

Integrated Value Creation (IVC): Beyond Corporate Social Responsibility (CSR) and Creating Shared Value (CSV)

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Abstract: Integrated Value Creation, or IVC, is an important evolution of the corporate responsibility and sustainability movement. It combines many of the ideas and practices already in circulation, like corporate social responsibility (CSR), sustainability and creating shared value (CSV), but signals some important shifts, especially by focusing on integration and value creation. More than a new concept, IVC is a methodology for turning the proliferation of societal aspirations and stakeholder expectations, including numerous global guidelines, codes, and standards covering the social, ethical, and environmental responsibilities of business, into a credible corporate response without undermining the viability of the business. Practically, IVC helps a company integrate its response to stakeholder expectations (using materiality analysis) through its management systems (using best governance practices) and value chain linkages (using life cycle thinking). This integration is applied across critical processes in the business, such as governance and strategic planning, product/service development and delivery, and supply and customer chain management. Ultimately, IVC aims to be a tool for innovation and transformation, which will be essential if business is to become part of the solution to our global challenges, rather than part of the problem.

Keywords: Integrated value, sustainability, social responsibility, CSR, quality, shared value, integration, management systems, standards

Integrated Value Creation (IVC) is a concept and practice that has emerged from a long tradition of thinking on the role of business in society (Carroll, 1999). It has its roots in what many today call corporate (social) responsibility, or CSR, corporate citizenship, business ethics, and corporate sustainability (Visser et al., 2010). These ideas also have a long history but can be seen to have evolved primarily along two strands – let’s call them streams of consciousness: the responsibility stream and the sustainability stream.

Two Streams Flowing into One

The responsibility stream had its origins in the mid-to-late 1800s with industrialists like John D. Rockefeller and Dale Carnegie setting a precedent for community philanthropy, while others like John Cadbury and John H. Patterson seeded the employee welfare movement (Carroll, 2008). Fast forward a hundred years or so, and we see the first social responsibility codes start to emerge, such as the Sullivan Principles in 1977 and the subsequent steady march of standardization, giving us SA 8000 in 1997, ISO 26000 in 2010 and many others.

The sustainability stream, also, started early with air pollution regulation in the UK and land conservation in the USA in the 1870s (Visser, 2011). Fast forward by a century, and we get the first Earth Day, Greenpeace