Management processes and management's role in customer value creation

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Abstract

Purpose – The purpose of this paper is to study management processes within successful societal entrepreneurship to further understand the role of management in customer value creation.

Design/methodology/approach – Management in three successful societal entrepreneurship initiatives has been studied. Data have been collected through interviews, direct observation, participant observation and documentation. Management tasks, activities and behaviours have been identified and analysed from a system view.

Findings – The result presents essential management processes important for societal customer value creation, their input, output and main focus. Some management processes are inter-related and are sometimes part of another management process. The management seems driven by “need”, “opportunity”, “interest” and “demand”, when creating societal customer value. From a system perspective, management has an indirect role in societal customer value creation and is important for possibilities to create societal customer value. Both the initiative and the surroundings have been found to be of importance to the management's scope for contributing to societal customer value creation.

Originality/value – The study provides the possibility to understand and learn from management, the management processes and their role in societal customer value creation. Thereby, it describes how to successfully provide customer value to society and work with societal, environmental and sustainability issues.

Keywords Management, Customer value, Social, Value creation, Quality management, Societal

Paper type Research paper

1. Introduction

There is an increasing interest in sustainable and environmental issues around the world, both in organisations and in the field of quality improvement (Bergman and Klefsjö, 2010). There is also a growing enthusiasm about social (Smith and Stevens, 2010; Short *et al.*, 2009) and societal issues and societal entrepreneurial activities (Gawell *et al.*, 2009). The area of societal or social entrepreneurship has attracted rapidly growing interest, but it is one that needs to be further studied (Gawell, 2013), developed and explained (Smith and Stevens, 2010). Social entrepreneurs have social gain as their main focus rather than financial profit, and they often provide innovative solutions to global sustainability challenges (Laszlo and Brown, 2014). A topic within the area of societal entrepreneurship is corporate social responsibility (CSR) (Gawell *et al.*, 2009). A connection was made at an early stage between the quality concepts and the area of CSR (Deming 1986 and 1994), and Dahlgaard-Park (2011) argues that CSR is a concept that is a part of the step that the quality management (QM) movement took at the beginning of the new millennium. Integrating CSR into QM and its

policy and strategies will help CSR to be something more than just a fad (Hazlett *et al.*, 2007). Ghobadian *et al.* (2007, p. 704) suggest that total quality management (TQM) and CSR have similarities when it comes to “philosophical roots”, that they overlap and that the expected outcomes have similarities. But there are differences and TQM does not insure a CSR result (Ghobadian *et al.*, 2007, p. 704).

In both TQM and QM, customer value is central and it is a significant goal just as it is in business management (Lilja and Wiklund, 2006; Gale, 1994). Those values are, however, unique to every customer (Womack and Jones, 2003), and the management should build an organisation that generates considerable value to customers and society (Liker, 2004). Within the management process of societal entrepreneurship, there are activities performed by the leaders which contribute to the societal value that is delivered (Åslund *et al.*, 2011). Some departments in an organisation provide value to the internal customers so that they can then provide maximum value to external customers (Carlson and Wilmot, 2006).

Within QM, another core value is process orientation (Lagrosen, 2006), as it is in TQM (Bergman and Klefsjö, 2010). Processes are also of interest for societal and social entrepreneurship (Westlund and Gawell, 2012; Bergman and Klefsjö, 2010; Sundin, 2009; Mair and Martí, 2006). According to Deming (1986), it is the managers’ task to focus on the processes and not on the outcome. According to Mair and Martí (2006), the processes of social entrepreneurship are processes of social value creation and societal entrepreneurship has social intentions that create societal value (Sundin, 2009). Which are the management processes in a societal entrepreneurial initiative then, and what role do the management have in the value creation?

The purpose of this paper is to study management processes within successful societal entrepreneurship to further understand the role of management in customer value creation.

