



LOUVAIN
RESEARCH INSTITUTE
IN MANAGEMENT
AND ORGANIZATIONS

WORKING PAPER

2022/13

Analysis of the B Corp
certification: A way for
companies to implement SDGs?
A Systematic Literature Review

Ann VERBEKE
Valérie SWAEN
Yves DE RONGÉ

Louvain Research Institute in Management
and Organizations

Louvain Research Institute in Management and Organizations

Working Paper Series

Editor: Prof. Valérie Swaen
(president-lourim@uclouvain.be)

Analysis of the B Corp certification: A way for companies to implement SDGs? A Systematic Literature Review

Ann Verbeke, Louvain Research Institute in Management and Organizations
Valérie Swaen, Louvain Research Institute in Management and Organizations
Yves De Rongé, Louvain Research Institute in Management and Organizations

Summary

Created in 2006, the B Corp certification evaluate a new type of business that seek profit but also integrate social and environmental goals. The certified companies, also called B Corps, have to take into account people, planet and profit when setting their basic operational objectives and have to formally incorporate them into their legal charters. To become B Corp, a company must score minimum 80 points out of 200 at the B Impact Assessment (BIA). The BIA measures the social and environmental impacts of companies by covering four domains: community, environment, governance and workers.

The main objective of our PhD project is (1) to analyze the specificities of the B Corp certification through a systematic literature review (see below), (2) to analyze the process through which this certification is implemented in a company, (3) to explore the role of the B Corp certification as an organizational learning agent for companies that decide to implement this certification, and (4) to study the impacts of this certification on stakeholders' perceptions through a qualitative research approach.

Our research will contribute to the literature by exploring the emergent B Corp certification, its specificities, its implementation in companies and its impact on stakeholders' perceptions. From a managerial point of view, this research helps companies become aware of the impact and the process that the implementation of a B Corp certification inside the organization could have at the operational and human level. It will also help stakeholders and more particularly investors by allowing them to better understand the B Corp certification as a potential tool for assessing sustainable investments.

Keywords: B Corp certification; B Impact Assessment (BIA); sustainability; implementation process; stakeholders' perceptions.

JEL Classification:

This publication is part of Ann Verbeke's doctoral research.

Corresponding author:

Ann Verbeke
Louvain Research Institute in Management and Organizations / Campus de Louvain-la-Neuve
Université catholique de Louvain
Place des Doyens 1 bte L2.01.02
B-1348 Louvain-la-Neuve, Belgique
Email : ann.verbeke@uclouvain.be

INTRODUCTION

In order to eradicate poverty in countries, to protect the planet and to ensure prosperity for people, the United Nations General Assembly presented 17 Sustainable Development Goals (SDGs) to be achieved in 2030 by all countries and stakeholders (United Nations, 2015).

Like other societal actors, companies have a role to play to reach these SDGs (Marquis, 2018), they started implementing these objectives in their strategies. As for example, Ilham Kadri, CEO Solvay, who announced "Today's initiatives will shape the Solvay group of 2030; it's more than a man/woman issue: all managers who don't put equity, inclusion, empathy, diversity, solidarity in the heart of their company's strategy, will disappear." (LinkedIn, 2021). BlackRock, the world's leading fund manager, integrated Environmental, Social, Governance (ESG) criteria in the evaluation of companies. According to the Global Sustainable Investment Review, there was a 34% increase in socially responsible investment between 2016 and 2018 (Global Sustainable Investment Review, 2021).

The Covid-19 health crisis has shown companies that it is necessary to consider sustainable impacts at the heart of their business. The health, socio-environmental and economic consequences of the pandemic illustrate the seriousness of the effects that these disruptions can have on organizations and on society. These disruptions require a rethinking of strategy, but also of the organizations themselves, to make them more resilient and sustainable (AIMS, 2021).

In order to assess the sustainable impact that would be generated by companies, it is necessary to measure it, because what is not measured cannot be managed and what is measured is much more likely to be achieved (Filho et al., 2019). To date, there is not yet a universally accepted impact measure. As an alternative, some companies opt for certification to show their positive impact on society. Many sustainability certifications are relevant within a sector (e.g. agriculture or construction); others may be relevant only in geographic areas (e.g. Brazil); and some certifications are restricted both by sector and by region (e.g. Malaysia's sustainable palm oil certification). Compared to other certifications, B Corp certification provides a rare cross-industry and cross-geographic context for studying a range of issues of interest to researchers (Gehman, Grimes, & Cao, 2019)

Audited by the nonprofit B Lab, Certified B Corporations (or B Corps) are “businesses that meet the highest standards of verified social and environmental performance, public transparency, and legal accountability to balance profit and purpose” (B Lab, 2021). The B Impact Assessment (BIA), a core part of the B Corp certification process, allow the companies to measure and evaluate their prosocial impact along the following areas: Governance, Community, Environment and Workers (Sharma, Beveridge, & Haigh, 2018). An increasingly number of companies are becoming B Corps and are joining this recent and growing movement. By 2021, the number of certified companies is approaching 4,000 companies. Since 2017, there has been a 41.5% increase in the number of companies certified by B Lab.

