

From Espoused to Enacted Commitment:
Drivers for the Pursuit of B Corp Certification by SMEs

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DEDICATION

This work is dedicated to the incredible women in my life that see my potential in ways that I don't fully see myself.

My Rosie, our dearest GG...

You have always looked at me as if I was your sunshine, your angel. I could not have kept going on this project and so many other things in my life without your love, support, and admiration. I miss you more than words can say and truly regret that I couldn't get, in your words, "this damn paper" done before you left us. I've always dreamt of making you proud. Keep sending us dragonflies.

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ABSTRACT

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Drawing from the literature on corporate social responsibility (CSR), small-to-medium sized enterprises (SMEs), and management system standards, this study explored the motivations of SMEs – an understudied subpopulation in the CSR literature – to expand their espoused commitment to CSR through voluntary pursuit of CSR certification. Using an illustrative case study design with B Corp certification, 28 interviews were conducted with leaders, employees and external consultants associated with 11 SMEs originating from Canada and the United States who adopted B Corp certification between 2013 and 2016. These semi-structured interviews were used to explore firms' CSR certification evaluation process and motivations for pursuing third-party certification, as well as to gain greater understanding of the influences on their decision. Experiences between the locales were explored to identify meaningful differences. Interview data was analyzed in an iterative inductive and deductive coding process using Atlas.ti, a qualitative software program. From this detailed analysis, three drivers were identified as motivating the SMEs to invest their scarce resources in the pursuit of B Corp certification. These were: (1) pursuit of leader and organization value alignment, (2) pursuit of a value-aligned community, and (3) pursuit of the business case. Follow-up analysis of the leaders' interview data led to the development of an integrated, theory-grounded multidimensional framework of their motivations. Study data suggests that the SME leaders in this study were motivated to pursue third-party CSR certification, and specifically B Corp certification, for intrinsic and extrinsic reasons that could be grouped into the following themes which will be described in detail: (1) Business Case, (2) Badge (3) Belonging, and (4) Benevolence. Although no notable regional-level cultural influences surfaced between the two geographic locales, some contextual differences will be highlighted. Implications of these findings for theory and practice are discussed, as well as limitations and directions for future research.

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*“It takes 20 years to build a reputation and five minutes to ruin it.
If you think about that, you'll do things differently.”*
– Warren Buffet (as quoted in Schwantes, 2021)

CHAPTER 1

Introduction and Purpose

Throughout history the conduct of business in relation to society’s expectations has evoked “considerable debate, commentary, theory building and research” (Carroll & Shabana, 2010, p. 86). Notable events, including ethical scandals such as Enron in the early 2000s; the 2008 financial crisis; prominent fraud schemes and subsequent corporate failures, such as Lehman Brothers and Wells Fargo; have only intensified the scrutiny. Corporations are increasingly criticized as self-interested and neglectful of their relationship with and impact on the natural environment and broader society (Beaudoin et al., 2019; Carroll, 2015a; Simons, 2015; Wartzman, 2019). More recently, major institutions of capitalism are converging on, or perhaps returning to, a vision for the role of business in society that benefits *all* stakeholders. An illustration of this culminated in August 2019 with the reimagined proclamation on the “Statement on the Purpose of a Corporation” by the Business Roundtable – a group of 181 prominent CEOs of companies including JPMorgan Chase, Johnson & Johnson, Vanguard, and Progressive Corporation – which declared that the purpose of the corporation no longer privileges shareholder primacy, but rather provides that corporations should aim to serve the interests of all stakeholders (Business Roundtable, 2019). As evidenced by extensive media coverage surrounding this announcement, conversations surrounding CSR have become commonplace over the past decade; from mainstream media to boardrooms, organizations’ espoused commitments to CSR are at the forefront of business dialogue today (Aguinis & Glavas, 2012; Wartzman, 2019). Foundational scholar, Carroll, and his colleague, Shabana, note

that, “one cannot pick up a newspaper, magazine or journal without encountering some discussion of the issue, some recent or innovative example of what business is thinking or doing about CSR” (Carroll & Shabana, 2010, p. 86). This was more recently supported by the work of Hudson and Descubes (2021) where they posit that CSR has transitioned from the conversation of a few prominent companies to permeating into the corporate landscape globally.

There seems little question that companies of all sizes have increasingly faced pressure to expand their corporate social responsibility (CSR) practices and embrace the multi-stakeholder approach (Collier & Estebann, 2007; de Jong & van der Meer, 2017; Hartman Group, 2019; Wartzman, 2019). However, despite this pressure many companies are “guilty by default” (Cone Communications, 2017) and their claims of CSR are questioned. Due in large part to corporate greenwashing, consumers have grown suspicious of corporate actions and are no longer willing to blindly believe corporate narratives of social responsibility (Hartman Group, 2019). While consumers expect companies to act responsibly, in one study 52% said they need to see proof of a company’s CSR initiatives to believe them (Cone Communications, 2017). As a result, many companies have turned to third-party CSR certifications and awards to differentiate themselves in the marketplace (Christmann & Taylor, 2006; Terlaak & King, 2006). Highlighting the importance of credibility that these third-party assessments offer, 60% of consumers in another study recently expressed their increased trust for third-party assessment and said that they value a company’s willingness to undergo such assessment (Hartman Group, 2019).

B Corp Certification

Third-party CSR certifications have developed in tandem with increased societal expectations of businesses, bringing into focus questions of legitimacy, identity and motivations of the companies pursuing such certifications. While there are a multitude of third-party

certifications, B Corp certification is one that has been both growing in membership and is understudied to date (Gehman et al., 2019; Pollack et al., 2020). This certification differs from Benefit Corporation status (more fully described herein) and provides a compelling backdrop for this research agenda, given not only the current lack of scholarly investigation, but also its alignment with the Business Roundtable proclamation (Business Roundtable, 2019) and current mainstream media interest in B Corp certification.

This certification has captured the attention of mainstream media over the past decade: *Entrepreneur* magazine called it “a badge of honor” (Goodman, 2013, para. 6); *Huffington Post* said it was “redefining how business can change the world, but all stakeholders reap the benefits” (Rosen, 2015, para. 2); while *The New Yorker* hailed it as a “commitment device - a way of insuring that you’ll live up to your promises” (Surowiecki, 2014, para. 3), and CNBC described it as “a certification similar to “Fairtrade” that subscribes companies to a strict set of social and environmental standards” (Gurdus, 2018, para. 15). Most recently, Christopher Marquis’ book, *Better Business: How the B Corp Movement is Remaking Capitalism* (2020), positions B Corps as a “social movement” and posits that “the B Corp movement and its associated ideas are poised to be a catalyst for reforming our capitalist economy” (p. x). B Corp certification has been identified as appropriate for companies who desire to embed CSR “throughout the entire firm as well as shape the relationships with customers, employees, manufacturers, and society” (Sarason & Hanley, 2013, p. 456) and as a model for better business (Marquis, 2020).

In 2007, the B Corp certification process was launched in the United States as a means to offer a more balanced and holistic approach to business success, defining success beyond pure profit motivation and where companies voluntarily commit to both social and environmental aims in addition to financial goals. This firm-level assessment measures social and

environmental impact, and further requires companies to amend their articles of incorporation to adopt a commitment to sustainability (B Corporation, 2022a). B Corporations constitute a category of social enterprises certified by B Lab; a 501(c)(3) non-profit organization based in the United States that is now active around the world. The aim is for Certified B Corporations to become to business what Fairtrade certification has become to agricultural product offerings and LEED certification to build design and engineering (Cao et al, 2017; Hoffman & Henn, 2008; Reinecke & Ansari, 2015).

Over the past decade, there has been explosive growth in the number of companies choosing to certify as B Corps and significant global adoption of the process. As of early 2022, there are now 4,720 certified B Corps in 78 different countries, representing a 149% increase from 1,897 companies in October, 2016 (B Corporation, 2022a). B Corp certification did not arrive in Canada until 2009 and slowly gained momentum until it reached 100 Canadian certified B-Corps on December 2013; however, it was not until July 2013 that the movement first came to the province of Nova Scotia (B Corporation, 2022a; Cao et al., 2017).

Companies seeking to become certified begin by taking the free online B Impact Assessment (BIA) (B Corporation, 2022). Since 2007, the BIA has undergone several updates and, as of the time of this study, a sixth edition is pending. The BIA addresses five dimensions of sustainability: environment, workers, customers, community, and governance. There are over 78 different versions of the BIA, with differences to account for differences in number of employees, industry, and geographic market (B Corporation, 2019).

The environmental dimension of the assessment assesses the company's impact on the natural environment, exploring issues related to an organization's energy utilization, water quality impact, recycling, zero-waste programs, emissions, carbon footprint, transportation, and

the like. The worker, or employee, section relates to issues of corporate culture, job creation, compensation and benefits, job flexibility, occupational health and safety, employment policies and evaluation processes, training and education, work ownership, etc. The governance section evaluates company mission and engagement, corporate accountability, ethics, and the transparency of policies and practices. The last section, which is the most heavily weighted, evaluates the social mission of the organization. It identifies “Impact Business Models,” which include the targeted, formal focus on benefiting a particular stakeholder through products and services or internal practices (B Corporation, 2022a). Taken together, such multi-dimensional stakeholder assessment has come to be known as environmental, social, and governance (or ESG) performance (Cao et al., 2017; Etzion & Ferraro, 2010; Gehman & Grimes, 2017).

To be eligible for certification, companies must have been in operation for at least twelve months and accumulate 80 out of a total 200 points on the BIA. Upon submission, these results are independently verified by B Lab through a sample request for documentation (per B Lab, 6-12 questions) and subsequent randomized audits. This initial supporting documentation is reviewed via a review call with a B Lab Standards Analyst (B Corporation, 2022a).

Once certified, companies sign the B Corp Agreement that includes the “Declaration of Interdependence” (<https://www.bcorporation.net/en-us/certification/>) which outlines the values that define the B Corp community and a commitment to participate in a site review for 10% of companies annually. Upon initial certification, companies must adhere to the legal requirements of the certification. In order to maintain B Corp certification, companies must adopt the corporate governance structure of a benefit corporation or adopt Social Purpose Corporation equivalent status within 2 years of the company’s initial certification date. If the benefit corporation or comparable status is unavailable within the local jurisdiction, corporations and

LLCs must amend their articles of incorporation to include both the purpose and director clause, as noted on the BCorporation.net website, with approval by both the board of directors and shareholders.

Annual certification fees vary by geographic region and are tiered by annual sales revenues. At the time of this study, fees ranged from \$1,000 for companies with up to \$149,999 in annual sales, to \$50,000+ for companies with more than \$1 billion in annual sales (B Corporation, 2022b). Once certified, companies are then eligible to use resources provided by B Lab for B Corp branding and can join the B Hive Community for a peer-to-peer resource and knowledge exchange.

B Corp Certification vs. Benefit Corporation: Defining the Difference

Drawing on the work of Hiller (2013), it is important to distinguish between benefit corporations and certified B Corps. Certified B Corps constitute a “rising tide” of businesses that seek to make explicit their mission to advance diverse stakeholder interests as opposed to focusing solely on maximizing stakeholder returns through a certification process (Quick, 2016, para. 1). As described previously, companies voluntarily complete an online assessment and submit supporting documents to B Lab, a non-profit certifying entity. B Lab verifies that certified B Corps have met the social and environmental requirements through both formal audit and an assessment review.

A business that is a certified B Corp is *not necessarily* of a different legal structure but a member of a voluntary association subject to an established set of standards. The requirement that certified B Corps amend their corporate structure and/or articles of incorporation under corporate law creates some obvious confusion that has proliferated between the two (Hiller, 2013). B Lab has been an aggressive promoter of the Benefit Corporation legal statutes in the

United States. Certification requires all B Corps to amend their corporate structure, when available based on legal statutes in the geographic location in which they are incorporated, within a stated period of time. To date, thirty-seven U.S. states have adopted this corporate structure through their legislative processes, and it is currently under consideration in many other jurisdictions (Benefit Corporation, 2022). In total six countries — Italy, Colombia, Ecuador, Puerto Rico and British Columbia in Canada — now have this legislation in place requiring companies to factor society and the environment into their decisions (Benefit Corporation, 2022a). More recently, in June 2020, British Columbia became the first province in Canada to adopt this legislation (Murray, 2021). Legislation varies slightly by jurisdiction, but all benefit corporation laws emphasize three essential components of a benefit corporation: (1) a defined social mission; (2) consideration of both financial and non-financial stakeholders; and (3) an obligation to publicly report on social performance using a third-party standard.

Whereas a certified B Corp must become a benefit corporation where legislation exists, a benefit corporation need *not* be a certified B Corp. In contrast, a benefit corporation's legal structure broadens the perspective of traditional corporate law by incorporating concepts of purpose, accountability, and transparency with respect to all corporate stakeholders, not just stockholders (Alexander, 2016). Whereas B Corp certification is a voluntarily process that can be sustained or discontinued at any time, the Benefit Corporation amendment is a permanent change to the corporation's legal structure. As discussed by Hiller, "The primary distinction of a benefit corporation is that it is legally obligated to pursue a public benefit in addition to its responsibility to return profits to the shareholders. It is legally a for-profit, socially obligated, corporate form of business, with all of the traditional corporate characteristics but with required societal responsibilities" (2013, p. 287). Hiller divides the primary aspects of the statute into five areas:

(1) the purpose of the corporation to provide a public benefit, (2) the independent third-party standard to annually review corporate public benefit, (3) the duties of directors to consider a broader spectrum of interests beyond shareholder profit, (4) transparency, and (5) enforceability by means of a benefit enforcement proceeding (p. 288).

The confusion between Benefit Corporation status and B Corp certification often falls within “the independent third-party standard to annually review corporate public benefit” (Hiller, 2013, p 288). While the benefit corporation legal structure calls for independent verification, it does not call for certification, and provides guidance that a business is free to choose which third-party standards they use.

Definitions of Key Terminology

There are several terms and concepts that inform this study and are used with considerable frequency throughout the dissertation. In the section that follows, I have chosen to highlight those which are central to this work:

Benefit Corporation is a legal structure (similar to that of LLC or C Corporation) that broadens the perspective of traditional corporate law by incorporating concepts of purpose, accountability, and transparency with respect to all corporate stakeholders, not just stockholders (Alexander, 2016).

B Impact Assessment (BIA) is a free online questionnaire designed to measure an organization’s positive impact on workers, community, customers and environment, as well as the organization’s corporate governance practices. Completion of the BIA is the initial step an organization would take to pursue B Corp certification. The BIA is updated every three years, currently in its 6th edition, and there are currently over 72 different

versions of the BIA, with differences to account for differences in number of employees, industry, and geographic market (B Corporation, 2022a).

B Lab is a 501(c)3 non-profit organization that administers the BIA and the voluntary certification program for B Corps. The organization strives to redefine the role of business in society through creating networks, awareness and lobbying efforts to support Benefit Corporation legislation (B Corporation, 2022a).

Business Case in this context relates to the relationship between CSR initiatives and organizational performance, often defined in terms of economic and social (López-Arceiz et al., 2017). I propose that the business case can be achieved through both a direct and indirect return on investment. Direct return on investment is an explicit expectation of short-term financial gain, whereas an indirect return on investment involves a longer-term orientation to value creation with perceived benefits anticipated from operational improvement, increased learning, networking opportunities and the like.

Certified B Corporation is a category of social enterprises certified by B Lab; a 501(c)(3) non-profit organization based in the United States. Under the certification process, companies voluntarily undergo a firm-level assessment process that measures social and environmental impact, and further requires them to amend their articles of incorporation to adopt a commitment to sustainability. Companies that have achieved B Corp certification are commonly known as “B Corps” (B Corporation, 2022a).

Corporate Social Responsibility (CSR) includes “the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time” (e.g., Carroll, 1979, p. 500).

Motivation is defined as a “set of energetic forces” that “determine the direction, intensity and persistence” of a “work-related behavior” (Latham and Pinder, 2005, p. 486).

Narrative is the word that I will employ to describe the findings from the participant interviews. It is acknowledged that the perceived realities of the participants interviewed provide the basis for the coding and themes identified contributing to the creation of the research findings. In accordance with the ontological position of this study, the interpretation of the reported realities is based on my own account and can consequently only be considered one of many possible social realities (Bryman et al., 2011).

Primary Influence is defined as the power or capacity of causing an effect in indirect or intangible ways (Merriam-Webster, 2022). In my use of the phrase, primary influence, I will make reference to the ranking and/ intensity to which influences are described by participants.

Small-to-medium sized enterprises (SMEs) do not prescribe to a universal or global definition; however, in the United States and Canada, SMEs are consistently defined as

those with fewer than 500 employees (SBA Office of Advocacy, 2021; Industry Canada, 2021).

Researcher Perspectives

My motivation to pursue this overarching topic is an intersection of the many ways in which I have come to define myself in relation to this field of study. Foremost, I have lived in Burlington, Vermont, for twenty-plus years, representing my entire adult and professional life, and I have come to be shaped by the ethos found here of social innovation and sustainability and the many exemplars in the business of sustainability (i.e., Ben and Jerry's, Seventh Generation, King Arthur Flour). As further evidence of this context, Vermont was the first state in the U.S. to create a non-profit association to bring together businesses from across industry sectors with shared values of social responsible businesses, Vermont Businesses for Social Responsibility (Phillips, 2015). While situated in Vermont, I hold many roles including that as a faculty member at a small private college, a certified public accountant, an active community member, and most importantly as mother to my three amazing children. Thirteen years ago, I made a decision to pursue impact over financial reward when I pursued my lifelong dream to become an educator. This decision was rooted in the broadest sense of impact: on the lives of my students, but also on the lives of my children in terms of holistically being more available while they were young, and in my own life by creating more meaning and alignment in it. In leaving my "corporate life," I sacrificed financial reward, but in turn I gained a wholeness to my life. The concept that there is more to life than making money and that your whole life can be lived in alignment with your values resonated deeply with me. Secondly, I am doctoral student at Saint Mary's University in Halifax, Nova Scotia, where I have become connected to the spirit of sustainability through the University and within the broader community and business landscape.

The rise of B Corp certification seemed to represent the combination of the value I place in certification through my license as a CPA, my personal values of success and satisfaction as measured holistically, and my hopes for the business community of which I had been part for a decade before turning to academia. While I first became aware of B Corp certification through my Vermont connections, when I had the opportunity to live in Halifax, I was excited to learn of a blossoming community there as well; this became the first research discovery in my field.

With this history and context, I recognize that I bring a number of assumptions into this research study that have formed the basis for not only my topic of inquiry, but for how I have chosen to construct my inquiry approach. Based on my training and formal education as a certified public accountant (CPA), and as a researcher living in Burlington, VT, I made the following assumptions regarding this study:

My training as a CPA has informed my auditor's mindset, which is both process oriented and aligned with a more positivist orientation. As an auditor, I was asked to "confirm" truth. Throughout much of my professional life I have sought to broaden my experiences including my intentional decision to pursue a Ph.D. in Management vs. Accounting. I wanted to expand my skillset and focus on an area that was in contrast to the majority of my educational and professional experiences to date. When developing the methodology for this research study, I intentionally challenged myself to develop complementary skills as a constructivist-qualitative researcher taking a more interpretive approach (Berger & Luckmann, 1966).

I am also driven by my belief that business can be a mechanism for the large-scale changes needed in our society. During my studies, I had the opportunity to engage in an independent study on Appreciative Inquiry and pursued the certification Appreciative Inquiry Certificate in Positive Business and Society Change through Case Western Reserve University

(Cleveland, Ohio). During this certification process, I was introduced to the Fowler Center for Business as an Agent of World Benefit (<https://weatherhead.case.edu/centers/fowler/>). One of our assignments, as part of the wider AIM2Flourish world inquiry (<https://aim2flourish.com/>), was to interview three leaders and I began to see how several of the business leaders in my local community were harnessing their power and influence to more positively impact our community. As I began to refine my dissertation topic, this curiosity on a larger scale stayed with me.

Research Opportunity & Statement of Purpose

In today's landscape, businesses of all sizes are increasingly challenged to bridge financial, social and regulatory pressures by a multitude of stakeholders. The World Economic Forum Global Risk Report of 2021 recently said that businesses must be poised for a "shakeout" as a result of "economic, technological and reputational pressures" (WEF, 2021, p. 5). To specifically combat the reputational pressures, there has been explosive growth in the number of firms pursuing B Corp certification, but relatively little research has been conducted as to their motivations for doing so. This presented a compelling opportunity to conduct exploratory research in the emergent field of third-party CSR certifications. As little is known about the antecedents that motivate the pursuit of certification (Heras-Saizarbitoria & Boiral, 2013; Johnstone, 2019), I chose to investigate this relationship based on an illustrative case study of one available CSR certification option, namely B Corp certification. Focusing on SMEs presented an opportunity to add to the CSR literature as SMEs have gone understudied in relation to their larger firm counterparts (Bondy & Starkey, 2014; Grimstad et al., 2020; Moura-Leite & Padgett, 2011; Spence, 1999; Spence & Perini, 2009). This gap in the literature is surprising given the sheer magnitude of SMEs in the overall business landscape. In the United States, they constitute 99.9 percent of employer firms (SBA Office of Advocacy, 2021). Perhaps

more importantly, since the most recent recession from mid-2000s to 2018, SMEs have accounted for 64.9 percent of the net new job creation (SBA Office of Advocacy, 2021). In Canada, SMEs similarly constitute over 99.8 percent of employer firms, and during the period 2013-2017 they have contributed to over 84.5 percent of the net job creation (Industry Canada, 2021). Of particular curiosity was the underlying antecedents by which SMEs chose to voluntarily commit scarce resources to pursue certification. With this focus, I aspired to increase the understanding regarding what motivates organizations to expand their espoused commitment to CSR and voluntarily pursue third-party CSR certification.

Research Questions

In this research project, I examined several exploratory questions in order to investigate the antecedents of third-party CSR certification:

- a) What motivates SMEs to expand their espoused commitment to CSR and voluntarily pursue third-party CSR certification(s)? And more specifically B Corp certification?
- b) Who and/or what are primary internal and external influences for the pursuit of certification, and specifically B Corp certification?
- c) Relative to the above, are there possible regional-level cultural influences on SMEs pursuit of voluntary third-party CSR certifications that create differences or similarities, specifically between Nova Scotia and Vermont?

Overview of Research Design and Data Analysis

My research methodology was informed by my chosen constructionist epistemology (Berger & Luckmann, 1966) and designed to “discover how respondents see the world” (McCracken, 1988, p. 21). As such, using McCracken’s four-step method of inquiry, I developed

a semi-structured qualitative interview protocol in order to better understand the CSR certification evaluation process and explore organizational motivations for pursuing such certification. Given the increased adoption of B Corp certification, I chose this specific certification as my illustrative case study of third-party CSR certifications. My primary empirical evidence for this work was twenty-eight semi-structured interviews with B Corp leaders and employees, as well as external consultants who engaged in the certification process. To explore potential regional cultural influences, the sample included eleven B Corps, with six in Nova Scotia and five in Vermont that had all pursued B Corp certification for the years 2013 – 2016, and the information obtained through the twenty-eight interviews formed the basis for the overall findings for this study.

For my data analysis I drew on the work of Miles et al. (2018), and this analysis was supported through the use of qualitative software (Atlas.ti), using a first cycle and second cycle coding iterative process. The use of Atlas.ti facilitated a significant breadth and depth of data coding and made it possible to efficiently generate custom reports of my codes. This also allowing me to easily access the context of any specific piece of coded data and was invaluable in my regional comparison and thematic analysis for second-cycle coding. This aligned well with my quantitative orientation and background as an auditor, and gave me confidence that I was being “true” to my participants’ narratives narrative when I was coding and analyzing my interview data. Drawing on the literature from the field of study and my findings, I develop an integrated, theory-grounded multidimensional framework that explores the motivations of small-to-medium sized enterprises (SMEs) to expand their espoused commitment to CSR and voluntarily pursue third-party CSR certification.

Structure and Content

While there are numerous third-party certifications, B Corp certification remains in its relative infancy even as it gains interest within both scholarly research and mainstream business. This dissertation seeks to build on the recent studies to explore motivations and primary influences for SMEs to expand their espoused commitment to CSR and voluntarily pursue third-party CSR certification, and, more specifically, using B Corp certification, as an illustrative case study.

The remainder of this dissertation is organized into six chapters. In Chapter 2, I present a systematic and comprehensive literature review of the historical roots of CSR, highlighting research surrounding the “business case”, defined herein, for engagement in CSR and specifically identifying questions surrounding the antecedents of an organization’s commitment to CSR practices and the increasing role of third-party certifications in the CSR domain. In Chapter 3, I describe the qualitative examination of the role of third-party CSR certifications in SMEs. This chapter further defines the nature of the research approach, including McCracken’s four-step method of inquiry, and the resulting research questions, research context, and sample selection. Chapter 4 highlights my data analysis approach and in Chapter 5 my findings are presented and organized by research question. In Chapter 6, I present the development and application of an original framework to map leader’s motivations for the pursuit of third-party CSR certification. In my concluding chapter, I discuss the findings and implications for both theory and practice.

“The idea of social responsibilities supposes that the corporation has not only economic and legal obligations but also certain responsibilities to society which extend beyond these obligations”

Joseph W McGuire (1963), *Business and Society*, p. 144

CHAPTER 2

Literature Review

This chapter provides an overview of the key construct of corporate social responsibility (CSR) and the increasing role of third-party certifications in the CSR domain. The chapter begins by taking a historical perspective on CSR, bringing together over half a century of research to provide a synopsis highlighting the vast landscape of research surrounding CSR and the emergence of prosocial organizations. This section emphasizes research surrounding the well-established business case for engagement in CSR (Barnett, 2007, 2019; Barnett & Salomon, 2012; Carroll & Shabana, 2010; Conlon & Murray, 1996; Fombrun, et al., 2000; Gomulya & Boeker, 2014; Maignan et al., 1999; Orlitzky et al., 2007; Pelozo, 2009; Pelozo & Shang, 2011; Schmidt, & Rynes, 2003; Servaes & Tamayo, 2013) and specifically identifies questions surrounding the antecedents of an organization’s commitment to CSR practices and its pursuit of external certifications to demonstrate this commitment. The review includes the existing literature on the organizational outcomes for enterprises that engage in CSR, as well as more limited research on the motivations and drivers for initiating CSR practices, and the application of CSR to small and medium-sized enterprises (SMEs), with an aim of highlighting current research gaps and opportunities for current inquiry. The chapter concludes with an overview of third-party certifications, focusing purposely on certifications intended to signal that corporate actions adhere to externally based social and ethical criteria and the organizational drivers and outcomes for the pursuit of such certifications, including organizational legitimacy.

Corporate Social Responsibility: Contextualized in History

Balancing financial, societal, and regulatory/legal expectations has challenged business for the greater part of this century (Aguinis & Glavas, 2012; Bowen, 1953; Carroll; 1991; Kong et al., 2019; Spector, 2008; Whetten et al., 2002). For over 60 years, this challenge has become popularized as scholars have explored this delicate balancing act under the premise of corporate social responsibility (CSR) (Bowen, 1953; Frederick, 2018).

While the scope and definition of CSR has been arguably debated at times (Dahlsrud, 2008), its prevalence continues to grow, increasingly making it an obligatory conversation for businesses of all sizes (Aguinis & Glavas, 2012; Bhattacharya et al., 2009; Carroll, 1999, 2015b; Carroll & Shabana, 2010; Frederick, 2018, Hemingway & Maclagan, 2004; Kutzschbach et al., 2021; Roberts, 2003; Serenko & Bontis, 2009; Wagner et al., 2009). What has become apparent is that there is a growing mandate for businesses to undertake vital conversation surrounding sustainable business behaviors and engagement (Collier & Estebann, 2007; de Jong & van der Meer, 2017; Wartzman, 2019). In the current corporate landscape, companies are called on not only to comply with legal and regulatory requirements, but to also extend their reach to internal and external initiatives that take a more long-term stakeholder view (Carroll & Shabana, 2010; Clarkson, 1995; Rodriguez-Gomez, et al., 2020; Wang et al., 2016). This expanded expectation has highlighted a renewed concern regarding ‘business as usual’ with a focus on ‘profit at any cost’ (de Jong & van der Meer, 2017; Frederick, 2018; Godelnik, 2021; Wang et al., 2016; Wartzman, 2019) and called into question capitalism’s dominant view of the stockholder/shareholder privilege within the firm and Milton Friedman’s (1962) profit maximization principles.

Foundational scholars on the subject cite Bowen (1953) as the initiator of the modern-day conversation surrounding CSR (e.g., Carroll, 1999, 2008; Dahlsrud, 2008; Frederick; 2018; Garriga & Mele, 2004). While Bowen did not explicitly use the term corporate social responsibility, his conception of business' social responsibility has inspired contemporary scholars to credit him as the "father of social responsibility" (Acquier et al., 2011; Carroll, 1999, 2015a; Carroll & Shabana, 2010; Taneja et al., 2011).

In his book, *Social Responsibilities of the Businessman* (1953), Bowen argued that social responsibility should be at the forefront of all human interaction, including those interactions that occur in the context of business. He suggested that social responsibility: "*refers to the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society*" (Bowen, 1953, p. 25).

The Challenge of a Single Definition

Since no single definition or unifying theory exists to fully explain what it means for a corporation to be socially responsible, it continues to be a subject of broad interest and considerable debate among academic scholars (Aguinis & Glavas, 2012; Carroll, 1999; Carroll & Shabana; 2010; Dahlsrud, 2008; Weber & Wasieleski, 2018; Zhao et al., 2020). Since the late 1970s, studies related to CSR have flourished (Aguinis & Glavas, 2012; Carroll & Shabana, 2010). It is over this span of time that formal definitions of CSR prospered. In a study conducted by Dahlsrud (2008), 37 definitions of CSR were found to be in use in journal articles and web pages from 1980 to 2003. With further analysis, 27 unique authors and five common dimensions of CSR definitions were identified. Despite the overwhelming number, Dahlsrud concluded that the definitions were harmonious and, while differing terms and phrases were used, all

consistently referenced five dimensions: Environmental, Social, Economic, Stakeholder, and Voluntariness. Dahlsrud concluded that much of the ambiguity resulted from the definitions themselves, as most definitions described CSR as a phenomenon, rather than creating consensus to describe *what* the social responsibilities of businesses are.

This study will use the following definition of CSR as developed by Carroll (1979): “The social responsibility of business encompasses the economic, legal, *ethical*, and *discretionary* [emphasis added] expectations that society has of organizations at a given point in time” (Carroll, 1979, p. 500). This definition was chosen as it highlights the voluntary/discretionary nature of the multidimensional responsibilities of organizations. It is one of the most highly cited definitions (ABI/INFORM: 53 peer-reviewed articles and Google Scholar: 859) due to its frequency of adoption by other organizational scholars (Dahlsrud, 2008; Masoud, 2017). More importantly, this definition as a multidimensional construct, i.e., economic, legal, ethical, and discretionary, aligned strongly with my proposed research agenda and the inherent underlying structure of B Corp certification.

The CSR Debate

Just as there has been debate surrounding the definition of CSR, so has controversy ensued regarding the extent to which businesses hold social responsibilities (Weber & Wasieleski, 2018). As a result, enthusiasts and critics alike have formulated arguments on both sides. Carroll and Shabana (2010) present five concise arguments against CSR found throughout the existing CSR literature:

(1) the Milton Friedman (1970) argument that businesses have a primary responsibility of profit maximization (within the bounds of presiding law and social mores). In this argument, social issues are not within the purview and scope of business responsibilities, and solutions

should be sought in a free market system. If the free market cannot solve the social issues of the day, this argument contends government is responsible for stepping in (notably not business). This concept was popularized in Milton Friedman's 1970 piece "The Social Responsibility of Business is to Increase its Profits" (Friedman, 1970) in the New York Times, which seemed to capture the imagination of the business world and relegate the social responsibility of business in favor of total returns to shareholders;

(2) as an outward extension of Friedman (1970); as a proposition that businesses are not equipped to handle social activities. This position posits that managers are trained and focused on finance and business operations (i.e., issues of profit maximization) and do not possess the necessary expertise to manage, engage and rectify issues of social concern;

(3) CSR as a priority distracts and specifically dilutes the purpose of business and its ability to meet its target financial objectives (i.e., profit maximization);

(4) business inherently already possesses enough power and need not be granted the additional authority to extend this power to govern issues of social concern;

(5) CSR as a priority reduces a firm's ability to be competitive in the global economy because of the real and perceived costs to be socially responsible.

Counter to these critiques Carroll and Shabana (2010) present several arguments in favor of CSR that center around:

(1) the strategic advantages to the organization, often referred to as "enlightened self-interest" (p. 88), including long-term viability. The argument surrounding long-term viability is such that if businesses seek to have a healthy environment in which to thrive in the future, they must take actions to protect that future;

(2) CSR as a proactive response to government intervention and increased regulation.

This argument is presented as proactive self-regulation to thwart government intervention and mandates, which can be achieved if organizations strive to meet societal expectations of them as good citizens;

(3) the ability to use the vast resources of business (financial, management expertise, and otherwise) for public “good”, and,

(4) the response to a consumer demand for businesses to adopt this role in society is less expensive than reacting after these demands are made known, and an intentional proactive response can lead to enhanced profitability (Carroll & Shabana, 2010).

These arguments in support of business engaging in CSR activities have led to additional lines of research and inquiry. The dominant focus of this academic research has centered on positive outcomes for companies that engage in CSR initiatives (Aguinis & Glavas, 2012).

Voluntary vs. Mandatory Expectations of CSR

Differences in the implementation of CSR have increasingly emerged in the characterization of CSR as voluntary (discretionary) versus mandatory (externally regulated and enforceable) (Col & Patel, 2019; Gatti et al., 2019). The voluntary nature of CSR has predominated the literature and is rooted in the foundational conceptualizations of CSR by both Carroll (1979; 1999) and McWilliams and Siegel (2001). The ethical and discretionary dimensions of Carroll’s definition highlight the expectation that CSR extends beyond compliance with the law to discretionary actions driven by organizations and individuals.

McWilliams and Siegel (2001) built on this definition to specify that CSR presents “actions that appear to further some social good, *beyond* the interests of the firm and that which is required by law” (p. 117). This definition was in alignment with the European Commission Green Paper on

CSR (UK Government, 2001), which also included the voluntary dimension of CSR commitments. In 2011, the Commission updated the definition to remove the voluntary reference and stated that CSR should continue to be developed by organizations but added that “public authorities should play a supporting role through a smart mix of voluntary policy measures and, where necessary, complementary regulation, for example to promote transparency, create market incentives for responsible business conduct, and ensure corporate accountability” (UK Government, 2011, Section 3.4). The hybridity of this later statement appears to take intentional steps to integrate the voluntary and regulatory nature of CSR actions.

Based on this changing landscape, Cominetti and Seele (2016) developed a classification of CSR regulation as “soft soft law”, “hard soft law”, “soft hard law” and a “hard hard law”. The distinction within this typology lies in the degree of external regulation and compliance measures embedded within. According to Cominetti and Seele (2016; pp. 133-134), these are defined and differentiated as follows:

- 1) “Soft soft laws” are characterized by voluntary, nonbinding forms of self-regulation. These laws provide a low level of formalization and minimal, if any, sanctions for noncompliance. Gatti et al. (2019) position the UN Global Compact Principles as an illustration of a “soft soft law”.
- 2) “Hard soft laws” are characterized by formalized voluntary guidelines where companies are expected to follow the rules and can be sanctioned for noncompliance. Certifications, including ISO and B Corp, would be considered a “hard soft law”, whereby a sanction for noncompliance would be loss of the certification itself.
- 3) “Soft hard laws” are issued by governmental institutions and considered mandatory law. These laws are considered ‘soft’ as they have a low level of formalization that

result in ambiguous standards, often framed as principles that allow for subjectivity and interpretation. Accordingly, sanctions are minimal. Gatti et al. (2019) posit the European Union directive on mandatory reporting as an illustration.

- 4) “Hard hard laws” are characterized by a high level of formalization that result in *no* flexibility or room for interpretation. Requirements are clearly stated in order to avoid legal sanctions. Sanctions can be substantial and are created and enforced by the national government. In the United States, the Sarbanes-Oxley Act is an illustration put forward by Gatti et al. (2019).

Through this classification, Cominetti and Seele (2016) report that 88% of CSR standards consist of soft laws (both “soft soft” and “hard soft laws”) depicting a continued dominance of the voluntary landscape and 12% of hard laws (soft hard and hard hard). This is consistent with Sheehy’s (2015) conceptualization of CSR as “a socio-political movement which generates private self-regulatory initiatives, incorporating public and private international law norms seeking to ameliorate and mitigate the social harms of and to promote public good by industrial organisations” (p. 639). Gatti et al. (2019) explored the diffusion of voluntary and mandatory approaches to CSR using the Indian Companies Act of 2013 as a case study, where increasingly governmental regulations are calling for compliance with defined and universal CSR expectations. They proposed a new conceptualization of CSR as co-regulation, inclusive of elements of voluntary and mandatory, as a growing number of national governments, including France and the United Kingdom, have increasingly explored their role in CSR regulation by adopting laws that explicitly require corporations to undertake CSR.

Typologies of Corporate Social Responsibility

Several typologies of CSR have been developed, many of which consider the degree in which CSR is integrated within the organization. For example, Lazlo and Zhexembayeva (2011) created the notion of embedded sustainability as the “incorporation of environmental, health, and social value into the company’s core business with no trade-offs in price or quality” (p. 100). Aguinis and Glavas (2013) categorized CSR as embedded or peripheral, and further refined the embedded definition to include integration into all facets of an organization (i.e., organizational strategy and daily operations), whereas they defined peripheral CSR as an add-on to operational and managerial activities. Peripheral CSR includes activities that promote sustainable behavior, but are not core to the business strategy. Examples include volunteering or philanthropic efforts - both of which have potentially positive societal impact but lack integration into the products or processes of the organization (Aguinis & Glavas, 2013). Given the acknowledgement that most organizations engage to varying degrees with CSR behaviors (Aguinis & Glavas, 2012; El Ghouli et al., 2019), this typology helps to demonstrate the extent to which an entity’s commitment to CSR impacts the organization as a whole (Aguinis & Glavas, 2013).

Prutina (2015) developed a typology to delineate CSR culture according to shareholder/stakeholder (profit/value) orientations and the extent to which CSR engagement is either strategic or sporadic. In her research, Prutina (2015) describes a shareholder culture as one focused on increasing the short-term wealth of shareholders. Organizations with a “shareholder culture” are likely to have a reactive or defensive position to CSR, arguing that it detracts from their focus on profit (Prutina, 2015, p. 446). This is consistent with Friedman’s (1970) classic argument that the responsibility of business is to provide a return to shareholders. Organizations with this culture will only engage in CSR to the extent to which it would have positive short-

term outcomes related to profit and/or efficiency. A second culture type, defined as “CSR Masquerade”, holds a more long-term view of CSR yet, in alignment with the shareholder culture, it possesses a more opportunistic vision for the perceived organizational benefits of CSR engagement (Prutina, 2015, p. 447). CSR is incorporated into the company’s strategy based on demands from stakeholders. In this culture, “CSR is a window dressing for the outside world, but is not implemented and embraced within the organization” (Prutina, 2015, p. 446).

In contrast, a “proclivity culture” is one where value alignment exists at all levels of the organization, but the organization has not yet achieved strategic implementation (Prutina, 2015, p. 447). This disconnect or delay in integration is most often due to resource constraints (i.e., time or financial) or other limitations. Finally, Prutina (citing Lazlo & Zhexembayeva, 2011) notes there is continued focus on embedding CSR into the DNA of the organization and all facets of the core business strategy. Prutina’s (2015) research asserts that a culture of “Embedded CSR” represents one whereby social responsibility is created and reinforced through the specific values, beliefs, structures, and practices of the underlying organization (p. 447). This cultural definition is in alignment with embedded CSR as presented by Aguinis & Glavas (2013). The consensus around this research seems to acknowledge, that while all organizations are called to engage within the context of social responsibility, the approaches vary widely.

CSR and Organizational Outcomes

The literature regarding CSR’s relationship to organizational outcomes has grown significantly (see de Oliveira Santini, 2021 for a full review), with study findings ranging from demonstrating benefits, to inconclusive and, at times, contradictory (Aguinis & Glavas, 2013; de Oliveira Santini, 2021). Prior studies have considered the relationship with CSR activities and firm performance (Barnett & Salomon, 2012; Peloza, 2009), firm value (Barnett, 2007; Orlitzky,

Schmidt, & Rynes, 2003; Servaes & Tamayo, 2013) and CEO succession (Gomulya & Boeker, 2014), finding both positive and negative relationships between variables. Other researchers have focused on consumer or customer impact, citing increased consumer evaluation and loyalty (Arora & Henderson, 2007; Maignan et al., 1999), greater customer satisfaction (Conlon & Murray, 1996) and positive marketing impact (see Peloza & Shang, 2011 for a full literature review).

Overall, research seems to support that investment in CSR generates a multitude of organizational benefits from engaging in CSR (Barnett, 2019; Fombrun et al., 2000). The most well-established organizational benefits for CSR comes out of the quest to explore the relationship between CSR and financial performance (Peloza, 2009). Peloza (2009) reviewed 128 studies that explored the relationship between financial performance and CSR, finding a positive relationship in 59% of studies, a mixed or neutral relationship in 27%, and a negative relationship in 14%. Others have found improved stakeholder relationships (Peloza & Shang, 2011) and argue that greater firm value results from these positive stakeholder relations (Barnett, 2007). Generally speaking, research seems to support that firms who have embraced CSR do so expecting that it will provide them with a competitive business advantage over firms that do not have such initiatives (Carroll & Shabana, 2010; Aguinis & Glavas, 2012).

The academic literature remains highly fragmented regarding both level of analysis and focus. While it has been argued that CSR affects firms of all sizes, most research has consistently focused on large multinational firms (Aguilera et al., 2007; Aguinis & Glavas, 2012; Massey, 2004; Spence, 1999). Furthermore, much of this research has focused on the meso-level of analysis, exploring organizational and institutional outcomes of CSR and external stakeholders' reaction to such initiatives (Aguilera et al., 2007; Aguinis & Glavas, 2013, 2019; Glavas &

Godwin; 2013). Historically, limited empirical research has studied CSR from an internal or employee perspective, either in terms of how employees perceive the social performance of their employer or how CSR perceptions impact their day-to-day attitudes and behaviors (Aguilera et al., 2007; Aguinis & Glavas, 2012; Glavas & Godwin, 2013).

CSR has also been explored so as to better understand employee outcomes, such as: attractiveness for job seekers (Greening & Turban, 2000; Jones et al., 2014), increased employee commitment (Glavas and Kelley, 2014; Meynhardt et al., 2020; Peterson, 2004;); enhanced employee engagement (Brammer et al., 2015; Glavas & Piderit, 2009; Newman et al., 2015) and improved employee relations (Jones et al., 2014; Lee et al., 2013). Generally speaking, it no longer seems to be a question as to whether or not companies should engage in CSR, but rather how best to undertake CSR initiatives in a coherent and meaningful way (Carroll & Shabana, 2010; Hudson & Descubes, 2021; Wang, et al., 2016).

CSR and its Antecedents

Unlike the organizational outcomes of CSR initiatives, the antecedents of a company's pursuit of CSR have been relatively understudied and to the extent they have been explored many constructs have gone unexplored (Aguilera et al., 2007; Hansen et al., 2011; Wang, et al., 2016; see de Oliveira Santini, 2021 for a full review). Scholars have emphasized the need to understand the underlying motivations of companies initiating CSR and some have conducted research with a macro focus (Aguilera et al., 2007; Aguinis & Glavas, 2012; Hansen et al., 2011; Margolis & Walsh, 2003; Wang, et al., 2016; Wood, 2010). As a result, several overlapping theories have emerged.

Aguilera et al. (2007) theorized multiple internal and external stakeholders "push organizations to act in a socially responsible or irresponsible manner" (p. 837). While pushing

for positive social change, they posit that these actors are motivated by instrumental (self-driven), relational (concerned with relationships among group members), and moral (concerned with ethical standards and moral principles) motives (Aguilera et al., 2007). Aguinis and Glavas (2012) further suggested that stakeholders exert significant influence over firms' commitment to CSR and theorized that "institutional forces" including regulations, standards, and certification also affect the extent of and types of CSR actions and policies firms choose to implement (p. 941).

Husted and de Jesus Salazar (2006) offered three alternative perspectives as predictors for firms' engagement with CSR: altruistic, coercive, and strategic. The altruistic perspective suggests that organizations believe they have a moral commitment to advance stakeholder interests, drawing on stakeholder theory as proposed by Donaldson and Preston (1995). This best describes the case when firms are managed for the interest of all stakeholders and organizations choose to be morally accountable to goals beyond profitability, which is closely tied to Aguilera et al.'s (2007) moral motivation. This is also loosely aligned with concepts of other-focused, intrinsic, values-driven, or public-serving, whereby an organization engages in CSR driven by a desire to make a societal contribution. Within the intrinsic motives, Graafland and Mazereeuw-Van der Duijn Schouten (2012) further distinguish between ethical and altruistic motives. Ethical motives refer to a sense of moral duty, while altruistic motives to the desire to help others.

The coercive predictor (also known as stakeholder-driven) refers to socially responsible actions of firms taken only as a response to external regulation and stakeholder demands to do so (Husted & de Jesus Salazar, 2006), creating a hybrid between Aguilera et al.'s (2007) relational and instrumental motives. This marks a commitment to CSR to meet societal expectations and stakeholder pressure (Werther & Chandler, 2010).