2. Customer value creation

Customers are found both inside and outside the organisation (Harrington, 1991, p. 72), and the customer can be both the one that is paying for the offer and someone else who is the one that the organisation is intended to create value for (Bergman and Klefsjö, 2010). Customer value depends on both the context and situation where and when it is created (Kristensson *et al.*, 2014). Value creation has been described as “value-in-exchange” (Vargo *et al.* 2008), which includes value that is potential and embedded in the product or a service that the customer receives from a firm and it is a firm-centric concept (Grönroos and Gummerus, 2014). Customer value can also be described as the difference between “customer benefits” and “customer costs” (Carlson and Wilmot, 2006). According to Goldenberg *et al.* (2009), customer value is created by the attributes of a product or service and Vargo and Lusch (2004) argue that value creation is an interaction and co-creation between customer and provider. Echeverri and Skälén (2011) claim the provider and the customer can both co-create and co-destruct value. Grönroos and Gummerus (2014) define value as value-in-use, where the value is created and determined by the customers while they are using the product or service provided by the producer of the product and service. They claim that the producer is just a provider of the product or service and a value facilitator (Grönroos and Gummerus, 2014). The producer can only co-create value with the customer if the customer lets them into their sphere (Grönroos and Voima, 2013).

As seen above, there are different ways of looking at the customer and value creation. In this paper, value is seen as being created in processes, through activities, tasks and behaviours, in the organization before a product and/or services is delivered as an output, and then outside the organization when a product and/or services, the output, is being used

by the customers. This is the case even though the context of research is management processes within societal entrepreneurship.

3. Management

Management is important and has a role in customer value creation within the societal entrepreneurial area (Åslund *et al.*, 2011). There is a difference between management and leadership (Wiberg, 1992). Leadership is defined by Yukl (2006, p. 8) as:

[...] the process of influencing others to understand and agree about what needs to be done and how to do it, and the process of facilitating individual and collective efforts to accomplish shared objectives.

Kotter (1988, p. 16) defines leadership in a similar way: “the process of moving a group (or groups) of people in some direction through (mostly) non-coercive means”. Management is the orientation of an operation in the surrounding world, while leadership is to personally and deliberately influence co-workers to achieve a result (Wiberg 1992). Leadership is the ability to inspire confidence and support among the people who are needed to achieve organisational goals (DuBrin, 2004). He also states that the manager’s job is to lead, plan, organise and control (DuBrin, 2004) and Yukl (2006) maintains that “manager” is an occupational title. He puts forward the idea that a person can be a leader without being a manager and, thus, take on the role of an informal leader. But the opposite can also occur: a person can have the title “manager” without actually being one. Successful management needs to include leadership (Yukl, 2006). Kotter (1996) takes it a step further and suggests that leadership is conceptually broader than management and also suggests that leaders provide more to their organisations than managers. It can, hence, be established that both leaders and managers, and, thereby, also leadership and management, are important for organisations (Kotter, 1996). Effective leaders use change-oriented behaviours to establish objectives, strategies and work processes and to facilitate adaptation to the external environment (Yukl, 2006). Lundqvist (2009) claims that management within societal entrepreneurship is creative and independent. The leaders are visionaries: they engage and mobilise others (Moe, 2009), delegate and take overall responsibility (Asplund, 2009). Important factors for the leaders are to be able to cooperate and to engage in dialogue with both the private and public sectors. They need knowledge about political structures and where support can be found in society (Asplund, 2009). The behavioural variables of leaders within the QM context are communication with both internal and external customers:

- they communicate the importance of the continuous improvement of processes and outcomes; and
- they also emphasise the importance of organisation-wide participation and teamwork (Lakshman, 2006).

The management role seems to be quite different in societal initiatives than in traditional organizations and, thereby, interesting to learn more from. The management of value creating flows is of interest both for practitioners and researchers (Palmberg, 2009).

4. Processes and system thinking

When the quality movement began to focus on process characteristics, the organisation was seen as a whole and as a system of processes (Juran, 1989; Deming, 1986; Ishikawa, 1985). Organisational processes have the goal of creating value to internal and external customers (Palmberg, 2009, Bergman and Klefsjö, 2010) and those processes influence what is being delivered to the customers (Harrington, 1991). Palmberg (2009, p. 207) presents a “net process

definition” as a horizontal sequence of activities that transforms an input (need) to an output (result) to meet the needs of customers or stakeholders; she also claims that the processes are repetitive.

