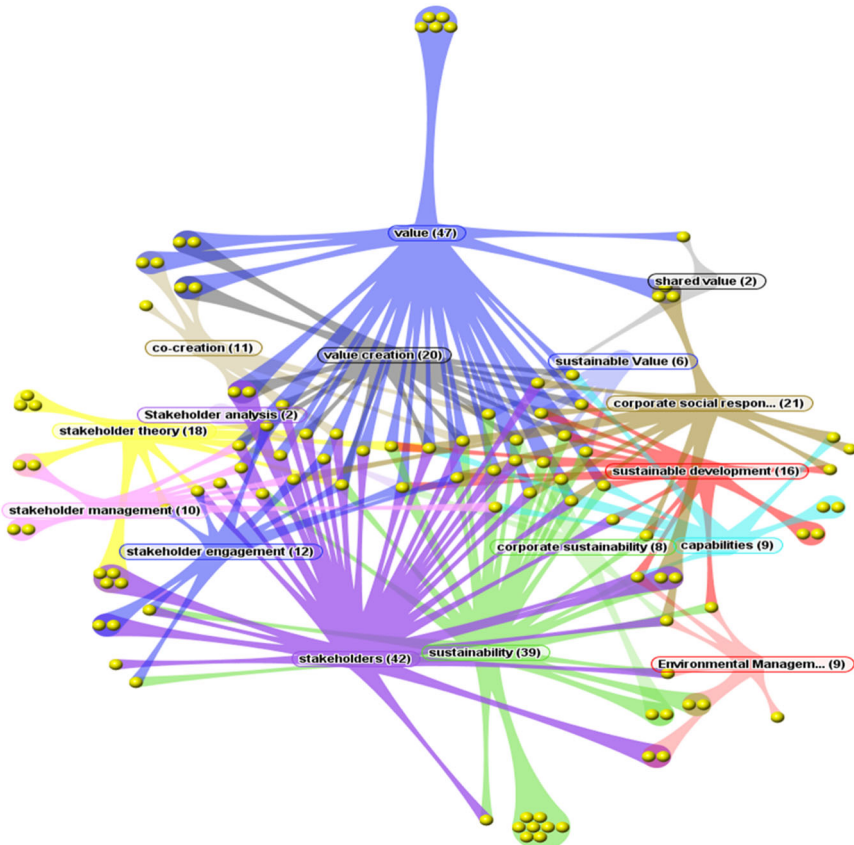
The Aduna map gives a pictorial representation of the overall literature and its' various linkages between different concepts covered in the literature review. It further helps in testing and supporting the concepts occurring in the literature and helps in developing new linkages for future research. One of the techniques to develop various linkages is co-word analysis.



**Figure 2.**  
Evolution of key  
terms from  
stakeholder and  
sustainability  
literature through  
bubble chart

In the case of co-word analysis, the nature of words is considered as a key element which represents knowledge claims, creative ideas and research concepts (Callon *et al.*, 1991). Further, the co-word analysis also considers the role of relations and interactions as a prime indicator for the representation of core themes of specific domain (Ding *et al.*, 2001). Considering these references the present study decided to map cognitive structures of past knowledge claims which have been identified during the revision stage. Also the general picture of main concepts has been prepared by analysing interactions, indications and relations associated with the concepts. The MDS algorithm of VantagePoint has been used for determining underlying structures associated with the concepts considered in the present study which are literature of stakeholder, sustainability and value creation. The co-word analysis has helped in improving the understanding of the researcher by providing exposure to past knowledge claims as well as interrelationships among keywords as presented in Figure 3.

The Figure 3 is an Aduna chart, the total number of themes covered in the literature review are 16, and the term stakeholder is covered in 42 papers which is second only to value which is covered in 47 papers. The other terms covered in the literature review are value creation – 20, SV – 6, shared value – 2, CSR – 21, SD – 16, corporate sustainability – 8, capabilities – 9, environment management – 9, sustainability – 39,



**Figure 3.**  
Interrelationships of  
key terms through  
Aduna

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SE – 12, stakeholder management – 10, stakeholder theory – 18, stakeholder analysis – 2, co-creation – 11. It describes the different relationships between the literature of stakeholder, sustainability and value.