The strategic predictor suggests an instrumental use of CSR, where there are clear and direct benefits bestowed to the firm (Husted & de Jesus Salazar, 2006). This view suggests that stakeholder management is motivated by the perception that financial performance of firms will benefit from engagement in CSR. This is also aligned with concepts of instrumental motivations (Aguilera et al., 2007) and shareholder culture (Prutina, 2015). The organization engages in CSR in anticipation that financial or other benefits will result. As noted previously, significant concentration of extant CSR research has focused on the effects of CSR activities on organizational outcomes, many of which (but not all) have positive findings.

Limited research has considered the antecedents of CSR and the specific factors that drive firms to engage in CSR (de Oliveira Santini; 2021). More recently, Wang, et al. (2016) called for future research in the area of motivations, arguing “the motives behind why organizations engage in CSR may well be reflected in how they go about implementing and delivering on it. Such mapping of motives and efforts and their contingencies become rich avenues for future research” (p. 540). To date comparatively little attention, has been paid to the motivational influences that drive companies to pursue CSR initiatives and more specifically to what drives companies to pursue CSR-related certifications.

CSR and Leadership

The relationship between CSR and leadership has received increasing attention since the 1990s (Zhao et al., 2022). Leadership is considered one of the significant factors in the design and implementation of CSR strategy given that previous research has demonstrated that leaders determine corporate ethics and set the “tone at the top” (Brown & Treviño, 2006, p. 611; Saha et al., 2020; Zhao et al., 2022). Brown and Treviño (2006) further emphasized that ethical leaders care more about their employees, firm, and society rather than own self-interest. Recently, Saha

et al. (2020) reviewed 114 papers on ethical leadership, CSR, and firm performance and found that ethical leadership is influenced by the personal values of the leader. This influence in turn has a positive impact on CSR and internal and external environment influences the adoption of CSR practices.

Of specific relevance to my research, Christensen et al. (2014) compared the influence of diverse leadership styles (i.e., ethical, responsible, and servant) and found that servant leadership offered the strongest connection to firms' CSR. Du, Swaen, and Lindgreen (2013) also compared the role of leadership styles on CSR engagement. They found that organizations with more transformational leaders are more likely to engage in CSR to authentically role model responsible behaviour and communicate a positive future vision of the firm based on the values of the leader. This is juxtaposed to transactional leaders who have been found to enhance the positive relationship between institutional CSR practices and organizational outcomes through implementation. Their findings highlight the critical role of transactional leaders in deriving organizational benefits from the engagement in CSR and the role of transformational leaders in initiating and designing CSR practices.

Pless et al. (2012) studied 25 leaders from different industries and countries and conducted a content analysis on a variety of publicly available sources. They identified four orientations that leaders use to demonstrate responsible leadership and implement CSR, based on the degree to which leaders were accountable to others, beyond shareholders, ranging from low to high, and their definition of stakeholder group(s), from narrow to broader. Pless et al. defined the "traditional economist" as characterized by a core purpose of short-term economic value creation for shareholders (p. 58), whereby in contrast an "opportunity seeker" is oriented towards long-term value creation for shareholders, motivated by competitive advantage and reputation

management (p. 58). Moving higher along the y-axis, their “idealist” is characterized by a core purpose of long-term stakeholder value creation for a variety of stakeholders, versus the focus on shareholders. The “idealist” balances the approach to value creation to both the business and society (Pless et al., 2021, p. 58). Finally, Pless et al. characterize “integrators” as taking a service-orientation to focus on value creation for a targeted group of “in need” or broader society as a whole (p. 58). In the mapping of these orientations, Pless et al. found variability in the degree of accountability towards others, beyond shareholders, and focus of their definition of stakeholder group(s).

CSR and SMEs

While it has been argued that CSR impacts firms of all sizes, the majority of the existing academic and professional research has consistently focused on large multinational firms (Bikefe et al., 2020; Bondy & Starkey, 2014; Grimstad, et al., 2020; Moura-Leite & Padgett, 2011; Spence, 1999; Spence et al. 2003, 2004; Spence & Perini, 2009). With the increased recognition of SMEs’ contribution to the overall economy, there is increasing concern that the existing standards and guidance to implement sustainable business practices may be inappropriate for SMEs, as they were developed for larger business frameworks and infrastructure (Enderle, 2004; Grimstad et al., 2020; Jenkins, 2006; Maldonado-Erazo et al., 2020, Spence et al., 2003). According to Woods and Joyce (2003), the context in which SME owner-managers operate is important to consider when comparing them to their larger firm counterparts. While Jenkins (2006) has argued that CSR, as it is defined for large businesses, does not translate well for SMEs. The behaviors and characteristics of SMEs require a differentiated understanding that cannot be developed without a deeper appreciation of the context in which SMEs operate.

Even though SMEs have been mostly overlooked in the CSR literature due to their presumed lack of impact on the broader business landscape (Bikefe et al., 2020; Panwar et al., 2017), they constitute a significant and growing portion of the overall economy of North America as described in Chapter 1. As a result, attention has shifted toward this diverse and increasingly influential business community.

Spence (1999, pp. 164-166) highlights several common characteristics of small businesses, which she defines as those with 50 or fewer employees:

- (1) Independent and owner-managed – the desire for independence is one of the primary drivers for many owner-managers to launch their own business and the ethical orientation of the small firm tends to be inextricably tied to the owner-manager’s value system.
- (2) Multi-tasking whereas the owner-manager is responsible for a large range of functions within the business. At times this translates into the owner-manager having little time to concern themselves with more proactive issues of social, environmental or ethical concern, while their attention is typically focused on day-to-day business operations.
- (3) “Firefighting” – focused on issues of the day, without time and capacity for strategic, long-term thinking. Owner-managers are focused on the “urgent” and critical needs of the business needed to survive in the short-term and do not have the capacity to consider issues of long-term orientation (p. 165).
- (4) Liquidity challenged – small firms are typically cash strapped and long-term strategic investments and issues of social concern are traditionally not prioritized in

- comparison to urgent issues of daily survival, short-term profitability and cash flow.
- Corporate giving is discretionary based on the personal views of the owner-manager.
- (5) Prioritization of personal relationships – Increased opportunity for personal interactions between owner-manager, employees, suppliers and customers yields increased trust and opportunity to more open dialogue.
 - (6) Mistrust of bureaucracy – Small firms rely on informal means for regulation and control and this tendency causes them to largely ignore the influence of external standards in the area of quality, environment, and ethics. Citing Frenzt et al. (1998), Spence suggests external standards elevate limited capacity of critical resources already in short supply in small firms, mainly: time, money and energy.
 - (7) Reliance on informal systems of governance – Spence argues that this positions small firms to be more adaptable and nimbler than larger firm counterparts who are constrained by formal governance processes. Governance processes tend to be in direct relationship to the leaders' behaviors and actions as they provide visible guidance of acceptable protocols.

Spence (2016) argues that the ethic of care, as developed by Gilligan (1982), is a suitable approach to extend CSR theories into the small business context. Expanding on her 1999 work, Spence connects meeting the needs of others to prioritization of personal relationships and valuing emotions (i.e., trust) to reliance of informal systems of governance and informal communication strategies (Spence, 2016). She posits that studying SMEs through a feminist lens of care offers an opportunity to explore the highly personalized and intimate nature the relationships of small businesses leaders have with their employees and other key stakeholders as compared their larger counterparts.

Despite these contextual differences, as SMEs continue to increase in both influence and sheer numbers, external stakeholders are increasingly calling for their public commitment to CSR (Hudson & Descubes, 2021; Jenkins, 2006; Kechiche & Soparnot, 2012; Worthington et al., 2008). This has been accompanied by the consideration that sustainable business practices may, in return, provide them with competitive advantage and be linked to other important organizational outcomes (Bikefe et al., 2020; Jenkins, 2006; Kechiche & Soparnot, 2012). In this limited research, there is a growing recognition that SMEs' implementation of CSR can lead to strategic benefits, when in alignment with core business strategy (Bikefe et al., 2020). Factors have been connected to the motivation for CSR engagement include: legislation, values of the business owners and managers, stakeholder engagement and the business case (Bikefe et al., 2020; Tang & Tang, 2018). Consistent with Spence (1999), several scholars highlight the critical role played by the leader of the SME, particularly with respect to the commitment and scale of CSR engagement (Kechiche & Soparnot, 2012), and their personality and values as leaders (Gond & Igalens, 2008). However, research has yet to fully explore the determinants and nature of the leader's value system on SME's actions in the CSR realm (Bikefe et al., 2020; Kechiche & Soparnot, 2012).

While SMEs are engaging in CSR behaviors and actions, their communication of such efforts is low compared to their larger firm counterparts. Scholars argue that this is due to fears of criticism; lack of skills and resources and reliance on informal, word of mouth from employees, customers and third-party endorsements (Lee-Wong & More, 2016). This is in alignment with Jenkins (2006) and Murillo and Lozano (2006), who posit that SME executives are often uncomfortable with promoting their sustainability efforts and suggest that SMEs prefer doing the work of CSR versus promoting and reporting on it.

Given that SMEs are not just “little big firms” (Tilley 2000, p. 33), generalized CSR research focused on large multinational firms is not always relevant to SMEs (Pedersen, 2009), and there is a need for studies specific to SMEs. Large and small firms vary in their size, structure, resources, and management – all of which have a significant effect on their capacity to undertake CSR initiatives, their motivations for doing so, and the extent to which they engage in CSR endeavors (Jenkins, 2006; Perez-Sanchez et al., 2003; Spence, 1999). SMEs face high constraints on their resources and capabilities (Castka et al., 2004; Perrini, 2006; see Bikefe et al., 2020 for a full systematic review) and tend to have informal processes (Bikefe et al., 2020; Fassin, 2008) and lack strategic approaches to CSR. Research has begun to explore the potential value proposition of implementing sustainable business practices in SMEs and suggests that a new set of theoretical and conceptual frameworks must be developed that can deal with the unique competitive challenges and the institutional constraints that SMEs face (Grimstad, et al., 2020; Moura-Leite & Padgett, 2011; Stoian & Gilman, 2017).

The Rise of Third-Party Certifications

The popularity of third-party certifications has grown as the field of management system standards (MSS) has matured (Heras-Saizarbitoria & Boiral, 2013). In the literature, management system standards, also referred to as meta-standards, are characterized as “voluntary codes, guidelines, or processes used by organizations to formalize, systematize, and legitimize a very diverse set of managerial activities or tasks” (Boiral & Heras-Saizarbitoria, 2015, p. 390). These authors argue that such “standardization constitutes a mechanism of coordination and an instrument of regulation comparable with other instruments, such as public regulations, markets and hierarchies or formal organizations” (Heras-Saizarbitoria and Boiral, 2013, p. 48). Citing the work of Nadvi and Walring (2004), they articulate that “standards are

important for the promotion of economic efficiency, as they provide a basis for reducing information-related transaction costs,” (Boiral & Heras-Saizarbitoria, 2015, p. 49).

Most notable of the management system standards are those published through the International Organization for Standardization (ISO) (Heras-Saizarbitoria & Boiral, 2013). ISO is an international standard setting body with members from 164 countries with a portfolio of over 22,000 standards, guidance and certifications on issues ranging from health and safety, services, transportation, and climate change to sustainable development (ISO, 2019).

Generally speaking, the MSS themselves “do not denote compliance with an objective or result,” but rather offer “guidelines to systematize and formalize a series of company processes into procedures and to document this implementation” (Boiral & Heras-Saizarbitoria, 2015, p. 390). Consistent with MSS, compliance with ISO, Fairtrade, Forestry Standards Council (FSC) and B Corp standards are all assessed and validated by third-party accreditors to attest to adherence to such standards. Terlaak and King (2006) have argued that previous studies have not fully explained the value of the certification process as it relates to these meta-standards. They noted that, given the vast resources that exist to support the implementation of meta-standards (e.g., consultants, manuals, and the like), an organization need not certify to operationalize and report benefit from the standards, and therefore there must be another perceived benefit(s) to certification.

Motivations to Adopt MSS and Related Third-Party Certification

While the literature offers no consensus regarding motivations for the overarching application of MSS and related certifications, several theories have been presented in relation to many of the individual ISO standards. Bansal and Roth (2000), in their focus on the environmental management standard of ISO 14001, posit that three primary motives lead

companies to implement this standard: ethical, competitive, and relational. Ethical motives are related to environmental responsibility, competitive motives arise from the quest for competitive advantage and relational motives emerge as a desire on the part of companies to establish their legitimacy and to improve relationships with stakeholders. In a similar study, conducted by Neumayer and Perkins (2005) regarding the quality management standard of ISO 9000, motivations have been linked to both internal sources, such as performance, efficiency-enhanced cost reductions, productivity, and profitability, and external sources, specifically customer pressure, market access, and management of external image. Boiral (2012) further explores ISO 9000 and positions the process of preparing for and acquiring the ISO certification through the lens of degree-purchasing syndrome in education. He posits that “ISO management standards and certifications audits are ultimately what organizations want them to be: either tools for the improvement of practices or simply organizational degrees useful for marketing purposes...or both” (2012, p. 652). As a result of growing interest in the authenticity of policies and actions, standard-setting has become a rapidly growing industry of its own (EcoLabel Index, 2022; Heras-Saizarbitoria & Boiral, 2013; Moore, 2004; OECD, 2008; Tschopp, 2005;).

Other studies, including Terlaak and King (2006), emphasize the features of information asymmetry as the “distinguishing element” of certification with exchange partners, particularly in a global economy (Heras-Saizarbitoria & Boiral, 2013, p. 52). Potoski and Prakash (2005) draw on the theory of clubs and cartels, and articulate that certification serves as a credible signal of a company’s overall commitment to the values of the standard, and thus allows them to “claim” credit for the larger good of the group and gain prestige by association with the larger community. Lytton (2014) asserts that certifications are often merely a response mechanism to

regulatory risk, signaling quality, a response to customer desires, and a commitment to improve efficiency.

Heras-Saizarbitoria and Boiral call for future research in the areas of motivations, stating, “no clear consensus exists to identify the main drivers or regional differences in the motivation for adoption of meta-standards” (2013, p. 58). They suggest cross-country comparative studies to explore these regional differences and further suggest the need to examine the main motivators for the pursuit of certification (Heras-Saizarbitoria & Boiral, 2013).

Certification and Legitimacy

Certifications have also been explored through the lens of new institutionalism. DiMaggio and Powell (1983) assert that external pressures lead organizations towards homogeneity. These pressures are defined in their foundational work as “coercive”, “mimetic”, and “normative” (DiMaggio and Powell, 1983, p. 147). “Coercive isomorphism” results from the pressure of external stakeholders (DiMaggio and Powell, 1983, p. 150). As an example, Bansal and Roth (2000) cite competitiveness and customer pressures for the adoption of ecolabeling. “Mimetic isomorphism” refers to the propensity of an organization to imitate another organization's actions or behaviors when there are perceived advantages to doing so (DiMaggio and Powell, 1983, p. 150). Heras-Saizarbitoria and Boiral (2013) cite several studies in which both ISO 9001 and ISO 14001 have enjoyed broad adoption, and therefore have become competitive expectations, particularly across national borders. Similarly, Bansal and Roth (2000) report that organizations were motivated to comply in order to establish their legitimacy and, in an effort to avoid negative consequences, organizations were most interested to meet standards rather than exceed them (p. 728). “Normative isomorphism” occurs through expectations and standards established by professions and most closely relates to the pressure exerted by

certification (DiMaggio and Powell, 1983, p. 152). In their review, Heras-Saizarbitoria and Boiral (2013) cite several authors who contend that, when a standard-setter has power by granting a seal or label that certifies compliance, this becomes a normative pressure. Within the context of their work, critical scholars have highlighted that such standards can be implemented superficially by the “quest for social legitimacy rather than the search for improvement of internal practices” (Heras-Saizarbitoria and Boiral, 2013, p. 53).

Embedded within institutional theory is the assumption that to survive and thrive, organizations need social legitimacy and credibility (Scott, 2001). Organizations are called to act in ways that are perceived as legitimate within the wider context, which includes adherence to the dominant rules, regulations, values, and norms. As such, legitimacy is the general perception that an entity is acting in a way that is “socially desirable” and appropriate within the socially constructed institutional frameworks (Suchman, 1995, p. 574). As the word “desirable” began to cause concern given its nod to reputation and status, as noted by Deephouse and Suchman (2008), this definition was further reviewed and reconstructed by Deephouse et al. (2017) as the “perceived appropriateness of an organization to a social system in terms of rules, values, norms, and definitions” (p. 32).

Suchman (1995) presented two distinct approaches to legitimacy: strategic and institutional. Drawing on the work of Dowling and Pfeffer (1975) and Pfeffer (1981), Suchman (1995) posits that strategic legitimacy is an “operational resource” (p. 576) and “emphasizes the ways in which organizations instrumentally manipulate and deploy evocative symbols in order to garner support” (p. 572). Legitimacy, in this context, is regarded itself as a strategic resource. Institutional legitimacy emphasizes the larger institutional field and the power of external, cultural, and contextual factors in constructing organizations and the standards by which they are

judged (Suchman, 1995). Suchman (1995) also posits that the difference is “a matter of perspective, with strategic theorists adopting the viewpoint of organizational managers looking “out,” whereas institutional theorists adopt the viewpoint of society looking “in” (p. 577).

Building on this, Suchman (1995) offers three types of organizational legitimacy: pragmatic, moral, and cognitive legitimacy.

- Pragmatic legitimacy emerges from a self-interested exchange with the organization’s most immediate stakeholders. Dart (2004) synthesizes this as “if we get anything out of this, then we consider it to be legitimate” (p. 416).
- Moral legitimacy specifically refers to “the right thing to do,” also known as normative legitimacy, from the universal values and morality of society and an evaluation of what society deems socially appropriate (Suchman, 1995, p. 579).
- Cognitive legitimacy is a “taken-for-grantedness” assumption, and can be broadly defined as how well organizations execute their activities from their stakeholder’s point of view (Suchman, 1995, p. 575).

Scholars have explored Suchman’s typology of legitimacy with a focus on pragmatic and moral legitimacy within codes of ethics (Long and Driscoll 2008), social enterprise (Dart 2004), and in relation to NGOs/industry partnerships (Baur and Palazzo 2011). More recently, Bowen (2019) expanded the literature on pragmatic and moral legitimacy through the lens of industry self-regulation (ISR). Bowen explored tensions between pragmatic and moral legitimacy and extended current research beyond pragmatic considerations of benefits of ISR and highlighted the duality of experience for ISRs as firms are often designing the regulations and deciding how best to participate. Most recently, in a 10-year longitudinal study conducted in France of 14 firms, Hudson and Descubes (2021) found that organizations are increasingly turning to CSR

certifications. They suggest that certain certifications are growing in their legitimacy and propose that organizations view the voluntary nature of CSR as congruent with moral legitimacy, citing that legislation would, in fact, “detract” from such legitimacy (p. 43). They also found that some organizations pursued certification for instrumental reasons based on perceived value by their internal and external stakeholders; thus, having positive business implications.

Certifications and CSR

As previously discussed, there are many incentives for socially minded businesses to operationalize and authentically embed social responsibility into all facets of their organizations. This has resulted in the proliferation of standards and a complicated landscape of guidance on CSR implementation through principles, codes of conduct, auditable standards, or reporting frameworks (EcoLabel Index, 2022; OECD, 2008; Tschopp, 2005). As companies are increasingly asked to demonstrate that their actions and policies meet various externally determined social and ethical criteria, they are turning to certifications as an objective indicator of the authenticity of their CSR (Bansal & Hunter, 2003; Heras-Saizarbitoria & Boiral, 2013). So much so, that a 2013 analysis by the Organisation for Economic Cooperation and Development (OECD) found the number of environmental labelling and information schemes increased rapidly between 1988 and 2009 and roughly quintupled during that time (Gruère, 2013). According to a global directory of eco-labels, that growth plateaued in 2021; however, there are still more than 455 ecolabels in 199 countries (EcoLabel Index, 2022).

The proliferation of ethical branding, self-regulation, and third-party certification rests on the assumption that consumers believe they are an effective means of product differentiation (Christmann & Taylor, 2006; Terlaak & King, 2006). The espoused value of certification is embodied in the expectation that consumers can rely on such certification(s) to provide unbiased

information about the manner in which goods are sourced, manufactured, and/or distributed to the end consumer. The more widely accepted and recognized the label or standard, the more the company can claim legitimacy, authenticity, and ‘truth’ in complying with prevailing best practices (Heras-Saizarbitoria & Boiral, 2013).

While the concept of certification dates back to the 1980s, it has become increasingly relevant to the study of CSR, as some corporations are intentionally overstating their CSR involvement and using rhetoric that is inconsistent with actual company efforts and initiatives (Chipperfield, 2013). Prior to third-party certification programs, consumers would often rely on manufacturers to self-certify and attest to the virtue of their products (Chipperfield, 2013). However, the authenticity of CSR initiatives is often difficult to evaluate and limited by internal systems that do not allow companies to “measure, track, and optimize their sustainability impact” (Wang et al., 2016, p. 535). In many instances, these claims are not validated and ranged from accurate, to misrepresentation, to false representation. As such it is no surprise that researchers have found consumers, at times, have a difficulty differentiating between the intentions of a firm and the firm’s actions (Parguel et al., 2011).

Over time, ‘greenwashing’ has become the critical term for the false representation of corporate actions. Popularized by Greer and Bruno (1996), greenwashing originally referred to misrepresentations of environmental effects, but many researchers have extended a broader meaning to greenwashing to also include misrepresentations of social and economic concern (Bazillier & Vauday, 2009; Hamann & Kapelus, 2004; Lyon & Maxwell, 2011; Munshi & Kurian, 2005; Seele & Gatti, 2015). Seele and Gatti (2015, p. 3) posit that to be considered greenwashing, “a green message must combine with a falsity (information-related element) with an accusation of being misleading (external-distortion element)”. Most scholars agree that

organizations are under pressure to promote messages of environmental and social responsibility in order to project images of legitimacy and authenticity, therefore increasing the pressure to make overstated claims to compete in the marketplace (Hrasky, 2012; Testa et al., 2018).

To offset the cloud of mistrust that greenwashing has created, companies have sought differentiation through third-party CSR labeling and certification (Chipperfield, 2013; Testa, Boiral, & Iraldo, 2018). Historically, product-level certifications have dominated the marketplace. Today companies are presented with a multitude of possibilities when it comes to third-party certification. Certifications vary in terms of their scope, focus, reputation, and cost. As a result, the research surrounding certifications has been highly fragmented, and there do not appear to be literature reviews or synthesis of research findings that focus on depth and breadth of CSR certifications.

The Certified B Corp

In the last thirty years, certifications have flourished, with a sharp increase in product attribute certifications (Delmas & Gergaud, 2021). In contrast and consistent with the more current trend, B Corp certification is applicable to the entire organization, rather than at the product or process level, becoming a certified B Corp represents adopting a collective identity similar to that of Fairtrade certification for coffee and LEED certification for green buildings for the entire organization (see Figure 2) (Honeyman & Jana, 2019). Like other well-known certifications, such as those just mentioned and the Forest Stewardship Council, many certified businesses will then incorporate the B Corporation symbol on their products, brands, corporate reports, and their websites as a public testament to their commitment to broad stakeholder values.

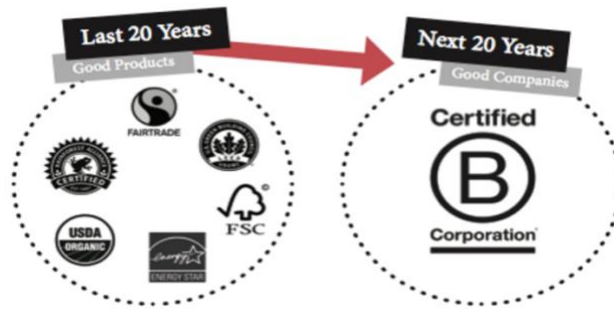


Figure 1. Product vs. Company Certification (Honeyman & Jana, 2019)

As certified B Corps continue to gain global adoption, scholarly research interest is increasing (Gehman, et al., 2019; Diez-Busto, 2021). Early research sought to discover the experiences of those organizations who pursued B Corp certification in specific geographic contexts. Stubbs (2015) examined the experiences of 14 early firm adopters in Australia, the majority of which had less than 20 employees. The focus of this qualitative study was to better understand the motivations, implementation experiences, issues and challenges of B Corp in Australia. Findings revealed consistency with a core mission of “profit with a purpose” for all B Corps in this emerging Australian market, suggesting their motivation to pursue B Corp certification as a natural extension of what they were already doing. For these early adopters, certification was a powerful tool for societal change and role modeling this opportunity is of critical importance (Stubbs, 2015). Similarly, Hickman et al. (2014) investigated the factors that contribute to companies’ orientation toward sustainability and mission alignment through B Corp certification. They conclude that the pursuit of B Corp certification is a positive indicator of sustainable business practices, reflecting CSR commitment.

In Brazil, an early adopter study was conducted by Rodrigues et al. (2015). This study explored the authenticity of the communication strategy, via publicly available information, employed by 20 early adopters of B Corp certification and the extent to which their business

practices and communication strategies were in alignment with the certification. Researchers classified firm mission statements and other institutional public communication in alignment with Social Enterprise Knowledge Network categories. This study concluded that corporate communications, primarily mission statements and other devices used to signal core business, were not aligned with B Corp certification. They concluded that at the early stages of implementation the B Corp seal could not be considered proof of the social and environmental commitments of these Brazilian firms. The researchers called for future research to better understand how organizations come to understand the B Corp assessment and the certification process (Rodrigues et al., 2015). They noted that the lack of alignment between corporate communications, overarching business strategy, and the pursuit of B Corp certification creates an opportunity for future exploration of the motivations for the pursuit of such certification (Rodrigues et al., 2015).

Here in North America, Wilburn and Wilburn (2015) explored the connection between the pursuit of B Corp certification on the long-term CSR commitment of the companies certifying. Their study traced 45 “founding” B Corps in the USA and Canada that became certified when B Lab launched its certification in 2007. The authors reviewed the submitted B Impact Reports (BIA) and analyzed a sample of these founding members in depth. They found that almost all founding B Corps maintained their CSR commitment as demonstrated by their score on the required multi-year submission for recertification. Only one “founding” member had lapsed on their certification due to failure to submit required reports; however, they also did eventually recertify. Another finding of interest is that while 86% of the “founding” companies included the B Corp logo on their website, 16% had no mention of their certification.

The pursuit of B Corp certification was further examined by several scholars to explore the influence of external forces. Kim and Schifeling (2016) suggest that firms have been “forced” to pursue B Corp certification as a response to more conventional firms increasing their efforts to be seen as “green” and to “help consumers sort through the marketing hype to find businesses and products that are truly socially and environmental responsible”, as a signal of authenticity (p. 32). They also suggest that firms chose B Corp certification, not just as a function of the leader’s orientation, but also as a capitalistic critique to “join the movement of creating a new economy with a new set of rules” (p. 49). In connection to this finding, Kim et al. (2016) found that the presence of broader CSR efforts in an industry positively predicted the number of new B Corp entrants in that particular industry.

Gehman and Grimes (2017) sought to understand why organizations pursued certification and did not take advantage of opportunities presented to promote such membership. Their research with 49 firms determined the following drivers of B Corp membership: (a) alignment with a company’s mission, purpose, values or identity (b) validating and legitimating a company’s sustainability commitment (c) innovation and practice improvement (d) membership as a community (Gehman & Grimes, 2017, p. 2311). Their research revealed that alignment with the organization’s mission, purpose, values or identity was the most frequent motivation for the pursuit of B Corp certification (p. 2311). They surmise that their companies pursued B Corp membership for “identity enactment and validation” (p. 2311).

More recently, Roth and Winkler (2018) studied 12 Chilean entrepreneurs and developed four motivational profiles based on the attributes of Schwartz’s values theory. These values are divided into those with self-oriented motivational goals, and those with other-oriented motivational goals. The motivations profiles posited by Roth and Winkler, represent an

achievement orientation that describes self-oriented values. These values are noted as: “power, achievement, hedonism, stimulation, self-direction, and personal security” (p. 43). Whereas the opposing axis represents values that serve the collective interest, or other-oriented goals. These goals represent the values of: “universalism, benevolence, tradition, conformity, and social security” (p. 43). In their resulting typology of motivational profiles, the “social idealist” is characterized as socially-oriented with a strong motivation for the welfare of stakeholders. The “sustainable impact seeker” is characterized by as valuing personal achievements, of both economic and social value, combined with a strong motivation for the welfare of stakeholders. The “hybrid achiever” is characterized by valuing personal achievements, including both economic and social value generation, and a moderate motivation for the welfare of stakeholders. Finally, the “self-sustaining hedonist” is characterized by their profit-oriented definition of personal achievements and a lack of expressed interest in the welfare of stakeholders (Roth and Winkler, 2018, pp. 91-96).

Moroz, Branzei, Parker and Gamble (2018) edited a special edition of the *Journal of Business Venturing* that featured six articles on the subject of B Corp Certification and legal Social Purpose Company designations. Drawing on imprinting theory in the context of entrepreneurship Moroz et al. (2018) contend that Certified B Corps are a strong model of social entrepreneurship. They suggest that B Corp certification “offers an explicitly temporal perspective, punctuated by distinct and potentially impactful experiential events, that reveal the prosocial motivations, opportunity processes, and actions entailed in entrepreneurship” (p. 119).

Within this special edition, four other articles were included that focused explicitly on certified B Corps. Grimes et al. (2018) built on their prior work to explore the impact of identity on early adoption of certifications, using B Corp certification as their illustrative case. They

found that women-owned businesses are twice as likely to qualify for certification and three times more likely to follow through on certification (p. 130). They argue that early adoption of certifications, particularly those certifications lacking or growing legitimacy, is “not driven by efforts of social approval, but efforts to authenticate values that the owners perceive as contextually distinctive” (p. 148). They contend that these distinctive features do not simply relate to identity or gender but go beyond to role identities and social identities; a sense of affirming one’s authenticity. Muñoz, Cacciotti, and Cohen (2018) explored the experiences of 14 B Corporations in Latin America. Their research contends that three paths emerge that impact the imprinting sequence from defining purposes through B Corp certification and that the sequence an entrepreneur takes is instrumental. They assert that the timing of B Corp certification is essential as it formalizes purpose and becomes legally binding. Conger, McMullen, Bergman and York (2018) explore how membership categories (in B Corp certification) lead entrepreneurs to reevaluate firm actions and opportunities. They conclude that there are “widely disparate outcomes and experiences” (p. 196), ranging from increased commitment to abandonment, for those who consider membership in a prosocial category. They underscore the importance of non-financial criteria, such as identity-related concerns in understanding the motivations of prosocial organizing. Finally, Sharma, Beveridge, Haigh (2018) conducted a mixed methods longitudinal study and found that B Corps change their operational practices to drive increased impact over time, and this change is seen in shifts in practice as the enterprises engage in assessment and re-assessment for certification.

Since the publication of the special issue, a small number of additional articles specific to B Corps have been published. Parker et al. (2019) posit that the pursuit of third-party B Corp certification comes with a trade-off as it generates an average short-term deceleration of 20

percent revenue pre-certification as compared to those who have not yet certified. They contend that, given the small size of most certified B Corporations, the internal resources redirected to comply with certification diverts limited attention away from topline revenue growth. They further assert that the smallest and youngest certified B Corps (those with less than 10 employees and less than 10 years of age) experience this slowdown in a more acute way than their older and larger certified B Corp counterparts.

In response to Parker et al.'s research, Gehman, Grimes, and Cao (2019) argue that organizations obtain and promote sustainability certifications for motives beyond financial considerations. They also argue that the growth penalty that newly certified organizations experience could be correlated with the fact that many stakeholders do not yet value B Corp certification or comprehend what it means. Finally, they suggest that founders' motivations for the pursuit of B Corp certification may vary and that traditional measures of organizational performance might not be appropriate for organizations choosing to pursue sustainability certifications; they discuss whether measures should be created to attest to societal well-being and social impact.

Building on Parker et al.'s (2019) findings, Pollack et al.'s (2020) recent work sought to further explore the extent to which the pursuit of B Corp certification negatively affects financial performance of the smallest and youngest B Corps. They explored the relationship between entrepreneurial orientation (EO), defined as a behavioral attribute of a venture typically composed of three or more coexisting strategic concepts of innovation, risk-taking, and proactivity (Covin & Miller, 2014), and prosocial motivation, defined as a desire to act in ways that benefit others (Batson, 1987). In contrast to the growth penalty posited by Parker et al., they discovered that EO did not diminish as a result of pursuing B Corp certification and rather

discovered that those ventures pursuing B Corp certification had lower EO at the onset and this persisted over time. While EO remained constant, they found that prosocial motivation was positively related to EO and that companies with higher levels of prosocial motivation saw increased EO over time.

Of particular interest to this research, Pollack et al. (2020) supplemented their survey data with eight semi-structured interviews to better understand the certification process. They posit a tension between the attention, time and resources required to pursue certification and the traditional profit-oriented return; however, they suggest that leaders pursued certification for many reasons often aligned with their own “values and identity” (p. 23). In this study, founders articulated that certification served to validate and formalize their personal values and prosocial identity and that B Corp leaders were motivated by an entrepreneurial orientation to “lead the pack by pursuing certification” (Pollack et al., 2020, p. 22). Leaders expressed that the pursuit of certification was a developmental process and “helped them to integrate founders’ identities with organizational values” and “sometimes it inspires them to try harder and grow” (Pollack et al., 2020, p. 23).

Another recent study conducted by Moroz and Gamble (2021) explored the B Corp certification journeys of 47 companies and was comprised of 32 semi-structured interviews of founders, owners and other senior managers and supplemented by secondary data and short responses to specific decertification questions for the remaining 15. They identified five certification paths: “brand wagoners”, “reprioritizers”, “evangelists”, “inertial benchmarkers” and “reconfigurers” (Moroz & Gamble, 2021, p 678). They found that social purpose organizations (SPO) chose to incorporate third-party certification into their business model because they believed it aligned with their identity, was “the right thing to do” and supported the

B Corp movement (p. 678). Without providing specifics as to numbers, Moroz and Gamble also found that SPOs certified to enhance their branding and opportunities, and decertified if/once certification was perceived to add no further value, increased costs, or detracted from potential opportunities such as mergers or acquisitions.

Lastly, Patel and Dahlin (2022) conducted a quantitative study of a sample of 355 B Corps and 623 non B Corp firms to explore the impact of B Corp certification on financial and nonfinancial goals. They found that B Corp certification leads to increased sales in the short term but does not lead to increased financial stability over a three to five year period thereafter. They argue that neither growth nor financial stability were achieved from B Corp certification. They suggest that their findings call for a need to explore a wider range of motives for the pursuit of B Corp certification, positing that altruism or stewardship could offer a compelling opportunity for future research.

Cao and Gehman (2021) offered a comprehensive review of the theoretical perspectives used in the study of certified B Corps, identifying eight theories utilized to date. Institution theory has been applied to the study of interactions of regulations, culture and social evaluations (Gehman, Grimes, and Cao, 2019; Stubbs, 2015); imprinting theory was highlighted above in relationship to Moroz, Cacciotti and Cohen's (2018) work where they explore the imprinting sequence for defining social purpose in an organization; identity theories as highlighted in Grimes, Gehman and Cao's (2018) work as they explored the decision to become a B Corp, arguing the certification is a function of contextual factors, including the social identity of the leader; and values theories as explored in the work of Kim et al. (2016) who explores the role of the leader's orientation and external influences.

Future Research Opportunities

As outlined in this literature review, prior research has focused on the study of outcomes of CSR, and comparatively little research has explored the antecedents for the engagement in CSR. Furthermore, existing research has failed to fully explore CSR from the perspective of SMEs to better understand their unique context, particularly in relation to resource constraints. Given the contributions that SMEs make to the economy, it is important to better understand their motivations for dedicating their limited resources to engagement in CSR, and ultimately the pursuit of third-party CSR certification.

More specifically, this dissertation seeks to build on the recent studies presented relative to third-party CSR certification, using B Corp certification as the illustrative case study. Here again, little research has been undertaken relative to the exploration of the motivations and primary influences for SMEs to expand their espoused commitments to CSR and voluntarily pursue B Corp certification. B Corp certification has grown rapidly in its adoption, yet opportunities for exploration remain as scholarly research has lagged. Pollack et al. (2020) recently highlighted that the body of research surrounding B Corps continues to be “nascent” (p. 34). In a recent systematic literature review by Diez-Busto, Sanchez-Ruiz, and Fernandez-Laviada (2021), 50 articles on certified B Corps were identified from 2009-2020, with a peak of 12 articles in 2020. These authors argue that the growth of scholarly interest in this domain suggests a field of research with “high potential” (p. 7). They highlight limited exploration in geographic regions other than the United States (Diez-Busto et al., 2021), despite the presence of B Corp certification in over 78 countries (B Corporation, 2022). There has been even less representation of multi-country studies, and a recent article by Patel and Dahlin (2022) positioned their paper as the first to focus on a multi-country sample of B Corps. This suggests

there is opportunity to conduct cross-cultural studies of B Corp certification, and explore potential differences stemming from geographic context.

Pollack et al. (2020) call for future research to develop a framework that further explains the motivations and priorities of prosocial organizations, specifically those pursuing B Corp certification and those not. More recently, Moroz and Gamble (2021) specifically stated that “the process and motivations behind B Corp certification are as yet little explored” (p. 673) and highlight the need for future studies of motivations and journeys of social purpose organizations. This quest to better understand how organizations come to understand the B Corp assessment and the certification process has continued to create an opportunity for future exploration to better understand motivations for the pursuit of such certification as noted by Rodrigues et al. (2015), particularly as the certification continues to increase in its adoption. This is congruent with Diez-Busto et al.’s (2021) systematic literature review which cited only two articles exploring the motivations to certify as a B Corp, citing Kim et al. (2016) and Hickman et al. (2014).

In summary, we have little understanding of the multitude of possible motivations and influences for SMEs’ pursuit of third-party certification, and even more limited understanding of the motivations and influences for pursuit of B Corp certification. From a scholarly perspective, this dissertation aims to contribute to closing these gaps, and hopes to offer businesses considering such certification insight into the motivations and influences for the pursuit of third-party CSR certification, specifically B Corp certification.

I have no special talent. I am only passionately curious.
~ Albert Einstein (as quoted in Schwantes, 2021a)

CHAPTER 3

Methodology

This study presents a qualitative examination of the role of third-party CSR certifications for small-to-medium sized enterprises (SMEs). As exploratory research in the emergent field of CSR certifications, the aim of this research agenda is three-fold, to:

- (a) investigate SMEs' motivations to expand their espoused commitment to CSR and contribute to theoretical development about what motivates these organizations to voluntarily pursue third-party CSR certification(s),
- (b) explore who/what are the primary influences for the pursuit of certification, and
- (c) explore how possible regional-level cultural influences, drawing on the work of McCracken (1988), create differences or similarities, specifically within Nova Scotia and Vermont.

To that end, a methodology was adopted to “discover how respondents see the world” (McCracken, 1988, p. 21), using qualitative interviews, in order to understand the certification evaluation process and to explore organizational motivations and influences for pursuing such certification. Using McCracken’s “grand tour” questions, the primary data source for this study was semi-structured interviews with B Corp leaders and employees, as well as additional external consultants who engaged in the certification process with the companies of interest, either at inception or upon renewal, of their B Corp certification. Consistent with a case study approach and the value of triangulating different sources of data (Yin, 2017), this investigation was also informed by secondary data sources including participant observation and analysis of publicly available internal company materials. This chapter describes the research design and

methods used throughout this research.

I will begin by situating the nature and importance of this exploratory research before examining McCracken's four-part method of inquiry and positioning this study relative to the literature review in the preceding chapter. Throughout this chapter, I will highlight how a qualitative research methodology supports an exploratory agenda, and specifically the appropriateness of semi-structured interviews as the method of data collection. Additionally, this chapter will outline the specific choices made with regard to case study selection, sample selection, recruitment, research ethics, and data collection procedures.

Exploratory Qualitative Research

As detailed in the prior chapter, this dissertation seeks to build on the recent studies presented, to further explore the factors motivating SMEs to expand their espoused commitment to CSR by voluntarily pursuing third-party CSR certification, while also investigating who or what influences are the primary drivers of the decision to pursue certification. As such, this study represents an "investigative exploration", to better understand what motivates SMEs to act upon their internal commitment to CSR and voluntarily pursue third-party CSR certification (Stebbins, 2001, p. 2). This research is therefore positioned as an intentional process in which the researcher adopts a constructionist epistemology (Berger & Luckmann, 1966) and remains open to the possibility of making discoveries, drawing on "flexibility" and "open-mindedness" (respectively, Stebbins, 2001, p. 6; Given, 2008, p. 327). Through this approach, *a priori* positivist hypotheses about relationships between phenomena, in quest of what is "real," are replaced with humanistic, subjective questions that guide the researcher (Bryman et al., 2011; White and Marsh, 2006). Supported by the preceding literature review, this approach is most often appropriate when there is "little or no scientific knowledge about the group, process, activity, or situation they want to

examine but nevertheless have a reason to believe it contains elements worthy of discovering” (Stebbins, 2001, p. 6). While academic research has been increasing over the past decade regarding third-party CSR certifications, specifically B Corp certification, several scholars have made it clear that further inquiry was warranted (Diez-Busto et al., 2021; Moroz & Gamble 2021; Pollack et al., 2020). Given the exploratory nature of the inquiry into motivations, a qualitative research agenda was set, further informed by McCracken (1988) as an inductive approach supported by constructs from the existing literature.

McCracken’s Four-Step Method of Inquiry

McCracken’s *The Long Interview* proposes a four-step method of inquiry to conduct qualitative studies that generate data through in-depth interviews. As a compelling tool for qualitative research, his approach requires the review and discovery of analytical and cultural categories within the theory-building process (summarized in Figure 2).

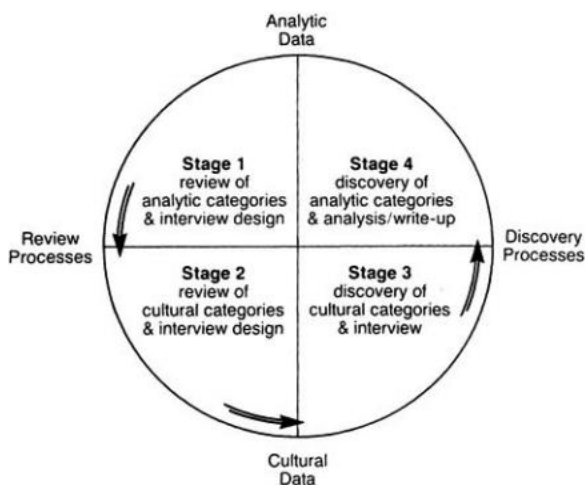


Figure 2. Long Interview: Four-Step Method of Inquiry (McCracken, 1988, p. 30)

McCracken’s Four-Part Method of Inquiry: Step One

The first step in McCracken’s four-part method of inquiry calls for a review of analytic categories. In the case of the current study, that began with the preceding literature review, which

allowed me, as the researcher, to define the opportunity for exploration, assess the data, and understand the “unfulfilled theoretical assumptions” (McCracken, 1988, p. 31). McCracken positions a good literature review as a “critical process that makes the investigator the master, not the captive of previous scholarship,” creating both a “review” and a “deconstruction” of the existing literature to develop an understanding of the backdrop by which the current research agenda is situated (1988, p. 31-32). Other scholars have shared McCracken’s position on the crucial role played by previous literature in qualitative research in order to consider the current body of knowledge and clearly conceptualize how a study has the potential to contribute to that knowledge (Bryman et al., 2011; Creswell, 2013).

A literature review serves as a backdrop that informs research in regard to both theoretical knowledge and the assumptions drawn from existing literature, as well as the development of the research design. This step, completed in earnest in the preceding chapter, facilitated an understanding of current research gaps and highlighted the growing need to understand organizational motivations for pursuing CSR certifications, particularly in the case of small to medium-sized enterprises.

McCracken’s Four-Part Method of Inquiry: Step Two

The second step in McCracken’s (1988) approach is the review of cultural categories (Figure 2). This refers to the researcher’s own perceptions, experiences, understanding, and assumptions about the subject. In this step, the researcher’s personal views are incorporated into the formulation of another set of broad categories that can be explored during the interviews.

Through a review of cultural categories, the researcher gains “a more detailed and systematic appreciation of [my] personal experience with the topic of interest” (*ibid.* p. 32); “[t]he object is to draw out of one’s own experience the systemic properties of the topic” (pg.

32). As Lincoln and Guba (1985) explained, research is not a value-free process. The researcher's personal values affect the problem they decide to explore, the data collection methods selected, and the way in which the results are interpreted. Through this cultural review I came to accept that the current research agenda began with curiosity—my personal curiosity to discover and gain insight into the motivations for small-to-medium sized enterprises to pursue CSR certification(s), informed by my own experiences and worldview.

By way of personal background, as detailed in Chapter 1: I am an accountant by formal education (holding a BSBA in Accounting and a Master's in Business Administration); I came to value certification through my own pursuit of professional licensure as a Certified Public Accountant (CPA), and several certifications including Chartered Global Management Accountant, Six Sigma Green Belt, and others in Appreciative Inquiry from Case Western Reserve University and Appreciative Advising from Florida Atlantic University. Both my CPA licensure and these various certifications have become valuable assets as I have made my “professional” way in the world.