In the academic literature, the first results show that B Corp has increasingly become a focus of research in management. Empirical research on the evolution of companies towards a better balance between the social and economic objectives involved in B Corp certification is still limited, although growing (Conger, McMullen, Bergman, & York, 2018; Gamble, Parker, & Moroz, 2019; Gehman & Grimes, 2017; Grimes, Gehman, & Cao, 2017; Moroz, Branzei, Parker, & Gamble, 2018; Parker, Gamble, Moroz, & Branzei, 2018; Sharma et al., 2018)

It is an emerging area of research which can be explained by the fact that the first article on the topic was published in 2009, that the number of articles is growing, and that there is a predominance of qualitative methodologies which according to Stubbs (2017a) is a sign of a developing field.

Multiple studies investigated the relationship between the certification motivations of the company and the willingness to be certified (Kim, Karlesky, Myers, & Schifeling, 2016; Moroz & Gamble, 2020; Stammer, 2016; Villela, Bulgacov, & Morgan, 2019). Some studies examined how firm-level, industry-level or country-level factors influence the performance of the BIA (Gamble et al., 2019; Patel & Chan, 2021). Gehman and Grimes (2017) analyzed why companies making efforts to obtain B Corp certification do not promote it and they showed the influence of the contextual distinctiveness of categories on the certification promotion. Winkler, Brown, and Finegold (2018) investigate how the role of the employees might be conceived not merely as a receiver of corporate social performance but as a key generator, enabling the firm to engage more responsibly with its external stakeholders.

This emerging research has also begun to examine how the adoption of a B Corp identity impacts on organizations over time. Sharma et al. (2018) for example, examined how B Corps shifted their practice configurations as they underwent assessment and reassessment for certification. Villela et al. (2019) contribute to the literature to better understand the challenges that B Corps face over their life cycle, how these organizations change and develop, and how this influences their ability to maintain and enhance their sustainable mission.

The literature shows that research topics related to B Corp are growing on different fields. Moroz et al. (2018, p. 127) challenge “motivated scholars to collectively focus their efforts on understanding the Certified B Corp landscape, from individual, organizational and/or institutional perspectives; and to seek convergence amidst a growing field of definitional, conceptual and theoretical divergence.».

We respond to this gap by addressing the following research questions: How B Corp is conceptualized in the academic literature? To answer this question, we carry out a systematic review of the literature on B Corp as proposed by Tranfield, Denyer, and Smart (2003). Two factors motivated this review. First, as management researchers continue to add new and diverse ideas to the body of literature, the field would benefit from an overview of the dominant relationships that exist between important variables in the B Corp phenomenon on a multi-level perspective. As such, there is a need for a comprehensive model to integrate ideas from previous research and provide directions for future research. Second, there is no literature review that has been written today on the multilevel B Corp phenomenon.

We provide a comprehensive model of B Corp that follows the general progression of the published articles by examining research on the antecedents and outcomes of B Corp. Studies using such labels as *B Corp*, *B-Corp*, *B Corp*, *B Corps*, *B Corp certification*, tend to refer to the same management area and are included in our analysis. We build a framework for examining recent developments and considering gaps.

The paper is structured as follows: we first describe the research methodology of the systematic literature review; then we present the analysis of the literature and in the last section, we outline some avenues for our future research questions on B Corp.

1. RESEARCH METHODOLOGY

This research consists of a systematic literature review (SLR) on the B Corp phenomenon. To ensure representative coverage of relevant studies, we followed the systematic review methodology suggested by Tranfield et al. (2003). This method has been widely used in the management literature for reviews (Adams, Bessant, & Phelps, 2006; Crossan & Apaydin, 2010). The method suggests the use of organized, replicable and transparent procedures carried out in three stages: planning the review; conducting the review; and reporting and dissemination.

In the **first stage**, an exploratory review of the literature on the B Corp phenomenon was conducted. This research included the following concepts: certified B Corp companies (B Corps), B Corp certification, and the B Corp movement. This research was conducted in an unstructured manner to build an initial perception of the research area, based on snowball logic (accessing references of references) and trial and error (testing word combinations in search database filters). Two results emerge from this step: (1) the proposal of research questions, (2) the choice of words used in the database filters. This choice is important for the search because it determines the quality of the results.