The major gap that was identified was that there is a dearth of literature showing relationship between SE and SV creation. From the above Aduna diagram it can be observed that the number of papers available on stakeholder literature are 42, papers related to sustainability are 39 and papers related to value are 47 out of the total 115 taken for the literature review. About eight papers covered all the three themes together, which showcases that there is integration happening in the above fields. Hence, Aduna gives a bird's eye view of how the integration of various themes is taking place.

### *Evolution of sustainability literature*

The global and societal role of business corporations has always been an area of interest for the management field which has been prominently explained and redefined in SD theory (Gladwin *et al.*, 1995; Hart and Dowell, 2011; Horisch *et al.*, 2014; Starik and Rands, 1995). Industry, society and environment are the key elements of socio-economic and business environments, therefore the linkages between them are extremely important. These linkages only would offer sustainable future to business, environment and society. Therefore, for having sustainable future, development of sustainable enterprises and economic realities are important (Hart, 1997; Senge and Carstedt, 2001). Sustainability has been viewed as a competitive strategy which represents philosophy as well as strategy of an organisation. Sustainability as a broad term has been well accepted amongst business organisations even though there is a significant difference in approach associated with defining sustainability in business organisations (Berns *et al.*, 2009). Elkington (1997) mentions that ultimate objective of an organisation is viewed as a three-dimensional one, the three dimensions are creation of ecological, social and economic value. Therefore, the SV of the firm needs to be measured in terms of the aforementioned parameters.

Various definitions of sustainability with different connotations are available in scholarly articles. In the early 1970s, it was used as term for describing “an economy in equilibrium with basic ecological support systems” (Stivers, 1976, p. 187). Later, in the 1980s, Brundtland Commission's (Brundtland *et al.*, 1987) report has defined sustainability in the context of development. This interpretation has linked the economic dimensions of sustainability with development and that has resulted in the introduction of a new term popularly known as SD. Over a period of time, the term SD has been viewed as a term which underlines an organisation's survival capability in extremely demanding stakeholder pressures without compromising the ability of future generations to meet their own needs. Further, the twenty-first century organisations view SD as a differentiating business strategy which provide them with the competitive advantage (Dyllick and Hockerts, 2002).

### *Evolution of stakeholder literature and convergence with sustainability literature*

In 1963, the international memorandum at Stanford Research Institute first used the term “stakeholder” in management literature (cited in Freeman, 1984). Ansoff (1965) stated that stakeholders are not a firm's “responsibilities” in his book *Corporate Strategy*, Friedman (1970) further stated that that the firm's main and only objective was creation of profits for shareholders which meant creation of value only for shareholders. But over the years there has been a change in perception of value.



In relation to the stakeholder theory the recent view is that managers need to take care of the rights and interests of all legitimate stakeholders (O’Riordan and Fairbrass, 2014). Investment of time and other resources by managers towards addressing stakeholder requirements is also a major managerial activity (Freeman *et al.*, 2007).

This change in outlook towards stakeholders has been studied in detail by Laplume *et al.* (2008) in their landmark work, in which they have reviewed stakeholder theory over a period of 23 years since its inception in 1984-2007. Here they have showcased how stakeholder literature has entered different fields of management over a period of time with few leading examples. According to Laplume *et al.* (2008) the interest in stakeholder theory first took roots in the field of strategic management (Clarkson, 1995; Freeman, 1984; Frooman, 1999), then developing into organisation theory (Donaldson and Preston, 1995; Jones, 1995; Rowley, 1997) and then finally into business ethics (Phillips and Reichart, 2000; Starik, 1995). The social responsibility element within stakeholder theory has allowed it to amalgamate into social issues in management (Wood, 1991a, b), and, lately, it has moved into the conversation realm of SD (Sharma and Henriques, 2005; Steurer *et al.*, 2005). This convergence of stakeholder and sustainability literature is confirmed by Horisch *et al.* (2014).