Perhaps of equal importance, it has always been said that I was born with an analytical mind, and I have always been intrigued by the motivational influences of others. As I reflected on my personal journey in pursuit of formal education, professional qualifications and certifications, I struggled to answer the question of my own motivations, other than that it was expected I would excel, or such pursuit was deemed necessary externally for legitimacy, competitive advantage, and, quite honestly, to maintain job security as a faculty member at a private non-profit college. In many ways, it simply felt as though I was conforming to an obvious career progression and taking advantage of employer-sponsored opportunities as they were presented, but I recognize, perhaps with an increased sense of curiosity, that not all of my

contemporaries have chosen this path.

Upon reflection, there is little doubt that, through these pursuits, I have derived significant benefit during my life; in fact, I would not be teaching in academia nor writing this dissertation were it not specifically for my professional credentials as a CPA. My qualifications as a CPA/MBA allowed me to be deemed professionally qualified for my current academic position, which in turn has led to the pursuit of my Ph.D. It is true the pursuit specifically of my CPA license, while extrinsically motivated for competitive advantage, has yielded many personal benefits through connection to others in the profession, personal recognition, and a requirement to pursue lifelong education. In many ways, the pursuit of a bachelor's degree, CPA licensure, various certifications, and an employer-sponsored master's degree all seemed like logical steps along a career journey, pursued without much consideration as to my motivations for doing so.

Through my professional experiences as an accountant, I have honed my auditor's mindset, and this mindset has become an asset throughout my Ph.D. studies. With this mindset, I am not only naturally curious, but perhaps also a bit skeptical. As a consumer and informed citizen, I have witnessed numerous organizations use CSR as a shield from other corporate wrongdoings, and this balance of skepticism and curiosity yielded my overarching interest surrounding organizational motivations to pursue third-party certification.

Throughout my life, I have attempted to maximize my limited personal resources to better myself and my family. Having been born into a humble and "scrappy" family, I have always been frugal and yet sought to use my limited resources to achieve the maximum benefit. At times, I will confess, this strategy has taken considerable effort and, in truth, caused great stress. It is for these reasons that small-to-medium size enterprises intrigue me. Small-to-medium size organizations often share my experience of having limited resources; yet in today's

environment they are called upon to compete directly with larger corporations with expansive resources. Certification is one example of an element for which there are both monetary and nonmonetary costs, and yet its pursuit is external, nonoperational and “discretionary”. This is exactly what piqued my interest in focusing specifically on small-to-medium sized enterprises and exploring their organizational motivations to pursue certification despite the resource constraints.

Finally, while I have lived and worked in the State of Vermont in the United States for the past 20 years, I have been privileged to conduct my Ph.D. graduate studies in Canada. While living in Nova Scotia, Canada for two consecutive summers, I discovered many similarities and points of difference from my home state of Vermont, particularly in relation to a commitment to sustainability. Through living in Vermont and raising a family, I have come to learn that making sustainable, long-term oriented decisions is often worth the additional effort and, at times, up-front expense. In this State, many of these ideas are mainstream in both one’s personal life and in the broader business landscape. I personally have invested in solar panels for my home, supported by federal and state grants. Most recently we have had to comply with a composting law in Vermont, a law Nova Scotia has embraced for quite some time. Similar to progressive environmental policies in Nova Scotia, Vermont is the first state in the United States to implement a statewide ban on food waste that affects individuals and businesses alike. As I began to finalize my doctoral research interests, I began to wonder to what extent the propensity of a sustainable business climate, as I’ve come to experience in Vermont, was also true in Nova Scotia. While I only engaged in the business landscape of Nova Scotia as a consumer for a limited time, it became apparent to me that similarities existed in my own experience, and I increasingly wondered to what extent these might be experienced more broadly in a business

context. With this curiosity, a final comparative element was added: that of studying regional-level cultural influences in Nova Scotia and Vermont to explore potential similarities and differences as B Corp certification has increased in its adoption in both the U.S. and Canada. While it is acknowledged that national-level influences likely have an impact on the pursuit of B Corp certification, including national culture, laws, and regulations, regional-level cultural differences are the focus of this research study.

Utilizing McCracken's cultural review, with the support of the preceding literature review and the goal of understanding the motivational influences of small-to-medium sized enterprises to pursue certification, the following research questions were devised:

- A. What motivates SMEs to expand their espoused commitment to CSR and voluntarily pursue third-party CSR certification(s)? And more specifically B Corp certification?
- B. Who and/or what are the primary internal and external influences for the pursuit of certification, and specifically B Corp certification?
- C. Relative to the above, are there possible regional-level cultural influences on SMEs pursuit of voluntary third-party CSR certifications that create differences or similarities, specifically in Nova Scotia and Vermont?

McCracken's Four-Part Method of Inquiry: Step Three

The first two steps in McCracken's (1988) approach were crucial to the precise identification of a set of preliminary categories or themes to cover during interviews of relevant individuals who are personally involved with B Corps, the phenomenon under study. The aim of this third step (Figure 2) is to explore individuals' perceptions of that phenomenon. An interview guide was constructed using "grand-tour questions", i.e., open-ended, non-directive questions, together with a series of floating prompts intended to sustain the interview (McCracken, 1988).

The construction of the interview guide followed a set of “category questions” to ensure coverage of central topics as identified in the literature review (McCracken, 1988, p. 36). In alignment with McCracken, broad questions were deemed more useful than specific ones, which were asked only to complete coverage of pre-identified themes. The approach was consistent with that outlined in the literature review, namely starting with a broad discussion of CSR before moving into third-party sustainability certifications, then specifically exploring the case study under investigation: B Corp certification.

During the interview, my goal was to be as unobtrusive, conversational, and natural as possible. For example, I would ask a grand-tour question such as: “Would you say your organization places an emphasis on corporate social responsibility?” Floating prompts included repeating key terms from the individual’s last remark, such as asking: “What do you mean by [...]?” or, “Can you say more about that?” McCracken (1988) suggests having the individuals talk about their experiences and using planned prompts that allow the conversation with the participants to be sustained; these include special incidents, contrast prompts, “auto-driving”, and category questions. An example of a special incident prompt would be something along the lines of: “What motivated your organization to choose B Corp certification over other certifications?” A typical contrast prompt was: “Would you say that one consideration stood out more than the others?” For an “auto-driving” prompt, respondents were asked to consider other certifications that they considered generally. If none were specifically recalled, the prompt listed B Corp, Fairtrade, Green Seal Business Certification, ISO 26000, and several others. This third step is also discussed in more detail in subsequent sections covering interviews and data collection procedures.

McCracken's Four-Part Method of Inquiry: Step Four

McCracken's fourth step is the discovery of analytic categories (Figure 2), whereby the objective "is to determine the categories, relationships, and assumptions that informs [sic] the respondent's view of the world in general and the topic in particular" (McCracken, 1988, p. 42). This is the phase in which the researcher integrates the existing literature, their own experience, and a "glancing sense of what took place in the interviews themselves" (p. 42). McCracken has defined five stages to the analysis process as depicted in Figure 3.

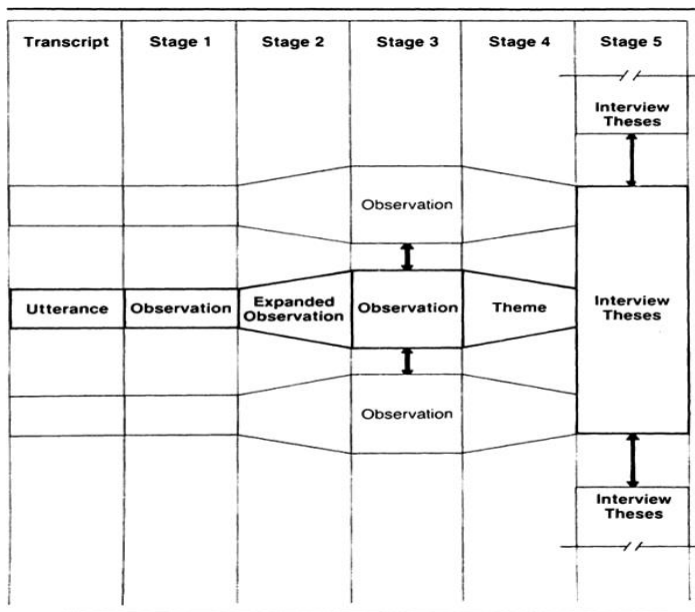


Figure 3. Long Interview: Five Stages of Data Analysis (McCracken, 1988, p. 43)

Stage 1: The investigator focuses on the "utterances" of the transcript detached from larger symbolic significance. In other words, construction is set aside and generalities are postponed. The language of the transcript is taken at face value. The investigator pays attention to how her own subjectivity is "set off" and makes notes of a "stream of associations" (p. 44-45).

Stage 2: The investigator takes the observations from Stage 1 and extends them. She then rereads the transcript using these observations as a lens for the next stage of analysis. Additional relationships or contradictions are noted.

Stage 3: The investigator moves away from the transcript and only uses it to confirm or to disprove possibilities. The investigator develops patterns and themes.

Stage 4: McCracken (1988) refers to this stage as a “time of judgement” (p. 46). During this stage data are harvested and winnowed to produce broad themes. Interrelationships between themes are considered and redundant themes are eliminated. Then themes are organized hierarchically.

Stage 5: The investigator brings themes together into a thesis. The cultural categories from the interview now become analytic categories. There is a move away from individual subjectivity and toward framing the data for the social sciences.

These five stages are illustrated in the data analysis section of this chapter using a coding schema for content analysis that includes structural, deductive, and inductive coding.

Case Study and Geographic Selection

Case studies have the ability to take the researcher into the setting with a richness and granularity not often found in other forms of research and is particularly appropriate for exploratory or “revelatory” research (Yin, 2017). The case study method “explores a real-life, contemporary bounded system (a case) or multiple bounded systems (cases) over time, through detailed, in-depth data collection involving multiple sources of information... and reports a case description and case themes” (Creswell, 2013, p. 97). Woodside (2010) draws on McCracken’s (1988) long interview approach to develop “thick descriptions of individuals cases” (p. 266), and specifically highlights the use of probing questions to garner information required to represent

detailed case studies.

Yin (2017) distinguishes between holistic case studies, where the case is studied as a whole, and embedded case studies where multiple units of analysis are studied within a case, (see Figure 4), and single case vs. multiple case designs. Holistic designs require one unit of analysis, whereas embedded designs require multiple units of analysis. Holistic studies are those that investigate a unit as a single global phenomenon, whereas embedded approaches treat a single unit as a sum of its parts.

Drawing on the recent certified B Corp study of Moroz & Gamble (2021), where they employed a multi-case design, the current research uses a single illustrative case design (B Corp certification) to explore the emergence of CSR certification with embedded units of analysis. As illustrated in Figure 4, the embedded units of analysis incorporate a geographic segmentation to explore regional-level cultural similarities and differences between Vermont and Nova Scotia, and a deeper segmentation for individual certified B Corps within these geographic contexts.

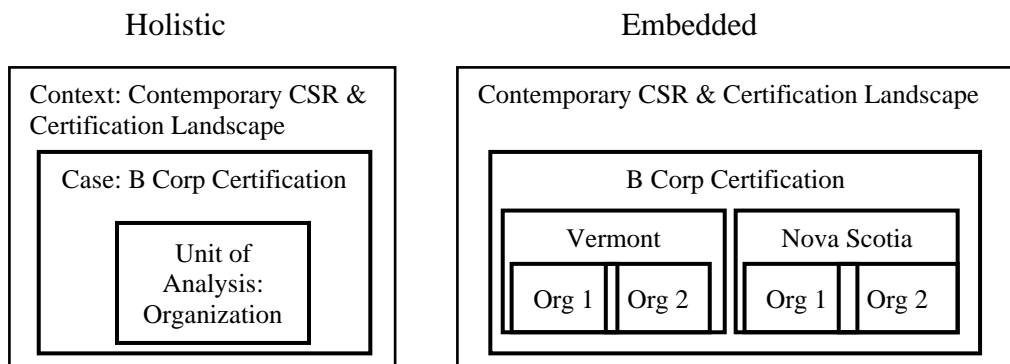


Figure 4. Holistic case study vs. embedded case study (Adapted from Runeson & Höst, 2009)

Interviews

An increasing number of business scholars shifted to qualitative methodologies in the early 1990s, borrowing and adapting from more established disciplines (Miles & Huberman,

1994; Tesch, 2013). Throughout the history of social science research, interviews have been described as “one of the most important sources of information” (Yin, 2017, p. 82) and “one of the most powerful” among the qualitative methods (McCracken, 1988, p. 9). Further, Glesne (2006, p. 81) describes the strength of interviews as their ability to provide the researcher with “the opportunity to learn about what you cannot see and to explore alternative explanations of what you do see”. Interviews have the unique ability to “generate data which give an authentic insight into people’s experiences” (Silverman, 1993, p. 1). In this context, given the limited research surrounding the motivations for pursuit of third-party certification and growing scholarly interest in B Corps certification in particular (Gehman et al., 2018), interviews were selected as the mode of inquiry best aligned with McCracken’s third step in the discovery of cultural categories. McCracken posits that “the purpose of the qualitative interview is not to discover how many, and what kinds of, people share a certain characteristic. It is to gain access to cultural categories and assumptions according to which one culture construes the world” (p. 17).

Drawing on the importance of an individual’s ability to construct meaning based on their personal accounts, interactions, and experiences with the B Corp certification process, interviews were utilized to solicit stories about participant experiences, honoring the subjective human construction of meaning. Kvale and Brinkman (2009) posit, “if you want to know how people understand their world and their lives talk to them,” citing conversation as the most basic mode of human interaction (p. xvii). Interviews have been used in many research settings and arguably have a degree of flexibility in their delivery (including their duration, the role of the interviewer, and the degree of “structure” of the conversation that constitute them) (Crouch and McKenzie, 2006).

Silverman (2005) deemed interviews an efficient means of data collection, requiring less time than other qualitative methods. McCracken (1988) cites time scarcity and privacy as two traditional barriers to qualitative research and contends that the long interview approach provides researchers with access to individuals without violating their privacy and creates appropriate time boundaries. While efficiency must be taken into consideration, the primary reason for pursuing a qualitative research program is to gain deep insight into the experiences of leaders and select employees who have pursued B Corp certification. To achieve this goal, semi-structured interviews with a series of “grand tour” questions were conducted (McCracken, 1988, p.35). This type of question, facilitated by an interview guide, was intentionally selected to gain rapport and to invite participants to engage in a conversation about something they know well, namely B Corp certification. The use of grand tour questions is said to be effective as the questions “ask the interviewee for experiential detail that he or she can easily and readily answer” (Glesne, 2006, p. 84) and allow participants to tell their own story in their own words (McCracken, 1988).

Two interview guides (see Appendix A) were developed in accordance with McCracken’s third step, with an intentional focus using a planned prompt strategy that fostered respondents’ recall (Flanagan, 1954; McCracken, 1988). The first interview guide was developed for internal participants within the organizational “walls” of the Certified B Corp and the second for external participants (i.e., consultants who worked with the companies during the certification process), to denote the differing experiences of those outside the organizational context. Through the development of the interview guide, and throughout the interview process, prompts were used both informally and formally, as discussed in further detail above in McCracken’s step three of the four-part method of inquiry.

Prior to conducting the interviews, the list of pre-defined semi-structured questions were shared with my dissertation committee members in order to ensure that the interviews were in alignment with the research questions and the nature of the research and to facilitate the comparison of data gathered from different interviewees. Although the role of the pre-defined list was to facilitate the comparison of data gathered from different interviewees, given this semi-structured approach flexibility to digress was maintained, in case any unforeseen relevant topics emerged during an interview (Merriam, 2009). The interview guide was intentionally developed to provide the interview with some structure while also leaving space for human subjectivity by allowing the researcher to focus on the participant's experience.

Research Context

Drawing on McCracken's cultural review, this research was conducted with leaders, employees and other internal and external consultants in certified B Corps in Vermont and Nova Scotia. The State of Vermont and Province of Nova Scotia were selected for this embedded case study design due in large part to my personal relationship to the distinct geographies as described previously, but also in relationship to the similarities between the two locales that I came to appreciate through my own experiences and exposure.

Vermont is the home to many well-known companies; with reputations for strong commitments to sustainable business practices and a triple-bottom line approach. Highlighted among these household brands are most notably: Ben & Jerry's, Seventh Generation, Green Mountain Coffee Roasters, Cabot Creamery, and King Arthur Flour. This concentration of likeminded businesses has fostered a successful statewide non-profit business association, Vermont Businesses for Social Responsibility, that has been able to grow a community of businesses that have come to embody the Vermont ethos of "social responsibility" (Morris, 2006,

para. 10). In Vermont this membership has grown since 1990 to over 700 businesses today (VBSR, 2020). Through this collective strength, Vermont was the second state in the country to enact Benefit Corporation legislation, making it possible for companies to incorporate in the State and provide for a flexible pathway for a triple bottom line approach, including a public benefit beyond profitability. Despite a small population, the B Corp movement has flourished in Vermont. Vermont ranks among the country's top ten states with the highest per capita number of B Corps and, in 2019, 16 Vermont companies earned their place on the Best for the World Certified B-Corps list (Think Vermont, 2022).

Nova Scotia shares a similar and compelling backdrop for the early history of sustainable business practices. Deemed the birthplace of the co-operative movement, co-operatives have been a strong and resilient sector of the Nova Scotian economy since the mid-1800s (MacPherson, 2009). Similar to Vermont's landscape of 'social good' businesses, co-operatives use economic means to pursue social goals and therefore operate as businesses with a social purpose (Novkovic, 2012). Karaphillis and Lake (2015) posit that the co-operative sector in Nova Scotia's economy is "substantial, with value-added economic output (GDP) of \$799 million, 11,359 jobs (full-time equivalent) and employment income of \$469 million" (p. 13). Nova Scotia continues to be a leader in the present day in this sector, introducing new legislation for the Community Interest Company (CIC) under the Community Interest Company Act. While the origins are rooted in the U.K. (Smith, 2016), British Columbia was the first province in Canada to provide such a corporate structure by creating Community Contribution Companies, in 2012, followed by Nova Scotia in 2016. This legal structure creates a hybrid that, similar to the U.S. Benefit Corporation, allows for a blended profit and social mission. The B Corp movement came to Canada in 2009, and in 2013 the first B Corp was certified in Nova Scotia (B

Corporation, 2022). In the short period of 2013-2016, seven additional B Corps followed. Lastly, Nova Scotia shares a similar network of like-minded organizations through the Social Enterprise Network Nova Scotia founded in 2015. While much younger than its Vermont counterpart, it shares a similar mission to bring organizations that seek to address “social, cultural, environmental, or economic challenges” together to further their shared goals (Province of Nova Scotia, 2017, para.4).

I shared the good fortune that all interview participants readily embraced this research agenda, demonstrated by their not only welcoming me to interviews on site in many instances, but also to be a participant in several B Corp gatherings. This deepened the credibility of the participant narrative discovered in the interviews and was part of the larger context of my own immersion in the setting. Not only did I have access to the transcribed narratives garnered from the interviews, but I was also able to draw upon many hours of informal conversations and participant observation. Through personal invitation, granted through the interview process, I had the opportunity in June 2017 and 2019 to attend two day-long regional conferences for B Corp Leadership Development (BLD). These conferences are exclusive to B Corp community members (traditionally leaders and select employees of certified B Corps), and I was invited to participate as a volunteer and immerse myself as a member of the B Corp community. I was also invited to participate in the certification renewal process for one participant and worked alongside them to complete their B Impact Assessment under version 5 and 6.

Study Sample

The research participants were selected using purposive sampling based on their certification status and geographic locale and in adherence to the “rules of thumb” offered by McCracken (1988). To develop the illustrative case study, the study sample was drawn from the

publicly available “Find a B Corp” directory located on the Certified B Corp website at <https://www.bcorporation.net/community/find-a-b-corp>. On this website, certified companies are classified based on geography, including both country and state/province, which made a public search easily accessible. To explore regional and cultural differences between these two geographic locales, a purposive sampling model (Jupp, 2006) was used to select 5 certified B Corps located in Vermont, United States, and 5 additional cases in Nova Scotia, Canada, that had been certified since 2013 (see Figure 5). This year was selected to increase the likelihood of accurate recall of events leading up to certification. Given that the first company in Nova Scotia was certified in 2013, this year was also selected for meaningful comparison between the two geographic locales. To the extent possible, comparable industries were desired; however, in practice this level of comparability was difficult to achieve, given the small populations meeting the specified criteria. In accordance with McCracken’s “rules of thumb,” study participants were “perfect strangers” and “few in number” (p. 37).

As the sole researcher, I made telephone calls to each certified B Corp listed in Figure 5 to confirm the number of employees and to ensure the B Corp was below the threshold of 500 employees (the definition used for a SME) for purposes of the study. It was discovered that in Nova Scotia, no certified B Corps had above 100 employees and the majority barely had double-digits; therefore, the sample size was adjusted to include only those organizations with employees under 100 for comparability. In Nova Scotia, this threshold did not exclude any participant from the sample, and in Vermont it excluded three.

In the first stage of data collection, owners/presidents/CEOs were contacted via email and with follow-ups by phone, using a recruitment script approved by Saint Mary’s Research Ethics Board (see Appendix B), and interviews were conducted using the approved interview guide.

Based on the information received in these initial interviews, using the snowball sampling technique (Parker et al., 2019) other employees/ participants in the certification process were discovered and recruited into the study. This took into account the existence of multiple pathways through the initial certification process and allowed multiple individual participants' experiences to be included in the sample as summarized in Figure 5.

Nova Scotia: As of October, 2016

Company Name	Industry	Certified Since
Common Good Solutions Inc.	Community and Social Enterprise Development Services	2013
EcoAdvisors	Environmental advisory services	2014
Dadavan Systems	Student Information Systems	2014
Nova Sun Power	Solar Panels, Heat Pumps, Solar Hot Water, Solar Hot Air, Mini Wind Turbines	2014
ADDvocacy ADHD & Life Skills Coaching ltd	ADHD and Life Skills Coaching	2014
CarShare Atlantic	Carshare Service	2015
Wired Flare Inc.	Social Media, Online Communication, Internet Marketing and Training	2015
CUA	Financial Products and Services	2016

Vermont: As of October, 2016

Company Name	Industry	Certified Since
Seventh Generation	Household Products	2007
King Arthur Flour	Baking Ingredients & Tools	2007
Merritt & Merritt& Moulton	Legal Services	2010
Clean Yield Asset Mangement	Asset Management	2011
Ben & Jerry's	Ice Cream	2011
Buisness Culture Consultants	Deep engagement for greater success and satisfaction.	2012
Cabot	Dairy	2012
Suncommon	Solar Systems	2012
Forward Philanthropy	Philanthropic Advising	2012
Morris Consulting LLC	Executive Search / Talent Acquisition	2012
Chroma Technology Corp	Optical Filters and Coatings	2013
Rhino Foods	Cookie Dough and Baked Inclusions	2013
Clean Ethics	Water Supplies	2013
Advance Humanity	Humanitarian Consulting	2013
Vermont Creamery	Dairy	2014
Gardener's Supply Company	Gardening	2014
New Chapter	Vitamins and supplements	2014
Sustain Natural	Sexual Wellness Products	2014
Image Outfitters, Inc	Promotional Products	2014
Image Relay	Digital Asset Management	2014
Green Mountain Power	Electric Utility	2014
Mamava	Mamava Lactation Suite	2015
Watershed Coaching LLC	Leadership Coaching, Team Development, Women in Leadership	2015
KSV	Moving people to think, act and buy sustainably	2015
NativeEnergy Inc	Impact investments, carbon offsets and renewable energy credits	2016
Westwood Interational	Leadership Consulting	2016
Vermont Smoke & Cure	Healthy, all-natural meat products	2016

Figure 5. Nova Scotia and Vermont B Corps – 2016 via “Find a B Corp” directory on the Certified B Corp website as of October 10, 2016: <https://bcorporation.net/directory/find-a-b-corp>

Research Ethics

The appropriate research ethics protocols were adhered to as required by Saint Mary’s University. This included an evaluation of the opportunities and risks present for individual participants. These opportunities and risks were reviewed by the Saint Mary’s University Research Ethics Board, as discussed herein.

It was recognized that participants might indirectly benefit from the opportunity to reflect on their experiences and role in achieving certification and feel a sense of achievement and pride. Participants might also appreciate the opportunity to contribute to an area of research they view

as important. There is also potential for broader benefits to the scientific/scholar community through an improved understanding of the relationship between corporate social responsibility and third-party CSR certification, specifically how this interaction acts as an influence of an organization's pursuit of B Corp certification.

While every effort was made to minimize risks, two potential risks were identified and communicated to the participants.

(1) Data security was of utmost importance given the critical nature of privacy and confidentiality. Confidentiality and anonymity were maintained for all responses. Organizational members were contacted individually with an invitation to participate in the study and were informed of potential risks. Participants were advised of their right to withdraw at any time or to refrain from answering any individual question. Anyone agreeing to participate was allowed to choose the interview location. While all interviews were recorded, all interview transcripts were stripped of all personal identifiers. Audio files were encrypted during the file transfer process between researcher and professional transcriptionist and returned using a secure OneDrive and password protected.

Any excerpts included in the final report were chosen carefully so as not to unintentionally disclose anyone's identity. A brief paper survey (see Appendix C), either completed by the participant or me (in the case of phone/video conference), was used to collect demographic information, and none of this information was captured in the recorded interview, nor was it present on the audio files. The surveys were stored in a separate physical file away from any interview files.

(2) An interview may reveal a divergence of opinion between the leader and the employees relative to their motivations and experiences related to certification. As a result,

subordinates could experience concerns relative to their participation in the research and the confidentiality of their responses. Prior to agreeing to participate in the study and initiating the interview, all participants were pre-mailed, via email, the informed consent whereby participants were made aware of these risks and the steps taken to minimize them. While, given the nature and content of the interviews, it was not expected that the topics would give rise to emotional reactions, it was recognized that, given the human nature of the study, this was possible. No employees were required to participate in the interviews, and individuals were instructed that they might cease their involvement at any time. All participants received a participant feedback/debriefing letter (see Appendix D) after the interview concluded.

Data Collection Procedures

In alignment with the preceding discussion on research ethics, I contacted respondents by email and followed by telephone, introduced myself, explained the objectives of the study, described how the participant was expected to contribute and specified that I was a Ph.D. candidate and was not working for the benefit of any specific organization. At the outset of the interview, the consent form (see Appendix E) was reviewed and understanding was confirmed by written or electronic signature, thus helping to establish a climate of trust between researcher and respondent. As the researcher, I adopted a neutral, but interested attitude during the interview and, as explained above, used the semi-structured guide to formulate questions broadly, using floating prompts to obtain further explanation of the meaning of the participant's perceptions. As recommended by McCracken (1988), with the respondents' permission, interviews were audio-recorded and a verbatim transcript was professionally prepared. This transcript was subsequently reviewed and confirmed by me, as the lead researcher. During my review, I ensured that all organizational and personal identifiers were stripped from the transcripts. Transcripts were

password protected to ensure data security until they were “cleaned” and loaded into the document manager embedded within Atlas.ti.

Demographic information including age, gender, organization, role, and tenure was collected prior to the start of the interview process so that it could be intentionally excluded from the recording and ultimately the transcripts.

Several introductory questions were asked; these functioned as icebreakers and to establish rapport between the researcher and respondent (McCracken, 1988; Brennen, 2013) using an Appreciative Inquiry-based approach that focused on affirmative topics (Michael, 2005). These “icebreaker” questions included the respondents’ initial attraction to working with the organization, what they most enjoyed about their work, and the organization’s overall prioritization of CSR.

Subsequently, questions directly concerned with the topic of certification more generally were asked. They began with an open-ended, non-directive question asking the respondents for their opinion about why the company pursued certification in general, which certifications they considered (B Corp, Fairtrade, Green Seal Business Certification, ISO 26000, etc.), and the perceived benefits of certification. This allowed the respondents to share their personal reflections on what they perceived as the reasons the company pursued certification.

The next set of questions examined the role of B Corp certification, specifically if they felt it was important to various internal and external stakeholders, what they believed the perceived benefits of B Corp certification were, who was involved in the certification process, how this certification process and achievement was communicated to employees and other stakeholders, and finally if they anticipated recertifying when it came time for renewal. As the

interview procedure sought to build rapport, at times, the interviewees' responses led to answers for subsequent questions, as a result, questions were not asked that seemed repetitive in nature.

Twenty-eight interviews were conducted during the period of December 2016 – November 2018. The length of the interviews ranged from 18 – 60 minutes. Of the 11 certified B Corps included in the study, six were visited for onsite interviews. Of the 28 interviews included in the study, 11 were in person and 17 were via phone or Skype due to scheduling needs and participant preferences.

The participating organizations included six from Nova Scotia, one of which had been dissolved prior to the interview (which was discovered via the snowballing sample process) and five from Vermont. Industries represented in the sample population included: technology, renewable energy, transportation, banking, manufacturing, and consulting. Organizations ranged in legal form from sole proprietorships to partnerships and corporations. In some instances, up to four individuals were interviewed from a single organization, using the snowball approach, until saturation was achieved. Table 1 provides data on all participants:

Table 1*Study Participant Demographics by Industry and Founder/President*

Organization	Industry	Total Participants	Founder/ Cofounder	President
1	Technology	2	No	Yes
2	Renewables	1	Yes	Yes
3	Transportation	3	Yes	Yes
4	Banking	2	No	Yes
5	Consulting	3	Yes	Yes
6	Consulting	1	Yes	Yes
7	Renewables	4	Yes	Yes
8	Manufacturing	2	No	Yes
9	Technology	2	Yes	Yes
10	Consulting	3	No	No
11	Consulting	1	Yes	Yes
12	Consulting	4	No	No

In terms of demographics, the individuals interviewed included those with ages ranging from 21 – 72 with wide-ranging participant roles, and a gender balance of 50/50, with 14 interviewees identifying as females and 14 as males. Participants were also widely varied as to their organizational tenure as summarized in Table 2:

Table 2*Study Participants by Organizational Tenure*

Tenure	Total Participants
< 1 year	4
1-2 years	5
3-5 years	9
6-10 years	6
11-15 years	1
15+ years	3

As summarized in Table 3, within the participating organizations, there is representation from several roles including that of leader, employee, and, to a lesser degree, external consultant, except in the stance of two sole proprietorships with no employees, a partnership with no

employees, and in one organization in which the leader was not included in the study.

Organizations in which there were no employees were noted in the table below with an “X”.

Table 3
Interviewee Role Demographics

Organization	Interviewee Role	Interviewee Role	Interviewee Role	Interviewee Role	Interviewee Role
1	Leader	Employee			
2	Leader (X)				
3	Leader	Employee	Employee		
4	Leader	Employee			
5	Leader	Employee	Employee		
6	Leader (X)				
7	Leader	Leader	Employee	Employee	
8	Leader	Employee			
9	Leader	Employee			
10		Employee	Employee	Employee	
11	Leader (X)				
12		Employee	Employee	Employee	Employee

One leader is represented twice in the table above as they were both a co-leader of a participating B Corp and an employee of a participating B Corp. One ambassador is also represented twice, as they were both a volunteer ambassador and a leader of a participating B Corp. Total interviews stand at 28 with two participants represented twice in the table presented above.

Summary

The research design and methods described herein were greatly informed by my own personal experiences and background, and structured by McCracken’s four-part method of inquiry (1988). This chapter described the qualitative research methodology that supports this exploratory research, and specifically the role that McCracken’s “grand tour” questions played as the method of data collection for this thesis. In the following chapter, I present my process for analyzing the data corpus.

Wonder is the starter kit for innovation
~ Tara Lemméy

CHAPTER 4

Data Analysis

This chapter provides a detailed review of my process for data analysis. An overview of the analytical process that I followed to support my ongoing proximity to my interview data, and my detailed analysis to arrive at my findings will be provided herein.

Data Analysis

Given the benefits and flexibility of content analysis, its use in organization studies has been increasing (Duriau et al., 2007; Erdener & Dunn, 1990; Jauch et al., 1980; Krippendorff, 2018). In their review of published literature using content analysis, Duriau et al. found this approach was utilized in areas as “diverse as business policy and strategy, managerial and organizational cognition, research methods, organizational behavior, human resources, social-issues management, technology and innovation management, international management, and organizational theory” (2007, p. 23). This is consistent with early assertions regarding the promise of content analysis in rigorous exploration of important but complex issues of interest to management researchers (Carley, 1993; Morris, 1994; Woodrum, 1984).

The approach to content analysis in the current study draws on a broad-based definition of content analysis according to Stan (2010, p. 225-226, citing, in part, Bryman et al., 2011, p. 73):

Content analysis is a tool for qualitative research used to determine the presence and meaning of concepts, terms, or words in one or more pieces of recorded communication. This systematic and replicable technique allows for compressing many words of text into fewer content categories based on explicit rules of coding in order to allow the researcher to make inferences about the author (individuals, groups, organizations, or institutions), the audience, their culture, and time.

Content analysis can be used in conjunction with both qualitative and quantitative data collection methods, and all share this same central feature of systematically categorizing textual data in order to make sense of it (Miles et al., 2018). The key distinction in qualitative content analysis is the way in which categories or themes are generated and applied to the underlying “data” to “locate meaning in the data” (Guest et al., 2016, p. 49). Qualitative content analysis focuses on themes and categories that illustrate the range of meaning of the phenomenon rather than on the statistical quantitative significance of the occurrence of particular words or concepts (Zhang & Wildemuth, 2009). One of the key strengths of this approach is its flexibility in application (Braun & Clarke, 2006), creating space for multiple approaches to the coding of data.

Reflecting back on my professional accounting background, it was important to me to establish a well-defined and transparent process by which to engage in the data analysis. There are four basic phases of content analysis: data collection, coding (decoding and encoding), analysis of content, and interpretation of results. This study will integrate the content analysis processes as informed by McCracken’s five stages of data analysis (1988) and Miles et al. (2018). Using this integrated approach, I employed a first cycle and second cycle coding approach to my data analysis. Linking back to McCracken’s review of cultural categories, many of my own personal attributes are in direct alignment with those recommended by Saldaña (2016). Saldaña posits seven necessary personal attributes for coding. Here I present them and my cultural review for each attribute:

- 1) Organized – Saldaña states that “this is not a gift that some people have” (p. 38); I believe that I am gifted in this area. My process-oriented skills and auditor mindset, due to my experience and training as an auditor, are assumed to be highly transferrable with regard to this attribute.

2) Perseverance – Having for an extended period of time, managed my role as a full-time faculty member, full-time mother of three young children, and Ph.D. candidate, I have been able to “cultivate a personal work ethic” (p. 38) that has fostered a deep sense of commitment to these efforts.

3) Deal with ambiguity – Saldaña (2016) states that “coding and codifying are not precise sciences with specific algorithms or procedures to follow” (p. 38). This has been and will continue to be an area of reflection and deliberate effort. I will admit that I struggle with ambiguity and prefer structure; however, my capacity has continued to increase in this area, specifically in my work as an educator and parent, which often require a more artful than scientific approach.

4) Flexibility – I have come to appreciate that research and, more specifically coding, is an iterative process that requires a level of flexibility and patience.

5) Creative – Saldaña (2016) presents a holistic definition of creativity that extends into the “ability to think visually, to think symbolically, to think in metaphors, and to think of as many ways as possible to approach a problem”. While an accountant will not be the first person you would call upon for creativity, I wholly embrace creative and interdisciplinary solutions.

6) Rigorously ethical – As a licensed CPA, ethics and integrity are the foundation in which my professional discipline is built. This is highly transferrable into all areas of my personal and professional life, including these research efforts. Throughout my literature review and data collection process, I have worked to manufacture distance, per the guidance of McCracken.

7) Extensive vocabulary – Saldaña (2016) asserts that “our precision rests with our

word choices” (p. 39). For this I wholly intend to use all resources available as I consider coding options, including making use of a thesaurus as suggested by Saldaña. I also intend to apply a peer-review process and will be open to suggestions in the event my word choice is not the most descriptive of the chosen code or most appropriate given the context.

With this personal reflection, an approach was employed such that all interview transcripts were closely read, and emerging themes, ideas, acts or events were highlighted (McCracken, 1988; Morgan, 1993). Guest et al. (2016) recommend that “the boundaries of a given segment should allow the thematic features of the segment to be clearly discerned” (p. 53). Text segmentation, using sentences and short paragraphs, was facilitated by the use of computer-assisted qualitative data analysis software, specifically Atlas.ti version 8. Using Atlas.ti for text segmentation and coding allowed me, as the researcher, to identify the beginning and ending point for each word, phrase or segment to be coded.

Both manifest content (that which is on the surface observable) and latent content (which begins to come into focus as the meaning of the elements lying under the surface of the message emerges) were explored (Babbie, 1992; Potter & Levine-Donnerstein, 1999). Using manifest content, the role of the coder is more “simplistic”: looking to the text for the observance of the “utterance” of words and/or phrases that would be categorized under the predetermined first cycle coding schemes (McCracken, 1988, p. 42; Miles et al., 2018; Potter & Levine-Donnerstein, 1999). Latent content is more subjective and therefore requires pattern recognition and/or questioning of the underlying meanings of the text (Duriau et al., 2007). While a degree of objectivity could be assumed for the manifest content, this is not the case for the latent content in the narrative.

Drawing on the coding approach recently used by Pollack et al. (2020) and Kim and Schifeling (2016), an iterative first and second cycle coding methodology was employed. Miles et al. (2018) propose over 25 different first cycle coding approaches, each with a different function and purpose. Each of these was evaluated against the current research questions and agenda. First cycle methods were chosen based on the underlying research questions and a four-phase approach was used as follows:

Two codes were utilized that were more procedural in nature, including **simultaneous and subcoding methods**, throughout all four phases. Simultaneous coding allows for the application of two or more different codes to the data, or overlapping of codes to denote multiple meaning (Miles et al., 2018; Saldaña, 2016). Subcoding is a second-order coding methodology after a primary code has been assigned (Miles et al., 2018; Saldaña, 2016). An example located in this data corpus is the question regarding stakeholders and certification, where this question was both structurally coded, based on the interview guide (see below), and subcoded based on stakeholder type: customer, employees, investors, etc.

In phase one, two first cycle codes were explored that were more structural in nature:

Attribute coding was conducted based on the essential information about the data corpus and demographic characteristics of the participants (Miles et al., 2018; Saldaña, 2016). For purposes of this study, this included attribute codes for geographic location, age, gender, and position title.

Structural coding based on individual questions contained in the semi-structured interview guide was used for the initial text segmentation (Guest et al., 2016; Miles et al., 2018; Saldaña, 2016). As a precursory step, each interview question represented a structural code. The data corpus was then categorized based on interview guide segments: Rapport-building, CSR,

3rd Party CSR Certifications, B Corp Certification. Within this structural coding, “interviewer’s questions, prompts, and comments are not coded” (p. 17). Saldaña (2016) posits that these are structural and functional in nature and allow the focus to be on participant data.

In phase two, in vivo coding was explored to focus on the direct language of the participants:

In Vivo coding inductively draws from the participant’s own language codes to develop codes to reflect exact terms or phrases used by interview participants themselves. Saldaña (2016) posits that in vivo coding is linked with grounded theory’s initial coding, and it is for this reason that I have selected it as a first cycle code. I specifically desired to remain open to the possible theory development and extension that is embedded in this exploratory research.

In phase three, first cycle codes were explored that were more individualistic in nature:

Emotion coding inductively labels the feelings participants may have experienced or are inferred by the researcher about the participant, including hope, fear, frustration, anger, optimism, etc. (Miles et al., 2018; Saldaña, 2016). Emotion coding is “particularly for those that explore intrapersonal and interpersonal participant experiences and actions, especially in matters of social relationships, reasoning, decision-making, judgement, and risk-taking (Saldaña, 2016, p. 125). I have selected this coding to explore the presence, intensity, and influence of emotion relative to B Corp certification.

Process coding was utilized, in combination with in vivo coding, to focus on conceptual actions, including examples of prioritizing, rationalizing, justifying, or problematizing, which participants shared throughout the interviews (Miles et al., 2018; Saldaña, 2016). I have selected this coding to remain focused on motivations and to explore how participants reflected on conceptual actions related to B Corp certification.

Values Coding is an inductive process that allows for coding of participants' values, attitudes and beliefs. Saldaña (2016) posits that values coding is particularly relevant for studies that “explore cultural values and belief systems, identity, intrapersonal and interpersonal participant experiences and actions in case studies” (p. 132). I have selected this coding to remain focused on motivations and to surface the values, attitudes and beliefs that participants associate with B Corp certification.

Finally, in phase four, first cycle codes were explored that were rooted in the nature of the research questions surrounding antecedents, and more specifically in applying the constructs located in the preexisting literature to the data corpus:

Causation Coding inductively explores “participants' rationale for why they think something is as it is.... speculations and perspectives on what they believe to be probable or “true” as they construct it” (p. 188). Saldaña (2016) posits that causation coding is “geared towards exploring *why* questions in research endeavors” (p. 189) and “appropriate for discerning motives (by or towards something or someone), belief systems, worldviews, processes, recent histories, interrelationships, and the complexity of influences and affects” (p. 188). This method is used to explore combinations of antecedent conditions and mediating variables that lead toward certain pathways. This specific coding schema relates directly to the curiosity surrounding the antecedents of certification and the specific drivers for the pursuit of B Corp certification.

Provisional coding is a deductive approach that begins with a “start list” of researcher-generated codes based on what preparatory investigation suggests might appear in the data before they are analyzed (Miles et al., 2018; Saldaña, 2016). This phase of the analysis resulted in the coding all highlighted passages using the a priori codebook developed from the previous

literature review. This is also in alignment with Hsieh and Shannon's illustration of three distinct approaches to qualitative content analysis, specifically directed content analysis (2005). Hsieh and Shannon (2005) cite the goal of a directed approach "to validate or extend conceptually a theoretical framework or theory" and use existing theories to help focus the research question(s) (p. 1281). According to a deductive focus, to analyze information, researchers employ some thematic categorical classifications previously derived from the literature review to the underlying data. Provisional coding was specifically chosen due to its alignment with McCracken's review of analytical categories (step 1). The literature review served as a backdrop that informed me in regard to both theoretical knowledge and the assumptions drawn from existing literature, and presents an opportunity to compare to existing research and extend into potentially new areas.

All phases of first cycle coding were conducted in separate reports using queries for structural coding. This allowed for more intentional and focused coding, similar to the guidance presented earlier for Guest et al. (2016) as it relates to text segmentation. Using the "boundaries" of structural coding, based on the interview guide segments, allowed me, as the researcher, to focus explicitly on a particular line of questioning and compare responses across participants in a very systemic fashion (Guest et al., 2016, p. 53). I created code groups, allowing me to link groups of individual codes together, for each interview segment based on the defined structural codes from the interview guide. I subsequently ran queries, using the quotation manager in Atlas.ti, based on this level of segmentation (see example below in Figure 6). This resulted in a report for rapport-building (i.e., questions one and two), CSR (i.e., questions three and four), third-party certification and B Corp certification. I completed all phases of first cycle coding, subsequent to the attribute and structural coding, using these reports.

Contains quotations which must match		any	of the following rules	199	+
Is coded with	Codes of group	B Corp - OUTLIER (9)		9	[-] [+]
Is coded with	Codes of group	B Corp - INTERNAL (12)		190	[-] [+]
Is coded with	Codes of group	B Corp - EXTERNAL (0)		0	[-] [+]

Figure 6. Atlas.ti Quotation Manager Extract

Despite the ability to code directly in Atlas.ti, I chose to perform all first cycle coding manually “on paper” using highlighters and margin notes to garner a deeper connection with the data corpus. I reviewed all four reports, in sequence, and focused on in vivo coding first. This allowed me to reflect on the deeper narrative regarding each subtopic by reviewing the data in this report format vs. having previously read as complete interviews by each participant. I subsequently read through each report again, this time coding for emotions, process, values, causation and provisional codes. While it was my intent to code using a phased approach exploring each first cycle code as its own unique phase, I found that in phase three I was able to simultaneously code for all five types of first level codes. i.e., emotion, process, etc. This felt quite natural to complete as one comprehensive phase and was made possible because of the closeness I had developed to my data during the in vivo coding process. I performed all of this coding in a one-week period of time to remain connected to the data and to ensure the consistency of the codes. Once the first cycle of coding was complete, I typed all of the emotions, process, values, causation and provisional codes into one document. It was apparent at this point that code mapping would be necessary given the overwhelming number of codes and the obvious overlap in concepts (i.e., synonyms).

I subsequently transcribed each code onto a post-it note (using colors to denote code type: orange – emotions, pink – process, blue – values, yellow – causation) and began to “map the codes” (Saldaña, 2016, p. 228). This was the first stage of transition to the second cycle coding

process. This allowed a level of categorization to unfold between the codes, prior to looking for patterns in the second cycle coding process.