For the **second stage**, we started by selecting a sample of articles based on the criteria defined in the previous step. We searched in the Scopus database. This database was chosen because of the quality of the academic journals it contains, including the Academy of Management Journal, Journal of Business Ethics and Journal of Business Venturing. Given the emerging field of the B Corp phenomenon, we chose to use a broad word in the filter, namely the word "B Corp*". We tested its presence in the "title or keywords or abstract" filter of the documents in the database. The function of the symbol (*) is to include any variation of the searched term. In these first results, we noticed a great disparity in the sources of the documents found. We found sources related to different research fields such as management, law or medicine. We therefore kept the management sources and more particularly the sources whose articles followed a rigorous process before being published. This is the case for the sources listed in the 2018 ABS ranking (the Academic Journal Quality Guide of the Association of Business Schools). We browsed through the references of

these articles to be sure we had not missed an interesting paper. Consequently, we included 4 articles and 3 books.

We then proceeded to analyze the data. This was conducted in two rounds. We proceeded to a first series of readings where we reviewed the titles and the abstracts to determine whether the main phenomenon of the article is B Corp. We eliminate papers non-related to our research. When the abstract was inconclusive, we examined the introduction and the discussion of the full paper to be sure that the exclusion was not a mistake. This round yielded 50 articles, considered relevant for starting our review.

We conducted a second round of readings that included the full text focusing on the introduction, research method, and conclusion. At this stage, the following data were extracted for each article in an excel document: research method, research question, theoretical framework, and key findings. Categories to frame the data and content of the articles were also defined in this second step. Following previous systematic reviews in the field of sustainability, descriptive statistics were performed (Hahn & Kühnen, 2013; Seuring & Müller, 2008) and this includes yearly evolution of the number of articles, most cited articles in terms of total citations and citation per year and main journals that publish on B Corp.

The **third stage** of the research, report development and dissemination, was conducted simultaneously with the analysis of the data from the second stage, with mutual benefits to both processes. In this stage, we completed a first draft of the introductory section. We will then make a proposal for a conceptual framework by putting the main research theme : “What is B corp”, “Why B Corp” and “What are the main effects?”, the level analyzed in the papers (institutional, organizational or individual) and the theory mobilized.

2. ANALYSIS OF THE LITERATURE

2.1. What is “B Corp”?

What is behind the concept of "B Corp"? Through our selection of articles, we have noticed that the authors talk about B Corp in several ways. At the same time, B Corp is analysed as a certification (B Corp certification) but also as certified companies (B Corps) or as a movement (B Corp movement), acting at different levels of analysis. To better understand these concepts, we start by understanding the context in which they emerged.

Context: B Lab

Founded in 2007, B Lab is a U.S. 501(c)(3) non-profit organization that "serves a global movement of people using business as a force for good" (B Lab, 2021). B Lab acts as an external third-party auditor of social and environmental reports. B Lab's mission is to promote and support the philosophy of using the power of business to solve social and environmental problems (André, 2012; Parker et al., 2018).

B Lab is growing as a fourfold movement whose strategy is to drive systemic change in two ways: by differentiating socially positive actions from marketing strategies, and by providing a solution to 'existing corporate law which requires companies to prioritize the maximization of shareholder value to the exclusion of value created for all stakeholders' (Hiller, 2013).

B Lab works through four interrelated initiatives: (1) providing the B Corp certification and building a large community of B Corps; (2) promoting a new corporate legal entity for higher standards of corporate responsibility worldwide; (3) accelerating responsible investment in the social and environmental impact by providing ratings that can be used by investors; (4) gaining support for the B Corp movement by sharing the experiences of B Corps (Cao, Gehman, & Grimes, 2017; Moroz et al., 2018).

The B Corp Movement

The B Corp movement is a multi-level movement, being at the same time a certification standard at the company level (B Corp certification), a legislative model at the state level authorizing a new legal form of organization (Benefit Corporation) and an investment rating system at the market level (GIIRS, Global Impact Investing Rating System). Through this movement, B Lab's strategy directly targets the three dominant modes of governance: firms, markets and institutions (Cao et al., 2017).

The B Corp movement defines itself as "a community of leaders, driving a global movement of people using business as a force for good" (B Lab 2021). It emphasizes the need for organizations to change their perspective by considering how they can be 'better for the world' instead of 'better in the world', which is known as the B Corp motto. The B Corp movement will help companies to stand out and become part of a sustainable vision (Cao et al., 2017).

The B Corp movement is now present in nearly 80 countries through B Lab US partner organizations that are committed to promoting the idea of B Corp, attracting businesses to certify and developing B Corps communities (Villela et al., 2019).

B Corp certification

B Lab introduced B Corp certification in 2007 as part of its strategy to foster and promote businesses that use market-based approaches to solve social and environmental. B Lab certifies businesses that meet high/rigorous corporate responsibility standards in terms of social and environmental performance, accountability and transparency (Gehman & Grimes, 2017; Moroz et al., 2018).