The above points are substantiated with an Aduna cluster diagram given in Figure 4. Aduna cluster diagram is an advanced algorithm based on *k*-means clustering which basically exhibits the interrelationships among the terms with respect to their co-occurrences. In the Aduna cluster diagram given below, we can see the various relationships between different themes of sustainability and stakeholders. The different themes of stakeholder literature are stakeholders and stakeholder theory, whereas different themes of sustainability literature are sustainability, SD and

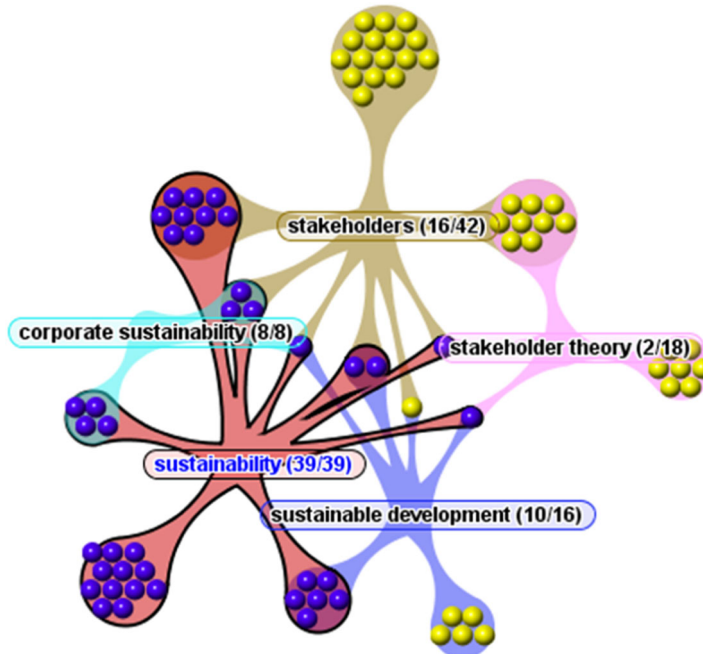


Figure 4.  
Interrelationship of  
stakeholder and  
sustainability  
literature



corporate sustainability. Here, the different colours define the different themes covered in the literature. In the selected Aduna diagram given below, the stakeholders' literature consisted of a total 42 papers out of which 16 papers are linked with different themes like sustainability, corporate sustainability, SD and stakeholder theory. In total, 28 papers from the total of 39 papers from sustainability literature are related to different themes like corporate sustainability, stakeholder theory and SD. From the Aduna diagram given below it can be observed that there is integration happening between stakeholder and sustainability literature.

#### *Value creation with stakeholders*

For traditional firms the main objective has always been economic in nature, i.e. to maximise the stock value, but for a sustainability-oriented firm the core value is SD which creates value not just for shareholders but for society as a whole which can be possible only through SE and satisfaction (Rodriguez *et al.*, 2002). Freeman (2000) emphasises that in capitalism the stakeholders do not act in a moral vacuum but co-operate around values. Based on these values the stakeholders have to negotiate to create mutual interests. So, if sustainability is one of the values that a firm strives for, then the stakeholders would co-operate around this value. Freeman *et al.* (2004) opined that management now are looking at a new approach, "where the best that can be created together rather avoiding the worst, a more novel approach of value creation which has a more social angle to it".

Porter (1985) defines value as "the amount the buyers are willing to pay for what a firm provides them". There are many theories that define value creation like Barney's (1991) resource-based theory of the firm, theory of creative destruction by Schumpeter (1942). One theory that differentiates from others is the stakeholder theory (Freeman *et al.*, 2010). According to Scherer and Patzer (2011) there has been a lot of research in the field of stakeholder management covering various topics like stakeholder identification, stakeholder legitimacy, taxonomy of stakeholder theories over the years in the field of stakeholder management, since the publication of Freeman's landmark book *Strategic Management: A Stakeholder Approach* in 1984. However, even after publication of many research papers, one field has still been neglected, and, i.e. the aspect of value creation and trade (Garriga, 2014). Literature on value creation and trade is relatively limited, when compared to many articles on stakeholder theory (Freeman *et al.*, 2010; Jones and Wicks, 1999; Walsh and Arbor, 2005).