Simultaneous to this manual process, I completed a third iteration of coding as I entered all codes (in vivo, emotion, process, value, causation and provisional) into Atlas.ti. During this process, I continued to code based on structural code segments (Rapport, CSR, Certification and B Corp Certification), exploring each report in sequence, using the same query to create the original reports from the quotation manager. In Atlas.ti, I both coded and confirmed to my original “manual” coding. In almost all instances, during this third iteration of coding, I captured a bit more detail than in my previous iteration. Once all coding was complete in Atlas.ti, I ran reports to ensure all codes were captured for code mapping, adding any additional codes that were created. Categorization/merging of codes, as a result of code mapping, was performed in Atlas.ti, so as to not lose the underlying detail of the original codes.

As I transitioned to the second cycle coding methods, I focused on arranging the codes into categories and themes, using pattern coding. Many of these connections had already begun to form initially through the analytical memos that had been drafted throughout my first cycle coding. Similar to first-cycling coding, this was initially performed manually using the post-it notes and then supported in Atlas.ti where I could run queries to begin to visually link the coded passages from the data corpus. This query functionality was also instrumental in the ability to visualize potential connections between multiple codes using Boolean search terms (and, or, not).

To increase the dependability of the analysis, peer-review was incorporated into this process (Glesne, 2006; Potter & Levine-Donnerstein, 1999). Lincoln and Guba (1985, p. 300) use “dependability” in qualitative research to closely correspond to the notion of reliability often

referenced in quantitative research. They emphasize an “inquiry audit” as one measure that might enhance the dependability of qualitative research (Lincoln and Guba, 1985, p. 317). Neither Miles et al. (2018), nor Saldaña (2016), specifically discuss peer-review for the explicit purposes of dependability. However, they posit that there are inherent strengths in a team-based coding approach. Due to reliance on codes and their associated definitions, Miles et al. (2018) contend that “definitions become sharper when two researchers code the same data set and discuss their initial difficulties” and that team coding is a “good reliability check” (p.84). This process of discussing initial experiences and challenges was performed weekly with my dissertation supervisor during the coding period to inform my process and my coding methodology. To further document my process, I maintained a detailed code book for each phase with definitions for each code. Analytic memo writing was also used as a formative and important part of this process, and allowed me to reflect on the process and share with my supervisor. Saldaña (2016) asserts that he prefers to be a “lone wolf coder” and subsequently shares coded data with team members to act as “rigorous examiner and auditors” of the coded analysis (p. 37). I sought to achieve a balanced approach, combining independent coding by my supervisor to confirm inter-rater reliability at the outset and continued consultation thereafter, sharing coded data for subsequent examination and audit as per Saldaña.

For the former, my dissertation supervisor independently coded three randomly selected interviews for two projects (CSR and Certification) for in vivo, emotions, process, and values codes. We met to review all independently derived codes, and through dialogue, consensus was sought on any coding discrepancies. A high level of consistency was discovered for the in vivo, emotions and process codes, whereas values codes varied slightly using different terminology and code splitting. Through robust dialogue, we agreed that the differences were minimal and

predominantly a result of word choice, without altering the overall meaning of the codes. For illustration an example would be, “walking the talk” vs. “authenticity, fidelity, and consciousness”. In limited instances, when it was determined that my supervisor’s codes were more representative, I reviewed all data during my third iteration of coding and recoded with the alternative code.

Validity in qualitative research is most commonly referenced using Lincoln and Guba’s (1985) definition of credibility, which refers to “confidence in the truth of the findings, including an accurate understanding of the context” (Ulin, et al., 2005, p. 25). To ensure credibility in the interview data, Patton (1990) posits that the richness of the information gathered can be further enhanced through triangulation of data. Yin (2017) specifically calls for triangulation in case study research and suggests using multiple sources of evidence as the way to ensure construct validity. Accordingly, interview statements/ themes were triangulated with publicly available material, as well as internal company documents (e.g., promotional materials, websites, and other materials as supplied by the interviewee), external stakeholder perspectives (external websites, and press releases) and my experiences at the two B Corp Leadership Development conferences. As an active participant in the B Corp Leadership Development conferences, I was able to use these experiences to inform my inquiry of the interview data. These experiences facilitated my choice of first cycle coding. As I attended these events, I observed a shared passion among participants and I noted a sense of collegiality that was different from other conferences that I had attended in the past. These experiences, combined with the interviews that are central to this work, helped achieved the goal of triangulation which is to combine multiple points of reference so as to minimize the potential bias that comes from a single data point (Guest et al., 2016).

Analytic Process

In the preceding section, I outlined my use of Atlas.ti and coding methodology, drawing on the work of Miles et al. (2018) and Saldaña (2016). In this section, I wish to walk the reader through the iterative and analytical process that supported my proximity to and analysis of the data corpus. The twenty-eight interviews contained within this study provided me with rich empirical data and the use of qualitative software greatly facilitated the analysis as described herein.

As illustrated in the prior chapter, during my first cycle coding I employed a “hybrid” approach using Atlas.ti to categorize my interview transcripts using structural codes and then coded manually on paper. I was able to stay more connected to the data corpus by oscillating between the Atlas.ti and working with the hard copy printouts. I read the interviews through one time while focusing on in vivo codes, using a highlighter, and then cycled back through the interviews again for all other first cycle codes. After this manual step, I went back into Atlas.ti to both transfer codes, confirm, and iteratively review the data, at times locating new meaning within the data in my third iteration of first cycle coding. My initial approach to coding was “organic”, listening to the interviews without much regard for the codebook that was developing. This resulted in an overwhelming number of codes in Phase 1A as I coded in Atlas.ti for the first time. The table below (Table 4) represents the iterative code mapping, based on code groups, where codes were condensed and organized into categories that later became the basis for the study’s central themes/findings. Once an appropriate, and manageable, number of codes was achieved, “NC” represents no further change for that specific code category. This is noted in Table 4, along with “NA” which represents not applicable for that code phase.

Table 4
Phases of Code Groups

	Manual				
	Phase	Phase 1A	Phase 1B	Phase 1C	Phase 1D
Attribute Codes	57	57	NC	NC	NC
Causation Codes	NA	28	23	18	17
Emotion Codes	NA	22	19	18	NC
In Vivo	NA	720	NC	NC	NC
Process Codes	NA	75	44	33	NC
Provisional Codes	NA	16	NC	NC	NC
Structural Codes	46	46	NC	NC	NC
Value Codes	NA	117	NC	32	NC

NA = Not Applicable NC = No Change

Creating code groups within Atlas.ti enabled me to review all quotations within the code group and to explore quotations and codes that might be condensed and recategorized as I began to transition into the second cycle coding. Specific features within Atlas.ti facilitated this analysis, including the ability to run reports based on these first cycle code groups. In alignment with Saldaña (2016), I coded the data iteratively, particularly during first cycle coding when I merged some codes, dismissed others, and kept a continual eye to the “utility” of the codes in relation to the data corpus (p. 235). The first step of this iterative process (Phase 1B) was to review all codes with less than five quotations. Affiliations and connection to other codes became readily apparent and resulted in the merging with other conceptually similar codes. This was completed for causation, emotions, and process codes. Figure 7 is an extract from Atlas.ti to provide an illustration whereby insights are gained into the original first 28 first cycle codes for causation and the number of quotations assigned to each code.

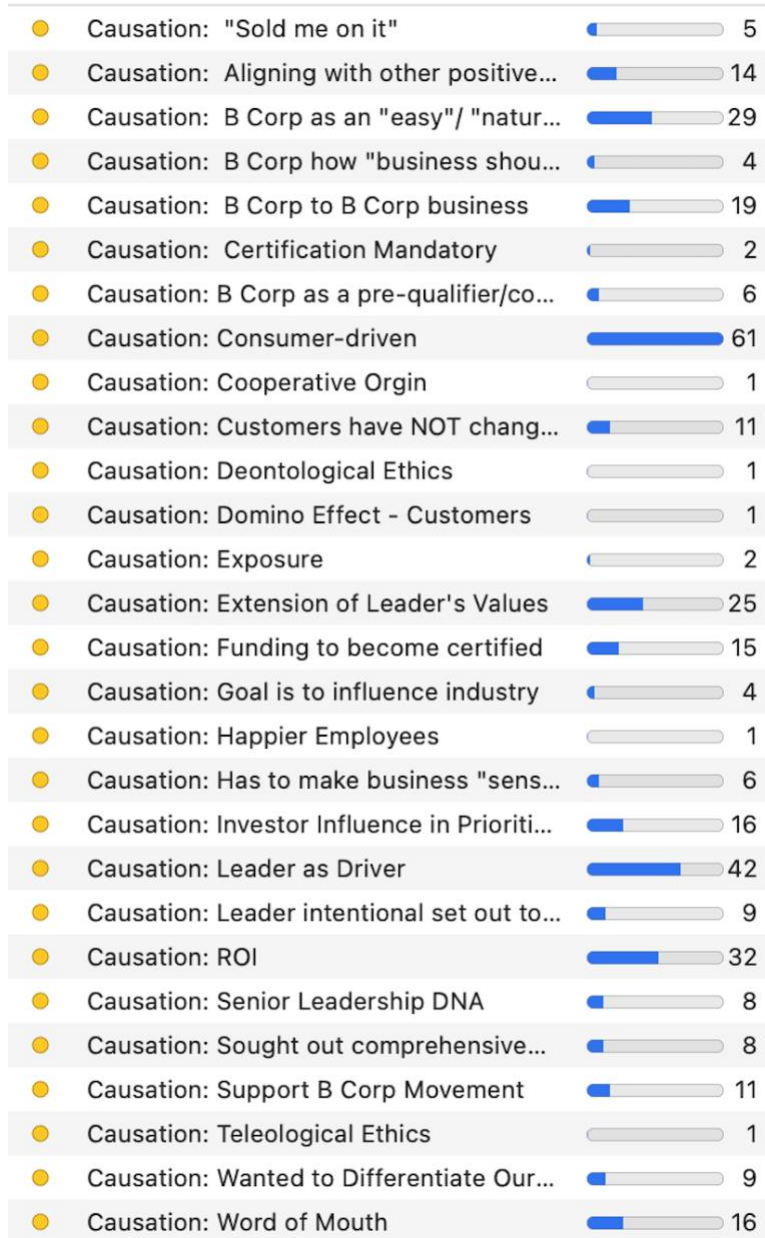


Figure 7. Atlas.ti Extract – First Cycle Coding: Initial 28 Causation Codes

In a subsequent review of the causation codes, I ran a report out of Atlas.ti which enabled me to review all causation codes and the associated quotations and discovered that one category in particular, *Consumer Driven*, needed to be further segmented versus condensed. This facilitated my subsequent analysis as I sought to discover patterns and themes to present as the findings embedded in this chapter.

Values presented a specific challenge due to the sheer number of unique codes that I identified (117). It became apparent that the values codes specifically needed additional structure to allow for intentional grouping due to the personal nature of assigning meaning to one's values. My first iteration of values coding had relied heavily on in vivo coding to capture values and beliefs as the participants spoke to them. In consultation with my supervisor, in my second iteration (Phase 1C), I drew on the work of Peterson and Seligman (2004) and used character strengths to further map the 117 values codes into the twenty-four character strengths (see Appendix F). These character strengths are the basis for the widely-used Values in Action Inventory of Strengths (VIA) (McGrath, 2015). Though the VIA was originally developed for use in the U.S., a multitude of studies have demonstrated that the character strengths have cross-generational and cross-cultural consistency (McGrath, 2015; Park et al., 2006). As such, I deemed it an appropriate source to use to support the mapping of participant values across the two geographic locales.

During this process, I also captured differences as defined by Saldaña (2016) between values, "the importance we attribute to ourselves, another person, thing or idea" and the "principles, moral codes, and situational norms people live by" (p. 131), and beliefs, which Saldaña (2016) defines as "part of a system that includes our values and attitudes, plus our personal knowledge, experiences, opinions, prejudices, morals and other interpretive perceptions of the social world" (p. 132). With these guiding definitions in mind, eighteen of the twenty-four character strengths and twelve beliefs were identified in the coding.

This iterative process of organizing, assembling, and reassembling codes was engaged in over a three-month period. Over 3,000 quotations were coded and all quotations, except the in

vivo codes, were reviewed through multiple iterations throughout the first cycle coding process. As I moved from this first cycle into second cycle coding, I moved out of Atlas.ti for pattern coding and began to focus my attention on the research questions that surrounded the exploration of antecedents/ motivations for the pursuit of B Corp certification. Through this pattern coding, meta codes were developed; these have become the findings contained in the following chapter.

The first research question did not require any additional data analysis at this stage; however, the second (internal/ external influences) and third (cultural influences) required a review of the data that was greatly facilitated through the functionality and features in Atlas.ti. The second research question sought to understand the primary influences, and I was able to use Atlas.ti to determine the frequency of codes across participant roles, based on this coded attribute. To further this analysis, I was able to specifically generate a report out of Atlas.ti that explored code occurrences for causation codes and the roles of B Corp employee, B Corp leader, and external consultants. Facilitated by Atlas.ti, only minor manual manipulations were necessary to filter based on causation codes within the Excel file. This provided insight that will be explored below regarding the consistency or inconsistency of influences across multiple roles contained within the study. I ran the same report for code co-occurrences for causation codes and geographic locations of Nova Scotia and Vermont. Once these reports were organized, I manually created a combined document whereby each causation code was reviewed based on the role and geographic differences. While a simplified version is presented here on that process, this became the basis for my analysis of the comparative elements. The ability to run reports based on various attribute codes, causation codes and co-occurrences facilitated and simplified this exploration through the support of qualitative analysis software.

Summary

The intentional process that I undertook to engage in the data analysis described herein was supported by an analytical process that allowed for iterative exploration of the data corpus, informed by the work of Miles et al., 2018 and Saldaña, 2016. This process was facilitated with the use of Atlas.ti and has been outlined in detail through this chapter. I believe the combination of the processes as outlined by McCracken (1988) and Miles et al. (2018), and Saldaña (2016), further facilitated by the use of Atlas.ti, was a strength of the research method. In the following chapter, I present my findings informed by the methods and data analysis as described.

“Never doubt that a small group of committed citizens can change the world.
Indeed, it is the only thing that ever has”
~ Margaret Mead

CHAPTER 5

Presentation of Findings

In the pages that follow, the study findings are presented based on the intentional methodology and data analysis highlighted in the preceding two chapters, in the order of the three research questions:

- A. What motivates SMEs to expand their espoused commitment to CSR and voluntarily pursue third-party CSR certification(s)? And more specifically B Corp certification?
- B. Who and/or what are primary internal and external influences for the pursuit of certification, and specifically B Corp certification?
- C. Relative to the above, are there possible regional-level cultural influences on SMEs pursuit of voluntary third-party CSR certifications that create differences or similarities, specifically between Nova Scotia and Vermont?

This chapter begins with an overview of the first cycle coding process before turning to a presentation of findings, beginning with a review of the content analysis and related codes before transitioning into a detailed review of the findings for each of the above research questions.

Overview of First Cycle Codes

Before venturing into the second cycle pattern codes that began to group the data corpus into emergent categories, themes and concepts, it is important to highlight the codes that arose from the first cycle coding process as these provided the foundation for later analyses. The following table (Table 5) represents the number of first cycle codes for each code group and the number of quotes contained therein:

Table 5
Code Group Summary

	Codes	Quotations
Attribute Codes	57	28
Causation Codes	17	353
Emotion Codes	18	126
In Vivo	720	720
Process Codes	34	757
Provisional Codes	16	161
Structural Codes	46	411
Values Codes	32	576

Attribute Codes:

I used **attribute coding** to categorize the essential information about the data corpus and demographic characteristics of the participants (Miles et al., 2018; Saldaña, 2016). Consistent with the demographics described in Chapter 3, 57 attribute codes used to account for differences in age, gender, geographic location, role, tenure in organization, and position title.

In the following pages, I use radar charts to present the frequency of the codes. Radar charts have proven to be useful for observing which variables have similar values or if there are any exceptions (outliers) amongst each variable. Each variable is provided with an axis that starts from the centre. The codes (variables) with the highest frequency, relative to others, extend out from the center in a comparative fashion.

Causation Codes:

I explored the combinations of antecedent conditions and mediating variables that lead toward certain pathways using **causation codes**. This specific coding schema relates directly to the exploration surrounding the antecedents of certification and the specific drivers for the pursuit of B Corp certification.

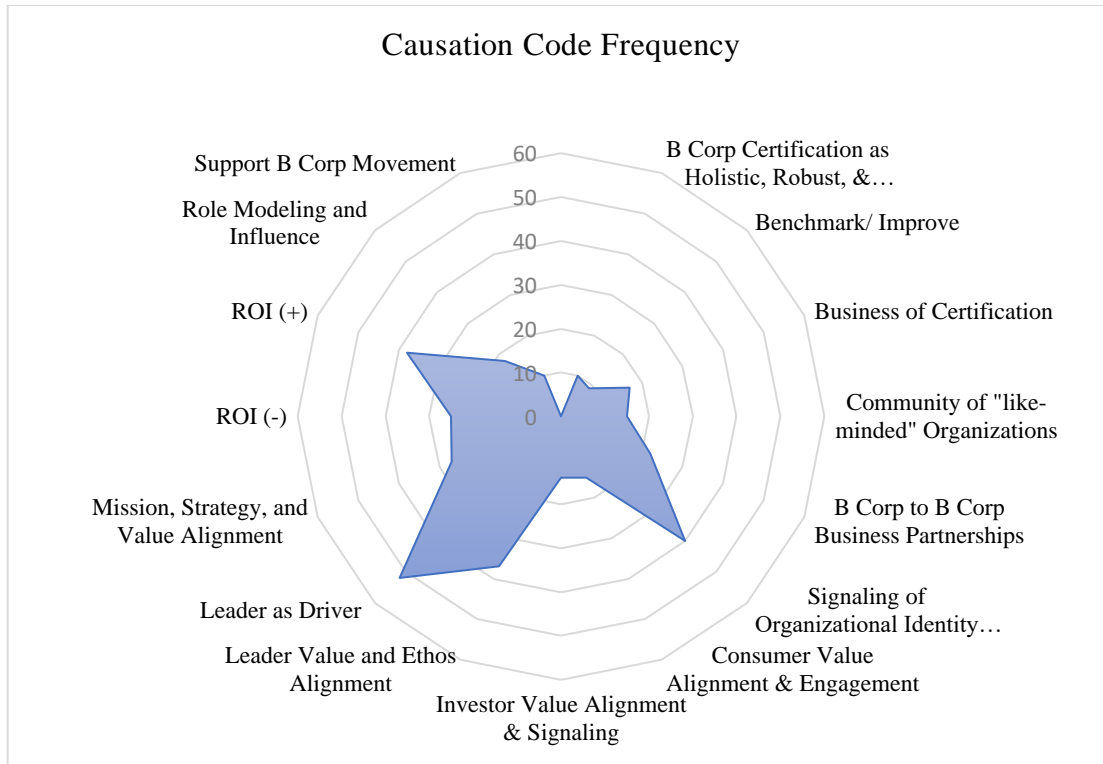


Figure 8. Causation Code Frequency

As can be seen in Figure 8, participants identified a number of antecedents of certification, but those that were most frequently mentioned were the organizational leader as a driver, the alignment of the leader’s values and ethos, signaling of organizational identity and “brand story”, and return on investment.

Emotion Codes:

I employed **emotion coding** to inductively label feelings participants may have experienced or that I inferred about the participants, including hope, fear, frustration, anger, optimism, etc. (Miles et al., 2018; Saldaña, 2016).

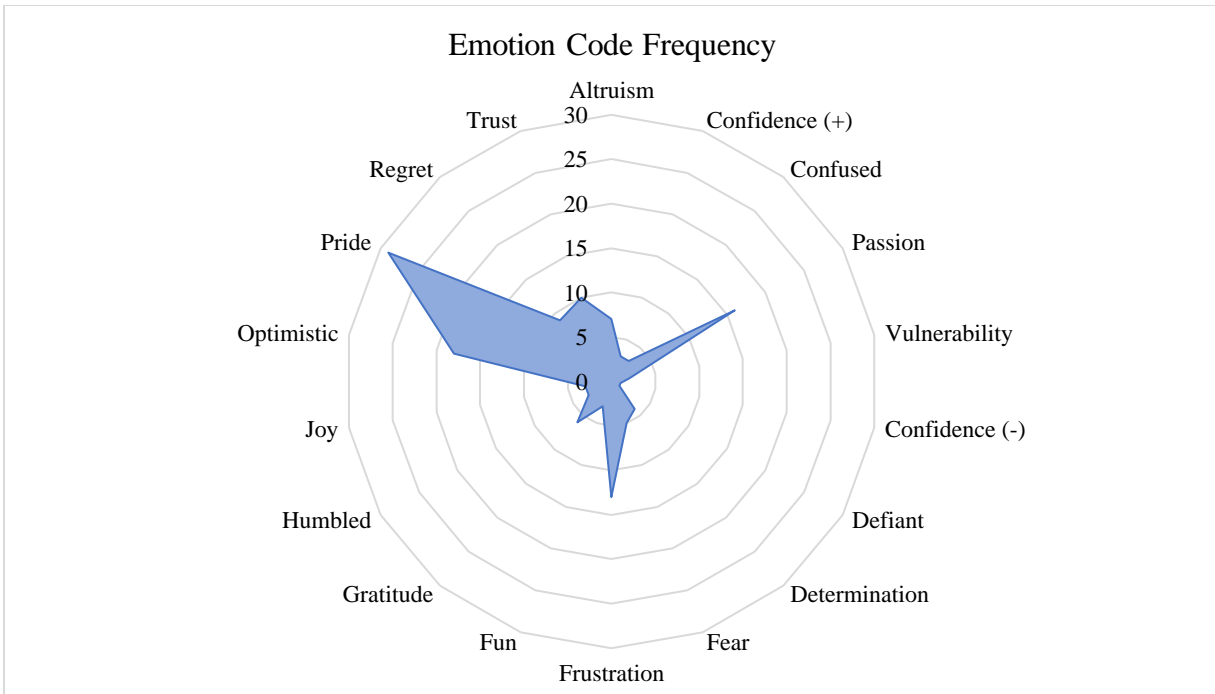


Figure 9. Emotion Code Frequency Radar Chart

The emotion code radar chart (Figure 9) portrays pride, frustration, passion, and optimism as the top four emotions that were experienced by participants.

Process Codes:

I utilized **process coding**, in combination with in vivo coding, to focus on conceptual actions that participants share throughout the interviews (Miles et al., 2018; Saldaña, 2016).

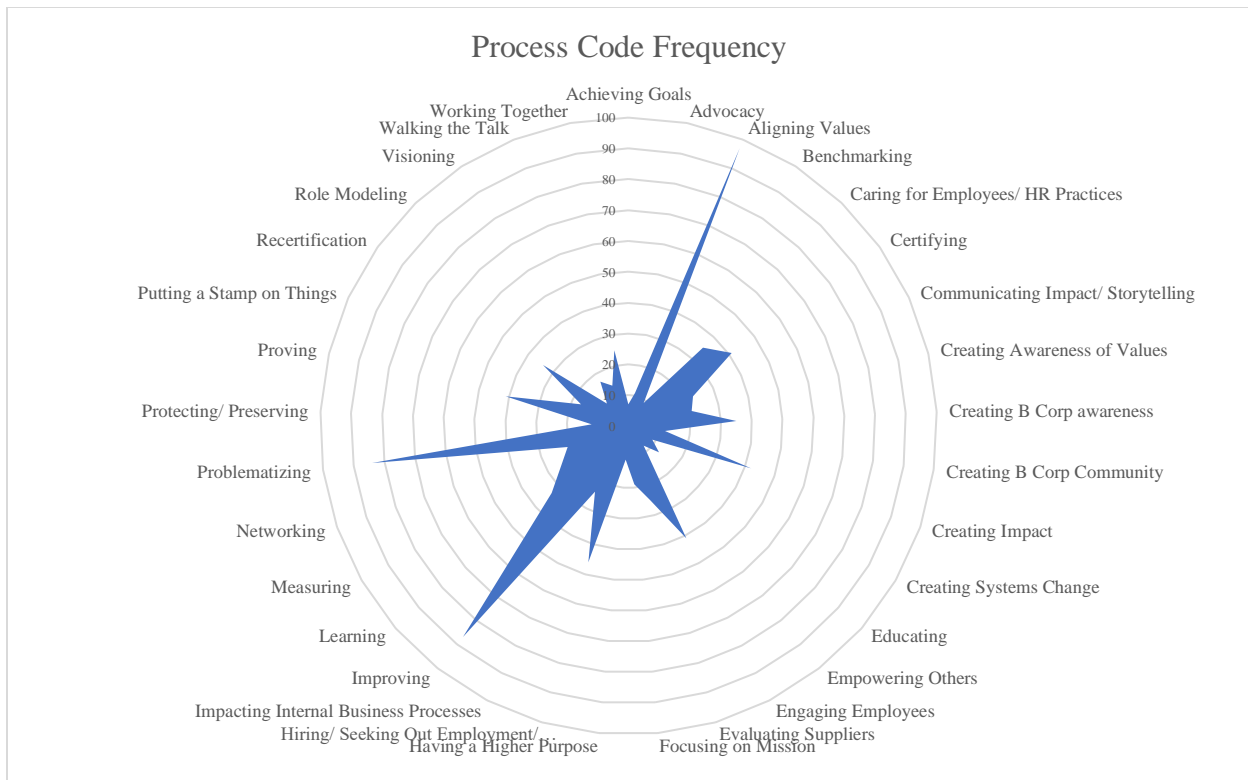


Figure 10. Process Code Frequency Radar Chart

The radar chart for process coding clearly illustrates the key conceptual actions that most participants spoke of including: aligning values, improving, and problematizing. As evidenced by the sheer number of codes presented in Figure 10, participants suggested many types of conceptual actions (i.e., processes) throughout the interviews both in relation to their motivation for pursuing certification and in the conversational narrative that followed.

Provisional:

For the **provisional coding**, I used a deductive approach that began with the development of an a priori codebook from my literature review and subsequent exploration of the data corpus using this framework (Miles et al., 2018; Saldaña, 2016).

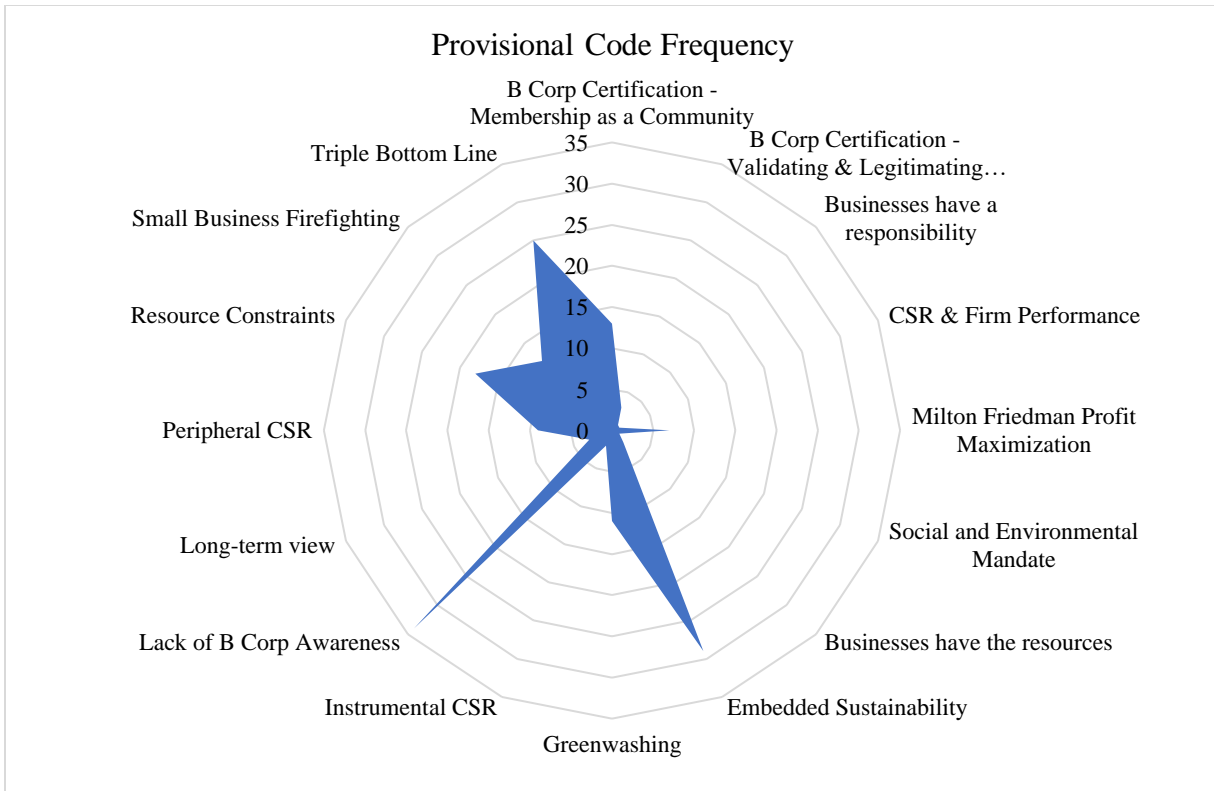


Figure 11. Provisional Code Frequency Radar Chart

As shown in the radar chart (see Figure 11 for a summary), resource constraints, embedded sustainability and triple bottom line were highlighted in the data corpus as issues that were also discussed in the CSR literature. There was also discussion of the lack of B Corp awareness, which was also referenced in the literature and consistent with B Corp certification being a relatively new phenomenon.

Values Codes:

I used **values coding** to inductively label or infer participants’ values, attitudes and beliefs as they arose through the interviews. As noted above, values were coded drawing on the work of Peterson and Seligman’s (2004) Values in Action Inventory of Strengths (VIA). Eighteen of the twenty-four character strengths and twelve participant beliefs were separately identified (see Appendix F).

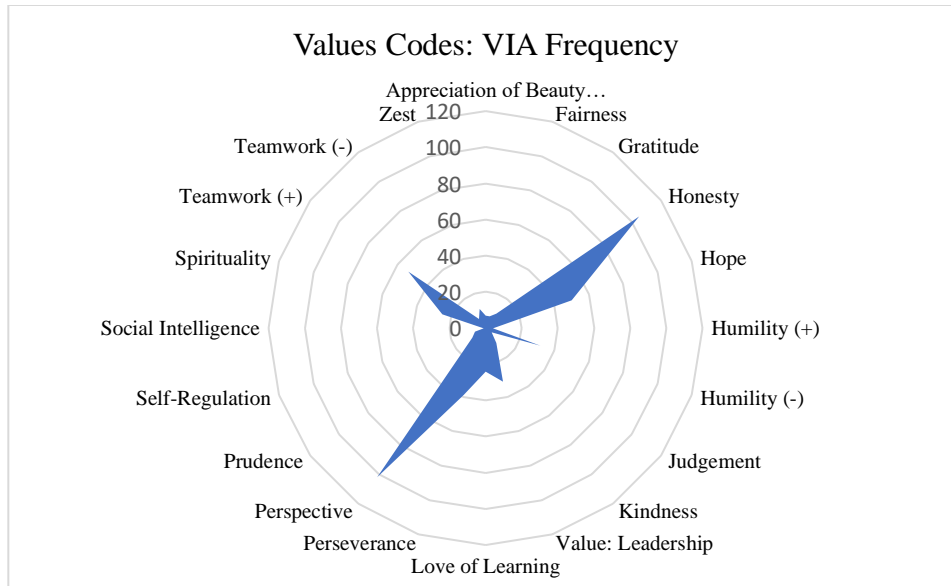


Figure 12. Values Code Frequency Radar Chart

The values code frequency chart (Figure 12) highlights the values of perspective, honesty and teamwork as most frequently found in the interview data. These values are defined by VIA Institute on Character (2021) as:

- **Honesty: Authenticity; integrity**

"I am honest to myself and to others, I try to present myself and my reactions accurately to each person, and I take responsibility for my actions."

- **Teamwork: Citizenship; social responsibility; loyalty**

"I am a helpful and contributing group and team member, and feel responsible for helping the team reach its goals."

In alignment with the work of Peterson and Seligman's (2004), the teamwork value relates to altruism and further extends to the conceptualization of a what is means to be a good citizen, and more broadly to a have sense of social responsibility for particular teams/groups, communities, and humanity as a whole.

- **Perspective: Wisdom; providing wise counsel; taking the big picture view**

"I give advice to others by considering different (and relevant) perspectives and using my own experiences and knowledge to clarify the big picture."

The radar chart for beliefs (Figure 13) emphasizes my findings of two predominantly common participants' beliefs. The first was that the pursuit of B Corp certification was achievable. In addition, the belief that both B Lab (and B Corp, as they were often used interchangeably) could do more to support the community offers an operational critique related to lack of feedback during the certification and renewal process and the lack of support received from B Lab after certification.

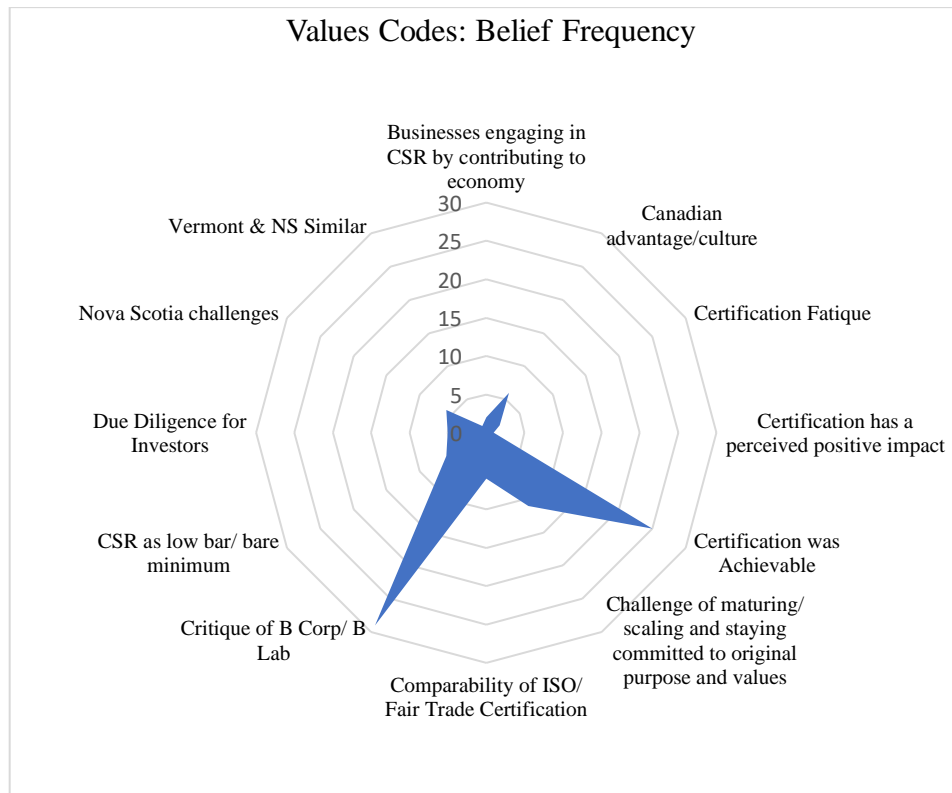


Figure 13. Values Code - Belief Frequency Radar Chart

In summary, I have used radar charts on the preceding pages to present the findings from my first cycle coding. Subsequently, I focused on the causation codes presented above to

highlight the overarching findings and developed second cycle pattern codes relative to the first research question to explore what motivates SMEs to expand their espoused commitment to CSR and voluntarily pursue third-party CSR certification, specifically B Corp certification.

Overarching Findings

Based on the analysis of my data corpus, motivations to pursue B Corp certification can be grouped into the following three themes:

1. Pursuit of Leader and Organization Value Alignment
2. Pursuit of Value-Aligned Community
3. Pursuit of Business Case

These themes are further supported and expanded upon in the next section.

Finding 1: Pursuit of Leader and Organization Value Alignment as a Driver

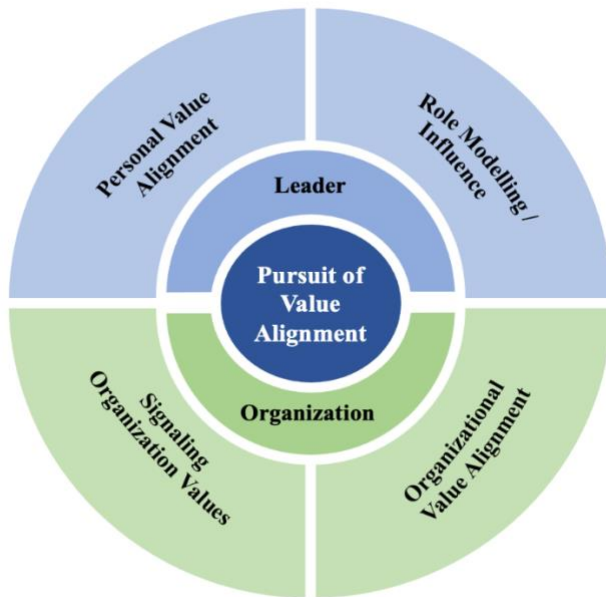


Figure 14. Finding 1: Pursuit of Leader and Organization Value Alignment as a Driver

This section details the key findings, as depicted in Figure 14, that emerged relative to organizational leaders and organizational strategy (samples of supporting quotes are found in the tables that follow):

1. Organizational leaders drove the pursuit of certification to align the business with their personal values and beliefs.
2. Organizational leaders were motivated by the desire to role model and influence. This embodied the leader's commitment to demonstrate that profit and impact are not mutually exclusive.
3. The pursuit of B Corp certification signaled the organizational values to facilitate customers' and partners' understanding of the organization's mission, values and "brand story".
4. The B Corp certification and the undertaking necessary to become certified were authentic to the organization and in alignment with the organization's mission and values.

Organizational Leaders – Personal Value Alignment

Both leaders and B Corp employees alike highlighted the intersection of the leader's personal values and the intentionally mission-driven orientation of the organization, further aligning with the process codes in Figure 12. Within this overarching narrative, leaders talk about their own value system and how "triple bottom line", "this kind of movement", the way "business should be done" and "helping people" are embodied in their pursuit of B Corp certification. In one instance, I asked about whether the leader was speaking to their personal values or the organization's value and they responded "Well, they're the same", with an element

of surprise that I would pose such a question. The value alignment of leaders in relation to the pursuit of B Corp certification was discussed in the sample quotes as summarized in Table 6:

Table 6
Subtheme: Leader Personal Value Alignment

	Role	Sample Quotes
Interview 2	Leader	It [B Corp Certification] doesn't matter to other people as much as it matters to me...ultimately we want to help people. And as part of the personality of who I am and who she [co-owner] was...that is who we are and what we wanted to do. And I think that's really how I take the business forward.
Interview 4	Leader	It's a way to back up my personal ethics so I don't get angry and just say fuck you. Because that's what I want to do to some people. It's like you're calling... It's a little defiance on my part. It's like you want to call my ethics into question here? Really? Like me? So I get a little prideful around that...So it's a way to back up...Third-party credibility...
Interview 10	Leader	This is all about my values aren't only my values when I'm at home in the evening or on Sunday morning. My values are my values. And if I have to live my values...or I can't live my values then what the hell am I doing?
Interview 16	Employee	What you'll hear our founders and executive team and leadership team, and everybody say is that... I mean the motivations are that it's the right thing to do for, you know, kind of falling into that triple bottom line. He's [the leader] been the champion from the beginning, and probably the most heavily involved.
Interview 21	Employee	You know, certain companies, the senior leadership, it's in their DNA. This is how business should be done. It should be done right.

Organizational Leaders – Role Modeling/ Influence

The aspiration of acting as a role model and influencing the industry and the larger business community is a subset of motivations as described by participants, and a theme that aligns with the leaders driving the pursuit of B Corp certification. Participants discuss “proving”, “modeling” and “demonstrating that there was a better way or a higher standard that businesses could...aspire to or perform at.” Participants shared their commitment to role modeling and influence summarized in the sample quotes in Table 7:

Table 7
Subtheme: Role Modeling and Influence

Role	Sample Quotes
Interview 9	Employee We're changing the way business is done. It means something to me. I really feel like if we can help spread the word and enable other businesses or non-profits to be more sustainable or tweak the way they conduct their business, that the money that exists in the world is enough to serve everybody. And so if we can help redirect that and educate and create those opportunities for change then we're going to serve a greater number of people.
Interview 11	Employee To help prove to naysayers that, well, when we first got it, you know, you can be a for-profit and be true to your mission and values that are not just profit-oriented.
Interview 13	Employee Part of his [the leader] ethos and his world view, was to ensure that the next business he was involved in or started came from a place of making a difference, not just being there for the products but also how...being a demonstrator of how business is done. So he was a really important visionary and voice and driver.
Interview 15	Leader Intent to dispel the age-old notion that a business could either be financially successful or do good. That somehow doing good was a drain. And I don't think we'd be talking about Ben and Jerry's here if it were just another random ice cream company...values of the business that created the financial success. So we were financially successful because of, not in spite of our values. And so the whole kind of values-led business...in some ways trying to prove that.

Organization – Signaling of Organizational Values

In contrast to the literature review, the narrative surrounding “signaling” and “brand story” did not appear to be primarily focused on consumer demand but rather seemed to be one that was established as a critical element of B Corp’s organizational strategy to make their organizational values known. To “differentiate” and “to define who we are and what we stand for...to give us some credentials.” Participants described the pursuit of B Corp certification as a “convincing strategy with partners”, “establishing a credibility for building trust”, “telling the story of who we are and what we’re doing” and “a marketing tool...it gets people’s attention when we can actually say look at us, we’re special, we’re different.” Additional sample quotes are summarized in Table 8:

Table 8
Subtheme: Signaling Organizational Identity

Role	Sample Quotes
Interview 1	Employee When you get up and you stand in front of a room, and you've got a bunch of people that are like pitching their job opportunities, and you say we're B Corp, this is who we are, this is our company culture, then we know that we're going to get somebody that...where that specifically resonates with them. So we can kind of pre-qualify out of the gate.
Interview 5	Employee And even just the language itself – B Corp certified. The word certified, you know, you automatically assume well, they've gone through some hoops and that kind of thing, and they have their ducks in a row, you know, and it's probably a good thing if it's one of the first things they said in introducing their business to another potential partner.
Interview 6	Employee I think part of it is that being able to say we're a B Corp definitely helps. Like it's one thing to say you're a social enterprise, and it's another thing to say we are a social enterprise and we've been recognized by B Corporation, like we've actually gone through certification and a third party has said, "Yeah, you're a decent company."
Interview 9	Employee By putting a flag in the ground and saying we are going to be certified to prove to you that we care about ethics and how we treat our company and how we're affecting those around us and how we affect the environment is critical.
Interview 16	Employee It's a stamp that we wear on our sleeve... it's a goal to differentiate and it's a goal to talk about why we do the work that we do, and why we do it the way we do it. And oftentimes that is told through the lens of being a B Corp.
Interview 18	Employee That's part of our brand story. And we think that people actually choose to buy us over other people because of that. We believe that that's important to our consumer. And so the B Corp certification was something that we wanted to pursue in terms of also helping to tell our story...

Organization – Organizational Value Alignment

Participants reflected back to originally pursuing certification and their intentional selection of B Corp certification due to the alignment with the values and ethos of the organization and because they did not need to adapt who they were to pursue certification. Participants expressed that, while they felt the certification process itself was appropriately rigorous, its alignment with their existing mission and values meant becoming certified was “achievable”, “easy” and a “quick win”. This is highlighted in the following sample quotes

summarized in Table 9:

Table 9
Subtheme: Authenticity

	Role	Sample Quotes
Interview 1	Employee	Becoming B Corp certified was really just putting a stamp on something that was already happening. Like it wasn't something where they're okay, oh, all of a sudden we're going to be an ethical company. Like they've always been that way.
Interview 2	Leader	We scored really easily to get our points. It wasn't one that we had to make changes.
Interview 11	Employee	B Corp, it was pretty easy. We didn't have to do anything to change who we were. We just had to make sure that we got enough points to be certified.
Interview 15	Leader	The truth is we're doing what we're doing. And our first score was 113, I think. So just the way we roll was...you know, generated a significant score by their measure. Since then, there's some other stuff that I want to do that will improve our score. But the reason we're doing it is not to improve the score. The score actually doesn't matter to me.

In many instances the participating organizations did not originally seek out certification, but rather discovered the certification via word-of-mouth and recognized the mission and value alignment with the certification. One participant remarked on their introduction to B Corp certification from a client who recently underwent certification themselves, “she knew me, and she knew I already sort of gravitated in this direction in terms of the company I was trying to build”. Other participants offered insight into this organizational alignment as noted through sample quotes in Table 10:

The alignment with the mission and values of the organization, was highlighted in other comments about B Corp certification being a “fit”, that it “fell in line with who we are as a company”, and that “alignment was very strong”. This discourse complements the preceding subtheme of authenticity, as these organizations were already embracing the underlying

components of B Corp certification and did not need to shift operations or policies in order to comply.

Table 10
Subtheme: Mission/ Value Alignment

	Role	Sample Quotes
Interview 2	Leader	It [B Corp certification] fell in line with who we are as a company, and it was a way of validating that.
Interview 3	Employee	I thought that it was a fit because of what we were doing. Because we were, you know, an ecologically sound and green company, that it would just add to what we already do just because it was a good fit.
Interview 7	Leader	So the concept was important to us, and would actually fit in within our strategic framework. So it had an alignment with how we defined who we were and what we wanted to be in the future.
Interview 8	Employee	The alignment was very strong. So it wasn't as if we were adopting something new that was foreign to us, that we had to take a whole new path to try to generate and do.
Interview 20	Employee	It was really I mean a very natural fit. The first certification wasn't... We ticked a lot of boxes right away. N

One leader had a surprising revelation during our interview as they came to connect B Corp certification to their personal and organizational values. The leader states, “It’s interesting, I hadn’t thought of this before, but the Benefit Corporation and the B Corp certification are kind of manifestations of our values.”