B Lab promotes socially responsible business practices by providing an opportunity for a company to voluntarily adopt responsible decision-making standards.

B Corp certification has emerged as a way for companies to effectively certify their environmental, social and governance (ESG) values practices, adding a "stamp of approval" that validates their unique set of values (Cao et al., 2017; Honeyman, 2014).

B Corps

B Corps are profit-orientated businesses certified to meet rigorous standards in relation to environmental and social performance, accountability, and transparency (Moroz et al., 2018; Stubbs, 2019).

B Corps differ from the Benefit Corporation (BC) organisational form in that they require a legal status granted by the government. BC is defined as a “legally a for-profit, socially obligated, corporate form of business, with all of the traditional corporate characteristics but with required societal responsibilities.” (Hiller, 2013, p. 287). BC provides the legal protection to companies that aim to pursue both shareholder income maximization and social or environmental purposes (André, 2012; Clark & Babson, 2012). The B Corps are not legally required to be a legal BC (McMullen & Warnick, 2016)

B Corps are a distinct and easily identifiable set of firms that embody fundamental aspects of social hybrid organizations. B Corps are a new category of purposeful organizations (Muñoz, Cacciotti, & Cohen, 2018). Indeed, B Corps are committed to giving the same rigor to their social and environmental impact as they do to their financial performance (B Lab 2021). They must publicly consider people, planet and profit when defining their key operational objectives and formally integrate them into their legal charters (Gamble et al., 2019; Siqueira, Guenster, Vanacker, & Crucke, 2018)

B Corps must sign the Declaration of Interdependence, which explicitly states that the B Corps create benefits for all stakeholders, not just shareholders. The famous B Corps slogan is to be the 'best for the world' rather than the 'best in the world' (B Lab 2021).

B Corps are often seen as a hybrid form of enterprise that harmonizes dual missions by operating, measuring, monitoring and communicating broad-based, value-laden, non-economic missions (Gehman et al., 2019; Moroz & Gamble, 2020). This is one of the advantages of B Corps because hybrid organizations, by virtue of their organizational form, generally generate tensions that emanate as a result of the reconciliation of the social and commercial logics that are at the heart of the organization (Battilana and Dorado 2010; Pache and Santos 2013; Battilana and Lee 2014; Mair et al. 2015).

Since the first B Corp was certified in 2007, today more than 4000 companies from nearly 80 countries became B Corps such as Patagonia, Ben & Jerry's, Danone Dairy Belgium, Kickstarter, Nature & Découvertes. This gives these organisations a potential 'stamp of approval' and signals their sustainability commitments to stakeholders (Cao et al., 2017).

BIA

To become a B Corp, a company voluntarily undergoes a certification process. They must: (1) complete the B Impact Assessment (BIA) measuring their pro-social impact on multiple dimensions, (2) pass a rigorous audit process conducted by B Lab, (3) pay a certification fee, (4) amend their governing documents to meet B Corp's legal requirements, (5) sign the "B Corp Declaration of Interdependence" and the "B Corp Contract", (6) agree to periodic certification audits, and (7) repeat the entire process every three years to maintain certified status (Cao et al., 2017).

Developed by B Lab, the BIA is an educational tool that measures, assesses, compares and improves the social and environmental impacts of companies. Les entreprises must answer more than 200 questions and must score minimum 80 points out of 200. The BIA covers the 17 SDGs through five domains: community, environment, governance, customers and workers (Moroz et al., 2018). The weighting of the questions is not the same; issues that require greater societal engagement are more heavily weighted (Sharma et al., 2018). The assessment varies according to the size of the company, the sector in which it operates and its nationality (Moroz et al., 2018). B Lab provides feedback to help social enterprises improve their prosocial impact (Sharma et al., 2018).

B Lab has ensured that the BIA is based on a framework that helps organizational leaders improve aspects of governance and employee engagement, in order to have a more positive impact on the local and global community as well as the environment (Gamble et al., 2019).

Achieving certification is a first step in the quest for sustainability. It's not just about a single hurdle; certification is a regular event that occurs every three years. This process ensures that companies that become B Corps continue to engage in a high level of impact with their stakeholders even as the company grows or changes.

Recertification allows companies the opportunity to set targets for improvement against the most recent standards and to compare their performance over time (Villela et al., 2019).

Some of the best companies in the world may decide not to get certified or even to de-certify (Lee & Marquis, 2015). One study suggests that a third of B Corps de-certify (Cao et al., 2017). Most companies that choose not to recertify do not revert to their old ways, but retain pro-social identity practices (Moroz & Gamble, 2020).