Value creation is one of the main issues in stakeholder theory in the context of stakeholder-firm relationships (Freeman *et al.*, 2010, p. 9). Post *et al.* (2002) has defined the process or activities from which stakeholders create value, other authors like Bosse *et al.* (2009) and Harrison *et al.* (2010) have studied value creation from the perspective of stakeholders. Value creation and trade are the main concerns of stakeholder theory not CSR (Freeman *et al.*, 2010; Garriga, 2014; Harrison *et al.*, 2010). Stakeholder welfare is one of the parameters for understanding stakeholder value creation (Harrison *et al.*, 2010). "A stakeholder approach to business is about creating as much value as possible for all stakeholders" (Freeman *et al.*, 2010, p. 28). Garriga (2014) has stated that very little amount of literature is available about the activities through which stakeholders create value.

For all business activity, value creation is the major motivator and in certain firms locus value creation may lie outside the firm (Wheeler *et al.*, 2003). Figge and Hahn (2004) describe the term "value creation" from a financial perspective when they define value as that what is created when benefit exceeds cost. However, the majority of the

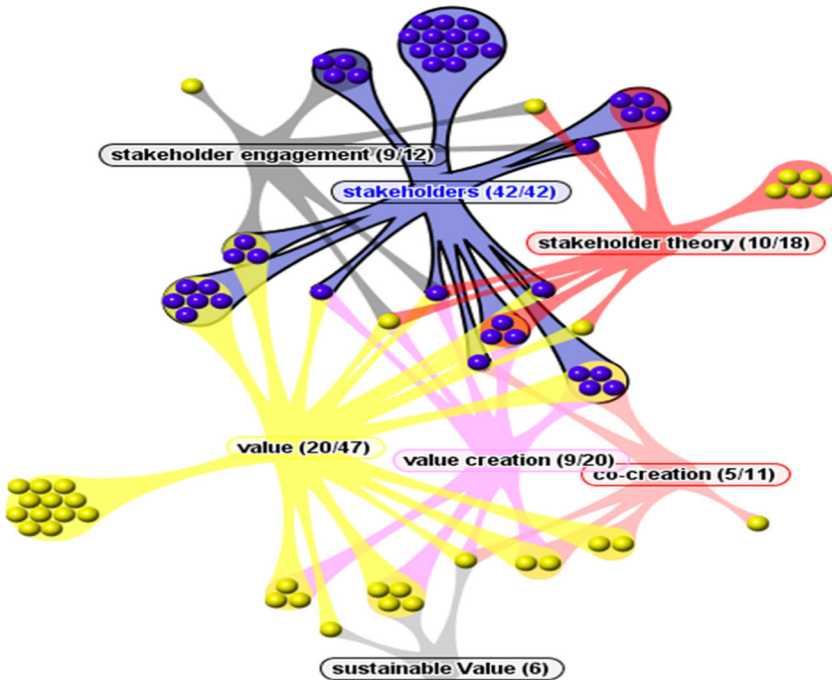
gains achieved with respect to sustainability and stakeholder perspective are intangible (which cannot be measured in financial terms) but in intangible terms like welfare of the society and protection of the environment which might help in satisfying both internal and external stakeholders. Hence SV can be defined as an activity or a process which reduces negative impact and enhances positive impact while simultaneously creating economic value for shareholders (Hart and Milstein, 2003).

The above points are substantiated with an Aduna cluster diagram given in Figure 5. In the Aduna cluster diagram given below, we can see the various relationships between different terminologies from value literature and stakeholder literature. Here, the different colours define the different themes covered in the literature.