Processes within an organisation can be divided into “Main Process”, “Management Process” and “Support Processes” (Bergman and Klefsjö, 2010). Those processes can be further divided into macro-processes, sub-processes, activities and tasks (Harrington, 1991). The management processes are described as having internal customers whose role is to set up targets and strategies for the organisation and provide other processes with improvements (Rentzhog, 1996). According to Juran (1974), management is a process through which people are mobilised to achieve designated goals. A suggested process presented by Perrini *et al.* (2010) includes the formation of a social initiative and presents contextual dimensions and individual dimensions connected to the formation, but nothing that is directly presented as management processes.

Within QM, the system approach is of importance (Juran, 1974; Deming 1994). Deming (1986, 1994) establishes that system thinking is fundamental to successful work with QM (Deming, 1994) and sees QM as a management system including a network of dependent units with a joint goal.

System thinking is a conceptual framework that provides opportunities to get the whole pattern clearer and help to find changes effectively (Senge, 2006). By using a system view, an opportunity is provided to obtain a holistic perspective on the object of interest (Bicheno, 2008). An organisation can be seen as a system, but the organisation is a part of a larger system that includes “customers, suppliers, competitors and other aspects of the market and the society” (Dahlgaard *et al.*, 2002). Therefore, it is necessary to get an understanding of both the limited system and the larger system to achieve success. The organisational system has as its goal to provide “value-added activities” to internal and external customers (Dahlgaard *et al.*, 2002). The system consists of sub-systems that interact and influence on one sub-system can have a direct impact on many of the other sub-systems and an indirect influence on the whole system (Bicheno, 2008). The focus of the system view is put on “the entity as a whole” instead of the parts. Systems constantly interact with the environment around them, where the dividing lines between customers and suppliers are not always so clear (Bicheno, 2008). As societal entrepreneurs interact with the environment around them, a system view of the societal initiatives and the management processes is required if the management’s role is going to be investigated.

5. Studied initiatives

The concept of societal entrepreneurship can be seen as an umbrella term for entrepreneurial activities with mainly social or societal aims and is used when areas such as, for instance, CSR, social entrepreneurship, social economy, community entrepreneurship, activist entrepreneurship and public entrepreneurship are mentioned (Gawell *et al.*, 2009). In the societal entrepreneurial area, societal value is claimed to be created by management processes: the main processes taking place in the initiative and the support processes in the surrounding area (Åslund and Bäckström, 2015). Three societal entrepreneurship initiatives in Sweden that have attracted considerable attention due to their successful delivery of societal values have been studied. The three initiatives have all brought about significant changes in their local area and, thereby, created societal customer value. The first initiative is a project that works with local development that is community-based, where the municipality is the initiator and they finance the project together with voluntary resources and other associations. The aim of the project and the value that it creates is to encourage, nurture and inspire local development, establish a positive picture of the future in the area

and attract new residents. The project has youth in focus but their target groups are also local residents, schools, organisations, associations and business managers. It also builds networks between stakeholders in the area of interest, supports those involved and creates and supports local meeting points to achieve their aim and create value.

The second initiative is located in a small community and is a work-integration enterprise run by local business people. They focus on and create values connected to work integration for people that are excluded from the labour market and aim to integrate those people into employment and thus society. The initiative is a business cooperative and is financed by wage contributions provided by the state and by selling services to private persons, companies and the municipality. These also receive customer value through the service and the products that are provided by the organisation. The profits are used to develop the organisation to help even more people. The initiative finds and creates job opportunities within their own organisation and other organisations. To do this, they offer a broad spectrum of services, such as, for instance, domestic work, forest care, organising flea markets, cleaning and porter services, those services also create customer value. The services that are offered are mostly based on the competence of people excluded from the labour market.

The third initiative, located in a small village, is based on voluntary work by the members of the local community and visitors who own holiday homes in the area. They are also the initiative-takers for activities performed in the initiative. The focus is to create customer values connected to:

- promoting a positive picture of the village;
- developing the area;
- boosting well-being and organising activities for local people and visitors of different ages; and
- developing possibilities for associations and businesses in the village.

The profits are invested in projects related to the rural community centre in the village.

In these three initiatives, the society can be seen as customers and the value that is created from the initiatives; thus, perceived as societal customer value.