2.2. Why B Corp ?

Why companies want to be B Corp ? What are the potential reasons/motivations/benefits for becoming B Corp? Researches on B Corp certification suggest that some companies may use it as an internal validation tool while other companies may use it as an external signaling tool (Gehman & Grimes, 2017). We analyze these two views in the sections below.

B Corp certification as an internal validation tool

The most common reason in the literature for pursuing B Corp certification was because it is aligned with the organisation's pre-existing mission, purpose, values or identity. Companies become B Corp members largely for the implementation and validation of the organisation's identity. It also allows them to protect their pro-social mission over the long term (Gehman & Grimes, 2017; Kim et al, 2016; Conger et al, 2018).

B Corp certification helps companies to embed their sustainable values within the business. Companies also see a way to benchmark their identities against their peers and have a stronger positioning in the case of SPO (Moroz & Gamble, 2020).

Moroz et al. (2018) review the literature and find that certification is part of the imprinting process that allows entrepreneurs and leaders to align their individual and organizational identities with the actions of the company, which can lead to the formation of new practices that alleviate tensions.

In a qualitative study, Stubbs (2017) highlights the processes that take place at the meso level in which a company engages internally but also with the environment to develop a shared collective identity for internal and external validation and attempt to legitimize this form of sustainable entrepreneurship by influencing the business community and the members of government.

B Corp certification offers its members a way to highlight the distinctiveness of its values and practices by identifying with the B Corp movement, given its strong international reputation for combining social and economic values (Villela et al., 2019). This seems true in practice, as the certification process has been considered a

distinctive evaluation programme for B Corporations that can help institutional investors assess the impact of a company's CSR initiatives (Wilburn & Wilburn, 2014; Winkler et al., 2018).

B Corp certification is a way of codifying sometimes complex organisational practices and routines, providing legitimacy to certified organisations. Indeed, certification has helped leaders of B Corp companies resolve many of the perceived tensions associated with using business methods to address social and environmental issues (Gehman & Grimes, 2017).

The advantage of B Corp certification is that it formalises, integrates and measures pro-social efforts (Conger et al., 2018). The B Corp certification assessment process allows companies to make new innovations and improve their practices. They appreciate the ability it gives them to monitor and adjust their behaviour and performance in line with social values. It motivates them to become members of B Corp (Gehman & Grimes, 2017; Villela et al, 2019).

B Corp certification as an external signaling tool

In addition to 'internal' alignment, companies said that B Corp membership provided important 'external' validation and legitimization of their organizations' commitment to sustainability (Gehman & Grimes, 2017).

To date, previous research on certification has largely adopted an external orientation, focusing on how certification can enable companies to credibly signal an authentic commitment to social causes to customers, employees and other (Parker et al, 2019).

As a new certification in the organisational landscape since 2007, certification responds to a desire by stakeholders to obtain information on the social and environmental impacts that companies create (Moroz et al., 2018). B Corp certification has become a way for companies to affirm their commitment to positive environmental, social and governance (ESG) practices (Gehman & Grimes, 2017).

B Corp certification offers signaling benefits that increase the credibility, awareness and legitimacy of companies towards their sustainable engagement with stakeholders. For example, B Corp certification helps SPOs establish credibility with investors and stakeholders by signaling who they are and what they do (Conger et al., 2018; Grimes et al., 2018; Moroz & Gamble, 2020). Indeed, it can be difficult for hybrid companies to integrate social and environmental missions with economic ones; B Corp certification can be an attractive alternative way to signal legitimacy and reputation to important stakeholders (Gamble et al., 2019).

B Corp certification allows companies to differentiate themselves from non-certified companies. Cao et al. (2017) show that many companies and their leaders are looking for ways to signal to external audiences that their practices are legitimate, but distinctive enough to merit special attention. In other words, they seek ways to fit in and stand out from their diverse organisational peers, which include other B Corp but also non-certified B Corp companies.

B Corp certification can help acquire additional resources from stakeholders and acts as an imprinting process that allows entrepreneurs to design stakeholder identities, mindsets and culture to support the continued pursuit of non-economic goals (Patel & Chan, 2021). B Corp certification allows for specialized resource gains such as attracting talent for companies with better social performance (Conger et al., 2018).

Many companies describe membership of the B Corp community and movement as a benefit in itself, allowing them to learn from and transact occasionally with other B Corps (Gehman & Grimes, 2017).

In conclusion, B Corp certification helps to improve governance and stakeholder involvement in the organisation to have a more positive impact on the local, global community and the environment (Gamble et al., 2019). This leads companies to make fundamental changes to its structure, internal processes and practices in order to achieve its economic, social and environmental objectives. However, some organisations will instead seek B Corp certification as a reputation badge to influence stakeholders (Villela et al., 2019).