Finding 2: Pursuit of Value-Aligned Community as Driver

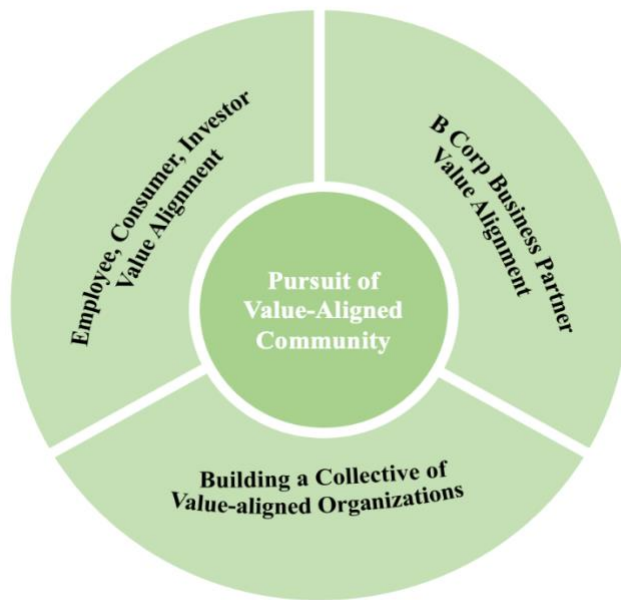


Figure 15. Finding 2: Pursuit of Value-Aligned Community as Driver

The secondary finding from the current study, as referenced in Figure 15, has multiple dimensions, although its intensity was not experienced the same by all participants. (This latter dimension will be discussed in more detail related to research question two.) Based on participant accounts several subthemes emerged:

1. Organizations were motivated to pursue B Corp certification as a demonstration of value alignment and a signal to internal and external stakeholders, specifically employees, consumers and investors, of the value system held individually and collectively by organizational participants.
2. Organizations pursued B Corp certification to further expand on the value alignment within a specific business partnership, that of existing certified B Corps, as a signal of shared values.

3. The pursuit of B Corp certification represented a desire to join a community of “like-minded” organizations and to be part of a movement based on shared values.

Employee, Consumer and Investor Value Alignment

This subtheme of stakeholder value alignment was a key finding for the pursuit of value-aligned community. Leaders are the driver of the quest for alignment and pursue internal and external stakeholders whose “values align;” however they do so for the perceived benefit of employees, consumers, and investors. In all B Corps but one, leaders were the most influential and primary driver for pursuit of B Corp certification. In the one exception, where the concept was not originally brought forward by the leader, but rather an employee of the organization, the leader quickly fell into supporting the initiative and played a significant role in its attainment. Leaders in these small-to-medium sized organizations drive the mission, vision, and values. One leader remarked “Corporate social responsibility, it’s just a given for me” and another “I had been active in the field of corporate social responsibility for some 25 years...that work has become my passion”.

Leaders were motivated to pursue certification to provide a “label for my [the leader’s] company when I’m looking at hiring. So that people are very clear and understand where I’m coming from. So that employees, they understand what they are. And I do think that it provides a stamp”. Some leaders commented that when the organization was smaller it wasn’t as critical to articulate this value alignment. However, with growth, certification became a means to more formally operationalize shared values, as exemplified in the following quote.

And I think the first, you know, internal people were all like-minded. So maybe some of these things didn’t have to be said explicitly about the philosophy behind sustainability or

whatever. But over the past couple of years, we've definitely formalized some of these things to do with like e-waste, you know, you call it. But you know, old computers, you know, what do you do with old computers, and how are we going to manage that, and things of that nature? So, we've definitely formalized it as we've grown, for sure.

(Interview 20, Employee)

Certification was also positioned as a recruiting tool. A Director of Human Resources specifically noted that, "We're really proud of it. And I think it is a distinguishing factor in a tight job market." Another organization highlighted that they issue each employee a copy of the B Corp Handbook, that compliments a module on their values and principles.

Employees shared their experience in working with others who share their values and the ability to align the values of the business with their personal values:

"Working with other people who share a passion for working for a business like this. And working with other people who care about where they work and why they work there." (Interview 16, Employee)

"I get to work with phenomenal people. I get to feel great about what I'm doing the hours in my day. And I come to work and look at a picture of my 3 kids and feel good about what I'm doing with my time to better the world for them." (Interview 14, Leader)

An employee commented that the B Corp certification becomes a means for employees to self-regulate each other within the organization, citing employees as having articulated during a time of disagreement that, "We're a B Corp. We shouldn't be treating each other this way."

Organizational leaders were also motivated to pursue B Corp certification to align with customer values. While there was no mention that consumers were prompting organizations to become B Corp certified (outside of B Corp to B Corp business partnerships), there was a reflection that B Corp certification was a “shorthand symbol of our interest in value-led business...and to the degree that’s useful...perhaps a little with customers, that’s beneficial”. Another participant used a passionate description to contrast a brand that aligns with B Corp values with a company focused solely on profitability,

There's just people feel better about a brand that is doing...a company that's doing something besides just, you know, bottom line cutting, cutting through, slashing everything to get...you know, to get the most out of everything. (Interview 18, Employee)

In the language used, “cutting”, “slashing” and “get the most out of everything”, this participant is highlighting their own passion and appears to be problematizing business models that emphasize profit-centric capitalism in its current form.

In limited instances, customers who are aware of B Corp certification sought out organizations with B Corp certification when provided the choice and information to make informed decisions.

“I found your company on the B Corp website,” or, “I see you’re a B Corp. And that’s really important to me. So, I want to [do business with] you guys because of that reason.” (Interview 22, Employee)

The vast majority of participating organizations did not have investors, so investor alignment did not seem to be a generalized motivator for the pursuit of certification. However, to

the extent that external investors were present for participating organizations, B Corp certification became a means for value alignment. Nova Scotian participating organizations did not have any external investors, whereas in the Vermont landscape three participating organizations had investors external to the organization. In one instance, the leader specifically stated that he was unclear about the degree to which their B Corp certification played in attracting investors to the company. Rather, for investors who were “mission driven,” B Corp certification became a signal to identify shared values.

In this limited population, the discussion surrounding value alignment with investors was discussed as summarized through sample quotes in Table 11:

Table 11
Subtheme: Investor Value Alignment and Signaling

	Role	Sample Quotes
Interview 13	Employee	"Original investors in XXX were other like-minded, as [the leader] says, do-gooders in the world, in the work. And so it's an easy... Even as we continue to, you know, court investors, it tells a really good story in that it's a responsible business."
Interview 15	Leader	"One of the many great lessons I [the leader] was taught early on was pick your investors carefully...We're trying to do something, what we think is important here...It's interesting, I hadn't thought of this before, but the Benefit Corporation and the B Corp certification again are kind of manifestations of our values. So our ability to kind of play those cards and make clear to our investors I think was useful."
Interview 18	Employee	"B Corp certification is something that was on one of the initiatives for us to report out on in terms of our progress and so forth. We have, you know, 3 members of our board who were are small and then larger Vermont companies. And so they... You know, they have these principles and goals in mind, and are asking about it at our board meetings, and want to see that the company is making efforts in those areas."

Collective of Value Aligned Organizations

Companies were motivated to pursue B Corp certification in order to join a collective of “like-minded” organizations and often benefit from “renewed passion for their business because they join a community of entrepreneurs that think like they think”. Study participants report seeking out a community of “like-minded organizations that give more of a hoot than just profit”. The B Corp certification becomes “an identifier” signaling that “we’re in the same club”. “...we thought at the time when we went to certify that it would also connect us to other socially-minded organizations that were really taking a stand”. This motivation is driven by the desire to “intentionally collaborate” and “to position itself within the global community of like-minded thinkers”. One of the external consultants, specifically highlighted,

The opportunity to collaborate with like-minded companies is very important. And the B Corp community is hugely active in terms of setting up opportunities to collaborate and to learn from each other, to contribute expertise. (Interview 25, External)

This narrative is situated within the growing number of “good companies getting involved” and the “community sort of taking hold”. This has become both an internal and external narrative. Within the external landscape, customers “knew it was something good, and they knew enough...saw enough other brands in there that it was probably legitimate.” Internally B Corp certification is at times described to internal stakeholders in juxtaposition to other “prominent” companies that have achieved certification.

Under this motivation, the certification becomes more than an external certification and a “movement.” As one leader noted, B Corp certification becomes “something that people can rally behind and feel good about.”

I want to support the movement. So, you know, companies like ours need to... And it's \$10,000 a year, so it's actual support. So, you know, we need to support and be a party to that - lending our name and our money. (Interview 15, Leader)

B Corp Business Partnerships

Organizational participants located in Vermont amplify this narrative in a way that highlights the critical importance of doing business with fellow B Corp certified organizations. These B Corp to B Corp partnerships extend beyond the state boundaries and while focused only on monetary transactional value there is also an expressed value of learning and networking with one another. One participant said, "It's better than any other network I have right now... it's a great investment" and another presented the risk of not pursuing B Corp certification and the opportunity cost for the bottom line.

A lot of the clients and companies that we work with were also taking the plunge or the path down B Corp certification, or they already had. So, to some degree there's... You know, we've spoken about this internally. There's the risk of not doing it. You know, if our clients are all doing it and we're not doing it, you know, does that raise red flags? Also getting the certification, what opportunities does that do to build your network with other B Corps? (Interview 23, Employee)

As noted in Table 12, shared values within the supply chain demonstrates for B Corp leaders that "we're all from the same ilk, and that's why we'll be able to make it work".

Table 12
Subtheme: B Corp to B Corp Partnerships

	Role	Sample Quotes
Interview 13	Employee	"Not only that we can show that we all have that status but it just demonstrates the common mindset and philosophy towards business that we share, that also makes a partnership more likely to be successful."
Interview 15	Leader	"It supports our relationship. That we both understand that we're operating on a set of similar values. And so the kinds of partnerships and the kinds of things we seek to do stem from that."
Interview 21	Employee	Companies that do good and lead with impact want to do business with others who are doing the same. And there's a decent amount of companies who are B Corps already who are in our space.

A surprising finding was that word of mouth was ever-present in the narrative in terms of awareness of B Corp certification. None of the organizations reported being aware of B Corp certification through the formal marketing efforts of B Lab.

It was kind of like a word of mouth. It wasn't coming directly for sure from the B Corp organization. It wasn't because I read about it somewhere. It happened in conversation with a group of individuals either at a conference-type setting or a meeting. But I can tell you for sure it was definitely not any direct communication by the B Lab, nor any external communication from another party about it. (Interview 7, Leader)

Clients/ customers are another key element of the "growing community" of B Corps.

I was introduced to it by a client who had recently become B Corp certified. So, there's a community effect in a sense that we're a growing community. And, you know, they also, you know, as part of their governance, they like to see their supply chain be certified as well. So, there's a community sort of taking hold. (Interview 19, Leader)

Finding 3: Pursuit of Business Case as Driver

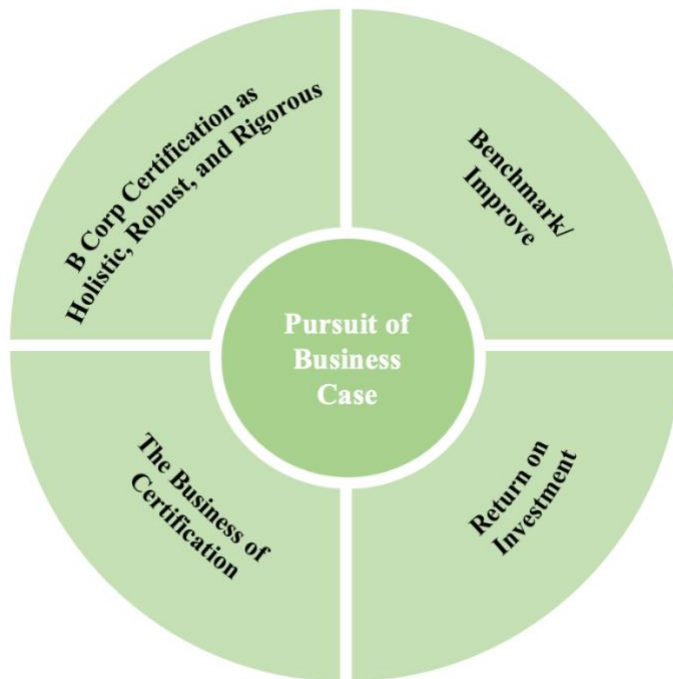


Figure 16. Finding 3: Pursuit of Business Case as Driver

The subcomponents of this finding, as noted in Figure 16, represent perceived value creation, without any participants specifically quantifying the net impact of the certification on earnings or any resulting cost savings to the certifying organization. The pursuit of B Corp certification was motivated by the quest for value realization, i.e., the business case, for participating organizations through improvement to internal processes, value from the nature of the certification process itself, and anticipated return on investment, predominantly from increased customers. Based on participant descriptions several sub themes emerged:

1. Organizations were motivated to pursue B Corp certification as they believed the certification itself to be holistic, “comprehensive”, “robust” and “rigorous”, as it certifies the “whole company”.

2. The pursuit of B Corp certification was motivated by the desire to “benchmark” and “improve”, using the B Impact Assessment (BIA) to measure and monitor performance.
3. The pursuit of B Corp certification was motivated by either the quest for direct and indirect return on investment.
4. A precursor to the pursuit of B Corp certification was a “sales” process initiated by a third-party.

B Corp Certification as Comprehensive, Robust, and Rigorous

Participants articulate that they chose to pursue B Corp certification as a result of an evaluation process whereby they concluded that the certification was “comprehensive” and the “complete package,” focused on the “whole company” and positioned as a “whole nine yards” certification.

...[T]here's no way that you can pass the certification if you're terrible to your employees. So, you may have the best products in the market, and you may have the best environmental standards, but if you're horrible to your employees, you're not going to pass the certification. And I think that's really the direction that, you know, we're hoping that businesses actually go. Or even as a consumer, I want to know if I'm buying that product... Yes, I want a really great product but I also want to know behind it that they're treating people fairly, that they're governing themselves, you know, with transparency, that they're giving back to their community. Like all those things are very important values to me as a consumer. And I think those are becoming more and more apparent. So, I think that's how the certification itself is different, is that you can't... You know, you can't pass the certification being really terrible in one area. (Interview 28, External)

The “rigor” of the certification was positioned relative to other well know certifications, most specifically Fairtrade.

...[F]airtrade exists but, you know, Fairtrade only certifies a piece of the supply chain.

And I’m actually doing a Fairtrade project right now, and it is not enough. Fairtrade is not enough. It is not rigorous enough. (Interview 12, Leader)

This perceived rigor and comprehensive focus led to the leader’s ability to reflect on the intersection of operational practices, strategy and impact.

...[W]hen I look back on my own experience, the ability to really tell...kind of where you have an idea where the holes are in your company. Like going through that whole process, you have a much clearer idea and a much clearer roadmap. I think when you look at small and medium businesses, we don't have a ton of resources. So, to have something that will really take you through the whole process kind of step by step. And it is a daunting process. But you know, I think it’s just very valuable if you know you really want to pursue impact. And I think more and more businesses are really starting to look at their impact and say, you know, what am I contributing to the world—good or bad—and how can I improve? (Interview 28, External)

Benchmark/ Improve

Generally speaking, most participants have expressed consistency in this view of the B Corp certification as a means for reflection, benchmarking, learning, and process improvement. The utilization of the B Corp certification as a “tool” to focus on improvement, self-assessment, and benchmarking against other B Corps and aspirational companies is a common thread. Many

problematize the lack of a structured assessment without the use of an external measure, arguing that B Corp certification acts as “roadmap” and “allows you to take an area that’s a priority to your organization, measures where you are today, allows you to monitor it”. While privileging third-party certification, one participant reported,

I think it's very easy for companies to say and maybe even sometimes believe that what they're doing is, you know, part of best practice or, you know, beneficial. And without really a rigorous review of what that actually means and comparing it to other industries and other standards, it's very difficult to actually know that you're doing that. And it can be very easy for those standards to kind of get away from you most of the time.

(Interview 27, External)

Return on Investment

In my data, there seemed to be two distinct narratives surrounding return on investment: (1) expectations of direct return on investment and (2) expectations of indirect return on investment. For the purposes of this analysis, I am defining direct return on investment as short-term financial gain (i.e., increased sales from customers), whereas indirect return on investment takes a more long-term, more indirect, orientation to value creation. Examples of indirect return on investment are the value of learning from the certification assessment process or more satisfied and productive employees. The participant quotes in Table 13 represent a sample of the statements made by my participants about their expectations related to the indirect return on investment from B Corp certification.

Table 13
Subtheme: Indirect Expectation of Return on Investment

	Role	Sample Quotes
Interview 4	Leader	So the value again is really driven by personal belief and beliefs about how capitalism needs to operate to be sustainable...So I mean really it was just to sort of try to align the business and the growth of the business with my philosophical beliefs.
Interview 7	Leader	I mean we really do it because we want to make a difference, and we want to make sure we're continuously improving.
Interview 14	Leader	We're doing this because we think it is actually a better way to run a business, and that we think that our employees will be happier and more satisfied in their lives, that our customers ultimately will be happier and more satisfied in their lives, and that that will translate to a better top line and better bottom line for our business.

In contrast, a second narrative is that certification was expected to yield direct return on investment through increased business opportunities with like-minded customers, increased visibility and/or internal process improvement, and resulting cost savings. Another is an underlying narrative of frustration with the lack of a return on investment as contemplated and/or expected. There is a hope, optimism and at times a passionate expectation for a direct return on investment from the pursuit of the certification. Underlying themes surrounding the attractiveness to customers to drive increased business, “I was looking to grow the company, grow revenue,” “I thought it would bring new people in because we are B Corp certified—people who were of that mindset,” “we hoped it would increase business,” and “good exposure”. Others express return on investment through “education and learning” from the certification process. The narrative to “optimize” and “grow” business, summarized through sample quotes in Table 14:

Table 14
Subtheme: Direct Expectations of Return on Investment

	Role	Sample Quotes
Interview 2	Leader	I hope I get enough PR and that it helps me business-wise, you know, in terms of revenue, and then that I get my money's worth out of it.
Interview 3	Leader	ultimately I was looking to grow the company, grow revenue...I thought it would bring new people in because we were B Corp certified - people who were of that mindset.
Interview 12	External	When you optimize your energy use, you save money. When you create better HR policies, you have less attrition, you save money. So a lot of the policies that are built through the certification or that I would encourage companies to do, to implement, would have cost-saving benefits on the other end.

Some participants seemed to suggest they had little expectation of traditional measures of direct return on investment, e.g., increased sales, due to low consumer awareness of the value proposition of B Corp certification and the need for education inform consumers. Some participants reported that B Corp certification was “not a key differentiator. Because quite frankly, people [customers] don’t know what it is” and “not part of the decision-making process.”, “Our certification does not matter in their [customer] eyes,” “Most people don’t really know about it. So, we’re certainly not picking up clients as a result.” “I’d say it’s probably 10% of the time people mention it for new clients...it’s still quite rare.” At times there was a reflection that “we haven’t really used it as a marketing thing, I have to admit.” This would later be seen as an opportunity to consider for further promotion.

One participant appeared to trivialize the need to quantify the return on investment based on their expressed values-based alignment to the underlying certification,

I just believe in it, you know, ultimately. You know, I’ve had people come up to me early on in my certification, you know, saying, “Oh, well, what do you get out of it? What’s in it for you?” And I just thought that’s a really short-sighted sort of...very short-sighted

view. Like this notion that anything you do in business needs to be more a gain
(Interview 19).

In contrast, another participant at the time of interview had already decided that they would not be renewing. They expressed frustration and discontent as they did not see the return on their investment, having developed expectations that certification would attract additional business.

I didn't see the value in it. They were looking for a \$500 US payment. And you know, I couldn't point to any one specific sale or significant sale, I should say, that had...where there was any mention of B Corp. (Interview 3, Leader)

The Business of Certification

An interesting and unique finding in the Nova Scotian context was the presence of provincial funding through the Workplace Innovation and Productivity Skills Incentive (WIPSI). The WIPSI was established in 2010 to provide funding to ensure the competitiveness of the Nova Scotia economic landscape through funding to improve efficiency, innovation, technology adoption and diversity (Campbell, 2017). This funding was sought out by a third-party consultant who positioned the B Corp certification as a means to compete beyond Nova Scotia, per the grant criteria (NovaScotia.ca, 2020). Pursuit of B Corp certification was framed as a training program under this grant, whereby an external consultant would “walk through the B Corp certification process” and “train participants on their business...to show you how good your business really is.” This funding placed an external consultant in the role as the “instigator” and prospective B Corps/clients in the role as the “buyer” of the certification. The external consultant reported that,

...[W]e could actually work through that process with those clients without having to... It didn't really cost them much more than the certification process itself because they could access funding to go through the process. (Interview 1, External)

Influences for the Pursuit of Certification

The secondary aim in this research agenda sought to explore the primary influences of the pursuit of B Corp certification and the degree to which these influences were the result of internal or external forces, see Figure 17. This section highlights the findings that emerged from this study relative to these notable influences, and builds on the general findings related to motivations to pursue certification presented in research question 1, and uses the frequency charts to answer the question of “primary” influence.

1. Leaders were the principal influence for the pursuit of B Corp Certification (causation codes: *leaders as driver* and *alignment with leader values and ethos*).
2. Secondary influences included the business case for the pursuit of certification and signaling of organizational identity (causation codes: *ROI (+)* and *signaling of organizational identity and “brand story”*).

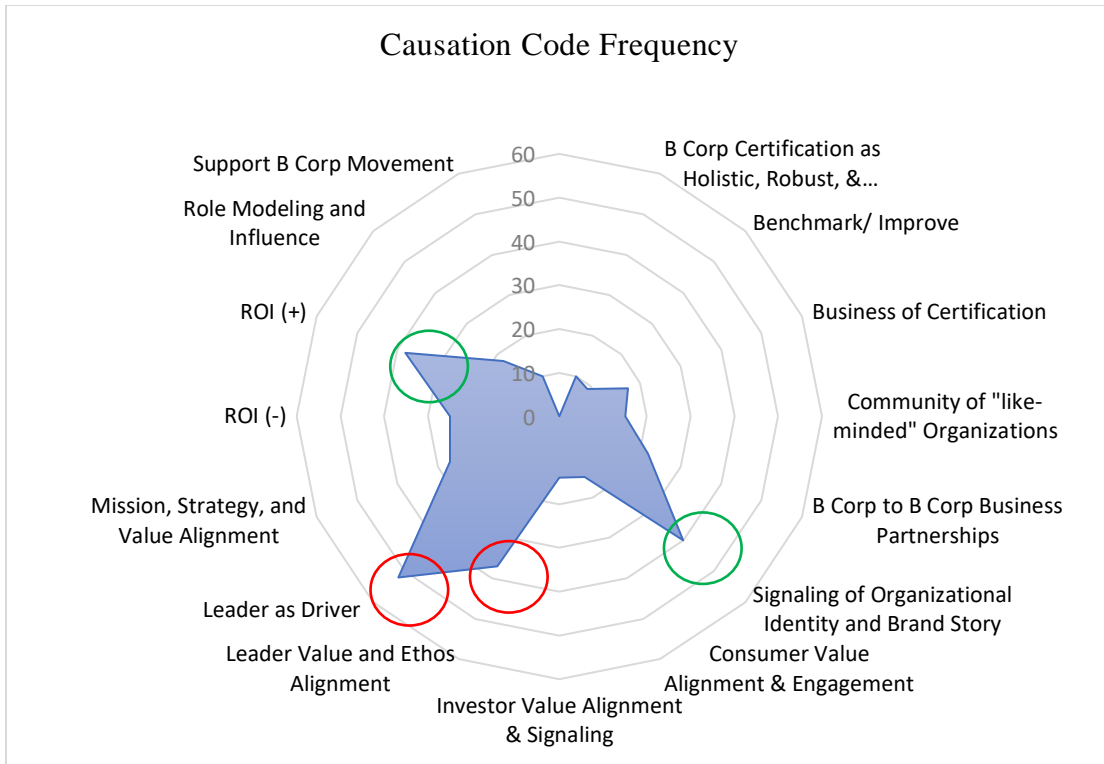


Figure 17. Causation Code Frequency Radar Chart with Primary Influences

Finding 1: Leader as Primary Influence

Organizational leaders were the most significant and influential driver, as this theme represented significant discussion from every participating organization. In all instances except one, leaders were the originator of the pursuit of B Corp certification. In the limited exception, while the concept was not originally brought forward by the leader, the leader quickly supported the initiative and played a significant role in its success and completion. One compelling finding was the agreement and consensus of the leader as the driver from the perspectives of the leader, their employees, and, on a more limited basis, external consultants. These findings will be presented across roles to illustrate the consistency within and between the participating organizations.

As a consistent finding across all participating organizations, leaders not only initiated and drove the process toward certification, they also expressed a deep and personal commitment to its achievement. One leader remarked, “I was the leader. And it was important to me.” While another, “It doesn’t matter to other people as much as it matters to me.” Leaders described themselves as drivers for the pursuit of certification in the following sample quotes, summarized in Table 15:

Table 15
Leader as Driver (Voice: Leader)

Organization	Role	Sample Quotes	Motivation
5	Leader	This is all about my [leader's] values aren't only my values when I'm at home in the evening or on Sunday morning. My values are my values. And if I have to live my values....or I can't live my values then what the hell am I doing?	Alignment
6	Leader	I guess I [the leader] wanted to know if I really was better or if it was just some idea I had in my head...I just wanted to up my game and understand how I could use measurement to really drive impact home for consumers.	Improvement
7	Leader	I'm doing most of this because it's what I want to do. And if there's some other benefit that's great. And in this conversation, I'm reminded that we're probably not generating the external benefits to the degree we could. But it's mostly because this is just the way I want to roll.	Alignment
11	Leader	My primary interest is in being values aligned.	Alignment

With the integration of the process and emotions coding, leaders are pursuing certification with an aim to align the values of the organization, to protect and preserve the organization’s mission in perpetuity, and to prove and/or provide credibility to the organizational efforts of a commitment to value-led business practices. Embedded within this is a commitment, passion, and pride to align values with B Corp certification as a manifestation of those values. One participant remarked, “I hadn’t thought of this before, but the Benefit Corporation and the B Corp certification again are kind of manifestations of our values.” This participant also shared,

Our imprint is—it sounds pompous— but like everywhere. And in my personal case, the look and feel and voice of the business is mine. (Interview 15, Leader)

Well, I am a millennial by constitution if not by chronology. Among the many positive stereotypes of we millennials is we need fulfillment in our lives, we need work of meaning, we need to stay fed, but maximizing earnings is not a priority. We want to work in community and in collaboration. There's a lot to do and a lot of interesting different things to do, and we're open to different experiences. So, it's unlikely we'll take...stay at any job for decades. And so, I think I'm on my seventh career. And along the way, advocacy, politics, government, and values-led business. And so, if that's some kind of soup, looking at climate change, I concluded there was a business imperative and opportunity. And so started one. (Interview 15, Leader)

There is a problematizing of certification being “the leader show” and a recognition that this isn't an outlier for a self-described “charismatic” leader, but rather a consistent challenge for many leaders who are passionate about value alignment within their business. There was the expressed regret that this is a missed opportunity to train the next generation of leaders and engage more employees in the certification process.

One of my personal failures is that this kind of stuff has generally been the [leader] show. And because I've been doing this now for 20 years, and I'm really steeped in it kind of nationally, and I have very strong opinions on it, I just do it. Well, that doesn't really engage others. That doesn't train the next generation. That doesn't crowd-source their wisdom and experience and passion they have. So that's another initiative of ours in our business plan, is to distribute that more. (Interview 15, Leader)

To counteract “the leader show”, B Corp leaders have joined to create more inclusive avenues to foster leadership throughout the organizations using annual B Corp Leadership Development regional conferences.

Now engage in annual BLDs – B Corp Leadership Development. So, it was actually, and I participated in this and I’m not alone, but to the degree that it’s the [leader] show here, it’s often the fill in the blank show at other places. So, there’s some allegedly charismatic founder-type who’s really into this stuff, and bakes some of it in. But there are limitations to that. And so, the BLDs were regional events to bring together employees, and educate and invigorate them in this stuff. (Interview 15, Leader)

Employees expressed prideful alignment with the influence of the leader as the driver toward the pursuit of certification, and expressed this alignment in the following sample quotes, as summarized in Table 16:

Table 16
Leader as Driver (Voice: Employee)

Organization	Role	Sample Quotes	
1	Employee	I think that they've always been that way. You know, [the leader] took the business over from her... Her dad initially had started the business...I think that it just happened very naturally. And becoming B Corp certified was really just putting a stamp on something that was already happening. Like it wasn't something where they're okay, oh, all of a sudden we're going to be an ethical company. Like they've always been that way.	Alignment
3	Employee	I think the largest amount of the focus definitely comes from [the leader]. I mean she's the president. Everything about the company, you know, comes from her first. And she truly believes that the only way we can get better is through partnerships and through working together and through society becoming better, not just one organization.	Alignment
5	Employee	business. One of our partners has since left. But [leader] is still here. The culture of XXX has truly been an extension of his value system.	Alignment
7	Employee	...[the leader] came from a background of social responsibility and worked many years at Ben & Jerry's. And knew that was part of his ethos and his world view, was to ensure that the next business he was involved in or started came from a place of making a difference, not just being there for the products but also how...being a demonstrator of how business is done. So he was a really important visionary and voice and driver.	Alignment
8	Employee	I think again I'd point back to our CEO. I think this is really just fundamental to who he is and that which he wanted to create. And so that has been infused into everything that we are.	Alignment
9	Employee	Definitely tone at the top is huge.	
10	Employee	I'd say probably [leader], who's one of the founders and is our chief legal, he's kind of been a pioneer in this whole carbon market area and developing the projects...And I think that's a motivator for him, is to develop these projects that he knows is going to have community impact or make these type of changes.	Alignment

Albeit to a lesser degree, as noted in Table 17, the external consultants also consistently expressed the critical nature of the leader driving B Corp certification, and their commitment to CSR must preexist for certification to be achievable.

Table 17
Leader as Driver (Voice: External)

Organization	Role	Sample Quotes	
12	External	I think you have to have a bit of a CSR mindset to even want to pursue certification. So I think that already has to kind of be within the company or least the intention from the leadership has to already be there.	Alignment
12	External	I think that already has to kind of be within the company or least the intention from the leadership has to already be there.	Alignment

Key to these findings is that one could suggest that differences in experiences for participating B Corps cannot be attributed to individuals and organizational roles, as participants at all levels agreed that the leader was the primary influence for the pursuit of certification. Multiple participants in internal and external organizational roles agreed that leaders drove the pursuit of certification, and this narrative was consistent both within organizations and between organizations.

Finding 2: Secondary Influences

Secondary influences included the desire for business case as a result of the pursuit of certification and the desire to signal the organizational identity. This narrative also experienced similar consistency across roles, and will be presented as such albeit with less intensity across roles. Return on investment was a secondary influence in both an optimism that certification would provide direct benefits (i.e., attract new sales from customers) and with optimism that it would align organizational processes and strategy resulting in potential indirect benefits. The desire to attract new sales from customers was viewed both to attract customers at large and more specifically to enhance B Corp to B Corp partnerships. Similarly, the signaling of organizational identity was motivated by the desire to project the “brand story,” “differentiate” and “outwardly prove to people that we walk the talk”. There was little mention of these

narratives being driven by the customer, but rather driven internally, with the customer as the desired audience. No customer pressure was suggested in this underlying narrative.

Secondary Influences—Business Case

The business case, defined as direct and indirect return on investment, was a primary influence, but the underlying narrative was not consistent across all roles within the organization. Leaders were the most dominant voice, although their expectations of return on investment from the pursuit of certification were not uniform. Leaders articulated a variety of expectations including “good exposure,” aspirations for new business, networking, and “public recognition,” while others were seeking out value creation via measurement, employee engagement and satisfaction, and simply as “a better way to run a business”. There are two definitions present regarding return on investment: direct and indirect (see Tables 18 and 19). Direct return on investment is an explicit expectation for short-term financial gain as a result of the pursuit of certification. Indirect return on investment is defined as a long-term orientation to value creation with perceived benefits anticipated from operational improvement, external non-customer recognition, and increased learning and networking opportunities.

Table 18
Direct Return on Investment (Voice: Leader)

Organization	Role	Sample Quotes
1	Leader	I hope I get enough PR and that it helps me business-wise, you know, in terms of revenue, and then that I get my money's worth out of it.
2	Leader	I thought it would bring new people in because we were B Corp certified - people who were of that mindset. But my typical customer base is not of that mindset per se.
3	Leader	More like a convincing strategy with the partners...all of those have been impressed that it's a B Corp certified.
5	Leader	We went how do we differentiate ourselves? So we started looking around and we found B Corp. And I think we were only the 10th or 12th B Corp in the country. And certainly we were the first one in our region...

Table 19
Indirect Return on Investment (Voice: Leader)

Organization	Role	Sample Quotes
4	Leader	This was an area of importance to us in terms of the economic, the social, the environment impacts. So the concept was important to us, and would actually fit in within our strategic framework. So it had an alignment with how we defined who we were and what we wanted to be in the future. The second was we wanted to have a means in which to measure our performance in a priority area.
7	Leader	We're doing this because we think it is actually a better way to run a business, and that we think that our employees will be happier and more satisfied in their lives, that our customers ultimately will be happier and more satisfied in their lives, and that that will translate to a better top line and better bottom line for our business.
8	Leader	Especially in B Corp, there's lots of education and learning involved the first time through. You know, there are things that were already aligned with anyways. So again, it's helping that equation of having the CSR also drive the business engine to get public recognition.
9	Leader	It felt like if I [leader] started implementing some of this certification now, for one it would start to shape the sort of structure of the organization.
11	Leader	It's the connections I have at this point. It's the people...And the people that I see at the BLD, at the Champions Retreat, you know, throughout Vermont, and in getting referrals from and to B Corps in the community, it's the best possible network. It's better than any other network I have right now. So that's... from a marketing standpoint, it's a great investment. From whenever my little one person brand has, it's a great investment.

Not all employees discussed the concept of “return” from the pursuit of B Corp certification. Three of the employees included in the study did not mention this concept of return at all. As noted in Table 20, of the other employees, three specifically mentioned that certification does not have an impact on business, and many alluded to this having not been a realistic expectation. Employees articulated that it “does not matter in their [customer’s] eyes,”

“not a key differentiator,” and “that [it]’s pretty rare” for a customer to mention B Corp certification. Two employees express an optimism that “having B Corp on our reports is going to be a great showpiece to partners” and in the one instance where an employee proposed certification, they advocated for consideration of the “cost of not being a B Corp” with customers, particularly as they were competing with other B Corps in their “space.”

Table 20
Direct and Indirect Return on Investment (Voice: Employee)

Organization	Role	Sample Quotes
1	Employee	But our certification does not matter in their {customer's] eyes. I’m sure it's like a...you know, the cherry on the sundae. But it’s not a decision-making factor.
4	Employee	For our market, people do not understand what it is and it's not part of the decision-making process in order to choose their financial institution...There was never an understanding that this was going to drive membership or boost membership by 10, 15%, 20%.
5	Employee	We’re just getting into the territory where we have capacity to do impact reports and share with people the impact we’ve had on our clients and stuff. I think when we do that, I think having B Corp on our reports is going to be a great piece to show to potential partners, especially in the corporate world which we want to move into more.
9	Employee	That’s pretty rare. I’d say it’s probably 10% of the time people mention it for new clients. But I have had people mention it for sure.
10	Employee	I looked at what’s the price of not being a B Corp, the cost of not being a B Corp. One is that our clients and prospective clients are looking for third party validation of goodness. And B Lab delivers on that. You know, companies that do good and lead with impact want to do business with others who are doing the same. And there's a decent amount of companies who are B Corps already who are in our space.

In one instance, a senior employee offered a critique on the focus of certification as a “business development” opportunity. This employee felt most comfortable sharing as their boss left the office next door.

My boss just left his office so it's easier. I would say as an employee, I would like to see us get more involved from a leadership standpoint in things like the inclusivity challenge. Which, you know, we can't...we probably won't be able to go into it headlong and do everything like a large corporate company that's hiring a lot of people. But just more top-down communication and like, hey, here's how we're thinking through this lens, and in terms of B Corp certification, what it means. Or from a leadership standpoint versus just a business development view. (Interview 22, Employee)

Through this lens, this employee is not articulating a lack of authenticity with B Corp certification but rather a desire that certification become more operationalized (and vocalized) into all decisions beyond attracting customers.

Perhaps as expected, external consultants articulate the return on investment with a focus on “market share” and as a “seal of approval, seal of trust, seal of accountability”. One external consultant speaks to the benefits of B Corp certification as “optimizing” business processes and embedding CSR in a way that would yield cost savings. Other sample quotes are included in

Table 21:

Table 21
Direct and Indirect Return on Investment (Voice: External Consultant)

Organization	Role	Sample Quotes
12	External	And when I was in NS working with those companies, I was really focused on mission and I was really focused on market access. So you already have a mission. Let's like beef it up, let's communicate it, and then you get more market share.
12	External	When you optimize your energy use, you save money. When you create better HR policies, you have less attrition, you save money. So a lot of the policies that are built through the certification or that I would encourage companies to do, to implement, would have cost-saving benefits on the other end.
25	External	And then the final factor of course is that from a marketing and sales perspective, that kind of verification is valuable in terms of a seal of approval, seal of trust, and seal of accountability.
25	External	...the purpose and benefit of B Corp certification is not increase in sales. At the same time, we see factors emerging that would suggest that it's obvious that if you have contented employees, they may become more productive. And when they become more productive, that may contribute to profitability. Or if you have increased consumer trust, that may contribute to profitability. And so recently the folks at Cabot initiated an article in collaboration with a group of other B Corps in the Harvard Business Review where they actually...where they are going ahead and talking about the business case for B Corp certification. Which is really interesting. I think you will not see such an article issued by B Lab. But very interesting when there are companies who feel that it is supporting their business case.

Secondary Influences – Signaling Organizational Identity

Generally speaking, there is a high level of consistency surrounding the belief that B Corp certification acts as a “differentiator” and “gradient” to “set us apart,” and it “gets people’s attention when we can actually say look at us, we’re special, we’re different.” One participant noted that the ability to be “able to bring up that B Corp and bring up the stats made a big difference” in discussions with potential partners/ customers.

There is a perceived belief that certification acts as a signal to customers and employees who appreciate this alignment of shared values. Certification was said to act as a “convincing strategy” to “communicate what their values” are and establish a “credibility for building trust”. It offers definition to “who we are and what we stand for a little bit more. It gives it some credentials.” and shows that “we’re ethical and we know that these are what we stand for.” B Corp certification provides a means for companies to “outwardly prove to people that we walk the talk.” As noted in Table 22, several leaders (5) spoke to this narrative, however representation of this narrative was not distributed across all organizations.

Table 22
Signaling Organizational Identity (Voice: Leader)

Organization	Role	Sample Quotes
2	Leader	It also helps in the marketing perspective, and also just defining who we are and what we stand for a little bit more. It gives it some credentials.
3	Leader	...if I had B Corp certification then I would stand out amongst those, as one thing. And then that would in theory make me more attractive to customers that were interested in that sort of...that type of company.
4	Leader	...more like a convincing strategy with the partners.
10	Leader	we went how do we differentiate ourselves? So we started looking around and we found B Corp.
15	Leader	the alignment, the recognition, the signalling customers.

Employees magnified the role of B Corp certification and its symbolism more than those in other organizational roles. In B Corps where there were employees, the majority of participants spoke of the motivation of signaling and “brand story”, as noted through sample quotes in Table 23:

Table 23
Signaling Organizational Identity (Voice: Employee)

Organization	Role	Sample Quotes
1	Employee	You know, when you get up and you stand in front of a room, and you've got a bunch of people that are like pitching their job opportunities, and you say we're B Corp, this is who we are, this is our company culture, then we know that we're going to get somebody that...where that specifically resonates with them. So we can kind of pre-qualify out of the gate.
5	Employee	you know, you automatically assume well, they've gone through some hoops and that kind of thing, and they have their ducks in a row, you know, and it's probably a good thing if it's one of the first things they said in introducing their business to another potential partner.
6	Employee	I think part of it is that being able to say we're a B Corp definitely helps. Like it's one thing to say you're a social enterprise, and it's another thing to say we are a social enterprise and we've been recognized by B Corporation, like we've actually gone through certification and a third party has said, "Yeah, you're a decent company."
9	Employee	prove to you that we care about ethics and how we treat our company and how we're affecting those around us and how we affect the environment is critical.
11	Employee	What can we do to prove to people that from a third party or from something, not us, that we are indeed doing well? And B Corp was the only thing that we could find.
13	Employee	I think it is a distinguishing factor in a tight job market here in Vermont in particular.
16	Employee	...it's a stamp that we wear on our sleeve. You know, the work that I do in the customer facing work, it's something that we talk about always...it's a goal to talk about why we do the work that we do, and why we do it the way we do it. And oftentimes that is told through the lens of being a B Corp.
18	Employee	That's part of our brand story. And we think that people actually choose to buy us over other people because of that. We believe that that's important to our consumer. And so the B Corp certification was something that we wanted to pursue in terms of also helping to tell our story, and that that would give some other awareness to it. Not everyone knows what B Corp means or is. But it's another piece to tell the story.
20	Employee	I think that this is so important to the company, to ourselves individually as well as to the company itself, that we really wanted to outwardly formalize the philosophy around the way we do business.

External consultants also expressed alignment in this narrative as seen in Table 24:

Table 24

Signaling Organizational Identity (Voice: External)		
Organization	Role	Sample Quotes
28	External	It's almost like once you say that you are B Corp certified and the company actually understands what that is, that that's the only verification that they need. They're like, "Okay, we can proceed."
25	External	The opportunity to say to your employees – This is the kind of company we are. Let's all work together. And our tool for continuing to grow...or tool that provides us with the parameters within which we want to grow is going to be our impact assessment.
26	External	So helping to differentiate from other competitors. Or people that are even in the same space that are both B Corp, you can still differentiate on your score a little bit.

Finally, B Corp certification also is positioned as a means for customers to make informed decisions based on their own values.

You know, it's very Gandhian how I approach it. It's just like what you buy, is that the kind of world that you want to live in? And I don't think people get that connection.

(Interview 4, Leader)

Having the B Corp triple bottom line mission helps them [the customers] understand that...You know, money isn't the reason that we exist. It's a reason but it's not the reason.

(Interview 16, Employee)

Regional-level Cultural Influences for the Pursuit of Certification

The third aim of this research agenda was to explore the possible regional-level cultural influences of the pursuit of B Corp certification in Nova Scotia and Vermont. By the end of 2018, nearly 2,600 companies in 50 different countries had achieved B Corp certification, numbers that signified significant growth (48%) since I began this research in late 2016. At the

time of my sample selection, there were eight certified B Corps in Nova Scotia and 27 in Vermont. As of early 2021, there are now 3,790 certified B Corps in 74 different countries, representing another 46% increase since 2018. This expansion has not been experienced uniformly in Nova Scotia and Vermont.

Table 25
B Corp Landscape

	2016 Total B Corps	2021 Total B Corps	Renewal Rate	Nonrenewal Rate	Net New
Nova Scotia	8	6	2	6	4
		-25%	25%	75%	
Vermont	27	38	21	6	17
		41%	78%	22%	

As noted in Table 25, there are currently 6 certified B Corps in Nova Scotia with two renewing from the original sample population, representing a 25% decline overall, a 25% (2) renewal rate and 75% (6) nonrenewal rate since 2016. Since that time 4 new organizations have certified, with 3 having yet to go through the bi-annual renewal process. In contrast, Vermont has 38 certified B Corps, experiencing a 41% increase as 17 new organizations have become certified. Since 2016, 78% (21) of organizations have continued to renew their certification, with 22% (6) deciding not to renew. It should be noted that renewal rates may have been affected by the onset of the global COVID 19 pandemic, and its enduring impact has the potential to influence future renewal rates across the two geographic locales.

This backdrop is important as I present the key findings that emerged from this study relative to these cultural influences:

1. The core drivers of B Corp certification do not appear to have notable cultural influences between Nova Scotia and Vermont in my sample population.
2. As compared to Vermont, Nova Scotian B Corps in my study had increased expectations of return on investment given the way in which the certification was “sold” to them.
3. As compared to Vermont, Nova Scotian B Corps in my sample lacked a sense of community and collegiality amongst fellow B Corps.
4. As compared to Nova Scotia, the Vermont B Corp landscape has a maturity, with the backdrop of both Vermont Businesses for Social Responsibility and the first B Corp in 2007 (vs. 2013), that has fostered business and investor partnerships not experienced in Nova Scotia among my sample.