6. Method

To fulfil the purpose, the case study approach was used (Yin, 2012). The management and processes within three successful societal entrepreneurial initiatives have been in focus because those are core values within TQM (Bergman and Klefsjö, 2010). The relationship to others has been in focus to get the whole pattern of the management's role in customer value creation clearer from a system view (Senge, 2006). The initiatives were chosen as they have received a great deal of attention due to their successful delivery of societal value. Data were collected through interviews, direct observation, participant observation and documentation.

The cases were embedded (Yin, 2012) and tasks, activities and behaviours connected to the management in the three empirical cases were identified through mapping out processes. Tasks, activities and behaviours that had approximately the same meaning based on purpose were put into groups of management processes, according to the question:

Q1. "Why is this task/activity/behaviour performed?"

Once different groups had been identified, each group got an appropriate name: a management process name. That was done based on the following question for each of the groups, i.e. management processes:

Q2. “What is the purpose of this process?”

Once all of the management processes had been identified and named, the input and output of each of the identified management processes was identified and named. The input was identified based on the following question:

Q3. “Why is this management process performed?”

The output was based on the following question:

Q4. “What do those management processes lead to?”

The answers to the questions were found by searching through the collected data and the identified management processes. When the identified management processes and their input and output had been identified, the results were compared and analysed versus the different cases by comparing tasks, activities and behaviours. The criteria were that the same management processes and their input and output should be found in all three of the studied cases (Figure 1). Also, the main focus of the processes was studied to find out if they were performed for the benefit of the surroundings or for the societal entrepreneurial initiative such as value-added activities according to [Dahlgard et al. \(2002\)](#) or to contribute to the societal value ([Åslund et al., 2011](#)).

When the management processes, their input and output had been identified in all the cases, the relationships between them were analysed on the basis of the collected data to get an understanding concerning how the processes could be connected and related to each other. The input was also studied to find out what it was that started the different management processes, i.e. the drivers of societal entrepreneurial management.

The management’s role in societal value creation was then analysed from a system perspective, as described by [Deming \(1986\)](#) and [Juran \(1989\)](#). The identified tasks, activities and behaviours performed by the managers were analysed to see how they were connected to tasks, activities and behaviours performed by other participants. The purpose was to identify participants that had a relationship with the management and to find out what the relationship between them looked like. The identified participants were sorted into two groups and labelled as “surroundings” and “initiative”, depending on where the participants

Figure 1.
The method to identify
the management
processes and their
input and output

were to be found in relation to the societal entrepreneurial initiative. The “management”, “surroundings” and “initiative” were put into a simplified map and their relationships were shown as arrows, then the relationships between surroundings and the initiative were studied. This was done by studying tasks, activities and behaviours within the surroundings and the initiative. The relationship between them was shown with arrows in the simplified map to be able to get a picture of the system (Bicheno, 2008). Then, the relationship established to create societal customer value was analysed from the perspective of all the groups of sub-systems (Bicheno, 2008), i.e. management, surroundings and initiative. This was done to find out which of them had a direct connection to the external societal customer in terms of the value that was delivered. The connection between those in the sub-system and the created societal customer value was shown with arrows in the simplified map. In this way, the customer relationship between the participants was identified.

7. Identified management processes, their input, output and main focus

The identified management processes and their output contribute to the societal customer value creation within the studied initiatives. The input gives an understanding as to why the processes are performed and the output about the processes’ result, and the main focus shows if the process is performed for the benefit of the surroundings or the societal entrepreneurial initiative (Table I). All processes are exemplified with an empirical example from the initiatives to explain and clarify what can start the process and what the process can contain and what the output can be.

The various processes consist of management tasks, activities and behaviours, depending on the processes’ performance. The exact tasks, activities and behaviours performed within the processes depend on the initiative and time and place where the processes are performed. The processes, their input and output and examples of tasks, activities and behaviours that are performed within them are presented below.

7.1 Gather and analyse information and knowledge from the surroundings

The managers gather and analyse information and knowledge from the surroundings for instance by studying what is happening locally and how others act, by taking part in different activities, by meeting others, listening to others and watching what they are doing.

Example from initiative 3: There is an interest in how events are arranged. The manager went to a nearby village to study how an initiative had developed and how things had been arranged to be able to perform societal entrepreneurship suitable in his context. This provided knowledge about how to arrange an event. The manager used relevant knowledge to organise events in his own village.