Other organisations will pursue certifications not as a means of overcoming legitimacy deficits, but rather as a form of identity work that affirms the contextually distinct values of those organisations (Grimes et al, 2018).

2.3. What are the main effects?

2.3.1. Economic performance

As a new organizational form in the organizational landscape, B Corp certification offers signaling benefits that increase credibility and legitimacy with stakeholders (Alexander 2016; Conger et al. 2018; Grimes et al. 2018). However, these gains from these certifications may be limited (Gehman and Grimes 2017; Montiel et al. 2019), particularly after Parker et al. (2018) found a significant short-term decline in growth after receiving B Corp certification. They observe that SPOs that certify as B Corps experience a negative impact on their growth the following year, an average slowdown in revenue growth of 20%, an effect size that more than doubles for smaller and younger B Corps.

Building on this study, Gamble et al. (2019) provide evidence that BIA scores are disconnected from financial performance. It is more the effects of the value practices put in place by the organisation that should be considered. Furthermore, a cursory examination of B Corp organisations reveals a wide variety of sectors, business models and scientific and technological activities. Given this variety, the authors believe that the relationship between B Corps' science and technology activities and their revenue models will vary.

2.3.2. ESG drivers & effects

Drivers

Country level

Country-level factors provide new corporate norms and improve the overall context for spreading preferences, routines and support at multiple levels to help B Corps pursue non-economic performance (Honeyman 2014). Previous studies show that domestic factors in both developing and developed countries drive the development of socially conscious firms and their performance (Rawhouser et al. 2015; Wilburn and Wilburn 2014). Bauer and Umlas (2017) highlight how business and human rights movements are driving the adoption of B-Corps.

Cultural & demographic characteristics/contextual distinctiveness

Grimes et al, 2018 found that identical firms varied in their ability to adopt B Corp certification depending on the extent to which it could authenticate their distinctive values. Moreover, these effects were predictably amplified and attenuated by firms' cultural contexts, including local sustainability norms, mimetic pressures and the prevalence of women-owned firms. Their results show that women are more likely to qualify for certification, even more so in contexts where sustainability standards are low, mimetic pressure to achieve certification is low, and women-owned firms are less prevalent. They show that women are three times more likely to obtain the B Corp certification, which is why they consider that they play a fundamental role in promoting the B Corp movement.

Gehman & Grimes (2017) found that regional and industry differences in sustainability practices among non-B Corps significantly predict the extent to which B Corps promote their membership. Their work suggests both 'internal' and 'external' culture-based mechanisms that may be key to understanding why organisations achieve and promote B Corp certification.

Effects

Country level effects

Tabares (2020) identifies to what extent and how B Corps contribute to the SDGs when they focus on the solution of identified social problems highlighted by the UN. The author indicates that Colombian B Corps show great potential in empowering communities, introducing new organizational practices, creating alternatives that shape new lifestyles and consumption patterns and introducing new environmental solutions.

Industry level effects

As an organization with hybrid economic and non-economic objectives, the industrial level dynamics of B Corps range from managing competing economic and non-economic measures in relation to stakeholders, through developing and exploiting opportunities from internal and external resources, to legitimizing its benefits to foster social change (Moroz et al. 2018).

Marquis and Lee (2015) describe industry-based 'communities of practice' that are created and facilitated by certified B Corps who have the effect of wanting to learn from each other(Sharma et al., 2018).

Firm level effects

Much of the research on B Corp highlights the central role of company-related actions in improving the non-economic performance of organisations (Alexander 2016; Gehman et al. 2019; Klein et al. 2020).

From their research, Villela et al. (2019) deduce that, although B Corp certification has improved reputation with investors, it has not significantly improved internal processes for customers and clients.

Given the substantial effort required to become a B Corp, it stands to reason that companies take every opportunity to promote their certification. Yet, prior to conducting this study, we noticed considerable variation. While many B Corp

companies promoted their certification, some made little or no mention of it. The contextual specificity of a subordinate category may affect members' promotional abstention (Gehman & Grimes, 2017).

Stubbs (2017b) considers B Corp models as a tool for change, and that they focus on social impact rather than profit maximisation. It is stated that B Corp's do not seek to maximise profits, but profits are the means by which they achieve their social purpose, so both profitability and social impact are fundamental to B Corp's purpose, values and practices. In another study, Stubbs (2017a) examines the B Corp model as a means of enriching the understanding of the characteristics of sustainable business models that align profitability with social impact.

Moroz & Gamble (2020) show that social and environmental audits - such as the B Corp certification process - can help manage often competitive tensions by integrating factors such as company size/age, motivations for becoming a B Corp, business model, costs and benefits to the company and corporate identity.