The different themes covered in the Aduna diagram related to stakeholder literature are stakeholders, SE and stakeholder theory. The themes related to value creation literature are value, value creation, co-creation and SV. Here, the different colours define the different themes covered in the literature. In the selected Aduna below, the stakeholder literature consisted of a total 61 papers, out of which 34 papers are linked to different themes like value and co-creation. three papers discuss value, stakeholders and SE. Another three papers discuss value creation, stakeholder theory and stakeholders. Four papers discuss integration of themes like value, value creation and co-creation. From the thematic perspective, it can be observed that in the current literature a strong relationship is growing between stakeholders and value creation.

*PCA*

In this work, we selected top 20 terms and generated factor map via VantagePoint's PCA analysis. Finally, we obtained six factors in the map which makes it a reasonable



**Figure 5.**  
Interrelationship of  
stakeholder and  
value creation



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candidate for thematic analysis for study of the changing role of stakeholders. Factor emerged after PCA are stakeholder theory, SE, environmental management, SV, value creation and CSR with different relationships among them.

The outcomes of PCA are represented graphically as factor maps, the frequently occurring list of items of a particular database are determined in the process of PCA. The factor map consists of six factors which represents a cluster of terms associated with a phenomenon. Further, the measure of similarity between two factors is represented by the lines between clusters of terms. In the context of measure of similarity, the degree of similarity is represented by thickness of the line which means, greater the thickness, higher the degree of similarity (often represented as legend – a number between 0 and 1). Figure 6 depicts internal similarity within identified factors. However, it should be noted that these factors are mutually exclusive across constructs.

Figure 6 depicts a PCA diagram, showcasing different factors which are environment management, stakeholder theory, CSR, SE, value creation, SV. The individual factors with key contributions are explained in Table I.

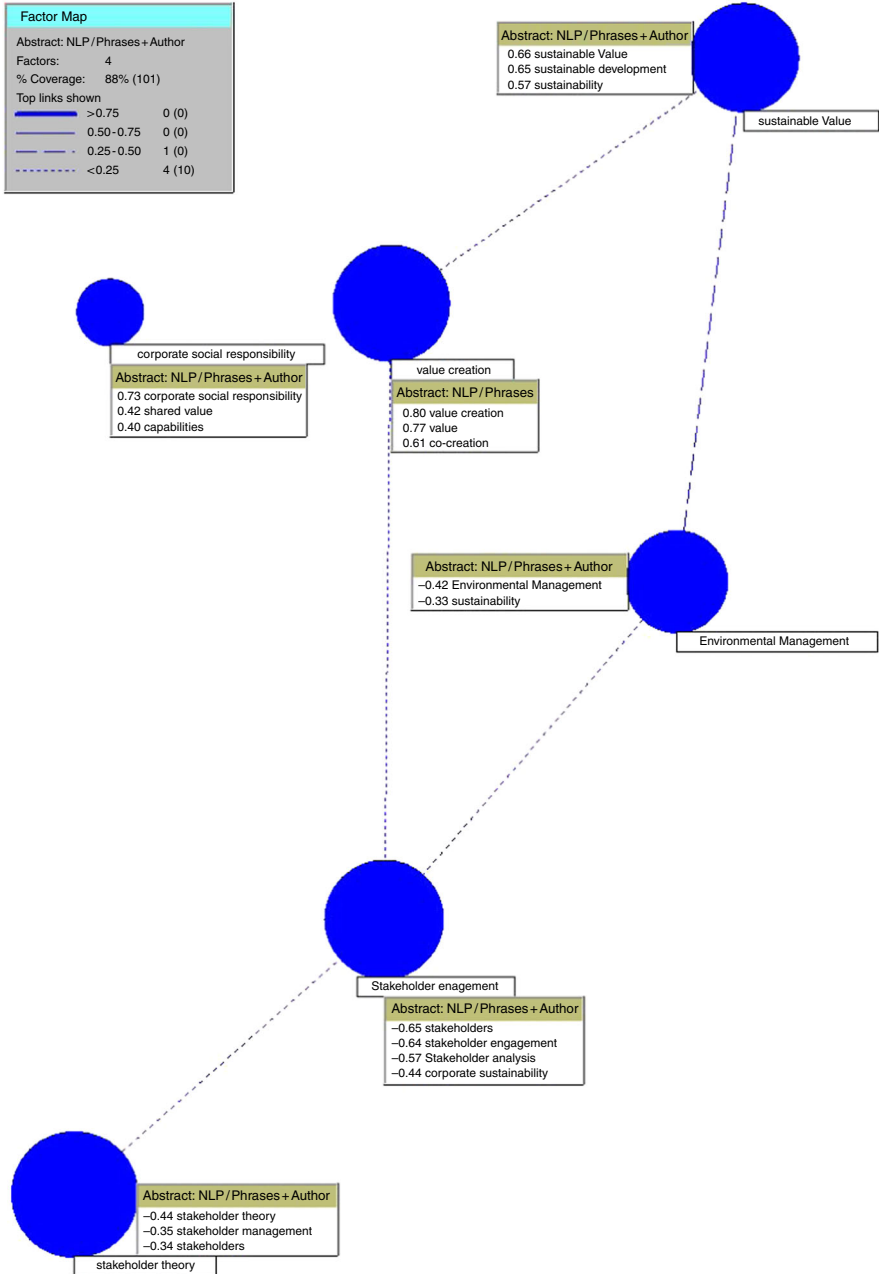
Moreover it is interesting to understand the evolution and emergence of individual factors with respect to time and role of stakeholders and firm approach as discussed and shown in Figure 7.