7.2 Find and analyse opportunities

The managers are sensitive towards the opportunities that come along. They find and analyse opportunities which make it possible to perform and to create social, societal, environmental and sustainable changes and values. Opportunities can for instance come up in conversations, at meetings or by seeing, hearing and reading. These opportunities take many forms: they can be ideas, or a hall or other venue that is available that gives an opportunity to develop the initiative; a need that has to be taken care of; things that others do; or a new business opportunity. The opportunities that the manager finds are analysed to see if they are something for the initiative to use.

Example from initiative 2: The manager searched for opportunities that could help people who were disconnected from the labour market. He found a project that seemed in line with what he wanted to achieve and he identified working methods that could be used.

Input	Management process	Output	Main focus
Interest about what is happening in the surroundings	Gather and analyse information and knowledge from the surroundings	Experience and knowledge that can be used in different contexts and situations	Surroundings
Interest in or need of opportunities	Find and analyse opportunities	Identified opportunities that can be used	Surroundings and initiative
Need of financing the initiative and its activities	Identify and use finance opportunities	Financing for the initiative and its activities	Surroundings
Demands or opportunities in the surroundings	Continuously develop the organisation	Adjusted organisation to new demands or opportunities	Initiative
Need of other people's interest, involvement, support and/or acceptance	Promote the initiative	Interest, involvement, support and/or acceptance from others	Surroundings
Need of encouragement and support from the co-workers	Encourage and support co-workers	Encouraged and supported co-workers	Initiative
Need for strategies to be able to perform	Set up strategies	Strategies for performance	Initiative
Need for others' knowledge and contacts	Communicate and interact with others	Access to others' knowledge and contacts	Surroundings and initiative
Need of cooperation	Cooperate	Work performed out of many different participants' perspectives	Surroundings and initiative
Need of co-workers, collaborators and/or supporters	Find co-workers, collaborators and/or supporters	Co-workers, collaborators and/or supporters	Surroundings
Opportunities or need to influence others	Influence others	Effected thoughts and acts of others	Surroundings

Table I.
An overall picture of the identified management processes, input, output and main focus

7.3 Identify and use finance opportunities

Different financial opportunities are searched for and then used; it can be a question of applying for and getting project money, different events and occasions that bring in money, applications, political decisions in the municipality and new ways to perform to get better financing. To identify these financial opportunities the managers can contact and discuss with others, search for sources that present opportunities for financing, study others to find out how they have financed their activities and present their vision or ideas for people that might be able to support with financing.

Example from initiative 1: Managers needed financing. They contacted local politicians and asked organisations, firms and private individuals to participate in activities. This made it possible to finance the activity and allowed co-workers to participate.

7.4 Continuously develop the organisation

Continuous development of the organisation is performed, it can for instance be to implement new ways of doing things, to adapt and organise according to the surroundings, start working with new partners and adapt according to customers' demands and opinions and opportunities.

Example from initiative 2: Elderly persons needed help to take home their groceries. The managers purchased a portable refrigerator so that the groceries could be transported by car. This allowed the organisation to offer a grocery delivery service.

7.5 Promote the initiative

Promoting the initiative is done by talking to and informing others such as, for instance, people in their networks, politicians, local residents, potential co-workers and financiers and presenting what the initiative is doing, has done, its outcome and its potential. This is, for instance, done to get others to buy what the initiative does, get involved, give support or accept what the initiative does.

Example from initiative 2: The project needed support and advice from politicians to find premises. Managers made contact and discussed their needs, business, activities and results. The politicians then got involved in helping the initiative to find business premises.

7.6 Encourage and support co-workers

The managers encourage and support the co-workers for instance by listening to them, giving feedback, taking part in the daily work, finding ways to carry through co-workers' ideas, giving advice, helping co-workers to carry out work.

Example from initiative 1: Co-workers need encouragement and support in their work to develop a local area. The managers meet with co-workers and listen to and support them and take note of what has been successful and present what needs to be done. The co-workers are encouraged and supported.