Conger et al (2018) show the effect of B Corp certification on the evaluation of prosocial opportunities and company activities. They explore the imprint of categories within the certification process using identity control theories. Their starting point is that membership of organizational categories leads entrepreneurs to re-evaluate their firm's activities and opportunities. They find that prosocial opportunities are either amplified, fractured or undergo modest changes.

Sharma et al, 2018 found that B Corps changed their practice configurations as they were assessed and reassessed for certification. They also found that exogenous factors, such as size and sector, and endogenous factors, such as the nature of the practices, explained the changes in practice configurations. This paper explains that social enterprises change practices (hiring, governance, mandatory meetings, ...) not in isolation but in a configurational way. They do so by taking into account social referents (companies in the same sector, same size, same social category, B Hive virtual forum, ...), affordability and interpretability of BIA questions. The interpretability of the questions allowed the companies to take stock of their existing practices, to adjust or reframe them. This allowed them to acquire new knowledge. Among the cues that can influence the organisation, the authors raise contextual,

value, identity and B Corp-specific cues such as the BIA report showing which practices a company can improve to (re)certify.

Individual & firm level effects

The B certification process plays a role in employee engagement of certified companies with external stakeholders when these companies offer their employees some measure of control, such as ownership and/or other forms of incentives to actively participate in the organisation's decision-making (Winkler et al. 2018). Their study shows that in B Corp certified companies, employee ownership contributes to external stakeholder engagement and that B Corp certification fosters stronger relationships between internal and external stakeholders.

3. AVENUES FOR FUTURES RESEARCHES QUESTIONS

B Corps as a movement, model and certification seem to operate differently, which will require new theories around purposeful organization and normative work to advance their efforts (Munoz et al, 2018).

As explained by authors Conger et al. (2018) and Sharma et al. (2018), implementing a certification involves changes in the organization. This includes, among other things, learning new tools. This is the case for the B Impact Assessment, which is useful to learn, in order to measure the company's sustainable impact and obtain a minimum score of 80 points in order to obtain the B Corp certification. This tool generates learning at the individual and organizational levels (Masson, 2011). It would be interesting to study the creation, transfer and storage of knowledge generated by the BIA and to analyze these effects in a company; and their impact on the recertification process. This could be the subject of my first research question.

The BIA offers the unique advantage of incorporating real elements of stakeholder engagement; however, future research could engage in primary data collection to identify different stakeholders' perceptions of company engagement by interviewing stakeholders themselves and assessing their level of engagement (Winkler et al., 2018).

Future research on the latest version of the B Corp assessment (version 6-2019) would be useful to determine whether the revision leads to an improvement in stakeholder engagement and/or formal corporate governance. Comparisons with other certification schemes and examination of the governance of the certification and the certifying body, B Lab US, are also needed to look closely at certification standards and credibility, and to understand how B Lab sees its responsibilities evolving over time in relation to certified B Corps (Villela et al, 2019).

REFERENCES

- Adams, R., Bessant, J., & Phelps, R. (2006). Innovation management measurement: A review. *International Journal of Management Reviews*, 8(1), 21-47.
- AIMS. (2021). Le management stratégique à l'épreuve des grands défis mondiaux. Retrieved from https://www.strategie-aims.com/events/conferences/32-xxeme-conference-de-l-aims/paper_call
- André, R. (2012). Assessing the accountability of the benefit corporation: Will this new gray sector organization enhance corporate social responsibility? *Journal of Business Ethics*, 110(1), 133-150.
- B Lab. (2021). About B Corps. Retrieved from <https://bcorporation.net/about-b-corps>
- Cao, K., Gehman, J., & Grimes, M. G. (2017). Standing out and fitting in: Charting the emergence of Certified B Corporations by industry and region. In *Hybrid Ventures* (pp. 1-38): Emerald Publishing Limited.
- Clark, W. H., & Babson, E. K. (2012). How benefit corporations are redefining the purpose of business corporations. *William Mitchell Law Review*, 38(2), 8.
- Conger, M., McMullen, J. S., Bergman, B. J., & York, J. G. (2018). Category membership, identity control, and the reevaluation of prosocial opportunities. *Journal of Business Venturing*.
- Crossan, M. M., & Apaydin, M. (2010). A multi-dimensional framework of organizational innovation: A systematic review of the literature. *Journal of Management Studies*, 47(6), 1154-1191.
- Gamble, E. N., Parker, S. C., & Moroz, P. W. (2019). Measuring the integration of social and environmental missions in hybrid organizations. *Journal of Business Ethics*, 1-14.
- Gehman, J., & Grimes, M. (2017). Hidden badge of honor: how contextual distinctiveness affects category promotion among certified B corporations. *Academy of Management Journal*, 60(6), 2294-2320.
- Gehman, J., Grimes, M., & Cao, K. (2019). Why We Care About Certified B Corporations: From Valuing Growth to Certifying Values. *Alberta School of Business: research paper, no. 2018-905*.
- Global Sustainable Investment Review. (2021). Trends Report 2018. Retrieved from <http://www.gsi-alliance.org/trends-report-2018/>
- Grimes, M., Gehman, J., & Cao, K. (2017). Positively Deviant: Identity Work Through B Corp Certification. *Journal of Business Venturing*.
- Hahn, R., & Kühnen, M. (2013). Determinants of sustainability reporting: a review of results, trends, theory, and opportunities in an expanding field of research. *Journal of Cleaner Production*, 59, 5-21.
- Hiller, J. S. (2013). The benefit corporation and corporate social responsibility. *Journal of Business Ethics*, 118(2), 287-301.
- Honeyman, R. (2014). *The B Corp handbook: how to use business as a force for good*: Berrett-Koehler Publishers.
- Kim, S., Karlesky, M. J., Myers, C. G., & Schifeling, T. (2016). Why companies are becoming B corporations. *Harvard business review*, 17, 2-5.
- Lee, M., & Marquis, C. (2015). B Lab: Can it Scale Business as a Force for Good? In: Harvard Business Review.
- Marquis, C. (2018). *A new capitalism: Creating the best companies in--and for--the world*. Paper presented at the 2018 Global B Corp Academic Community Roundtable, New Orleans, Louisiana.
- Masson, T. (2011). Learning from the B(enefit) Corp assessment. Retrieved from <https://ianmartin.com/learning-from-the-benefit-corp-assessment/>