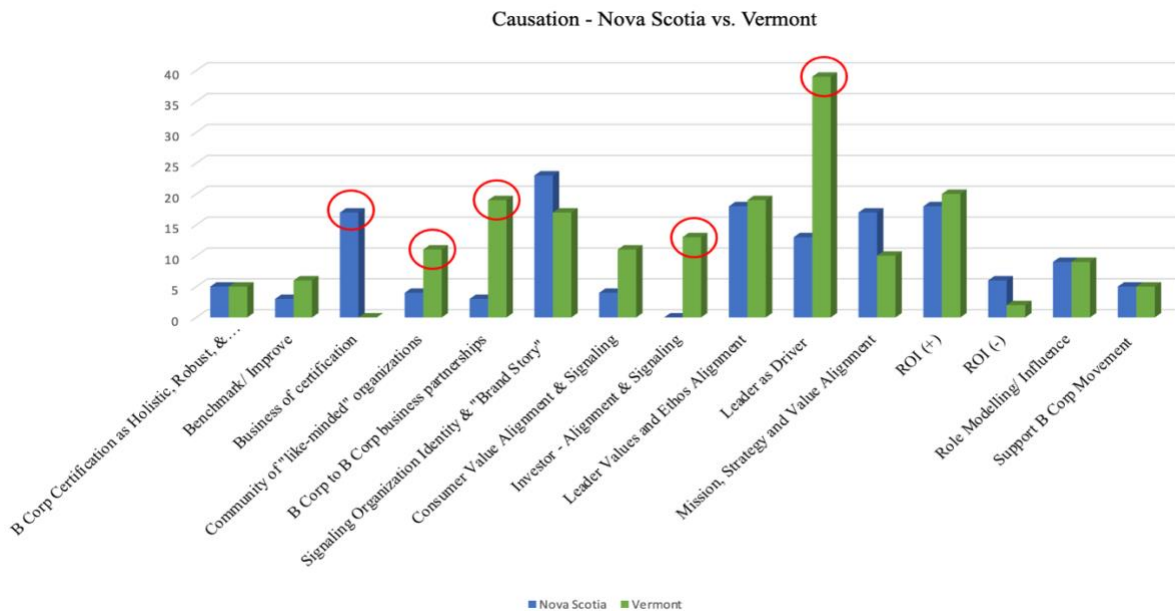


Figure 18. Causation Nova Scotia vs. Vermont

Similarities in Certification Drivers in Nova Scotia and Vermont

Generally speaking, substantive differences were not experienced in the drivers of the pursuit of B Corp certification between Nova Scotia and Vermont for the majority of the findings. The experiences of B Corps regardless of geographic locale in this data corpus were not highly differentiated except in two key areas. The first is a surprising finding relative to the business of certification as situated in Nova Scotia and the second is lack of maturity in the Nova Scotia B Corp community which yielded differences in community, business and investor relationships. The other narratives around drivers remained incredibly consistent. Figure 18 does depict the comparatively greater intensity for the narrative of leader as driver in Vermont, but this is due in large part to one particular organization and founders to whom multiple quotes were attributed. As noted previously, while this intensity might have differed in Vermont and Nova Scotia, the leader as the driver was a similar finding across all eleven participating organizations.

The Business of Certification in Nova Scotia

As mentioned earlier, a unique and unexpected finding was the presence of provincial funding in the Nova Scotian context through the Workplace Innovation and Productivity Skills Incentive. No similar funding was evident in the Vermont narrative or experience. In Nova Scotia, the certification was framed as a training program, whereby an external consultant would “walk through the B Corp certification process” and “train participants on their business...to show you how good your business really is.” This funding placed the external consultant in the role as the “instigator” and prospective B Corps/ clients in the role as the “buyer” of the certification.

This relationship was problematized by both the “buyers” and the “sellers”. The buyers reported that the certifying organization should be solely responsible for the certification process, given its accessibility and the need for direct information from the leaders of the organization. Nova Scotia based participants did not report the consultant services as transformative or impactful during the certifying process.

I wouldn't recommend it. I think a company should do it themselves ... I didn't realize that it's not that hard. And it all has to come from the business owner. I mean it really does. (Interview 2, Leader)

So, she had said, okay, this is B Corp and this is what it is. And it resonated, and they moved forward with it...they really kind of did it on their own. (Interview 1, Employee)

Whereas the “seller” also shared that, in hindsight, they would have aspired to create a very different program; instead of simply working companies through certification, they would have created a more impactful program focused on improvement and learning post certification.

I would have done it differently. And it was actually one of the issues that was a sticking point. We [the partners] had a lot of disagreement about that particular process and what that looked like. (Interview 1, External)

Lack of Community and Collegiality in Nova Scotia

A second key difference in the context of comparing Nova Scotia to Vermont was the apparent lack of community and collegiality amongst Nova Scotia B Corps. Nova Scotia B Corps did not speak to B Corp to B Corp business partnerships, in strong contrast to Vermont B Corps. The concept of B Corp to B Corp business partnerships was mentioned by only one

participant in Nova Scotia who was doing business outside of Nova Scotia, so in this regard they were seen as an exception.

But if we say we're a B Corp, all of a sudden, honestly, Nicole, every time I have a conversation with another B Corp person, they perk up. "You're a B Corp too!" Like it's a cool club that you're a part of. It's like already if you're certified and I'm certified, we obviously have certain values that are the same. It's almost like a conversation opener in my mind. Which is why when we go back to why recertify, I felt if we were not B Corp certified and did not continue to be B Corp certified, we would no longer have the opportunity to have those conversations with those players. (Interview 9, Leader)

Another contrast and exception from participant comments was the presence of animosity towards another B Corp in a very small community that lead to resentment due to government funding sources.

they kept all the money for themselves and were "competitive". They would not allow an organization to work with anybody other than themselves in the use of those funds.

Which I consider like an extremist expropriation of federal dollars (Interview 1, External)

Nova Scotian B Corps also highlighted a frustration that they experienced with B Lab.

I didn't even get follow-up reminding us to recertify. Like there was very little communication around that. And there certainly wasn't anything saying congratulations, you've increased by more than 10%. You know, none of that. So, there's not a lot of support from B Corp... There's no movement that's actually happening from B Lab here in Canada anymore. (Interview 1, Leader).

Maturity of Vermont B Corp Landscape

In contrast, the Vermont B Corp community has existed since 2007 with several prominent early adopters including King Arthur Flour and Seventh Generation (B Corporation, 2022). The B Corp community in Vermont not only remains highly consistent with a 78% renewal rate, but has also grown by 41% (as noted above). This yields a difference in experience for the Vermont B Corps. Vermont participants highlight the critical importance of working with fellow B Corp certified organizations. Of the 15 Vermont participants, 10 spoke of the importance of value alignment and a sense of collaboration being present in the B Corp to B Corp relationships:

Table 26
B Corp to B Corp Partnerships (Voice: Vermont)

	Sample Quotes
Interview 13	Not only that we can show that we all have that status but it just demonstrates the common mindset and philosophy towards business that we share, that also makes a partnership more likely to be successful....You know, that we're all from the same ilk, and that's why we'll be able to make it work.
Interview 15	Certification supports our relationship. That we both understand that we're operating on a set of similar values. And so the kinds of partnerships and the kinds of things we seek to do stem from that.
Interview 21	Companies that do good and lead with impact want to do business with others who are doing the same. And there's a decent amount of companies who are B Corps already who are in our space.
Interview 25	B Corp community is hugely active in terms of setting up opportunities to collaborate and to learn from each other, to contribute expertise. Whether it's the annual B Corp champions retreat or whether it's local groups that have formed to communicate. So the intentional collaboration is important.

Present in Table 26 is a sampling of Vermont-centric discussion on the focus of networking and translating the B Corp to B Corp business into a tangible return on investment. One participant

responded, “It’s better than any other network I have right now...it’s a great investment”. One Vermont participant extended this and presented it as the risk of not pursuing B Corp certification and the opportunity cost for the bottom line.

...[A] lot of the clients and companies that we work with were also taking the plunge or the path down B Corp certification, or they already had. So, to some degree there’s... You know, we’ve spoken about this internally. There’s the risk of not doing it. You know, if our clients are all doing it and we’re not doing it, you know, does that raise red flags? Also getting the certification, what opportunities does that do to build your network with other B Corps? And whether it’s increasing business from a sales perspective or other business development opportunities, whether it’s in our supply pipeline or other ways. (Interview 23, Employee)

This maturity also extends into the instrumental use of certification to enhance investor relationships and attract external financing. Nova Scotian participating organizations did not have external investors, whereas in the Vermont landscape three of the five participating organizations had external investors. In one instance in Vermont, the pursuit of B Corp certification was brought forward as an initiative by an external investor who had “a portfolio of brands all in the same space”. In this one instance, B Corp certification and its underlying criteria became one of the initiatives that required Board reporting. Other Vermont B Corps spoke of the intersection of B Corp certification and Benefit Corporation status as a means “to be clear with our investors” about the triple bottom line priorities of the organization.

Summary

This chapter aimed to present the findings, organized by each of the three research questions, and relied on extensive sample quotations of the participants. By using the participants' own words, true to qualitative research methods, my intention was to represent the experiences of the individuals and context under study.

My study data revealed that SMEs had a variety of motivations for pursuit of B Corp certification. These included the desire for stronger alignment with the values of the organizational leader and/or of the organization and the related organizational strategy; the desire to belong to a community of like-minded organizations; and the perceived business case and potential benefits of the B Corp certification itself. Organizational leaders in these SMEs pursued certification to align with their personal values and beliefs, as well as to serve as role models and to exert influence within the broader industry. B Corp certification became a means to signal the organizational identity to internal and external stakeholders aimed to foster a broader understanding of the organization's mission and values. As one of the B Corp leaders stated, the certification came to represent a “manifestation of our [the organization's] values.”

The pursuit of value-aligned community and the business case each had multiple dimensions, and, unlike the organizational leaders and/or strategy, these findings were not uniform across all participants. The desire to belong to value-aligned community was a motivator in the pursuit of certification as a means of expressing value alignment with key stakeholders (employees, consumers, and investors), existing and potential B Corp business partners, and in response to an expressed desire to join a community of “like-minded” organizations. Pursuit of a business case motivated organizations to pursue certification based on the belief that the certification itself had value in that it was “comprehensive,” “robust,” and “rigorous” and offered

opportunities for benchmarking and improvement. This was complemented by a narrative surrounding the potential for direct and indirect return on investment.

In the second research question, I sought to understand who and/or what were the primary influences for the pursuit of certification and further describe the intensity of such motivations. My study participants described SME leaders as the primary influences for the pursuit of certification. Secondary influences included the business case as a result of pursuing certification and the signaling of organizational identity and “brand story.”

Leaders drove certification based on their perceived value alignment with the ethos of the certification. This represented a consistent narrative across multiple roles presented in the study (leaders, employees, and external consultants).

The secondary influences also were consistent across these multiple roles. Business case was a secondary influence. This represented an optimism that certification would result in direct and indirect benefits to the organization. These benefits ranged from the potential to attract additional sales from customers to the alignment and improvement of organizational processes, with aspirations that it would result in potential cost savings. Signaling organizational identity was also a secondary influence and was driven by a desire to differentiate and “prove” that organizations “walk the talk.”

In the third research question, I sought to explore the extent to which similarities and differences were experienced in Nova Scotia and Vermont. In my sample, I did not identify notable cultural differences in the overarching motivations to pursue B Corp certification. However, some differences did emerge in the data. In contrast to their Vermont counterparts, Nova Scotian organizations were directly influenced in their decision to pursue certification by the role of the third-party consultant and the business of certification. This was apparent in the

influence exerted by the third-party consultant, the role of external funding, and the interaction between actual outcomes and heightened expectations of return on investment due to the way in which the certification was “sold” to Nova Scotia B Corps. SMEs in the two locales also experienced differences around the sense of community and collegiality experienced, and the maturity of business and investor partnerships.

Building on these findings, in the following chapter, I focus more specifically on the leaders of the B Corps in my study and present a mapping of their motivations for the pursuit of third-party CSR certification as informed by the prior literature and the overall findings from my research as just presented.

“Benefit Corporation and the B Corp certification again are kind of manifestations of our values.”

- Interview 15, Leader

CHAPTER 6

Mapping Motivations for the Pursuit of Third-Party CSR Certification

Given calls for research to study the motives for CSR engagement (Moroz & Gamble, 2021; Pollack et al., 2020; Wang et al., 2016) and the fact that my research raised the critical importance of leaders’ values-based orientation in the pursuit of B Corp certification, I elected to do a more in-depth mapping of leaders’ motivations.

After further consideration of the findings presented in the previous chapter, I propose that SME leaders pursue B Corp certification in an effort to legitimize their espoused commitment to, and compliance with CSR, while also demonstrating their leadership on an issue of deep personal significance. I propose that the pursuit of B Corp certification acts as a legitimating mechanism, with a particular focus on moral and pragmatic legitimacy. Given the primary influence of leaders and their quest for value alignment, I also situate my proposition in the context of the literature on third-party CSR certification, specifically B Corp certification, SMEs, and leaders’ values-based orientation.

The Proposed Integrated Motivational Framework

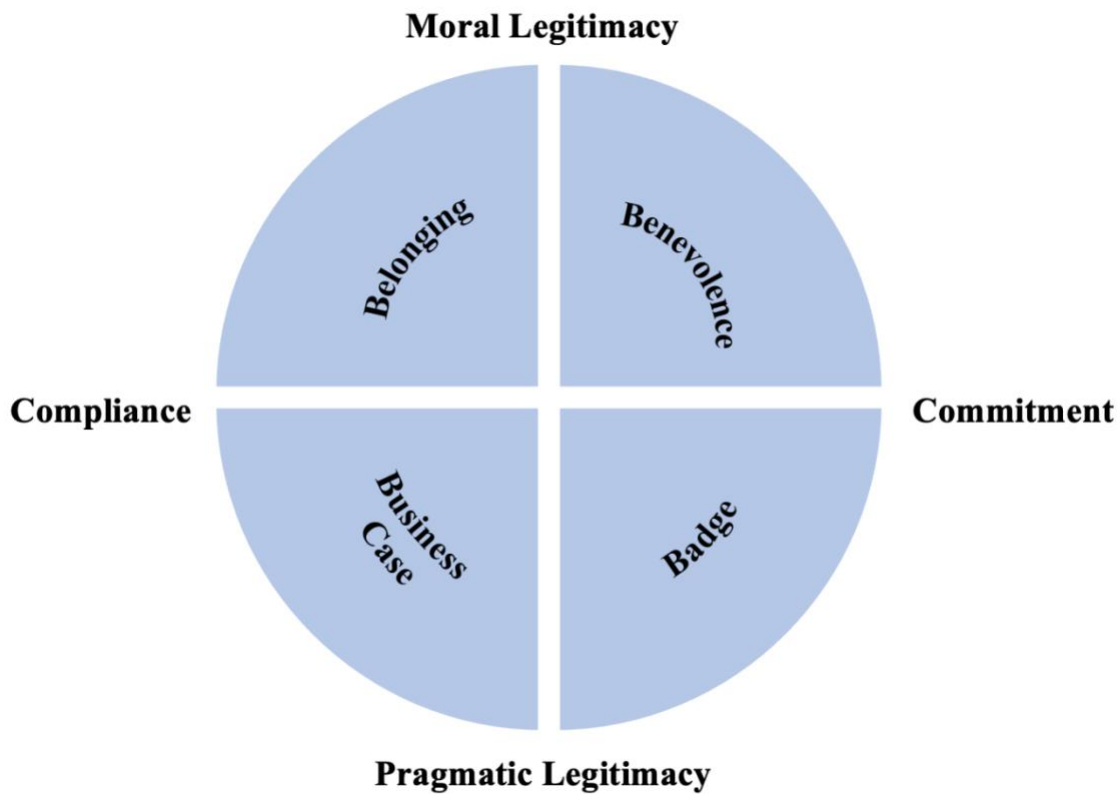


Figure 19. Motivations for the Pursuit of Third-party CSR Certification

I now turn to the explanation of each quadrant in the motivational framework shown in Figure 19: *business case*, *badge*, *belonging*, and *benevolence*. Since B Corps operate in for-profit business models, I chose to explore the pragmatic legitimacy dimension of the framework first, starting with the *business case* quadrant and the *badge* quadrant, before discussing the two moral legitimacy quadrants of *belonging* and *benevolence*.

Business Case – I comply with “right” things that earn me rewards

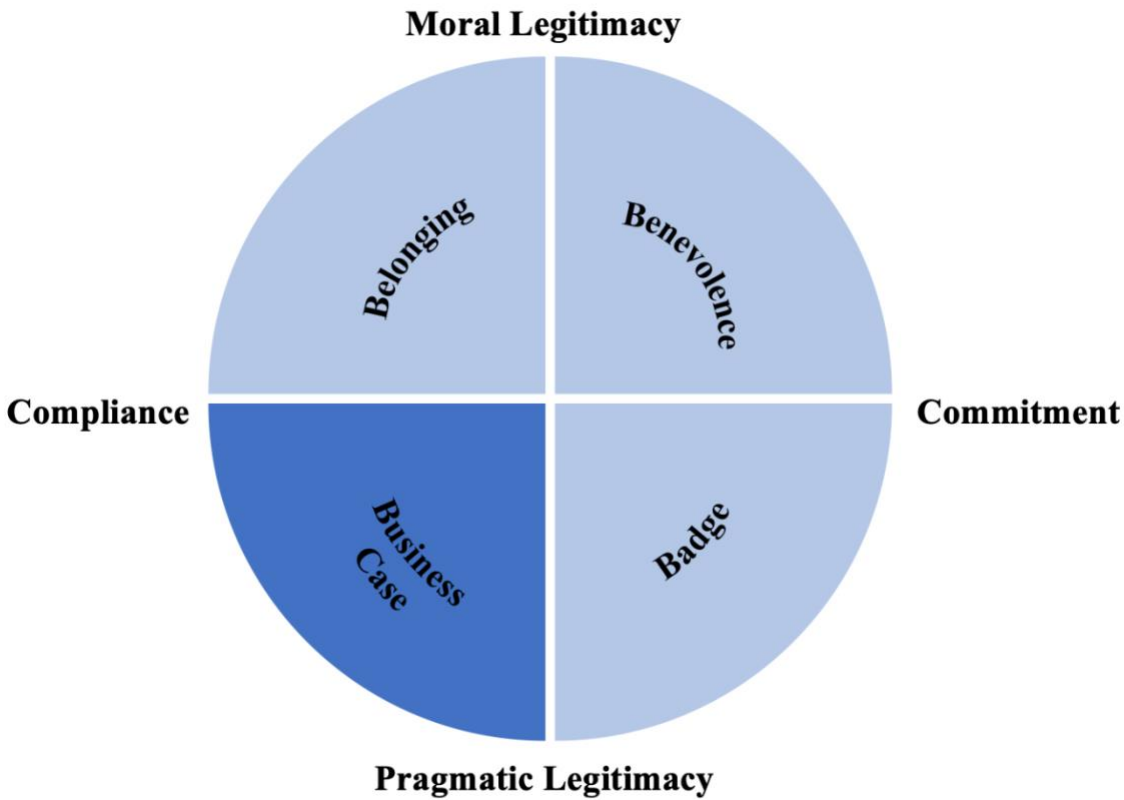


Figure 20. Motivations for the Pursuit of Third-party CSR Certification: Business Case

“Ultimately, I was looking to grow the company, grow revenue...I thought it would bring new people in because we were B Corp certified.”

– Interview 3, Leader

As illustrated in my data, leaders can be driven by the *business case* for certification (Figure 20). Participants shared a multifaceted view of the *business case* by aligning it with both direct and indirect return on investment (short-term vs. long-term orientation). They highlighted pragmatic aspirations to “grow the company, grow revenue,” “increase business,” gain “good exposure,” “get enough PR,” and “get more market share.” Within this context, participants

pursued B Corp certification in anticipation of the benefits that they expected would be bestowed upon them.

Participant responses aligned with the *business case* quadrant relate to the findings in the literature on the pursuit of certification for its business case, reviewed in Chapter 2. Most directly, they correlate to Prutina's (2015) notions of "shareholder culture" and "CSR masquerade culture," both of which take an opportunistic view of CSR engagement. Furthermore, the business case for CSR has been discussed for the ways it complies with profit and efficiency purposes (Aguinis & Glavas, 2012; Barnett, 2007, 2019; Peloza, 2009; Orlitzky, Schmidt, & Rynes, 2003; Servaes & Tamayo, 2013).

Consistent with Aquilera et al. (2007), participants pursue certification with instrumental motivations and explicit expectations that they will be rewarded with tangible benefits for their commitment to social responsibility. They engage in the pursuit as a self-interested pragmatic calculation that their most immediate audiences will see the utility of certification. I posit that, within the domain of B Corp certification, compliance is seen as symbolic of broader social responsibility. The pragmatic nature of this symbolic commitment is most evident from participants' comments that suggest certification was "put[ting] a stamp on something that was already happening."

Another instrumental motivator was the desire to project strategic alignment. Many participants also spoke of B Corp certification in ways that suggested strategic predictors (Husted & de Jesus Salazar, 2006), where there are clear and direct benefits bestowed to the firm. They seemed to believe that certification would act as a "great showpiece to partners" and as a "marketing tool" for the business, with a focus on the value of "verification," and the opportunities that certification can yield for "increasing business from a sales perspective or

other business development opportunities.” This instrumental orientation extended beyond direct return on investment. Participants offered optimism that certification would lead to indirect return on investment, including internal operational benefits. Certification was positioned as “a better way to run a business” and as something that can “help shape the structure of the organization.”

Leaders within the study also did not seem to position the pursuit of B Corp certification as having a “self-sustaining hedonist” motive, one in which organizations are focused both on self-interest and profit-maximization (Roth and Winkler, 2018). Rather, they seemed to regard the pursuit as an opportunity to demonstrate the legitimacy and business case of the certification for their individual firms, especially those whose firms had a broader social purpose. Leaders suggested a focus on “making business sense” as a reason for pursuing the certification. One leader suggested that B Corp certification was a powerful way to “prove the model” that a company can be “financially successful because of, not in spite of our values”:

In our purpose is the inclusion that we seek to use business as a force for good. And so it’s just steeped in how we do it. But also, we want to kind of prove the model and show it—that business can be values-led and successful...So we were financially successful because of, not in spite of our values. And so, the whole kind of values-led business, I don’t know if it’s a movement, but community is steeped in that, and in some ways trying to prove that. (Interview 15, Leader)

Badge - I am committed to “right” things that showcase my values

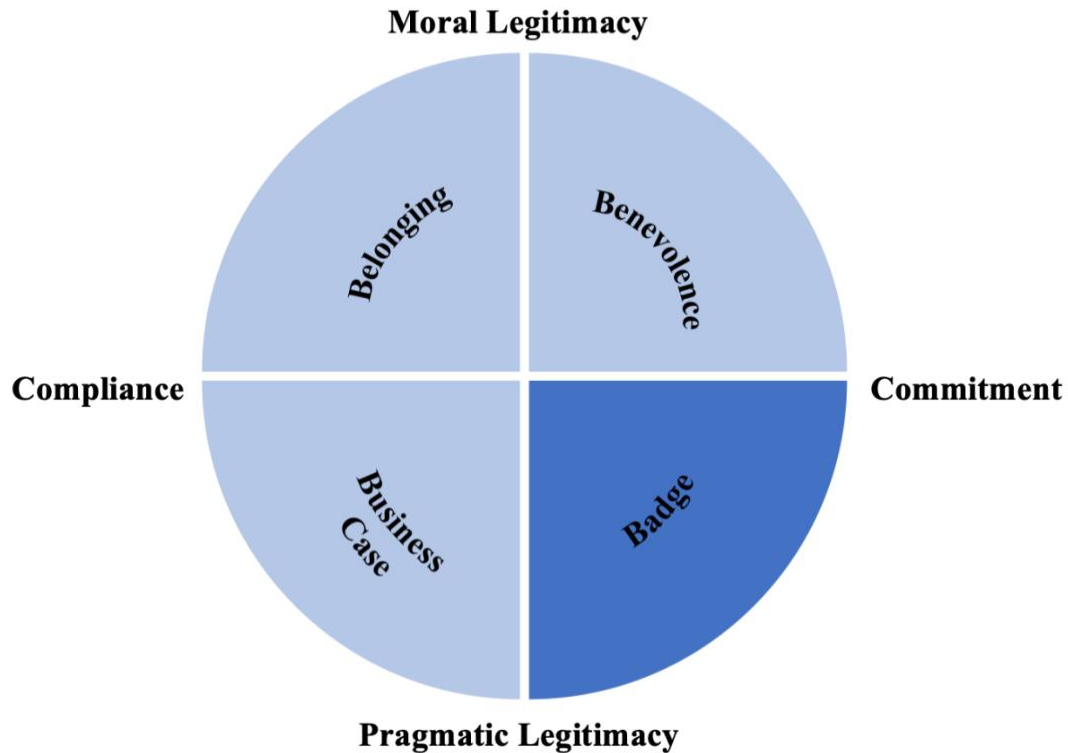


Figure 21. Motivations for the Pursuit of Third-party CSR Certification: Badge

“Putting a flag in the ground and saying we are going to be certified to prove to you that we care about ethics and how we treat our company and how we’re affecting those around us.”

– Interview 9, Employee

All participant organizations suggest that B Corp certification was a tangible demonstration, “signal” and the “brand story” of their commitment to “value-led business,” terms that all relate to the *badge* quadrant in Figure 21. While pragmatic legitimacy considerations are articulated under this quadrant as well, participants appeared motivated to pursue B Corp certification as a leader-driven response so they could role model and signal their innate values-led commitment to sustainable business practices. This is reflected in participants’ expression of the desire to “prove the model and show...that business can be values-led and

successful,” to obtain “public recognition” or “credentials,” and to act as a “testament” of their commitment to internal and external stakeholders.

Expressions that fall in this quadrant align with the findings of Kim and Schifeling (2016), who suggest that firms have been “forced” to pursue B Corp certification as a response to more conventional firms increasing their efforts to be seen as “green” and to “help consumers sort through the marketing hype to find businesses and products that are truly socially and environmental responsible,” as a signal of authenticity (p. 32).

However, reasons for pursuing certification that fall in the *badge* quadrant, contradict other prior research as it is not motivated by self-interested expectations of benefit. Instead it is based on normative pressure to symbolize adherence to a tangible expression of the desired organizational identity (Dowling and Otubanjo, 2011), consistent with the coercive predictor posited by Husted and de Jesus Salazar (2006). One participant’s remarks reflected this motivation:

If this was just about kind of the stamp of approval or certification or, you know, a side show of some good PR or whatever, I wouldn’t have an interest in it. We’re doing this because we think it is actually a better way to run a business, and that we think that our employees will be happier and more satisfied in their lives, that our customers ultimately will be happier and more satisfied in their lives, and that that will translate to a better top line and better bottom line for our business. (Interview 14, Leader)

Corporate identity becomes a central feature, with certification a *badge* through which that identity is interpreted as a strategic manifestation of corporate-level vision and mission, underpinned by the strategies a corporation employs in its operations or production (Melewar and Wooldridge, 2001). Melewar & Karaosmanoglu (2006) suggest that organizations have

realized that strong identity can help them align with customers, investors, and employees, and “serve as a means to differentiate” within a crowded marketplace (p. 846). In this pragmatic sense, seeking out certification appeared to be motivated by an identity claim representing the values of the organization, to “differentiate” and “to tell the story of who we [the B Corp] are and what we’re doing.” Prior research has shown that, compared to their larger firm counterparts, SMEs generally fail to report sustainability efforts (Kutzschbach et al., 2019). B Corp certification provided the SMEs in my study with an authentic and by all accounts relatively easy opportunity to do so.

Participants’ comments suggested that B Corp certification served as a “seal of approval, seal of trust, seal of accountability,” and acted as “a stamp we wear on our sleeve.” One leader said, “B Corp is the best public-facing symbol of this set of shared values”. Participants implied that they sought out B Corp certification as “third-party validation of goodness” and to “tell the story of who we are and what we’re doing.” For participants, certification offered “credibility for building trust”; it answered the question, “how do we differentiate ourselves” as part of the “brand story”; and it became a means to “define who we are and what we stand for...to give us some credentials,” a way to “outwardly prove we walk the talk,” “an outward declaration of our values and practices,” and an assurance that “everyone is on the same page.” Some participants highlighted the word “certified” suggesting that “you automatically assume that...they’ve gone through some hoops...they have their ducks in a row,” whereas another mentioned the importance of a third-party saying “yeah, you’re a decent company.”

Critical within the *badge* quadrant is that SMEs professed to be committed to the measures embedded in B Corp certification, and B Corp certification “fell in line with who we were” and represented “a way of validating.” The prevalence of certain expressions in the

narrative of my participants, such as “quick win,” “easy,” “achievable”, “scored really easily to get our points,” and “we got enough points,” highlighted the ease of acquiring the designation because participating organizations were already so well-aligned philosophically with B Corp certification standards. Certification was described by participants as a “very natural fit,” and organizations articulated that it was “just putting a stamp on something that was already happening.” In the words of many participants, certification signaled this value-led commitment, which existed within the organization prior to the pursuit of certification, and B Corp certification was pursued as a way of “externally validating” this commitment.

Interestingly, while participants framed the pursuit of certification as a *badge* to promote their sustainability efforts and B Corp membership, which is consistent with past research (Gehman and Grimes, 2016), some B Corp participants in my study did not appear to emphasize their sustainability efforts in marketing and communications, nor did they promote their B Corp membership. Participants reported a general lack of awareness of B Corp certification, particularly by external stakeholders. So, while the desire to signal to internal and external stakeholders what the organization stands might be the motivation to pursue certification, the certification itself was seen as significantly lacking in its own corporate identity.

Participants provided commentary such as: it was “not a key differentiator. Because quite frankly, people don’t know what it is,” and “most people don’t really know about it. So we’re certainly not picking up clients as a result.” There was even a reflection that “we haven’t really used it as a marketing thing, I have to admit.” This finding contradicts the very idea that B Corp certification would set an organization apart, as expressed by many participants and described above. While SMEs expressed a desire to use the certification to gain pragmatic legitimacy, the

organizations themselves were not promoting their B Corp certification as meaningful evidence of differentiation.

Belonging – I comply with “right” things to belong in a values-led community

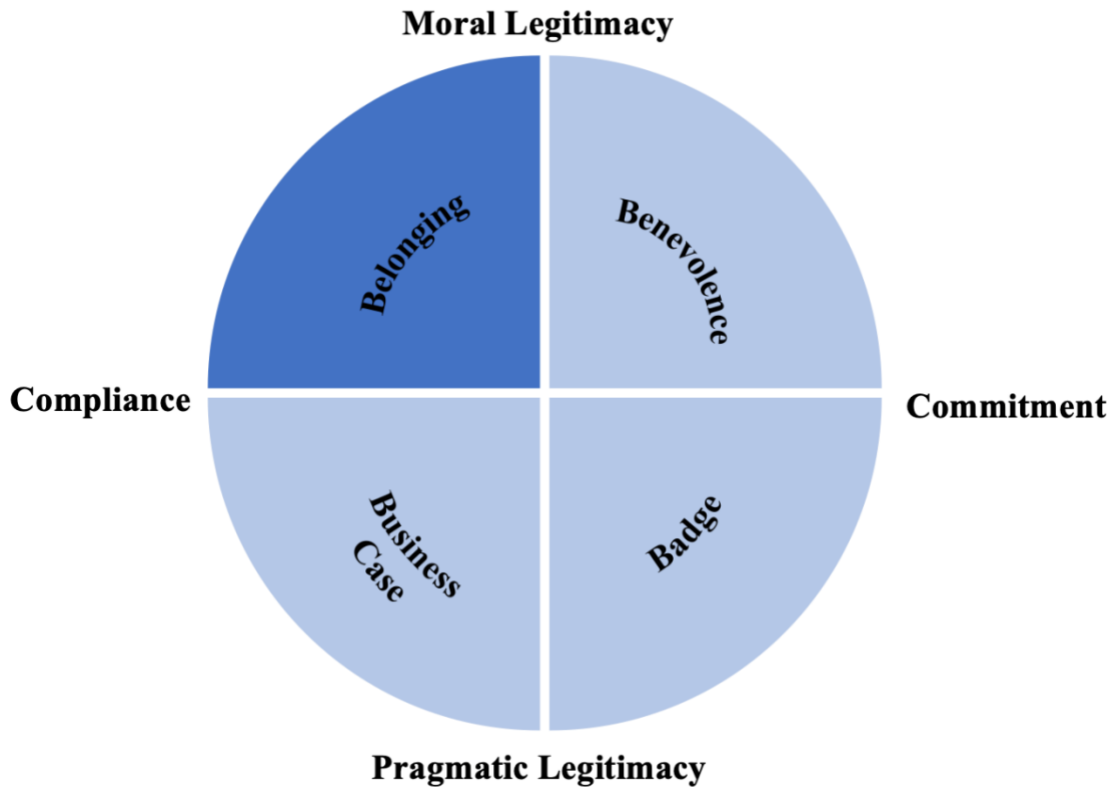


Figure 22. Motivations for the Pursuit of Third-party CSR Certification: Belonging

“We thought at the time we went to certify that it would also connect us to other socially-minded organizations that were really taking a stand.”

– Interview 11, Employee

All but one organizational participant in this study proposed that the pursuit of B Corp certification and compliance with externally derived standards were motivated by relational motivations and the desire to be in a “like-minded” community. When it comes to socially responsible businesses, many participants suggested that they are leading sustainability efforts in

their communities and industries. They described this as lonely, because authentic sustainability champions continue to be relatively few in number in the larger business landscape. Pursuing B Corp certification appears to have created a sense of “community” and “connections” for my study participants. In this community, there was comfort in knowing that they were not alone in believing in the importance and prioritization of sustainable business practices. Having attested to compliance with the certification requirements, one participant noted: “not only can it [B Corp certification] show that we have the same status but it just demonstrates the common mindset and philosophy towards business that we share.” The certification also seemed to breathe energy back into some of the businesses both through positive affirmation of their impact and through connections with the B Corp community.

I think that entrepreneurs get really tired and it’s the day-to-day and the humdrum, and it’s kind of... For them, one of the added benefits is they get to feel a renewed passion for their business because they join a community of entrepreneurs that thinks like they think. But also, they can actually qualify [sic] the good they do. (Interview 12, Leader)

As shown in Figure 22, *belonging* is consistent with the pursuit of a value-aligned community and closely aligned with research by Kim and Schifeling (2016) who suggest that firms choose B Corp certification to “join the movement of creating a new economy with a new set of rules” (p. 49). It is also consistent with prior research from Gehman and Grimes (2017), who “described membership in the B Corp community as a benefit in its own right, enabling them to learn from and occasionally transact with other B Corps (p. 2311).

This linkage of *belonging* to signaling and membership is also found in the research on management systems standards. For example, Potoski and Prakash (2005) drew on the theory of

clubs and cartels to posit that certification allows members to publicize membership, while serving as a credible signal of a company's holistic commitment to the overarching values of the standards and allowing them to "claim" credit for the larger good of the group. However, this theory was somewhat discredited by Gehman and Grimes (2017), in their investigation into why B Corps specifically were not wholly taking advantage of opportunities to promote such membership. To expand on the argument I presented in the preceding section, while participants articulated the importance of signaling and promoting B Corp community membership, they admitted that they had not actively taken steps to do so. For many B Corps, particularly those in the more mature Vermont landscape, the *badge* of B Corp certification appeared to represent to them membership (*belonging*) in this community.

Through the frame of moral legitimacy, participant B Corp certified organizations pursued certification not merely as a means to achieve operational outcomes, but because they believed it to be a better model for business, aligned with a societal normative stance of "the right thing to do." Compliance with these external standards welcomes members into a "club" whose members express a desire to be in community with others who have followed similar rules. B Corp certification fosters a sense of *belonging and* creates momentum to support others in the community who are "of the same ilk." One participant said,

If we say we're a B Corp, all of a sudden, honestly, Nicole, every time I have a conversation with another B Corp person, they perk up. "You're a B Corp too!" Like it's a cool club that you're a part of. It's like already if you're certified and I'm certified, we obviously have certain values that are the same. (Interview 9, Employee)

Compliance with the external standard allows B Corp certified companies to continue doing the values-led/sustainability work and does not leave them individually compelled or obligated to spend resources to promote their sustainability efforts. This stance aligns with the work of Jenkins (2006) and Murillo and Lozano (2006), who found that SME executives are often uncomfortable with promoting their sustainability efforts and that most SMEs prefer doing the work of CSR versus promoting and reporting on it. Participants implied that certification provided a compliance-based means to attest to the moral legitimacy of the company's efforts and linked them to others with "shared values." Participants articulated that certification became a "shorthand symbol of our interest in values-led business." This seems to create a sense of fraternity and/or solidarity externally, along with the expectation that the *badge* of B Corp will serve as a means to signal shared values within the organizational walls.

B Corps participants articulated a sense of pride in the certification being "the whole nine yards," "comprehensive" and the "complete package." Given the prevalence of quotes that privileged the completeness and scope of the certification, study participants seemed to regard compliance with such standards as positioning them for membership in a morally legitimate community. Participants seemed to view themselves as members of a growing community with shared values, which have risen to demonstrate that they can "walk the talk" and create system change together.

B Corp certification intrinsically embodies value alignment for many B Corps. Certification was positioned not as a strategic or pragmatic opportunity, but rather as a way to support stakeholder relationships "that we both understand that we are operating on a set of similar values." *Belonging* also extended to the connections with stakeholders. From a customer standpoint, study participants commented that "companies that do good and lead with impact

want to do business with others who are doing the same.” Some B Corp certified organizations positioned the network of other B Corps as “the best possible network,” and emphasized that B Corps supported each other, “getting referrals from B Corps and to B Corps in the community.” Internal stakeholders embraced a sense of belonging and used the lens of certification to ask “each other how we can do things better and how we can be more efficient and stuff like that.” Leaders reported that employees “want to be part of something that’s actively doing good”.

This community connection created opportunities for many participant B Corps to continue to better their individual efforts to create an alternative business model through shared values, collaboration, support, partnerships, and learning. This sense of *belonging*, signified by the compliance with the certification requirement, offered an opportunity for these SMEs to benchmark against each other and to use the B Corp certification process as a “tool” to focus on improvement, self-assessment, and measuring their business against aspirational peers. From the lens of compliance, the B Corp certification acted as a “roadmap” and offered opportunities isomorphically (DiMaggio & Powell, 1983) to learn best practices from other B Corps, both within the context of the certification or recertification process, and through community gatherings, like the B Corp Leadership Development regional conferences. One leader remarked,

My eyes were opened to some additional areas that I hadn’t really contemplated much.

And that was like, oh, you know, maybe I do have things to learn...the online tool was amazingly effective for ‘Do you want to improve in this area?’ And here’s some anecdotes, here’s some best practices, here’s some things that other people have done.

(Interview 15, Leader)

Another B Corp leader said,

...it's not just did you get certified or not certified but out of the process, you also get and here are the other areas and here are some things that you might consider, and here are some businesses to connect with. So, it's more than the B stamp that goes on the website (Interview 14, Leader).

Benevolence – I commit to doing “right” things because I want to contribute to the greater good

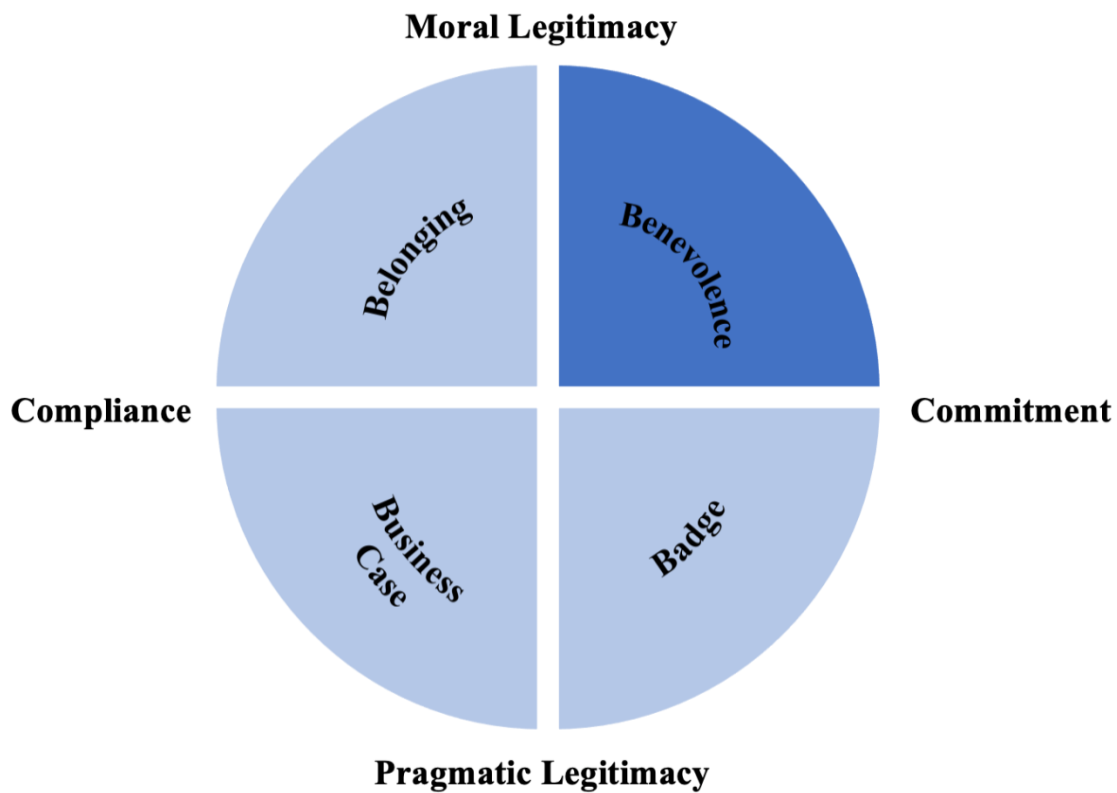


Figure 23. Motivations for the Pursuit of Third-party CSR Certification: Benevolence

We exist because of our commitment to values-led business. And you know, of course I'm going to do the certification.

– Interview 15, Leader

Linking to the pursuit of value alignment, the leaders surveyed in my study spoke of the desire to enact greater social good and this is represented in the *benevolence* quadrant, as noted in Figure 23. This orientation is reflected in comments by participants about their desire to “make a difference,” “create impact” and create positive “system change.” This is consistent with Lent et al. (2019) who posit that when organizations are perceived as “contributing to greater society” this serves to both “broaden and deepened their legitimacy” (p. 357). This finding is also consistent with Moroz and Gamble (2021), who found that socially inclined business organizations chose to incorporate third-party certifications into their business model because they believe it aligned with their identity and was “the right thing to do” (p. 678). Similarly, Pollock et al. (2020) posited that leaders of certified B Corps pursue certification for many reasons often aligned with their own “values and identity” and that certification is a means to “formalize their values” (p. 23). Consistent with this previous work, one leader in my study said, “This is all about my values aren’t only my values when I’m at home in the evening or on Sunday morning. My values are my values.” Another said, “I get to feel great about what I’m doing [with] the hours in my day. And I come to work and look at a picture of my three kids and feel good about what I’m doing with my time to better the world for them.” Within my study, for leaders and employees alike, benevolence is a commitment to “do the right thing,” an ideology that “we’re all working towards something bigger and better than ourselves.”

Consistent with Aquilera et al.’s (2007) moral motive, and Husted and de Jesus Salazar’s (2006) altruistic motives, most study participants also reflected a desire to fundamentally change current capitalistic structures and lead with their values for the greater good, without regard for individualistic and pragmatic business considerations. Participants articulated the desire to

change the narrative and the ultimatum presented by current business models, namely capitalism. One leader said, “if we’re going to be in business, we want to be looking for ways to use it as a means for good.” In this quadrant, the B Corp certification is spoken of in terms of the “movement,” and it represents a desire to support the movement, to create legitimacy for the movement, momentum for economic system change, and a viable alternative from pure capitalistic structures. One of my participant’s remarks illustrated this explicitly,

I want to support the movement. So, you know, companies like ours need to... And it’s \$10,000 a year, so it’s actual support. So, you know, we need to support and be a party to that—lending our name and our money. (Interview 15, Leader)

In the context of SMEs, the self-disclosed \$10,000 investment by one of my study participants in certification seems to represent a significant commitment to “walk the talk,” and it demonstrates an expressed desire to align limited resources to “support the movement.” This B Corp leader suggested that he saw his firm committing additional resources beyond the financial support, mainly through affiliating his company’s brand name with the B Corp movement. He suggested that committing firm “resources” represented an offering of legitimacy to both the certification and the accompanying “movement.”

A few participants expressed a perceived ultimatum that if you want to “do good in the world,” then you need to work in a non-profit and sacrifice personal financial reward. In this context, B Corp certification was offered as an alternative and presented by participants as an opportunity whereby the dichotomy is broken down and an organization can choose to “do good” *and* enjoy the financial benefit of profitability and live a comfortable lifestyle. One participant described this narrative as follows:

There's just this narrative around if you want to do good in the world, you better go work for a non-profit. But you'll have to resign yourself to sackcloth and ashes and basically poverty to do good. Or the term that one of our people has coined is crapitalism. So like capitalism but the way that it's served or been utilized as a tool has only served a very few. (Interview 9, Employee)

One leader highlighted the idea that the solution to wicked problems cannot rest with the non-profit sector and that business must become more holistic in its measurement of outcomes.

This is the real truth.... The non-profit traditional social sector is I don't think ever going to get enough traction in making changes it has to make if they want to survive in this space. If we don't find ways to engage business at large, and particularly North American business, in the process of contributing to social and environmental outcomes, we're in dire trouble. (Interview 10, Leader)

Another leader spoke to their personal values and their belief regarding the sustainability of capitalism and their personal "drive" to reimagine the economic structure.