7.7 Set up strategies

Strategies are set up about how to carry things through, for instance they find and use working methods that others have used, develop their own working methods, set up goals, have rules that they have agreed upon in the initiative, decide how to carry out the work.

Example from initiative 3: There is a need for strategies to be able to arrange an event. The managers meet to discuss and set up strategies for the work of the co-workers, what they will be offering, what they need to do and how to perform. After the meeting the managers have established strategies for the event.

7.8 *Communicate and interact with other*

Communication and interaction with others are done, for instance, through meetings, conversations, doing things together and asking others for support, information, ideas and thoughts. They are networking which is an important factor for the managers.

Example from initiative 2: The managers need to get in contact with people who are disconnected from the labour market. The managers meet and communicate with the employment office that has contact with people in this situation. The employment office helps the managers to find out about and get into contact with people who are disconnected from the labour market.

7.9 *Cooperate*

Cooperation with others is performed both within and outside the initiative; they cooperate with managers within the initiative, co-workers, those that want to learn more about societal entrepreneurship and networks to be able to create opportunities.

Example from initiative 3: Need for cooperation with the mountain rescue service to disseminate safety information to mountain visitors. The management and the mountain rescue service cooperate so that the mountain rescue service can participate in an event and provide its perspective on safety.

7.10 *Find co-workers, collaborators and/or supporters*

The manager's search for co-workers, collaborators and/or supporters by, for instance, visiting different places and informing about the initiative, going to different collaborators to get co-workers, selling in the initiative, presenting opportunities for those that are a part of the initiative, presenting possible outcomes.

Example from initiative 1: Need for persons and organisations to cooperate on an initiative. In meetings, information is given about the initiative and its goals and cooperation. During the meetings, several people sign up to become actively involved in the initiative.

7.11 *Influence others*

The manager has influence on others in a variety of ways: he/she has contact with the politicians that make decisions about something that influences the initiative; encourages local residents to take their own initiatives; helps other participants to take contact with each other to be able to perform together; gets others to take action and start up an initiative; influences others to employ people that are isolated from the labour market.

Example from initiative 2: An initiative in a nearby municipality wishes to start activities similar to those being performed in the studied societal entrepreneurial initiative. The initiative takers from the nearby village come on a visit to learn about the initiative and its work. The managers tell about and show their activities and strategies. This effects the actions and thoughts of the visitors.

8. The management processes – their relationship to each other and their drivers

The management process's input seems to be driven mainly by needs but also by opportunities, interest and demands when it comes to an understanding of why those processes are performed, that is their drivers (Figure 2). Their main focus is shown to be that they are performed for the benefit either of the surroundings or the organisation/initiative (Table I). Those processes can be performed on their own, or as part of a network of management processes that can in many cases be connected to each other. The management processes can also be a sub-process of another management process with an area of overlap. The managers of the societal entrepreneurial initiatives all had societal value creation as an aim

and the processes were performed with the aim of creating societal value. The management processes' drivers seem to be the starter of the process, the starting up of the process, for instance regarding the inputs to the management process; "need of financing the initiative and its activities", "need of cooperation" and "interest about what is happening in the surroundings" (Table I).

Example from initiative 2; the initiative has received an offer that demands "development of the organisation". In the development of the organization, there is a need to find premises for the new activity. As a part of the process to "continuously develop the organisation", the managers turn to politicians to "communicate and interact" and access their knowledge and contacts to find premises. To get the politicians interested in supplying knowledge and contacts, they "promote the initiative" and inform about the activities and what results might be expected.

9. The management's role in societal customer value creation

Management processes of the studied societal entrepreneurship are performed to a considerable degree near the daily work of the initiative. The manager is to a large extent involved in and connected to the work performed in the main processes. In this way, they have a huge insight into and influence on tasks, activities and behaviours in the initiative activities. For instance, they are continuously updated with what is happening in the main process, they take part in the work in a practical way and meet and communicate with the co-workers regularly on what is being done and how it should be done. The manager is also dependent on the initiative, for instance to get information on how to be able to manage the activities of the initiative.

The management processes are also performed near and in close relationship with and in connection to the surroundings. The management processes even influence the surroundings; for instance, they influence politicians to take action and make decisions such as what support they will give the initiative. The surroundings influence the management processes and tasks, activities and behaviours performed in those processes, as an example: in the surroundings there are demands or opportunities that make the management take action and continuously develop the organisation.