## Discussion

Today, there is a shift happening in a firm's approach towards stakeholders from demonstration of compliance to value creation. The initial stakeholder literature and sustainability literature stressed more on environment management practices like compliance, the company's outlook towards stakeholders and environment was that of legal compliance. An example of compliance given by Hart and Ahuja (1996) which stated that Texaco planned to invest about five billion dollars over a period of five years on environmental compliance and emission reductions. Also other programmes like Waste Reduction Always Pays (WRAP) by Dow and Save Money & Reduce Toxins (SMART) by Chevron have showed an increase in cost savings (Christmann, 2000). Most of the literature on stakeholders and sustainability covered the above topics in 1990s. The approaches followed, mostly consisted of fuel efficiency, reduction of waste and water wastage. Firms improve their operations by using efficient lighting and energy efficient equipment (Gladwin *et al.*, 1995; Hart, 1997). Hart (1995) in his landmark paper "The Natural Resource Base View of the Firm" has stated that in future, firms will also need to take perspectives of its external stakeholders to create new value.

In the late 1990s and early 2000, the literature started showing an inclination of companies moving towards reputation safeguard and building. Brent Spar, standoff between Shell and Greenpeace was one such example where Shell's worldwide reputation was at stake (Hart and Sharma, 2004). Also firms like GAP and Nike have learnt the hard way from the issues like child labour in the supply chain from the stakeholder pressure and boycott, but learnt the lesson and improved by collaborating with stakeholders like NGO's or third party verification and thus bringing about transparency and winning over the stakeholders (Smith *et al.*, 2011). Even though Brent Spar was a tough lesson for Shell, it learnt valuable lesson of engaging with NGO's like Greenpeace and address future challenges.

Authors like Friedman and Miles (2006) and Sachs and Ruhli (2011) have discussed in their work the various types of SE strategies and how value can be created.