I mean when you look at capitalism and the extent that capitalism operates at a very, very high level, I don't believe capitalism is ultimately sustainable. And if it is sustainable, it's by no means at the benefit of people in communities and environments. So there's a more philosophical, political drive there that sort of pushes me in this direction. (Interview 19, Leader)

Another passionate leader called for the incorporation of consumers into this mindset, for them to embrace the power of their dollars to support organizations that align with their values.

This leader also positioned B Corp certification as a means to communicate this alignment.

We need to re-frame the way we think about our purchasing power, and organizations need to... I am an activist above all. So you know, like I have my fist in the air. And that's how I see it. And that's what I try to help entrepreneurs do, is embrace the risk of communicating in a gritty way the good that they do so that people can...people will be attracted to buying their products. Everyone deserves to have meaning in their lives. And the economic value you create isn't enough. (Interview 12, Leader)

Within this larger context, many participants problematized CSR and ethics as “the bare minimum;” participants expressed a consistent desire to move away from and beyond the concept of CSR as the term has been instrumentalized for corporate ends. One participant highlighted this:

I think we've moved away from the concept of CSR. I think it's quite frankly an over-used and incorrectly used terminology in terms of the corporate world. But I would say that our organization is one that's built around being very community-minded and ensuring that all that we do has a positive economic, social, and community impact not just on our members but also on the broader community...and integrates that orientation in everything we do. So it's more than values. And I don't want to suggest values are not always integrated. But our values are actually who we are. It's not a layer. It's something that is fully integrated from the point in time that we decide what products and services we're going to offer, to the way that we attract our members and help them achieve their

full financial potential, and the way that we interact and contribute to the community. It's all built around the traditional CSR concept and very strong corporate ethics. (Interview 7, Leader)

Another leader described this commitment as a holistic embodiment of how they do business, ...[I]t really manifests in how we make every business decision that we make. You know, strategically what kind of products are we going to invest in and develop? How do we treat our staff? How we see it in the dedication of our staff. What do we buy as a company? (Interview 14, Leader)

My study participants were clearly cynical about or dismissive of CSR efforts that were not authentically embedded in an organization. This narrative was evident across several organizations where participants described CSR as “a low-bar,” “lowest common denominator,” and “greenwashing.” One participant said, “we kind of poo-poo corporate social responsibility because we see it as something...as somewhat of an excuse an organization can use because it's so aside from our business operations”.

Another leader passionately expressed his organization's disdain for CSR:

It's a marketing tool more than any mission-related...kind of serious mission-related activity as an organization. So, we don't think that much of it, to be honest. We believe that organizations/ businesses have a responsibility to do more than that, to do... Now, we do believe everything we do... We have a values-based business. Everything that we do, you know, lends itself towards the notion that we can't do anything other than work to our values whatever work it is that [we are] doing. (Interview 10, Leader)

One leader continued the desire to “walk the talk” and expressed a higher purpose to engage beyond window dressing. Leaders describe this commitment as:

...[W]e are interested in anti-social washing. So essentially what happened was CSR... So much CSR is just the best way to describe it... There is a Canadian bank that wanted to invest in a mental illness type initiative. They committed \$200,000 to this project and then they spent \$800,000 advertising the fact that they had. So it's that kind of... You know, it's not that the \$200,000 is, was a bad thing, was that they didn't do it because they gave a damn about mental illness. They give a damn because they thought it would make them look good. And so as much as it is better than nothing. It's also not real. So that to me would be social washing. We are committed to a way of doing things.”

(Interview 10, Leader)

Consistent with Roth and Winkler (2018), the motive to serve the collective interest is embodied in the leader's commitment to lead with their personal values, which includes demonstrating support of the B Corp certification, without business case as a primary motivator.

One leader's commitment illustrates benevolence as follows:

I just believe in it [certification], you know, ultimately. You know, I've had people come up to me early on in my certification, you know, saying, “Oh, well, what do you get out of it? What's in it for you?” And I just thought that's a really short-sighted sort of...very short-sighted view. Like this notion that anything you do in business needs to be more a gain. And you know, again, I think we have to break down these walls of what it is, how we act as a person and as an individual and a community, as how we should act and grow

and operate our business. I don't think you should necessarily separate those two.

(Interview 19, Leader)

Consistent with the conceptualization of embedded sustainability (Willard, 2002; Lazlo and Zhexembayeva, 2011; Barnett & Salomon, 2012; Aguinis & Glavas, 2013), several B Corp leaders in the study seemed to view certification as a means to “value-lock” their business, that is, as a means to ensure that the personal values woven into their business strategy continue in perpetuity. In Vermont, the story of Unilever's buyout of Ben & Jerry's was ever present and participants suggested it as a strong motivator for them to protect and preserve the mission focus of their company in perpetuity.

One participant reflected on how the circumstances surrounding Ben and Jerry's informed the direction of their organization,

...[T]he culture and values, the soul of business shifted because they didn't necessarily have the protection to keep it the way that it was designed. And so I think that was a big thing—that they wanted it to be protected. They wanted the company to be protected so that the values and the triple bottom line is always intact and nobody can tell them that they need to make money over taking care of employees or supporting the community. So I think as a motivator, that was a big reason for the Benefit Corporation status, and also the B Corp status as a model of walking the walk and supporting a community by what we believe in. (Interview 16, Employee)

Another said,

... [H]ow do we protect our mission and purpose in perpetuity? Because it's great to do it now but how do you keep it going? ... Some of the people that were involved as

investors, and by virtue of being here in Vermont, you know, got really deep into how things developed at Ben & Jerry's. (Interview 17, Leader)

Stubbs (2015) argued that role-modeling is a fundamental value to B Corp leaders, whereby B Corps serve as role models and proof of a changing role for business in society. Study participants expressed strong consensus that the pursuit of certification is seen as an opportunity to “spread the word” and evangelize a sense of abundance vs. competition within the business landscape. One participant passionately expressed this,

We're changing the way business is done. It means something to me. I really feel like if we can help spread the word and enable other businesses or non-profits to be more sustainable or tweak the way they conduct their business, that the money that exists in the world is enough to serve everybody. (Interview 9, Employee)

This concludes the development of the four-part integrated framework for the overall drivers of the pursuit of B Corp certification. While the framework was theorized based on the interviews from all participants, I now explore the application of this framework to focusing solely on B Corp leaders in the study.

Application of the Proposed Framework

As the final step in my study, I mapped my individual leaders against this framework. To conduct this subsequent analysis, I created a separate project within Atlas.ti, segmenting transcripts from my 11 B Corp leaders to conduct a discrete analysis of their interview data. In the one Vermont organization where I was not able to interview the leader, I chose to include the interview data from the employee who led the firm's B Corp certification, and who worked

directly with organizational leaders to do so, which made this employee a leader in their own right.

Working exclusively with the data from the B Corp leader transcripts, I reviewed the interview transcripts, I deductively coded leaders' motivations, specifically looking for individual words or phrases that aligned with the quadrants *business case*, *badge*, *belonging*, and benevolence. To illustrate, a quotation that was coded as *business case* was:

I mean there's a number of providers here in the province. And I agreed with them—if I had B Corp certification then I would stand out amongst those, as one thing. And then that would in theory make me more attractive to customers that were interested in that sort of...that type of company. (Interview 3, Leader)

In order to visually present my findings, I mapped the motivations expressed by B Corps leaders within my study against each of the four quadrants of my framework. I used the color blue to represent Nova Scotian B Corps and the color green to represent Vermont B Corps. The respective size of the circle corresponds to the number of quotes deductively coded within each of the participant's interview transcripts.

I will first present my high-level comparison of data from the Nova Scotian and Vermont context before presenting the data a final time, when it will be based on the underlying organizations.

The High-Level Comparison of Nova Scotia and Vermont

As illustrated by Figure 24, the motivations expressed by my study leaders related to the pursuit of B Corp certification encompassed all four quadrants for all participating B Corp leaders, with one exception. One Nova Scotian B Corp (blue), who had already chosen not to

renew at the time of the study, did not speak at all to the notion of *belonging* as a motivator for pursuing certification.

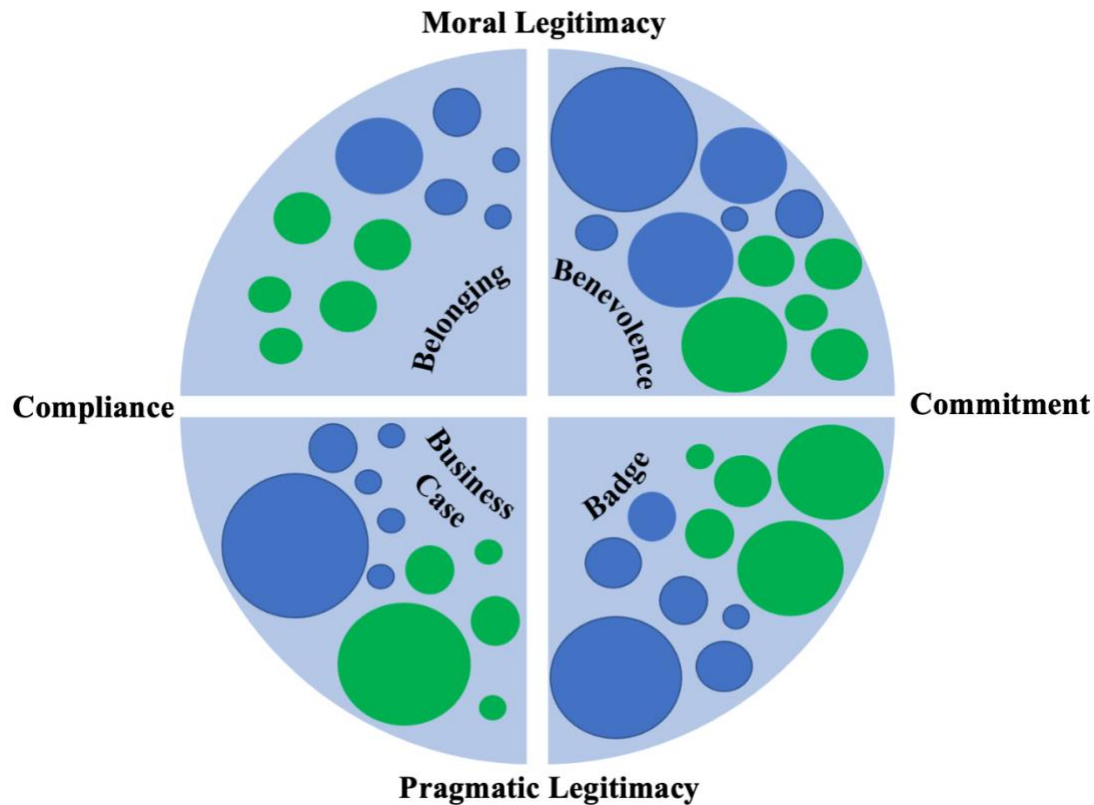


Figure 24. Motivations for the Pursuit of Third-party CSR Certification: Mapping of B Corp Leader

As can be seen from Figure 24, the intensity of the motivations, as signified by the size of the circles within each quadrant, was not uniform for firm leaders. While the data related to axis of pragmatic versus moral legitimacy appear to be relatively evenly distributed, the same cannot be said for the axis of compliance versus commitment based on the relative size of the circles. This suggests that the organizational leaders within the study were predominantly oriented towards commitment. Leaders in my study appeared to be motivated to pursue B Corp certification based on their underlying commitment to the standards that the certification represents. This aligns with the desire for authenticity and value alignment that study participants

reported as reasons for pursuing certification. It is also consistent with the work of Grimes et al. (2018), who posit that leaders are not driven to pursue certification based on a desire for social approval but rather to further support values they believe to be distinct.

With the high-level comparison established, I will now review each quadrant in the same sequence as before.

Business Case

Only two participating B Corp leaders had larger circles in the *business case* quadrant. In many ways this seems to challenge prior research surrounding the business case for CSR and certification literature, which contends that certification is pursued in response to external stakeholder pressure, specifically customers (Bansal & Hunter, 2003; Heras-Saizarbitoria & Boiral, 2013). This contradiction appears to be further supported in my findings by the lack of focus on marketing efforts that is typically experienced when promoting CSR efforts for strategic and instrumental motivations.

I also anticipated hearing leaders within the Nova Scotia context speak to more motivations driven by the perceived *business case* within the Nova Scotia context, given the way in which the B Corp certification itself was “sold” to them by a third-party consultant. Instead, *business case* as a motivator was referenced equally across Nova Scotia and Vermont, with the exception of the one Nova Scotian B Corp who did not renew at the time of the study due to lack of tangible benefit.

Badge

The *Badge* quadrant, representing certification as a pragmatic symbol of the organization’s commitment to sustainable business practices, shows no uniformity for this motivator. Prior research suggests that certification’s benefit is the way it serves as a credible

signal of a company's commitment to the values of the standard against which it is measured (Potoski & Prakash, 2005). For this reason, I was generally surprised to not see more overall consistency across all B Corps, without regard to geographical context, in this quadrant.

Certification is a costly endeavor, both in financial and time resources, particularly for SMEs. As such, it was surprising that more leaders were not motivated by the ability to use certification as a symbol of their commitment to the sustainable business practices embodied in the B Corp certification. For some leaders, this seemed to be a surprising revelation to them...as they were engaged in the interview, they actively reflected that they had not done much to promote their certification and should begin to do so. Based on the relative size of the circles, only two organizations in Vermont and one in Nova Scotia felt this was a strong motivator, which also suggests that geographic location had minimal effect on the findings.

Belonging

The *belonging* quadrant, wherein compliance with the third-party certification standards serves to unite "like-minded" companies, does not appear to be as important a motivator in comparison to other quadrants of the framework. To a certain degree, this aligns with prior findings by Gehman and Grimes (2017), who discussed a regional effect of the promotion of B Corp certification based on the growing existence of a network of B Corps or a lack thereof. This is represented by the small size of each of the respective circles within this quadrant. I would have anticipated *belonging* to be a more significant motivator in Vermont, where the B Corp network is more mature compared to that in Nova Scotia; however, this was not the case. I surmise that Vermont-based B Corps took the sense of community for granted, based on the existing network aligned with Vermont Businesses for Social Responsibility. In contrast, this

finding appears to be consistent with the narrative from Nova Scotian B Corps about the lack of support from B Lab and the general lack of awareness of B Corp certification.

Benevolence

For leaders within my study, the *benevolence* quadrant is the dominant quadrant, based on the relative size of the circles. The leaders' expressed the desire to "make a difference" and "create impact", which indicates general alignment for social enterprises who seek to balance social and economic wellbeing (Lent, 2010). This aligns with prior research from Gehman and Grimes (2017), who found that the alignment with the company's mission, purpose, values, or identity was one of the drivers for the pursuit of certification. B Corp leaders articulated that their support of the B Corp "movement" was motivated by the altruistic values of the certification, and they attest to the alignment of their own values with that of the certification.

Comparison of Data by Drivers

Figure 25 represents my final analysis. Each B Corps leader is identified, by a number; allowing for easy comparison of their drivers for the pursuit of certification across organizations. Each organization in Nova Scotia appears to have a dominant narrative. For example, when the circle is largest under *business case*, as is seen for "blue 2", it is correspondingly smaller in other quadrants. The same is true for "blue 5" where the circle is largest in the *benevolence* quadrant, and smaller in all other quadrants. The differences in intensity across quadrants are more notable in the Nova Scotian (blue) context. In Vermont, while differences are noted across quadrants, they are not as extreme. In some cases, leaders were consistent across multiple quadrants about the degree to which they spoke to the drivers, see for example "green 1, 2 and 3". I speculate that this is due to the maturity of the B Corp landscape in Vermont, where the value of pursuing

certification has been articulated through others in the community and is resulting in perceived benefits across the framework.

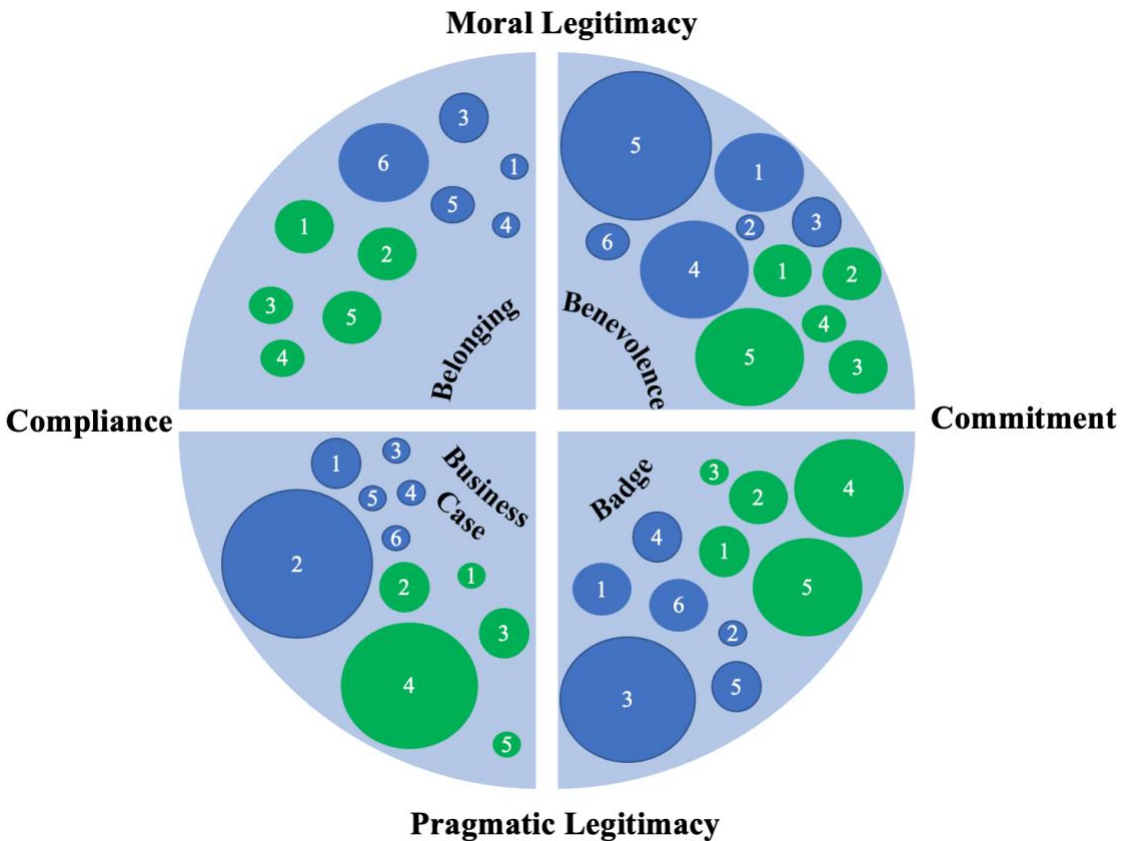


Figure 25. Leaders’ Motivations for the Pursuit of Third-Party CSR Certification: Mapping of B Corp Leaders – by Organization

Deductively coding and mapping the leader’s motivations across the quadrants illuminated the overlap of drivers and revealed that the quadrants themselves were not mutually exclusive. This is consistent with Lent’s (2010) proposition that “value tensions shaped the organization’s identity” in organizations that seek to balance social and economic well-being, like B Corps (p.106). In several cases in Vermont, this tension was noted via a lack of a dominant motivation based on the intensity of quotes and several motivations are noted across multiple quadrants (see VT 2 for an illustration). Drawing on the work of Marquis (2020), I speculate that this is due to the relative maturity of the Vermont landscape where B Corp

certified businesses are well established. This is evidenced by the establishment of Vermont Businesses for Social Responsibility and the first B Corp in 2007, versus the first B Corp in 2013 in Nova Scotia.

For each of the organizations within the Nova Scotian and Vermont geographic contexts, the following appear to be the dominant quadrants:

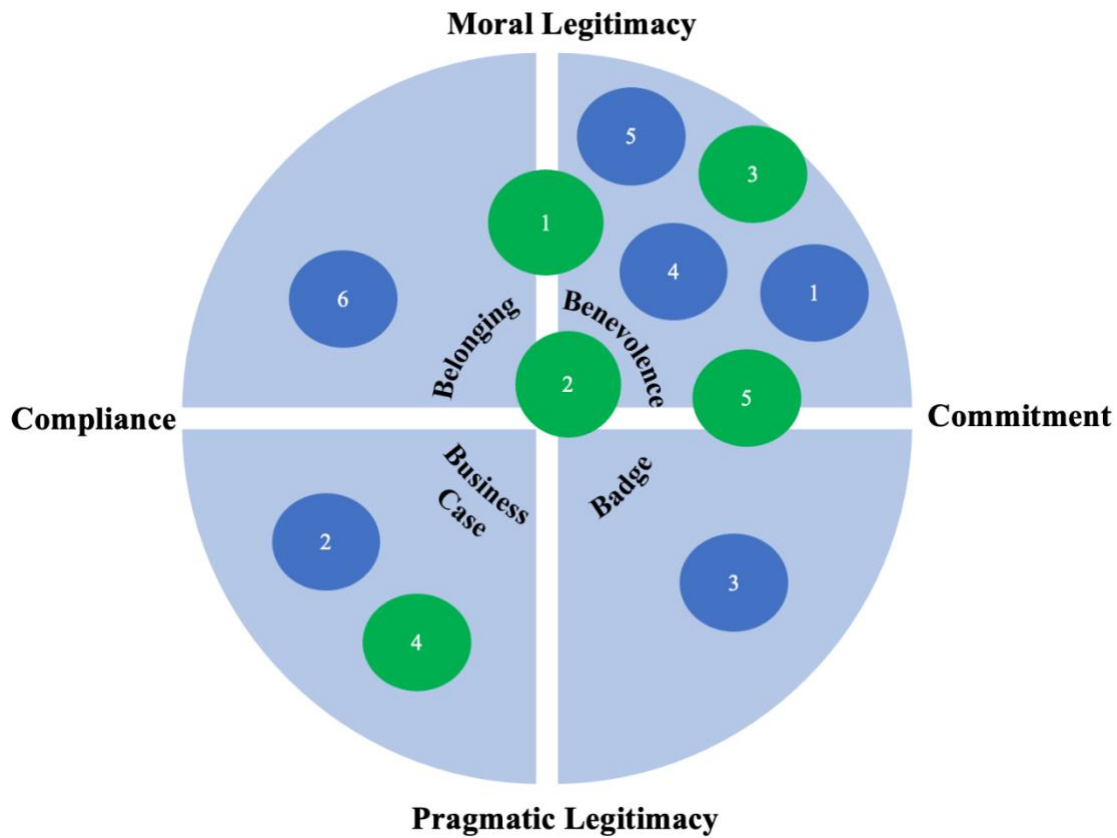


Figure 26. Motivations for the Pursuit of Third-Party CSR Certification: Mapping of B Corp Leaders – by Dominant Quadrant

The data from the B Corps in my study allude to a dominant quadrant, with the notable exceptions of VT 1 and VT 2 (see Figure 26). VT 1 suggests two dominant quadrants of *benevolence* and *belonging*, VT 5 suggests two dominant quadrants of *benevolence* and *badge* and VT 2 suggests three equally dominant quadrants of *benevolence*, *belonging* and *badge*. This

mapping of motivational profiles is consistent with the findings of Roth and Winkler (2018) in their study of 12 Chilean B Corp leaders who certified between 2012-2015. They found only one B Corp leader who appeared to be motivated by a dominant profit-orientation, whereas I mapped two B Corp leaders who suggested *business case* was their dominant narrative. However, in contrast to Roth and Winkler's approach, I employed a more wholistic view of business case that expanded beyond profit motivation, to include other positive business outcomes such as opportunities for learning and collaboration.

My proposed framework also is consistent with the matrix of responsible leader orientations described by Pless et al. (2012). While they did not plot the business leaders in their study onto their proposed matrix, there is synergy between their typology of leaders and my proposed framework. The "traditional economist" is characterized by a core purpose of short-term economic value creation for shareholders, in contrast to the "opportunity seeker" who is oriented towards long-term value creation for shareholders. Both of these could be strongly linked to the business case; however, I did not code for long-term versus short-term business case. The "opportunity seeker" is also motivated by competitive advantage and reputation management, which could be linked to the symbolic nature of the *badge* quadrant. The "idealist" and "integrators" could be characterized in alignment with the *benevolence* quadrant. Both orientations are driven by a core purpose of long-term value creation for a variety of stakeholders and take a service-orientation to focus benefits to broader society. It would be interesting to explore the orientations of the B Corp leaders within my study and how the dominant narrative intersects with their responsible leadership orientation.

Summary

In this chapter, I presented an integrated, theory-grounded, multidimensional framework to map the motivations of leaders to pursue B Corp certification, and I considered how this pursuit of certification intersects with aspects of leaders' values-based orientation and quest for legitimacy. The development and exploration of the application of this framework, contributes to emerging research of third-party CSR certification, specifically B Corp certification. This framework draws on the limited prior research that sought to explore the antecedents of third-party CSR certification, specifically B Corp certification. Additionally, the framework provides insights into the motivations of SMEs relative to their pursuit of certification, which may find applicability beyond my study.

In the following closing chapter, I discuss the key findings from my research study in relation to existing literature with the goal of highlighting my contribution to both theory and practice, acknowledging the limitations of my research and proposing avenues for further exploration.

“Vision without action is merely a dream. Action without vision just passes the time.
Vision with action can change the world.”

- Joel A. Barker (as quoted in Baylor University, 2022)

CHAPTER 7

Discussion and Conclusion

This final chapter synthesizes the key findings of the study to highlight my contribution to both theory and practice. In summary, those key findings are as follows: While key internal and external stakeholders were involved in and did exert some pressure in the certification process, my findings suggest that B Corp leaders were the primary influence for undertaking B Corp certification. Furthermore, these leaders seemed to be attracted to certification because it provided them with an opportunity to further align their personal values with those of the organization.

My findings also suggested that the SME leaders were motivated by the opportunity to: derive direct and indirect benefits (*business case*), intentionally connect with a broader community of like-minded SMEs (*belonging*), more clearly signal the firm’s sustainability commitment (*badge*) and contribute to a greater good (*benevolence*). The salience of each varied according to organization leader and this represented multiple, and sometimes conflicting, motivations. In spite of differences in geographical context, I did not find notable differences between certified B Corps in Vermont and Nova Scotia, although some contextual differences were found, and these will be highlighted.

Building on the integrated framework presented in Chapter 6, I begin with a review of my findings relative to existing and emerging literature. I discuss how my study increases our understanding of the dominant and critical role played by SME leaders in the voluntary pursuit

of third-party certification, specifically B Corp certification. I discuss how my findings conform or contrast with existing literature, expand on existing literature, and/or highlight specific gaps in the existing literature reviewed in Chapter 2. This presentation will be followed by a review of the implications for practice, the study's limitations, additional directions for future research and concluding remarks.

Academic Contributions

Since the early 2000s, scholars have called for a better understanding of the underlying motivations of companies' engagement in CSR (Aguilera et al., 2007; Aguinis & Glavas, 2012; de Oliveira Santini; 2021; Hansen et al., 2011; Margolis & Walsh, 2003; Wang, et al., 2016; Wood, 2010). With intensifying pressure for organizations of all sizes to engage in CSR (Aguinis & Glavas, 2012; Bhattacharya et al., 2009; Carroll, 1999, 2015b; Carroll & Shabana, 2010; Frederick, 2018, Hemingway & Maclagan, 2004; Kutzschbach, et al., 2021; Roberts, 2003; Serenko & Bontis, 2009; Wagner, Lutz, & Weitz, 2009), this has been problematic for SMEs. The majority of CSR research has focused on their larger counterparts (Bondy & Starkey, 2014; Grimstad, et al., 2020; Moura-Leite & Padgett, 2011; Spence, 1999; Spence & Perini, 2009), leaving gaps in the literature related to SMEs and the antecedents of their journey towards social and environmental responsibility. In addressing this gap, my research agenda focuses on SMEs in order to develop a better understanding of the motivations and influences on this subpopulation's choice to expand their espoused commitment to CSR and voluntarily pursue third-party CSR certification, using B Corp certification as the illustrative case study. This aim was supplemented by a cross-cultural, regional-level inquiry exploring potential similarities and differences between Nova Scotia and Vermont SMEs pursuing the B Corp certification.

Drivers of Third-Party CSR Certification: The Case Study of B Corp Certification

As CSR has increasingly become mainstream (Hudson & Descubes, 2021; Wartzman, 2019), prior research has failed to fully explore the motivations for engagement in CSR within SMEs (Aguilera et al., 2007; de Oliveira Santini, 2021; Hansen et al., 2011; Wang, et al., 2016) and, more specifically, the pursuit of third-party CSR certifications in SMEs (Johnstone, 2020; Moura-Leite & Padgett, 2011; Stoian & Gilman, 2017; Terlaak & King, 2006). As illustrated in Figure 30, my study findings suggest three key drivers are important motivators for SMEs to voluntarily pursue third-party CSR certification: (1) Pursuit of Leader and Organization Value Alignment; (2) Pursuit of Value-Aligned Community; and (3) Pursuit of Business Case.

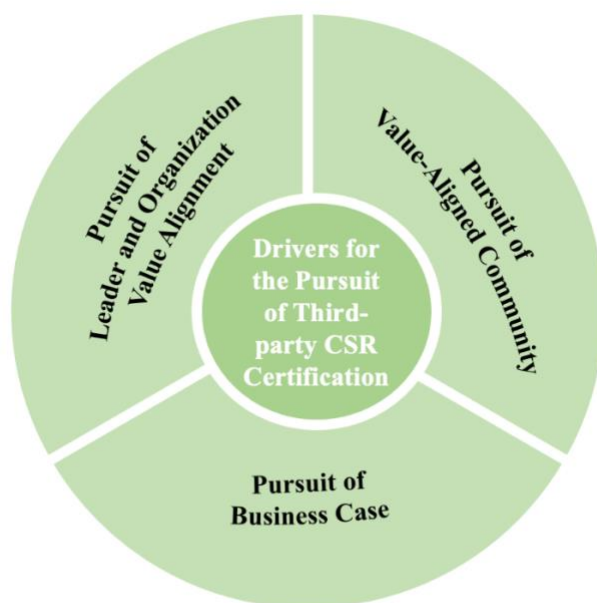


Figure 27. Drivers for the Pursuit of Third-party CSR Certification

These drivers will be reviewed in sequence, highlighting where this study's findings align with current literature and where findings go beyond prior research to suggest new insights and expansions on existing theory.

Pursuit of Leader and Organization Value Alignment



Figure 28. Pursuit of Leader and Organization Value Alignment as a Driver

Pursuit of Leader and Organization Value Alignment was the driver most frequently and consistently mentioned by my study participants, and therefore it could be argued to have the greatest impact on motivations.

As noted in Figure 28, and as discussed in Chapter 5, my study participants professed value alignment between the organizational leader and the organization to be the primary driver for the pursuit of third-party CSR certification. Participants suggested that the pursuit of certification was embodied in a desire to align their organization's values with the personal values of the organizational leader. In their interviews, participants expressed a belief that certification was a means for the leader to model their value system and served as a broader internal and external signal to better communicate the organization's values.

I will now discuss this driver in relationship to the contributions that I am making in the following areas: the literature explored in Chapter 2 on CSR, SME, management system

standards (MSS) and B Corp.

Pursuit of Leader and Organization Value Alignment in the CSR Literature

Within the CSR literature, Aguilera et al. (2007) theorized that multiple internal and external stakeholders “push organizations to act in a socially responsible or irresponsible manner” (p. 837). In the broader study of CSR, with its macro focus, a variety of internal and external stakeholders are said to exert significant influences over organizations CSR actions and policies (Aguilera et al., 2007; Donaldson & Preston, 1995). At the outset, I expected to discover that the pursuit of third-party CSR certification would be consistent with this existing research and motivated by the agendas of a multitude of internal and external stakeholders.

More specifically, based on prior research focused on positive customer outcomes (Arora & Henderson, 2007; Conlon & Murray, 1996; Maignan et al., 1999; Peloza & Shang, 2011), I expected to find that organizations would be primarily driven to pursue certification as a marketing effort to attract a specific customer demographic or in response to perceived pressure from customers themselves. However, this did not seem to be the case relative to the leaders of B Corps I studied, and so my findings appear to offer some differences from the findings of Aguilera et al. (2007) and Aquinis and Glavas (2012). My research suggests that leaders did not see themselves as being pushed or pressured by multiple actors to conform to higher societal expectations of business, but rather were motivated by their own internal desires to be leading businesses that could be seen as aligned with their personal value systems. Participants expressed strong consensus that the leader, who was most often the founder in my sample population, was the primary influence in the engagement of firm behaviors that aligned with CSR, and, ultimately in the pursuit of third-party CSR certification.

The role of the leader has been considered to be one of the significant factors in the

design and implementation of CSR (Brown & Treviño, 2006; Saha, et al., 2020; Zhao et al., 2022). Consistent with Saha et al. (2020), leaders in my study expressed that their personal values and convictions influenced their commitment to CSR and ultimately the pursuit of B Corp certification. Saha et al. also explored the relationship of internal and external environmental influences on the adoption of CSR practices. In my study, B Corp certification functioned as a form of “hard soft law” (Cominetti & Seele, 2016, p. 127), whereby the organizations voluntarily adhered to formalized guidelines and also opened themselves up to the possibility of sanctions, such as de-certification, for lack of compliance. The certification did not appear to act as an “institutional force” that was driving organizational CSR behaviors and actions (Aguinis and Glavas (2012, p. 941); rather, the data suggests that the criteria to achieve certification were met before the certification was even contemplated, due to the leader’s pre-existing alignment with the underlying philosophy of the certification. Participants emphasized choosing the certification based on their belief in its rigorous nature, while also commenting on the relative ease with which they became certified. They suggested that they were able to meet this high bar because—at the leaders’ insistence—the organization was already operating in ways that were socially and environmentally responsible. Importantly, as a testament to the pre-existence of organizational value that aligned with B Corp’s criteria, participants articulated that they did not have to adapt to become certified, rather, they expressed that certification was authentic to their existing mode of operation, and many commented on the “fit” of the certification.

It was unexpected to discover the extent to which study participants articulated the benevolent nature of the leader’s commitment to CSR, as suggested by my framework, and the extent to which this subsequently acted as a significant motivator for the pursuit of certification. For the majority of participants (leaders, employees and third-party consultants) across the two

geographic regions, a larger worldview seemed to prevail regarding the role of business beyond profit motivations, and this worldview was symbolized by the pursuit of B Corp certification.

Consistent with Graafland and Mazereeuw-Van der Duijn Schouten's (2012) identification of ethical and altruistic motives for a commitment to CSR, most leaders in my study seemed to have pursued the certification without expectation of a business case. Rather, these leaders seemed to do so out of an expressed sense of social responsibility, to ensure that their business was operating in a way to minimize negative impacts and maximize positive impacts on society. They appeared to be dually motivated, on the one hand by the moral duty to role model, "spread the word" and "prove the model and show...that business can be values-led and successful", and, on the other hand, by the altruistic desire to "make a difference" and "help people." These two motivations were so intertwined that, similar to Graafland and Mazereeuw-Van der Duijn Schouten (2012), I was unable to differentiate between the leaders' sense of moral duty and their altruistic motives.

Pursuit of Leader and Organization Value Alignment in the CSR in SMEs Literature

In this section, I share the findings that highlight a more nuanced understanding of the *Pursuit of Leader and Organization Value Alignment* as a driver specific to the SME context. In particular, I discuss the enactment of embedded CSR as related to research by Aguinis & Glavas (2013), Barnett & Salomon, (2012), Lazlo and Zhexembayeva (2011), Willard (2002), and as applied in Prutina's (2015) CSR classifications based on CSR orientation.

As previously discussed, study participants affirmed certification was a manifestation of their firm's values and a representation of the wholeness of their commitment to responsible business conduct in all facets of organizational operations. In alignment with Prutina's classification of CSR, my study participants suggested that certification was expressed as an

internal and external reflection of their B Corp's "embedded CSR" (p. 446), whereby CSR is embedded into the DNA of the organization and all facets of the core business strategy. This is relevant because B Corp certification is a certification process that explores multiple dimensions of an organization's operations as compared to certifications limited to a specific process or those that verify a singular product. Rather than opting for product (i.e., Fairtrade) or process-level (i.e., ISO) certification, participants seemed to view this organizational-level certification as a tangible structure and a visible symbol around which to coalesce values, structures, and operational practices at the organizational level. Participants conveyed their conviction that pursuit of B Corp certification provided a sense of "validation" and a framework to "formalize" processes that would be helpful to them as their organizations continued to mature and grow.

Within the SMEs I studied, there was an expressed desire for the organization to exemplify and reflect the leader's personal value system. This is consistent with Spence's (1999) proposition that small businesses have several defining characteristics, one of which is that the ethical orientation of small firms tends to be inextricably tied to the owner-manager's value system. This is also congruent with several scholars who have highlighted the critical role played by the leader of the SME, particularly with respect to the commitment and scale of CSR engagement (Kechiche & Soparnot, 2012), and their personality and values as leaders (Gond & Igalens, 2008). In the context of my study, the leaders' values-based orientation was suggested when the leaders themselves talked about "my values are my values" and their sense of bringing the wholeness of their selves into the organization. This connection to the leader's value system is consistent with the research of Gond & Igalens (2008), Kechiche and Soparnot (2012), and Spence (1999). More recently, Grimstad et al. (2020) suggested that SMEs are more motivated

by intrinsic than extrinsic motives, which provides important connections to the methods of and reasons for CSR enactment in this organizational context.

However, the findings from my study seem to contradict some previous findings. For example, the pursuit of certification by the SMEs in my study seems to run counter to findings that small firms continue to rely on informal means of regulation and control and that they largely ignore the influence of external standards, due largely to limited critical resources of time, money, and energy (Bikefe, 2020; Spence, 1999, 2016).

In particular, my study seems to contradict previous findings around the business case for certification. Some of the existing research surrounding CSR and certification (Bansal and Roth, 2000; Boiral & Heras-Saizarbitoria, 2015; Heras-Saizarbitoria & Boiral, 2013; Johnstone, 2019; Neumayer & Perkins, 2005) also suggests that firms might be drawn to the business case for the pursuit of certification. However, the narrative from my study participants did not suggest this as a primary influence, but rather a secondary one. Additionally, while there is consensus in the SME literature that small firms rely on informal systems of governance (Bikefe, 2020; Spence, 1999, 2016), where leaders' behaviors and actions provide guidance, many leaders in my study implied that the business case of certification provided them with a mechanism to provide a strong value-aligned foundation for the organization as it matured. More specifically they articulated that the certification provided opportunities for learning and collaboration externally with other value-aligned organizations that they lacked before pursuing the certification.

Pursuit of Value Alignment in the MSS Literature

In the broad discussion of management system standards (MSS), Bansal and Roth (2000) posit that three motives drive organizations to implement the ISO 14001, environmental management standard, i.e., ethical, competitive, and relational. In the context of Bansal and

Roth's work, the "ethical motive" of business leaders was closely linked to a compelling responsibility to care for the natural environment (p. 718.). In my research on third-party CSR certifications, this ethical motive appeared to be strongly linked to B Corp leaders' notions of a broader social responsibility to "do good" within the context of a for-profit business model. This is embodied in the leaders' expressed desire to "make a difference" and "create impact." To my knowledge, this has not been previously highlighted in the emerging B Corp literature.

However, in a somewhat contradictory manner, while participants in my study were very clear about the nature of their expressed engagement with CSR and B Corp certification, leaders also seemed to recognize the importance of the certification from a symbolic perspective. At times they discussed with pride the number of points their company scored on the B Corp certification assessment and the ease with which they did so. This was similar to the way people might talk about performance on an exam or academic achievement. Considering Boiral's (2012) study of ISO 9000 through the lens of degree purchasing syndrome (DPS), some of the B Corp leaders in my study seemed more interested in the outcome (acquiring the certification), and the external validation that it could provide, than in the opportunities for improvement and growth that the certification process represented (Brotheridge & Lee, 2005). This seemed to underline comments made by B Corp leaders about the value of certification as "pre-qualify[ing] us out of the gate", "the word certified...you automatically assume they've jumped through some hoops." In words similar to those used to refer to resources spent on an academic degree, one leader commented "we're going to put our own resources towards fulfilling this requirement." These sentiments seemed consistent with the DPS mentality previously connected with ISO 9000 (Boiral, 2012). This finding is an interesting contradiction to the more common narrative about the quest for value-alignment, and it raises questions about the authenticity of the value-

alignment narrative.

This privileging of certification by some of my participants, whereby B Corp certification was seen as a signal of something of value, also reflects the findings of existing literature on certification and legitimacy. Generally speaking, my study participants did not speak primarily or directly about external pressures being factors in their pursuit of B Corp certification. They did not seem to suggest external coercive, mimetic, or normative pressures as described by DiMaggio and Powell (1983). Instead, participants stated they were primarily motivated to certify as a means for the leader to pursue personal and organizational value alignment and to signal to internal stakeholders what their companies stood for. However, at the same time, when they reflected some interview participants acknowledged the desire to signal their values externally, and associate with other like-minded suppliers and B Corp leaders. Many commented on the low levels of awareness of B Corp certification amongst customers and other external stakeholder groups, but did not seem to be of deep concern. These somewhat contradictory themes suggest multiple and sometimes conflicting motivations for the pursuit of B Corp certification.

Consistent with Suchman's discussion of strategic legitimacy as an "operational resource" (1995, p. 576), the leaders in my study described certification in ways that seemed to reinforce its importance more as a symbol of their company and its values. Leaders expressed certification to be a symbolic representation of "why we do the work that we do" and a "stamp that we wear on our sleeve", and a "flag in the ground". While the symbolic nature of the certification is consistent with Suchman's notion of an "operational resource," no express intent to manipulate stakeholders appeared evident in the leaders' interviews. Suchman (1995) maintains that organizations use these resources instrumentally for the benefit of the organization. While efforts

to manipulate were neither evident in my interviews, nor expected due to social desirability bias (Grimm, 2010), an interesting contradiction is inherent in the instrumental role of the certification itself. Leaders contended that they were already aligned operationally with the criteria for certification, and the attainment of certification offered an opportunity to “tell the story of who we are and what we’re doing.” While this commitment was articulated in alignment with the leader’s stated values, the pursuit of certification does seem to yield instrumental benefits.

Suchman’s (1995) definition of moral legitimacy is based on adherence to universal values and societal morality. This seems congruent with the way my study participants spoke of compliance with what they believed to be the greater good and with their expressed commitment to broader social responsibility and service to others. This finding from my research is also consistent with the recent work of Hudson and Descubes (2021), who found that organizations are increasingly turning to CSR certifications as a voluntary form of industry self-regulation, because they view external regulation as “detracting” from such moral legitimacy (p. 43). Although participants referred to compliance and regulations, they articulated that they chose to pursue certification most often for intrinsic, value-alignment oriented, reasons. There also did appear to be regional differences in the pressures experienced in Nova Scotia and Vermont due to the presence of provincial funding, as discussed in Chapter 5. These regional differences will be discussed in further detail in the section on the third driver, pursuit of business case.

Pursuit of Leader and Organization Value Alignment in the B Corp Certification Literature

The study participants suggested that the mission- and value-driven foci of the company were embedded within organizational operations prior to the pursuit of certification. Certification was pursued in all instances without an apparent broader inquiry into the depth and breadth of

available certifications. Rather, organizational participants expressed that B Corp certification was sought out due to its perceived alignment with the values of the leader and the operational ethos of the company. In most instances, participating organizations were not seeking out general certification, but rather they stated that B Corp certification was either known to them or discovered via word-of-mouth, and its alignment with the organization was easily recognized. In this sense, my findings appear to be congruent with those of Pollack et al. (2020), namely that these organizations “were already B Corps before they even knew what it was” (p. 23).

Consistent with Grimes et al. (2018) and Pollack et al. (2020), both B Corp leaders and employees highlighted a dominant influence of the leader and their personal value system relative to the pursuit of B Corp certification, and the intersection of the leader’s personal values and their influence on the intentionally mission-driven orientation of the organization. Pollack et al. argued that B Corp certification “integrate[d] founders’ identities with the organizational values” (2020, p. 23); however, the findings in my study provide a deeper understanding of the role of the leader and the role that certification played in their endeavor. Study participants, who represented multiple organizational roles across two geographic regions, suggested that the leader committed organizational resources to pursue certification because the certification aligned with their personal value system and because certification acted as a means to role model and influence the industry and the larger business community. This suggestion that B Corp certification acts as a role model, and that it “proves the model and shows...that business can be values-led and successful,” and influence others can be linked to instrumental motives for the pursuit of certification (Aguilera, et al., 2007; Husted & de Jesus Salazar, 2006; Prutina, 2015).

Consistent with Roth and Winkler’s (2018) conceptualization of motivations for the pursuit of B Corp certification, my findings and the framework proposed in Chapter 6 appear to

indicate that leaders in B Corps are motivated by a number of distinct values. Further, my findings suggest that at times these values are in tension with each other (i.e., *benefit case* vs. *benevolence*). The role modeling of the leader is consistent with the motivational profiles posited by Roth and Winkler (2018) related to their study of Chilean B Corp entrepreneurs. Their typology proposes that B Corp leaders can be mapped to motivational profiles with a single set of values. As such, Roth and Winkler's findings are restricted to the leaders' single strongest orientation, whereas my study explored multiple motivations. The mapping that I conducted was multidimensional and provides a more comprehensive understanding of SME leaders' motivations to pursue certification.