The management is a customer to the initiative and the surroundings, it is also seen that the initiative and the surroundings are customers to the management. For instance, the employment office (Arbetsförmedlingen, in Swedish) helps the initiatives get employees and the initiative helps the employment office get people into employment. Another example is that the municipality helps the initiative to be able to perform by granting permission to hold an event and the initiative then gives the local residents more recreation activities and boosts the local population, which makes the area more attractive, and gives the municipality publicity and also tax income.

The management has a strong focus on societal customer value creation. All of the processes that are performed have a purpose to deliver societal customer value to the society. For instance, two of the initiatives want to make their local area more attractive and ensure that the inhabitants will enjoy living there so that people will stay in the area

Figure 2.
The management processes are mainly driven by "need" but also by "opportunity", "interest" and "demand", which are the drivers in their work to create societal customer value

and others will move in. The other initiative wants to get people into employment so that they can be a part of the community and earn their living. It is the tasks, activities and behaviours performed by the main figures in the main process of the initiative that create the societal customer value. That means that the management does not have direct influence on the societal customer value creation. The management processes are of importance and needed in an indirect way as they influence the initiative that delivers the societal customer value. The management processes also influence tasks, activities and behaviours in the surroundings which, in turn, influence tasks, activities and behaviours performed in the initiative that creates societal customer value. The management needs to work to a large extent on behalf of both the initiative and the local community to be able to contribute to the societal value creation.

Out of a system view, all of those, management; surroundings; and initiative, can be seen as important to the societal customer value creation as they directly or indirectly influence the value that is created (Figure 3).

To summarize, the management's role in societal customer value creation is to:

- be near the daily work of the initiative to a considerable degree;
- be involved in and connected to the work performed in the main processes;
- be near and in close relationship with and in connection to the surroundings;
- influence the surroundings;
- have a strong focus on societal customer value creation and in an indirect way influence the initiative that delivers the societal customer value;
- influence tasks, activities and behaviours in the surroundings; and
- work to a large extent on behalf of both the initiative and the surroundings to be able to contribute to the societal value creation.

10. Discussion

The results presented, in this paper, are a contribution to the development and explanation of the social and societal entrepreneurial areas, as suggested by [Smith and Stevens \(2010\)](#), [Gawell \(2013\)](#) and [Mair and Marti \(2006\)](#). It has been claimed that CSR is a part of QM ([Dahlgaard-Park, 2011](#)); this research is a step in helping establish CSR as something more than just a fad, which [Hazlett *et al.* \(2007\)](#) have accused it of being, by having a QM perspective on the processes within the societal entrepreneurship initiatives and the customer value creation. Maybe this has been practical because of the similarities in the philosophical roots of the concepts which [Ghobadian *et al.* \(2007\)](#) describe. This study of the management processes in the societal entrepreneurship initiatives displays that customer value creation is central and a significant goal, exactly the same as in TQM and QM according to [Lilja and Wiklund \(2006\)](#) and also that the value is unique to each customer ([Womack and Jones, 2003](#)). The results show that activities carried out by the management contribute to the societal customer value that is delivered which is a confirmation of [Åslund *et al.*'s \(2011\)](#) earlier result. Although most of the management processes in this study can be seen as providing value to internal customers, as described by [Carlson and Wilmot \(2006\)](#), they also provide value to external customers. The drivers and the input of the management processes in the studied societal entrepreneurship initiatives are needs, opportunities, interest and demands in contrast to early research which only mentions needs as input to management processes ([Palmberg, 2009](#)).

From a system perspective, management has been found to have an indirect role in societal customer value creation and are important for the possibilities to create societal

Figure 3.
The management’s
role in the studied
societal
entrepreneurship
initiatives as a
simplified system map
of the societal
entrepreneurial
initiative, relationship
and interaction
between management,
the surroundings, the
initiative and
customer value

customer value. The indirect role is in accordance with the definition of leadership presented by Yukl (2006), Kotter (1988) and Wiberg (1992) and Liker (2004), who maintain that the management's role is to build an organisation that generates value to customers and society.