**Figure 6.**  
Identification of factors through principal component analysis

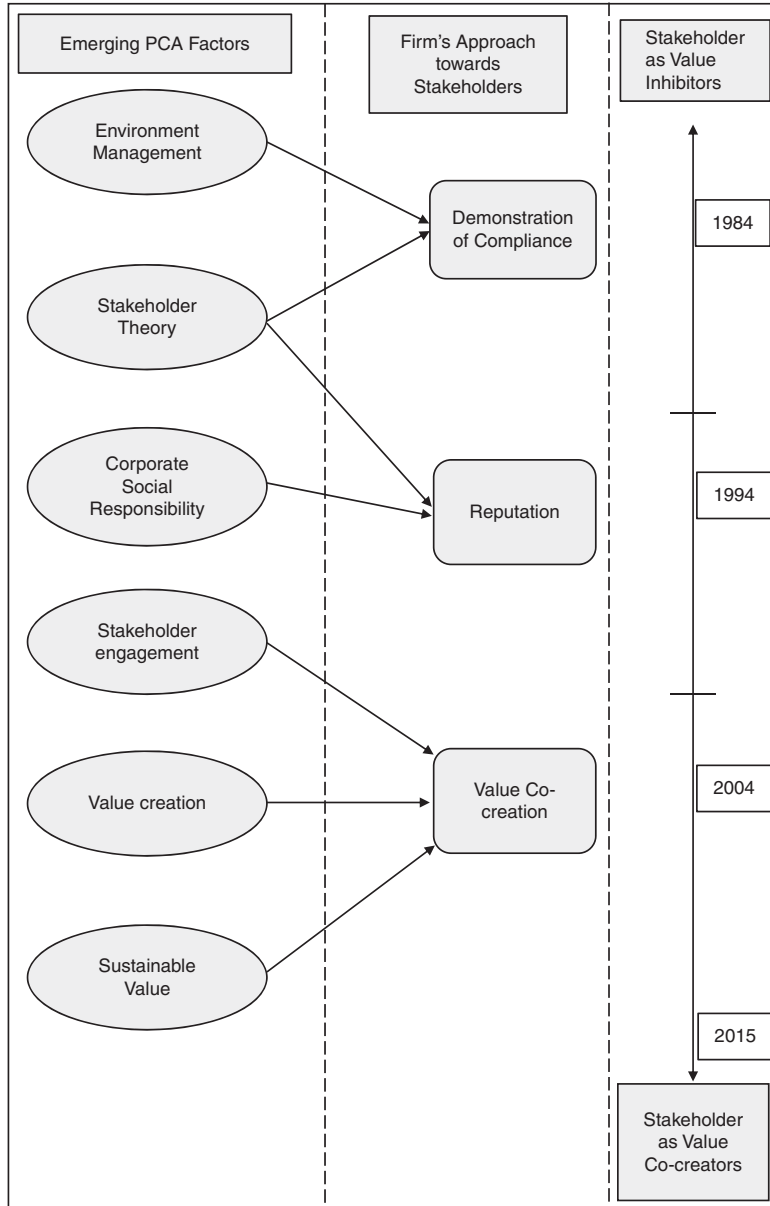
Initially the SE was done for social auditing as done by Gao and Zhang (2006) but it has slowly evolved over the years and it is also being implemented in value creation (Sachs and Rühli, 2011). With increased engagement of stakeholders there can be enhanced creation of SV. Hart and Milstein (2003) have stated in their landmark work, that to

Factor	Themes	Description	Key contributors
Environmental management	Environmental management, sustainability	This node talks about environmental management practices that corporations have implemented to address the requirements of sustainability	Amini and Bienstock (2014), Hunt and Auster (1990), Jennings and Zandbergen (1995), Roome (1992) and Starik and Rands (1995)
Stakeholder theory	Stakeholder theory, stakeholder management, stakeholders	This node describes the evolution of stakeholder theory and various stakeholder theories proposed over the years	Clarkson (1995), Freeman (1999, 2010), Frooman (1999), Steurer <i>et al.</i> (2005) and Rowley (1997)
Corporate social responsibility (CSR)	Corporate social responsibility, shared value, capabilities	This node talks about how CSR and how firms have implemented CSR for creating value for stakeholders	Arnold and Valentin (2013), Lee (2010), Porter and Kramer (2006, 2011) and Sachs <i>et al.</i> (2006)
Stakeholder engagement	Stakeholders, stakeholder engagement, stakeholder analysis, corporate sustainability	This node describes the categorisation of stakeholders and the various stakeholder engagement practices followed for engaging stakeholders for value creation and sustainability	Gao and Zhang (2006), Garriga and Melé (2004), Garriga (2014), Horisch <i>et al.</i> (2014) and Maurer and Sachs (2005)
Value creation	Value creation, value, co-creation	This node talks about value creation and how co-creation is helping in creating new value with customers	Agrawal <i>et al.</i> (2015), Bowman and Ambrosini (2010), Haksever <i>et al.</i> (2004), Prahalad and Ramaswamy (2004), Ramaswamy (2009) and Sarmah <i>et al.</i> (2015)
Sustainable value	Sustainable value, sustainable development, sustainability	This node describes about how sustainability has evolved over the years and how the literature is moving towards value creation in both environmental and social aspects and value creation with all stakeholders	Figge and Hahn (2004), Hahn <i>et al.</i> (2007), Hart and Dowell (2011), Hart and Milstein (2003), Lacoste (2015) and Stankeviciene and Nikonorova (2014)