- McMullen, J., & Warnick, B. (2016). Should we require every new venture to be a hybrid organization? *Journal of Management Studies*, 53(4), 630-662.
- Moroz, P. W., Branzei, O., Parker, S. C., & Gamble, E. N. (2018). Imprinting with purpose: Prosocial opportunities and B Corp certification. *Journal of Business Venturing*, 33(2), 117-129.
- Moroz, P. W., & Gamble, E. N. (2020). Business model innovation as a window into adaptive tensions: Five paths on the B Corp journey. *Journal of Business Research*, 125, 672-683.
- Muñoz, P., Cacciotti, G., & Cohen, B. (2018). The double-edged sword of purpose-driven behavior in sustainable venturing. *Journal of Business Venturing*, 33(2), 149-178.
- Parker, S. C., Gamble, E., Moroz, P. W., & Branzei, O. (2018). The Impact of B Lab Certification on Firm Growth. *Academy of Management Discoveries*.
- Patel, P. C., & Chan, C. R. (2021). Non-economic Performance of Benefit Corporations: A Variance Decomposition Approach. *Journal of Business Ethics*, 1-22.
- Seuring, S., & Müller, M. (2008). From a literature review to a conceptual framework for sustainable supply chain management. *Journal of Cleaner Production*, 16(15), 1699-1710.
- Sharma, G., Beveridge, A. J., & Haigh, N. (2018). A configural framework of practice change for B corporations. *Journal of Business Venturing*, 33(2), 207-224.
- Siqueira, A. C. O., Guenster, N., Vanacker, T., & Crucke, S. (2018). A longitudinal comparison of capital structure between young for-profit social and commercial enterprises. *Journal of Business Venturing*.
- Stammer, R. (2016). It pays to become a B corporation. *Harvard business review*, 6.
- Stubbs, W. (2017a). Characterising B Corps as a sustainable business model: An exploratory study of B Corps in Australia. *Journal of Cleaner Production*, 144, 299-312.
- Stubbs, W. (2017b). Sustainable entrepreneurship and B corps. *Business Strategy and the Environment*, 26(3), 331-344.
- Stubbs, W. (2019). Strategies, practices, and tensions in managing business model innovation for sustainability: The case of an Australian BCorp. *Corporate Social Responsibility and Environmental Management*, 26(5), 1063-1072.
- Tranfield, D., Denyer, D., & Smart, P. (2003). Towards a methodology for developing evidence-informed management knowledge by means of systematic review. *British journal of management*, 14(3), 207-222.
- United Nations, G. A. (2015). Transforming our world: the 2030 Agenda for Sustainable Development. *Resolution adopted by the General Assembly on 25 September 2015*.
- Villela, M., Bulgacov, S., & Morgan, G. (2019). B Corp Certification and Its Impact on Organizations Over Time. *Journal of Business Ethics*, 1-15.
- Wilburn, K., & Wilburn, R. J. B. H. (2014). The double bottom line: Profit and social benefit. *Business Horizons*, 57(1), 11-20.
- Winkler, A.-L., Brown, J. A., & Finegold, D. (2018). Employees as Conduits for Effective Stakeholder Engagement: An Example from B Corporations. *Journal of Business Ethics*, 1-24.