Process orientation is of interest in both QM (Lagrosen, 2006) and TQM (Bergman and Klefsjö, 2010) and also in within social and societal entrepreneurship (Sundin, 2009; Mair and Martí, 2006); this focus facilitated the research. This research provides the opportunity to understand successful delivery of customer value to society and the work with societal, environmental and sustainability issues. This is in line with Laszlo and Brown (2014), who claim that social entrepreneurs offer innovative solutions to global sustainability tasks. The identified processes are performed with the purpose of establishing better opportunities to create societal customer value. Processes that are being performed, both within the organisation such as initiative processes and management processes, influence what is being delivered to customers, as claimed by Harrington (1991), but processes in the surroundings also influence what is being delivered to customers. Because there is an increasing interest in, and realisation of, sustainability and environmental issues (Bergman and Klefsjö, 2010) and social (Smith and Stevens, 2010; Short *et al.*, 2009) and societal issues and societal entrepreneurial activities (Gawell *et al.*, 2009), the results from this study should provide greater understanding of how to create societal customer value within those areas.

The results show that the societal entrepreneurs focus on the processes, as Deming (1986) claims that the managers in business should do. Another result from this study is that the managers focus on outcome which Deming (1986) thinks is not a management task. There is a need for the management to understand, be updated and to be a part of what is happening both within and outside the initiative to be able to perform, survive and continue to develop and deliver societal customer value. This is in line with Kristensson *et al.* (2014) who claims that customer value is dependent on both the context and situation. The result can help increase the awareness of people in the surroundings and the initiative that they have an important role in contributing to the societal customer value that is delivered by supporting the management.

This result further strengthens Lundqvist's (2009) earlier description of the management within societal entrepreneurship as creative and independent, but this study also shows that they are very dependent on the surroundings and the initiative. Moe (2009) has studied leaders within societal entrepreneurship and described them as visionary, engaged and able to mobilise others which also is clear in the identified management process in this research. Those abilities can, thereby, be considered as important in the management's role when customer value is created.

11. Conclusions

It has been found that the management processes have focus on both the initiative and the surrounding and that those processes are inter-related and sometimes part of another management process. Management has been found to have an important role for the possibilities to create societal customer value. The management has an indirect role in societal customer value creation through its relationship with the surroundings and the initiative and the tasks, activities and behaviours performed in processes within those areas. It can be concluded that management influences those and, in turn, those influence the management. Both the initiative and the surroundings are of importance to the management's scope for contributing to societal customer value creation, as well as the management being of importance to them. We can conclude that all those three areas, management, surroundings and initiative, influence what is being delivered to customers. It can also be concluded that the management pay a lot of attention towards the surroundings and the

initiative, which seems to be a success factor when societal customer value is created. Another success factor is that the management seems to have a close relationship with and connection to the initiative, in that they have a huge insight into and influence on tasks, activities and behaviours in the initiative activities.

It can also be concluded that the management seems to be driven by “need”, “opportunity”, “interest” and “demand” because those are input to the management processes when creating societal customer value. Without those drivers, there probably would not have been any management processes as these are the starters.

It can be concluded that the study provides a possibility to understand and learn from management, the management processes and management’s role in societal customer value creation. Thereby, it describes how to successfully provide customer value to society and work with societal, environmental and sustainability issues. The study provides the possibility to understand and learn from management, the management processes and role in societal customer value creation. Thereby, it describes how to successfully provide customer value to society and work with societal, environmental and sustainability issues.

12. Future research

The findings point out the management’s role in customer value creation, but the management process area needs further studies. An area for further study is the importance of a management focus on the surroundings, for instance: why are the surroundings and the management of importance to each other in customer value creation? Another area for further study is to develop the understanding of how the surroundings and the management co-operate. Also, the management’s drivers; and “need”, “opportunity”, “interest” and “demand”, need further studies to gain a deeper understanding of what starts off the management processes. Another future research area is to include the customer perspective and to include and study this angle when it comes to customer value creation.

As a side effect in this study, it seems as if the societal entrepreneurs also are driven by a higher social purpose. This is clearly an important factor when it comes to driving forces in societal customer value creation; therefore, it is also an area that needs further study to get a better understanding of the customer value creating system.

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