**Table I.**  
Thematic analysis of  
identified factors  
with key description

address the needs of the people at the BOP, companies need to come with new products and technologies, so as to satisfy the needs and aspirations of this segment of population and simultaneously take care of the environment.

Around 2004, the concept of new value creation known as co-creation came into prominence from the seminal work of Prahalad and Ramaswamy (2004). Ind and Coates (2013) define co-creation as “When two entities come together to create value”. Prahalad and Ramaswamy (2004) coined the term co-creation to describe emerging relationship between companies and stakeholders especially customers. Co-creation can be showcased as the evolving nature of value creation from firm-centric to customer-centric, and movement from goods-dominant logic to service-dominant logic, wherein the companies do not sell goods to their customers but provide services which



**Figure 7.**  
Evolving role of  
stakeholders in value  
creation

satisfy the need (Prahalad and Ramaswamy, 2004). In earlier times stakeholders used to get short shrift from firms as they could not tap into their vast knowledge and ideas for creation of new designs and concepts but with the advent of new interactive technologies it has been made possible to tap into this vast knowledge reserve which have made stakeholders today an important source of value creation (Ramaswamy and Gouillart, 2010). Hence, in this period we can see many papers talking about co-creation

for value with customers from a marketing point of view but from above literature we can see a changing trend from company centric to more stakeholder centric (customers). Norman and Ramirez (1993) had also stressed that non-customer stakeholders also have a potential to create value.

A new stream of literature has developed which focuses on stakeholders and SE practices for value creation (Garriga, 2014). Today, firms' activities to create economic capital are reducing environmental and social capital at a rapid rate which are needed to create long-term value, hence SV can be created with consideration of environmental, economic and social capitals while making decisions (Hahn *et al.*, 2007). As stated earlier environment is a public good, opinion of all the stakeholders is very important for creation of SV. Hence, if firms want to create SV, they need to co-create with stakeholders like employees, investors along with external stakeholders like customers, society, government, media and NGOs. A few good examples for firms creating SV are BP gas stove and Essilor lens. BP gas stove was designed to address the needs of BOP stakeholders which used cleaner and efficient fuel to reduce the use of firewood. This led to health improvement of end user and reduction environmental pollution (Pralhad, 2012). Essilor lenses designed new affordable lenses for Indian masses especially BOP market and distributed them through partnerships with NGOs which helped in creation of new medium, market for their products and also addressed the needs of the people (Karnani *et al.*, 2011).

## Conclusion

The paper contributes towards understanding, development and integration of stakeholder and sustainability literature over the period of 1984-2015. The paper confirms the transforming role of stakeholders as value creators and has identified emerging themes in the literature like environment management, stakeholder theory, CSR, SE, value creation and SV creation.

The changing role of stakeholder as a value creator has provided new research avenues in value creation process. Future research may provide clues for understanding the role of stakeholders as value creators and explore critical organisational as well as required policy changes through longitudinal analysis. A practical industrial perspective would be needed to understand the exact process of transition in changing the role of stakeholders as value creators. This paper will serve as a base for future researchers to explore in-depth SE practices for SV creation.

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