Leaders in my study expressed that the pursuit of B Corp certification, and subsequently being part of a "movement", was a reflection of personal value alignment, with the values of the organization integrated with the personal values of internal stakeholders. United by their values, the leaders seemed to feel that this allowed them to become symbolically part of something larger than their individual organization. Participants further seemed to suggest that B Corp certification became a means to make these values known externally and as a way to both "model", "prove", and "demonstrate how business can be done," namely, that business can aspire to have deeper societal motivation beyond profit. Leaders articulated that they sought to use the B Corp certification to role model that they "were financially successful because of, not in spite of, our values."

In addition to the value alignment, leaders connected the pursuit of B Corp certification to organizational strategy and reported a belief that certification provided a "signal" and a "brand story." They expressed that this was not targeted specifically to consumers, as might be expected from prior research that linked CSR commitment to increases in customer loyalty (Arora &

Henderson, 2007), customer satisfaction (Conlon & Murray, 1996) and generally positive marketing impact (Peloza & Shang, 2011). Participants suggested that B Corp certification provided an opportunity to better communicate to internal and external stakeholders the values and priorities of their organization. They spoke of certification with aspirations to achieve greater pragmatic legitimacy through “credentials,” although there was a notable disconnection in their expressed desires for legitimacy and their professed struggle to prioritize marketing of these efforts to external stakeholders. This role, certification as a signal, expands our understanding of Gehman and Grimes (2017) statement that organizations were driven to pursue B Corp certification because it “provided important “external” third-party validation and legitimation of their organizations’ sustainability commitments” (p. 2311). The implied symbolism that certification represents provides internal stakeholders and external partners with something tangible to coalesce around; it provides “a credibility for building trust” to “tell the story of who we are and what we’re doing.” Leaders in my study contended that there is an external element of validation and legitimacy, but equally suggested the importance of messaging and symbolism to internal stakeholders, as “manifestations of our values.”

Pursuit of Value-Aligned Community

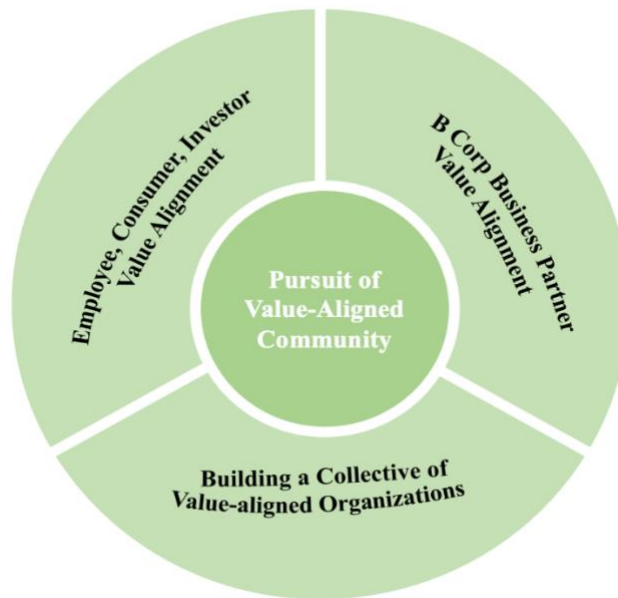


Figure 29. Pursuit of Value-Aligned Community as a Driver

As noted in Figure 29, and as discussed in Chapter 5, study participants described the quest to be “in community” with value-aligned individuals and organizations as a second driver for pursuit of third-party CSR certification. Participants suggested that certification acted as a “short-hand symbol” of their values, to bring together “like-minded” employees, consumers, investors, and B Corp to B Corp business partners, and they suggested they support the certification itself as symbolic of a larger “movement.”

I will now discuss this driver in relation to the contributions that I am making in the following areas: the literature explored in Chapter 2 on CSR, SME, MSS and B Corp.

Pursuit of Value-Aligned Community in the CSR Literature

Within the broader CSR literature, Aguilera et al. (2007) theorized that CSR fosters positive social relationships, both within and between organizations and communities, and that this is closely linked to the psychological need for belonging. This relational motive is consistent

with my study's finding that pursuit of value-aligned community is a driver for B Corp certification.

Internally, participants suggested that certification served as a demonstration of value alignment and a signal of the value system held individually and collectively by organizational members. Participants spoke with excitement about the opportunity to “work with other people who share a passion for working for a business like this”. Other participants contended that B Corp certification became a means of self-regulation (Bowen, 2019), as employees articulated that they held each other accountable under the premise of being certified.

In terms of external stakeholders, as previously noted, my interview participants did not describe like-minded customers as part of “the community” that they aspired or expected to connect with via the certification. Some participants acknowledged that customers are seeking out organizations with B Corp certification, but this was not a dominant theme in the interview data. There were no suggestions by participants, outside the B Corp to B Corp supply chain, that certification was driven by building community with customers.

While the majority of participants did not have external investors, in the limited instance when they were present within the organization, relational and instrumental motives were pervasive (Aguilera, et al., 2007; Husted & de Jesus Salazar, 2006; Prutina, 2015). Certification was discussed as a means to signal to potential investors the firm's commitment to “mission driven” CSR engagement and “to tell the story of being a “responsible business.” B Corp certification seemed to be viewed as a means to attract “like-minded” investors. This seems to suggest a pragmatic and instrumental use of B Corp certification to appeal to a certain type of investor.

This relational driver was further linked to B Corp to B Corp partnerships. The majority

of study participants articulated being motivated by a desire to join a collective of “like-minded” organizations and benefit from being in community with others who “think like they think.” Certification was described as an “identifier” to signal that “we [B Corps] are in the same club”, and as a desire to “connect with other socially-minded organizations.” In addition to relational motives, there also seemed to be an underlying coercive predictor (Husted & de Jesus Salazar, 2006). This was identified through the participants' discussion of B Corp to B Corp business relationships and marketing efforts. While participants did not suggest the existence of stakeholder demands for their companies to become certified, there was a reflection that B Corp certification indicated shared values within the B Corp to B Corp supply chain. Some organizations in Vermont expressed a strong preference to support and affiliate with such businesses, demonstrating the “common mindset and philosophy towards business.”

There was a participant narrative that companies that “do good and lead with impact want to do business with others who are doing the same.” This narrative also suggests linkages into the final element of this driver: building a collective of value-aligned organizations. In addition to engaging in transactional exchanges with other B Corps, the leaders in my study seemed to express a desire to elevate the exposure and status of B Corp certification as a means to “support the movement.” This seemed to signify that certification, to the participants within the sample, held greater importance than compliance with an external standard. Participants positioned B Corp certification “as a model of walking the walk and supporting a community by what we believe in.” Formal marketing efforts by B Lab to increase membership did not seem to be perceived by participants as sufficient or effective. As such, organizations did not really seem positioned to benefit from these efforts. Instead, organizations highlighted “word of mouth” as the dominant way information flowed, including initial awareness of B Corp certification.

Participants suggested that they highly valued the opportunity to “spread the word” and grow a community of like-minded individuals, consistent with the relational motive.

Pursuit of Value-Aligned Community in the CSR in SMEs Literature

Consistent with CSR scholars who have emphasized the increased importance of personal relationships with employees and other stakeholders in a SME context, participants also underscored the importance of shared values (Gond & Igalens, 2008; Kechiche & Soparnot, 2012; Spence, 1999). Leaders suggested that they pursued certification for the perceived benefit of employees, and to a lesser extent customers and investors. Employees seemed to feel proud of being associated with a B Corp and valued their experiences of working with others who shared their values. This was expressed in the context of working with “phenomenal people” and “working with people who share a passion for working for a business like this.” Leaders discussed certification as a “label for my [the leader’s] company when I’m hiring. So that people are very clear and understand where I’m coming from.” This is consistent with Spence (1999, 2016) who identified prioritization of personal relationships as a key characteristic of small businesses, which she argues may yield increased trust and loyalty. In my findings, the focus on personal relationship is not simply just presented as an “opportunity” (Spence, 1999, p. 165), but rather intentional in the context of B Corps.

Due in part to the significant constraints of SMEs, as acknowledged by scholars (Bikefe et al., 2020; Castka et al., 2004; Perrini, 2006; Spence, 1999), study participants suggested that certification offered opportunities to improve their business beyond the limits of their internal resources. This is described as an opportunity to “intentionally collaborate” and learn from other “like-minded” organizations. Participants described the certification assessment process itself as offering an “informational benefit” and “educational aspect” to consider new ideas, learn, and

benchmark against best practices from other B Corps. Certification offered an opportunity to “get an idea of what other companies were doing and what the better and the leading socially responsible companies were doing” and, more so for B Corps located in Vermont, offered an opportunity to be in community with others. While certification came at a cost, the majority of participants seemed to suggest that the benefits outweighed the expense.

Pursuit of Value-Aligned Community in the MSS Literature

Consistent with management system literature and research by Bansal and Roth (2000), my study participants suggested that they were motivated by the desire to establish organizational legitimacy, network with others of shared interests and improve relationships with stakeholders who understand B Corp certification. Participants discussed B Corp certification in relation to the growing number of “good companies getting involved” and said that they “saw enough other brands there [B Corp certified] that it was probably legitimate.” Leaders in my study shared that when B Corp certification was explained to stakeholders, it was described in relation to other “prominent” companies that had previously achieved certification, with an aim to evoke a sense of legitimacy and credibility.

The broader sense of community derived from the certification and being part of a “movement” of shared-values described by my participants seems to offer unique insights into motivations for the pursuit certification. The pride that my participants expressed in previously meeting the B Corp assessment criteria and their willingness to devote their limited resources for a predominantly symbolic effort extends the work of Potoskoi and Prakash (2005). Consistent with their work, which draws on the theory of clubs and cartels, my study participants suggested a prioritization of social interactions and a preference for cooperation over competition. This was articulated as an intentional commitment to collaboration, in which participants expressed

commitment to “growing the movement.”

However, Potoskoi and Prakash (2005) also posited that certification allows members to publicize their membership and in doing so to take credit for the efforts of the larger collective. In contrast to their findings, the organizations that I studied did not seem to be using certification for marketing purposes, and did not note any perceived benefits to be accrued from the efforts of others in the B Corp community. In fact, many of my study participants reflected throughout their interviews that they were actually doing very little to promote their certification externally. Participants noted limited external awareness and appreciation of B Corp certification and argued that B Lab was not exerting enough effort to increase this broader understanding. Again, the dominant expressed motivation for the pursuit of certification was related to value alignment vs. promotion and marketing.

Pursuit of Value-Aligned Community in the B Corp Certification Literature

In contrast with the findings from Kim and Schifeling (2016), I did not find that the SMEs in my study seemed to feel they had been forced to pursue certification as a response to more conventional firms making overstated marketing claims and/or to help consumers navigate a noisy marketplace. My study participants suggested they pursued B Corp certification to more clearly signal the leader's values and in an effort to join a community of individuals who believed that business could be a “force for good” while also generating profit (B Corporation, 2022), and not primarily in response to external stakeholder or market pressure. This conforms closely to Kim and Schifeling’s (2016) finding that firms pursuing B Corps certification do so to join a movement as a capitalistic critique. While some of my participants passionately discussed companies and economic structures that are “bottom-line cutting” and some offered a critique of capitalism as “crapitalism,” the pursuit of certification was primarily discussed as a means by

which to ensure value alignment. Most of my participants seemed to see pursuing B Corp certificate as a choice to be connected, aligned, and in community with “like-minded” individuals, rather than as an outright critique of other business models. B Corp seemed to be seen by participants as a “movement” that “people can rally behind and feel good about.”

Gehman and Grimes (2017) theorize that one of the drivers of B Corp certification was the membership it afforded in a community, fostering opportunities to learn from each other and occasionally engage in business transactions with other B Corps. My study findings are consistent with this supposition. My findings, however, provide additional, nuanced insight into this relationship. Participants suggested that joining a collective of “like-minded” individuals also helped to renew their “passion” for their business purpose and certification became a signifier for collaboration in that they were “of the same ilk.” The collaboration did not seem to be focused on business transactions, and more often the narrative seemed to be about being in community, networking, and learning from individuals who shared their values and could be trusted to act with integrity and authenticity within the community.

Pursuit of Business Case

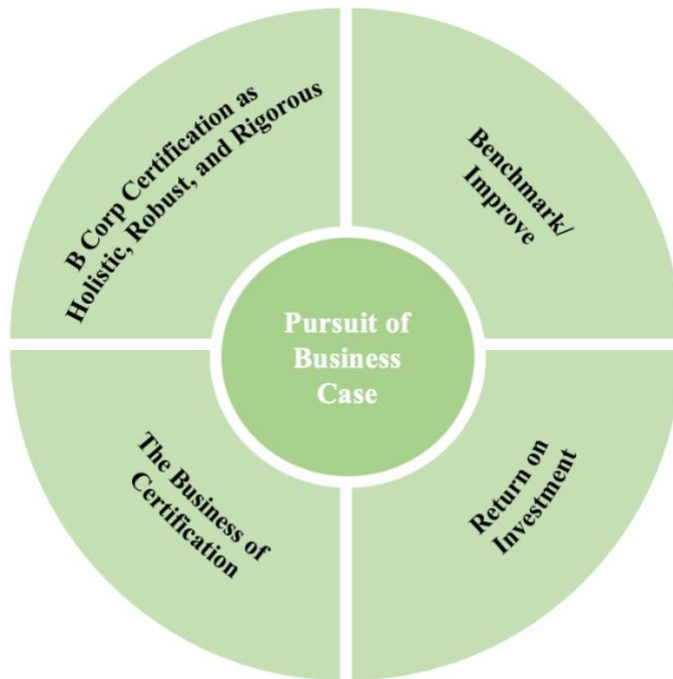


Figure 30. Pursuit of Business Case as a Driver

As noted in Figure 30, and as discussed in Chapter 5, study participants professed that a final driver for the pursuit of third-party certification was the pursuit of what can be described as the business case. The business case was motivated by a quest for value realization through anticipated direct and indirect benefits, such as return on investment, benchmarking against peers and improvement of organizational practices.

I will now discuss this driver in relationship to the contributions that I am making in the following areas: the literature explored in Chapter 2 on CSR, SME, MSS and B Corp.

Pursuit of Business Case in the CSR Literature

Broadly speaking, research seems to support the notion that investment in CSR generates a multitude of organizational benefits (de Oliveira Santini, 2021 share a meta-analysis).

Generally, there is a competitive advantage and improved stakeholder relationships for firms that

engage in CSR versus firms that do not (Aguinis & Glavas; 2012; Carroll & Shabana, 2010; de Oliveira Santini, 2021). However this competitive advantage and firm financial performance were not explicitly identified as primary drivers for the pursuit of certification, nor did expectation of a return on investment seem to be a dominant narrative for the majority of organizations in my study. Moreover, consistent with existing literature, many organizations in my study suggested that they were influenced by instrumental motives (Aguilera, et al., 2007), suggesting an instrumental use of CSR (Husted & de Jesus Salazar, 2006) and shareholder culture (Prutina, 2015). Some participants did express that they pursued B Corp certification in anticipation of outcomes they valued. These benefits were expressed in both direct and indirect terms.

Some of these instrumental motives were articulated as the value to be derived from the nature of the certification assessment and related process itself, as it was “comprehensive,” the “whole nine yards.” This sense of being of value because it was rigorous and holistic seems aligned with definitions of embedded CSR (Lazlo & Zhexembayeva, 2011; Prutina, 2015). Leaders suggested that certification provided a means for the leader to reflect on the intersection of operational practices, strategy, and impact to identify “where the holes are in your company.” The assessment was characterized as a “tool” and seemed to be perceived as offering potential to focus on improvement, self-assessment, and benchmarking against other B Corps, thereby acting as a “roadmap” to better sustainability practices.

The more traditional sense of instrumental motivations seemed to be embodied in firms that had already complied with the criteria for certification, described by participants as the “fit,” and yet who sought out certification expecting return on investment (Aguilera, et al., 2007). This was enhanced by the influence of the third-party consultant and external provisional funding in

the Nova Scotian context, where some participants developed expectations that the cost of the certification would be met with increased marketing exposure and ultimately increased sales from customers. Others discussed instrumental motives through indirect views of return on investment, seeing certification as guiding a “better way to run a business” resulting in “a better top line and better bottom line for our business.” The concept that CSR engagement can lead to positive outcomes is not new (Aguinis & Glavas, 2012; Wang, et al., 2016). However, what is interesting is the application this has to third-party CSR certification and how CSR certification can impact day-to-day operations and behaviors in the workplace.

Pursuit of Business Case in the CSR in SMEs Literature

Consistent throughout SME literature is the shared understanding that SMEs lack the resources and infrastructure of large multinational firms (Enderle, 2004; Grimstad et al., 2020; Perrini, 2006). In early work, Spence (1999) identified small businesses as often liquidity challenged and “firefighting” issues of the day to address the urgent needs of the business to ensure its survival. More recent scholarship reveals this situation is much the same (Bikefe et al., 2020; Castka et al., 2004; Perrini, 2006). Given SMEs limited financial and internal resource capacity, it is expected that they would demand a defined business case for the pursuit of certification—to my surprise this was not the dominant driver (p. 165). One of the leaders volunteered that they had spent \$10,000 on their B Corp certification efforts without any expectation of a monetary return on this significant financial investment. For context, there are 21 pricing tiers, which start at \$1,000 for less than \$150,000 in annual sales and top out at \$50,000 a year for companies with \$1 billion or more in annual sales (B Lab, 2022). This leader spoke of his financial investment in B Corp certification in such a way that it seemed to be a point of pride that they were lending their name and significant financial support to “the

movement.” This suggests that some SMEs in my sample were highly motivated to allocate what we can assume to be scarce monetary resources toward this effort, in addition to the effort exerted to pursue B Corp certification. It suggests they perceived it as being of high value, beyond traditional measures of direct return on investment.

Organizations in my study also inspired by the potential to realize indirect benefits, to incorporate the learning and best practices represented by B Corps certification, but true to small business “firefighting” tendencies (Spence, 1999, p. 165), some did not have the resources to capitalize on the certification in the way they would have liked. One leader articulated their aspirations and regrets compared to larger corporations with more resources as follows:

Bigger companies [have a], you know, dedicated B Corp officer that is more engaged in the B Corp community and creating circles and doing, you know, awareness, and creating events for the employees. So that’s where we haven’t done enough. I think that’s where the lack of resources has limited us and our ability to communicate outward and to try and really build a community further. (Interview 19, Leader)

A few participants seemed dismissive of the need to quantify the return on investment and suggested that they had no expectations of return – for example from attracting sales from new consumers—due to the lack of awareness of B Corp certification. Instead, a few participants seemed to return to the narrative that their motivation for certification was “just believing in it,” and arguing that the view “this notion that anything you do in business needs to be more a gain” was short-sighted. To my knowledge, this has not been previously highlighted in the emerging B Corp literature.

Previous research has also suggested that SMEs often have informal processes and lack strategic approaches to CSR (Bikefe, 2020; Spence, 1999; 2016; Stoian & Gilman, 2017). My

findings suggest that certification was adopted as an opportunity to overcome both of these challenges. All study participants seemed to see certification as an opportunity to assess processes and provide valuable information to benchmark and formalize their systems and processes as they grow.

Pursuit of Business Case in the MSS Literature

Within the MSS literature, research has been conducted relative to the need to remain competitive as a key driver for a company's pursuit of compliance with ISO standards, citing competitive advantage (Bansal & Roth, 2000) and to improved performance, market access, and management of external image (Perkins, 2005). Each one of these motives represents the pursuit of the “business case,” as described throughout this section.

Suchman's (1995) legitimacy theory proposes that, for mimetic or isomorphic forces to be experienced in a market, an adoption threshold for the phenomenon needs to have been surpassed. As noted by my study participants, B Corp certification has yet to reach a high level of adoption within the marketplace. Unlike standards such as ISO 9001 and 14001 that have enjoyed broad adoption, and have increasingly become competitive expectations in the marketplace (Heras-Saizarbitoria and Boiral, 2013), most participants suggested that B Corp certification was not distinctive in the marketplace because it does not enjoy broad awareness.

However, my participants still seemed to suggest that certification offered pragmatic legitimacy, in accordance with Suchman's definition. Pragmatic legitimacy emerges out of a self-interested exchange with the organization's most immediate stakeholders. The quest for the business case aligns with this definition of pragmatic legitimacy, including as a strategic resource as defined by Suchman (1995) and social legitimacy as defined by Scott (2001), and as a signal of social desirability within the B Corp community in accordance with Deephouse et al. (2017).

Pursuit of Business Case in the B Corp Certification Literature

The limited prior research surrounding B Corp certification has not highlighted the business case for the pursuit of certification. Gehman and Grimes (2017) found, in industries and regions where B Corp values were shared, that the certification itself lacks category distinctiveness, and therefore certified B Corps tend to forego the promotion of B Corp certification. This is consistent with my study's findings that B Corps are not marketing and promoting their membership broadly. The participants suggested their sole prioritization of the symbolic nature of the certification, for promotion of value alignment and signaling and "brand story," was predominantly focused on internal stakeholders.

Moroz and Gamble (2021) found that B Corps certified to enhance their branding, and decertified once the certification was perceived to add no further value. My findings seem to contrast with this, as this was not the dominant narrative shared by participants, particularly related to external branding. Interestingly, the one organizational participant in Nova Scotia who expressed the desire to decertify at the time of the interview noted that they had not derived the value from enhanced and/or increased customer relationships as a result of becoming certified as they anticipated.

Implications

The implications of my research extend to both theory and practice. I share in the following sections the research implications and the implications for B Lab, governmental entities, and business educators, discussing each in the order given.

Research Implications

There has been exponential growth in the number of firms pursuing B Corp certification, but relatively little prior research has been conducted on their motivations for doing so. This

deficiency presented a compelling opportunity for me to conduct exploratory research in the emergent field of third-party CSR certifications, using B Corp certification as the illustrative case study. As little continues to be known about what motivates the pursuit of certification (Heras-Saizarbitoria & Boiral, 2013; Johnstone, 2019), this research study seeks to contribute to scholarship by creating a more nuanced understanding of the motivations of SMEs to expand their espoused commitment to CSR and to voluntarily pursue third-party CSR certification(s). My specific focus on SMEs presented an additional opportunity to add to the CSR literature, because SMEs continue to be understudied relative to their larger firm counterparts (Bikefe et al., 2020; Bondy & Starkey, 2014; Grimstad et al., 2020; Kechiche & Soparnot, 2012; Moura-Leite & Padgett, 2011; Spence, 1999; Spence & Perini, 2009). Of particular interest to me were the underlying antecedents by which SMEs chose to voluntarily commit scarce resources to pursue third-party CSR certification. In relation to what we know about CSR and third-party CSR certifications, my research contributes to the intersection of several literatures: CSR, CSR in SMEs, and third-party CSR certification(s) in this same organizational context.

Although research had begun to explore B Corp certification in an effort to explain the antecedents for the pursuit of certification, such work is nascent and has yet to fully explain the motivations for voluntary pursuit of certification. By investigating the motivations for the pursuit of certification, my work provides new insights and highlights the importance of the leader's motivations, as a key antecedent for the pursuit of certification.

Relative to my first research question—What motivates SMEs to expand their commitment to CSR and voluntarily pursue third-party CSR certification(s), and more specifically B Corp certification, I discovered that the pursuit of certification by the SMEs was motivated by three key drivers: (1) Pursuit of Leader and Organization Value Alignment; (2)

Pursuit of Value-Aligned Community; and (3) Pursuit of Business Case. In identifying these three key drivers, I believe I have deepened our understanding of the motivations for the pursuit of certification, specifically B Corp certification, and made contributions to the extant literature.

First, my study found that the organizational leaders were the primary influences for the pursuit of third-party CSR certification. This contrasts with the research of Aguilera et al. (2007), who found that multiple actors pushed organizations to conform to higher societal expectations of business, and Aquinis and Glavas (2012), who suggested that stakeholders exert significant influence over a firm's commitment to CSR and the way in which CSR is enacted. My results are, however, consistent with research regarding the role of the leader as a key factor in the formulation and implementation of CSR (Saha, et al., 2020; Treviño, 2006).

Additionally, there are notable consistencies with prior research on the motivators for CSR engagement (Aguilera et al., 2007; Graafland & Mazereeuw-Van der Duijn Schouten, 2012; Grimstad et al., 2020; Husted and de Jesus Salazar, 2006; Prutina, 2015), and with research on the motivators for the pursuit of other certifications, namely ISO certification (Bansal and Roth, 2000; Perkins, 2005), and on the role of leader value alignment of SMEs (Bikefe et al., 2020; Spence, 1999, 2016; Tang & Tang, 2018). Emerging B Corp literature also links with research surrounding the leader's role in the establishment and maintenance of B Corp certification (Gehman & Grimes, 2017; Pollack et al., 2020; Roth & Winkler, 2018).

Within the emerging B Corp literature, my findings are consistent with recent work of Pollack et al. (2020), in which they suggest that leaders pursued B Corp certification for many reasons, often related to personal and organizational value alignment, and with the work of Roth and Winkler (2018), who explored the values of a small sample of Chilean B Corp leaders. Although based on data from a small number of B Corp leaders, my proposed integrated

framework offers additional insight into the multiple, and sometimes conflicting motivations, that the SMEs in my study were attempting to grapple with. As such, my framework facilitates a more holistic understanding of the role of the leader in the pursuit of a values-based certification.

The third research question in my study drew on the work of Heras-Saizarbitoria and Boiral (2013) and Patel and Dublin (2022) and responded to their call for a cross-country comparative study of B Corps to explore regional differences and examine the extent to which various stakeholders act as drivers for the pursuit of certification. My study explored whether possible regional-level cultural influences in Nova Scotia and Vermont might have affected how the decision to pursue certification was made. I found the differences between Nova Scotia and Vermont firms were minimal, and the motivations for the pursuit of B Corp certification remained largely consistent. However, differences were noted for expectations about return on investment (*business case*), the sense of community and collegiality experiences (*belonging*), and the maturity of business and investor partnerships (*business case/belonging*). One current regional difference noted was the significant nonrenewal rate in Nova Scotia; this was specifically due in part to the lack of value seen from the certification and the influence of provisional funding of third-party consultants to “sell” the certification. There is opportunity to explore the impact of the attrition rate and how it could lead to an increased sense of community *belonging*, further enabling the promotion of the *badge* of certification, potentially attracting still more organizations to become certified. Ultimately, based on the parameters of the B Impact assessment, this would lead to improved societal outcomes. Some of these additional differences are highlighted in the practical implications for B Lab that follows.

B Lab Implications

As the certifying organization, B Lab is encouraged to provide more resources to support the network of socially conscious companies and promote their continuous improvement and partnership. My research findings suggest that B Lab has considerable opportunity for growth in consistently supporting the network of certified B Corps by providing additional structure and support for the incorporation of some of the best practices. Specifically, it could articulate high-impact practices that can guide B Corps on the best strategies to incorporate, given resource constraints.

My study also highlights one regional inconsistency: Nova Scotian B Corps did not experience the same sense of community and B Corp-to-B Corp business partnerships enjoyed and emphasized by their Vermont counterparts. The low renewal rate for Nova Scotia B Corps suggests that their lack of a sense of community impacted their solidarity and commitment to “the movement,” and this, in turn, led to a lack of motivation to invest the time and energy to recertify.

Nova Scotia B Corps reported that they did not receive any value directly from B Lab beyond “getting a number and being part of a community, which may share social media for us.” Some members reported no value was received and compared the certification to “putting on an extra pair of socks that you didn’t really need when it wasn’t that cold out.” Nova Scotian participants highlighted a lack of responsiveness by B Lab and commented that the organization itself was “overwhelmed” by the rapid adoption of the certification. In addition, the claim was made that B Lab left organizations vulnerable, that after they completed certification, there was no appropriate follow-up. Some B Corps in Nova Scotia pragmatically mentioned certification renewals not followed up on, application weblinks didn’t function, and calls were not returned.

Another critique involved the number of organizations, using the free B Impact Assessment, but not committing to the certification. One participant said...

If you had a website and you had 55,000 people come to your website, and only 2,000 people stayed, you would be in crisis. You would be like the bells would be ringing. You know, you'd have like medics in there trying to fix everything. And I know that they're trying to make progress. (Interview 12, Third-party consultant/Leader)

B Lab also has considerable work to do to build its own identity beyond the B Corp community. As highlighted throughout this study, consumer and general awareness of B Corp is lacking. The B Corp label itself is not intuitive to understand, and both consumer awareness and understanding of it are low. While one can read organic certification on a product label and understand what it represents, the B Corp label denoting certification (see Figure 31) is still in its infancy. B Lab would be able to better support its certified B Corp members if it strove to create mass understanding of its labeling.

Study participants broadly appreciated that while many people are not familiar with B Corp Certification, once they understand it, they will find it “appealing.” The ability of certification to resonate with employees and prospective clients is a valuable opportunity for B Lab and ultimately for those who pursue B Corp certification.

A surprising finding throughout this study was that consumers were not perceived to be a primary driver for the pursuit of certification, outside of the B Corp to B Corp supply chain. As mentioned above, this seems to contrast prior research linking CSR commitment to increased customer loyalty (Arora & Henderson, 2007), customer satisfaction (Conlon & Murray, 1996) and generally positive marketing impact (Peloza & Shang, 2011). This suggests there is a

considerable opportunity to promote public awareness and understanding in order to drive business to certified B Corps, further promoting the certification, and potentially providing a more tangible return on investment for those who pursue certification.



Figure 31. B Corp Logo (B Corporation, 2022)

Governmental Entities Implications

With respect to public policy, my findings indicate that governmental entities can play a supportive role in the development of sustainability practices in SMEs. While funding to pursue certification was made available in the Nova Scotian context, the certification itself was sold as an opportunity for “competitive advantage.” This promise of the *business case* attracted strong levels of engagement; however, it seems apparent that, when the hoped-for benefits were not realized, companies that received this certification did not pursue recertification. This was observed regardless of the alignment of the certification itself. Drawing from the integrated motivational framework, governmental entities would be well served to note the multitude of motivators for the pursuit of certification and to provide both pre- and post-certification support to ensure benefits are more fully realized. Governmental entities would be well served to work in partnership with B Corps to foster local networks, and, when funding is made available, they also need to provide key performance indicators to ensure intended results are achieved. Given the increased understanding, as provided in my exploratory research agenda, governmental entities

could offer an additional pilot study to determine—with a more holistic understanding and support—if results would result in more sustained adoption of the certification over time. I suggest that, during the inception screening process, questions be included to better understand motivations for the pursuit of certification. A sampling of questions could include: (1) What do you believe are the perceived benefits of being certified? (2) Do you believe certification is important to your stakeholders?

Business Education Implications

For business education, there are several curricular implications. Many business schools, including my own, continue to teach CSR as a stand-alone concept, versus an integrated concept embedded in multiple disciplines (Driscoll et al., 2017). The participants included in this study advocated for a reinvention of the term “CSR,” and they encouraged a reframing of the dichotomy of for-profit versus non-profit orientation, where non-profit is the only way to ensure societal benefit. Across a variety of industries, participants articulated that business can be a force for great social good when intentionally aligned with individual and organizational values. In my personal experience, as an educator and parent, these concepts are increasingly resonating with today’s aspiring leaders.

The concepts that emerged from this research including “value-led business” should be studied across a variety of business disciplines, with particular focus on: marketing, accounting, finance, international business, and management. Students would benefit from exposure to a variety of sustainability certifications and external measures across the field of management system and accounting standards, and they would benefit from encouragement to critically evaluate their utility, both to organizations and to society as a whole. Furthermore, given the

numbers of small businesses across North America, SMEs should constitute a larger focus across business education.

Limitations

I acknowledge that, like all case studies, this research has inherent limitations, including issues of reliability, validity, and generalizability (Stake, 2005; Yin, 2017). Given the nature of qualitative exploratory research, the goal of this study was not to reach generalizable conclusions, but rather to gain in-depth understanding, consistent with the case study approach (Yin, 2017). The selection of B Corp certification as the illustrative case study presented a boundary condition for the generalizability of this exploratory research. Purposive sampling was also used to recruit study participants based on their geographic location and B Corp certification date. This sampling procedure is prone to certain limitations, the most significant being researcher bias (Jupp, 2006). I acknowledge that my own perceptions, assumptions, and understanding about the subject of CSR, third-party certifications, and my own lived experience as a student in Nova Scotia and a resident of Vermont informed both the specific inquiry into B Corp certification and the selection of locales for geographic comparison.

Selection of specific B Corps within the sample population required less judgment, as the aim was for comparative industry and employee size. Given the comparative lens used to explore certified B Corps in Nova Scotia and Vermont, employee size was a significant limitation. I acknowledge that while the intent was to study SMEs, this employee size is more congruent with definitions of small business. I also acknowledge that the lens of comparability provided for a more comprehensive sample of B Corps in Nova Scotia, as there are comparatively far more B Corps in Vermont. This meant that more B Corps in the Vermont landscape were not considered for inclusion in the sample population.

Given that snowball sampling was used to contact potential participants in the study, this represents a limiting factor on the sample itself (Parker et al., 2019). This approach was also used to solicit additional participants for the study within organizations. An inherent limitation of this approach is that it is not representative (Parker et al., 2019) and is based on the participant's awareness of others who participated in the B Corp certification process either at inception or renewal. Even so, this is deemed an effective approach when specific characteristics, such as B Corp certification, are a criterion for the sample selection (Parker et al., 2019).

There is also the recognition that interview participants are human, and as such are prone to incomplete recall, problems of articulation, and potential bias toward positive feedback (Yin, 2017). To support the recall of participants and ensure some level of consistency in the approach and questioning, a semi-structured interview guide was used, and all interviews were conducted by me, the primary researcher. Hsieh and Shannon (2005) also note that, where probing interview questions were used in the interview guide, some participants might be influenced by prompts to answer in a certain way or agree with the questions in an attempt to satisfy researchers. To counter this, I took care in my use of probing questions so as to not unintentionally bias the interview process. However, participants also know what they experienced during the certification process, what actions they took, and how they felt as a result (Yin, 2017). As such, participants are the "authorities" on their experience.

In relation to my data analysis, I also recognize that I have coded and analyzed my participants' commentary on espoused commitments and do not truly have the ability to attest to their internal motivations. However, I sought to ensure consistency in the coding of my interview data. As suggested by Saldaña (2016), my dissertation supervisor independently coded three randomly selected interviews for two subsets of the interview guide for four code types. We then

met to review all independently derived codes and, through dialogue, sought consensus on any coding discrepancies. A high level of coding agreement was achieved and, in the very limited instances where there was disagreement, I reviewed all of the data during my third iteration of coding and recoded with the alternative code.

Hsieh and Shannon (2005) note several challenges with the deductive/provisional coding/directed approach, predominantly a bias toward existing theory. Whereas a deductive approach is informed by theory, researchers might be more likely to find evidence that is supportive rather than in contradiction of a theory. They posit that an overemphasis on theory can blind researchers to contextual aspects of a phenomenon and create a barrier to the extension of that theory. I attempted to overcome this limitation in the current study by creating a balance between deductive and inductive data coding using both first and second cycle approaches. My use of both manual and technologically mediated coding also helped to promote an ongoing, close connection with my data, while also facilitating detailed analysis in terms of breadth and depth.

Directions for Future Research

As with any study, a myriad of further research possibilities arises as a result of the findings from this inquiry. There are robust opportunities for future research exploring the application of the proposed integrated motivational framework for pursuing B Corp certification beyond the boundary conditions set for this study of Nova Scotia and Vermont SMEs. These opportunities include the following:

- Organizations of various sizes, ranging from additional small businesses to larger companies that have pursued B Corp certification;
- Organizations in multiple geographic contexts to discern the extent to which the framework can be consistently applied across cultural and regionally diverse locales;

- Within other sustainability certifications, included but not limited to Fairtrade, Forestry Sustainability Council, ISO 26000.

Beyond the application of the integrated motivational framework, there are additional opportunities for general explorations into the motivations of the pursuit of third-party CSR certifications, including but not limited to B Corp certification. A deeper investigation into early adopter B Corps across cultural contexts, particularly those who represent other geographical locations beyond the scope of the current study, could foster more detailed knowledge regarding the impact of cultural influences for the pursuit of certification. Equally, it would also be interesting to explore the same questions raised in the current research agenda with larger and/or multinational corporations that are certified B Corps to compare SMEs to their larger counterparts. Prior research has recognized that SMEs face unique operational structures, different competitive landscapes, and additional resource constraints than their larger counterparts. It is for this reason that future research could explore the extent to which the findings and contributions from this study carry forward into larger organizational contexts.

A longitudinal study following certified B Corps and their development could also offer rich insights into how these organizations are motivated to seek out certification, recertify, or decertify over time, as well as the influence that various stakeholders have during these phases. Such a study could track the sustainability initiatives of the organizations, the extent to which practices evolve over time, linkage to changes as supported by the B Impact Assessment Tool, and the extent to which desired organizational outcomes were achieved.

Another interesting avenue of exploration would be the path of decertification. In my study, there was one organization that had already decertified at the time of their interview, and they were explicit that this was due to the lack of business case. Furthermore, the remaining B

Corps in my sample, in both geographical contexts, articulated their intent to renew certification; however, several in both geographic locales did not. It was not part of my research agenda to follow up and better understand why they did not follow through on their expressed intent. Such research would be of particular interest to B Corp scholars and practitioners alike.

While it appears in this study that the leaders of the organizations were the drivers in the pursuit of B Corp certification, one aspect that was not addressed is the role of formal versus informal leadership in the motivation toward certification. Throughout this study, leadership was defined as the president, owner, and/or founder, and it would be of interest to explore employee leadership and accountability during the certification period, as well as to investigate formal leadership styles, specifically shared leadership (Conger & Pearce, 2003) or distributed leadership models (Harris & DeFlaminis, 2016) employed throughout certified B Corps. There are rich opportunities to more deeply explore connections to other leadership models related to empowerment, coaching, and engagement of employees.

Several studies have explored the impact of leader role modeling on organizational ethical climates (Demirtas & Akdogan, 2015; Mayer et al., 2010; Shin, 2012; Shin et al., 2015), and a growing number of studies have examined the influence of specific leadership styles such as ethical leadership on ethical climates (Demirtas and Akdogan; 2015; Mayer et al., 2010; Shin, 2012; Shin et al., 2015). The influence of the leader on the ethical climate of an organization is consistent with this study's findings and creates an expansive opportunity for future research to explore the intersection of the pursuit of certification and an organization's existing ethical climate, as informed by the leader's orientation.

While very few in number, there were other stakeholders who also had significant influence on the decision to pursue certification and warrant further study. Specifically, there

was one case where, in addition to the leader, an investor played a significant role in making the business owner aware of B Corp certification and encouraging its pursuit. It would be interesting to explore the influence of investors on B Corp certification and decertification as a result of this secondary influence.

Building on this study, future research can include in-depth case studies focusing on the development of sustainability initiatives, specifically tracing their B Corp journey over time, with specific regard to the actors who initiated and nurtured each program. Such a study would provide insight about how types of leadership relate to performance of sustainability programs and the extent to which certification played a role in the maintenance or further development of such programs.

Lastly, in formulating research questions for future research, one might consider:

- Does the integrated motivation framework have applications for samples beyond the current study, specifically across other sustainability certification and geographical contexts?
- Is there a connection to the existing ethical climate of the organization and the selection of certifications, specifically B Corp certification?
- Are the motivations to certify and recertify consistent over time?

Concluding Remarks

This study was inspired by my desire to explore the motivations of SMEs in their pursuit of third-party CSR certifications, specifically B Corp certification, and, in doing so, to address identified gaps in the academic literature.

Having developed an exploratory research study, this agenda culminated in:

(1) the identification of three key drivers that are important motivators for SMEs to voluntarily pursue B Corp certification: (1) Pursuit of Value Alignment; (2) Pursuit of Value-Aligned Community; and (3) Pursuit of Business Case. The articulation of these drivers and the clearly dominant and primary role of leaders in driving the pursuit of certification informed the development of the proposed integrated framework of leaders' motivations.

(2) an integrated, theory-grounded multidimensional framework to represent the multiple, and sometimes conflicting, motivations that appeared to drive the SME leaders in my study to expand their espoused commitment to CSR and to voluntarily pursue a CSR certification. The development and application of this original framework, based on data from study participants in Nova Scotia and Vermont, contributes to literature on CSR, SMEs, MSS and B Corp in small, but hopefully meaningful, ways.

Consistent with exploratory research in an understudied area, my goal with this thesis has been to expand scholarly understanding of the motivations of SMEs to pursue third party CSR certification in order to develop new insights and ideas. Not surprisingly, my research findings—as conceptualized in my integrated framework—suggest many factors are at play and the salience of drivers can vary by organization and organizational leader. My findings suggest there is significant potential for future research of the B Corp movement, as well as opportunities to support this movement through targeted efforts by B Lab, current and prospective B Corps, policy makers, and business educators. Given the importance of SMEs to the overall economy, it is my personal hope that this research might stimulate future research into B Corps and highlight the pragmatic benefits that can be realized when businesses act as a force for societal good.

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Appendix A

Drives of B Corps: A Comparative Study Interview Guide - INTERNAL

Part A: Introduction

1. When you came to work for ___ Company, what was it that originally attracted you to work here?
2. What do you enjoy most about working for ___ Company?
3. Would you say that your organization places an emphasis on corporate social responsibility (CSR) and ethics?
PROBE: If yes, where does this focus come from?
PROBE: In what ways do you see this commitment in action within your organization?
4. What do you feel motivates your organization to engage in CSR practices?

Part B: Certification

1. Why did your company pursue certification in general?
PROBE: Would you be able to rank those factors?
PROBE: Would you say that one consideration stood out more than the others?
2. Which certifications did you consider?
(Note: prompt without a listing first to see what participant mentions first)

PROBE: (i.e., B Corp, Fairtrade, Green Seal Business Certification, ISO 26000, Sustainable Farm Certification, Food Alliance Certified)

Examples from: <http://benefitcorp.net/businesses/how-do-i-pick-third-party-standard>
3. What certifications do you currently hold?
PROBE: What is the timeline for your certification(s)? When were they achieved? (Note: can be approximate with follow-up later)
4. What were the perceived benefits of the respective certification(s)?
5. What motivated your organization to choose B Corp certification over the others?
6. IF, organization holds other certifications:
 - A. Why pursue more than one certification?
 - B. Did you feel that B Corp complimented existing certifications in a certain way?

7. Do you believe certification is important to your stakeholders?
(Note: stakeholders to include: customers, employees, investors, government, suppliers, community, etc.)

PROBE: How do you know?

PROBE: Which stakeholders do you believe value it the most?

8. What do you believe are the benefits of being certified?
9. Do you believe that there is a relationship between the B Corp certification and your organizations' commitment to CSR?

PROBE: Did you notice anything change within your organization in terms of their commitment to CSR since B Corp certification was achieved?

10. Once the decision was made to pursue B Corp certification, who was involved in the certification process?

PROBE: This could include external support including B Labs, consulting firms or regulators.

11. How was the certification process communicated to employees and other stakeholders?

12. Is it the organization's intent to recertify when the current certification expires?

PROBE: If no, what are the reasons for not recertifying?

Drives of B Corps: A Comparative Study Interview Guide - EXTERNAL

This interview guide is intended for B Lab employees and consultants

Part A: Introduction

1. When you came to work for here, what was it that originally attracted you to work here?
2. What do you enjoy most about working here?
3. What do you feel motivates your organization to support organizations that pursue B Corp certification?

Part B: Certification

4. Why do you believe the companies you work with pursue certification in general?

PROBE: Would you be able to rank those factors?

PROBE: Would you say that one consideration stands out more than the others?

5. Which certifications have the organizations you've been involved with considered?
(Note: prompt without a listing first to see what participant mentions first)

PROBE: (i.e., B Corp, Fairtrade, Green Seal Business Certification, ISO 26000, Sustainable Farm Certification, Food Alliance Certified)

Examples from: <http://benefitcorp.net/businesses/how-do-i-pick-third-party-standard>

C. What were the perceived benefits of the respective certification(s)?

6. What do you believe motivated the organization(s) to choose B Corp certification over the others?

7. IF, organizations hold other certifications:

D. Why do you believe organizations pursue more than one certification?

E. Did you feel that B Corp complimented existing certifications in a certain way?

8. Do you believe certification is important to their stakeholders?

(Note: stakeholders to include: customers, employees, investors, government, suppliers, community, etc.)

PROBE: How do you know?

PROBE: Which stakeholders do you believe value it the most?

9. What do you believe are the benefits of being certified?

10. Do you believe that there is a relationship between the B Corp certification and the organizations' commitment to CSR?

PROBE: Did you notice anything change within the organization(s) in terms of their commitment to CSR since B Corp certification was achieved?

Appendix B

Phone/E-mail Recruitment Script to B Corps

Note: this text below would be sent by email from the principal student investigator (Nicole Morris), cc'ing the faculty supervisor (Dr. Margaret McKee).

Hello. My name is Nicole Morris and I am a PhD student in Management at Saint Mary's University, Halifax, Nova Scotia, Canada working under the supervision of Dr. Margaret McKee, Associate Professor. Although my PhD program is in Canada, I am currently residing in the United States in Burlington, Vermont. As part of my doctoral studies, I am conducting a research study to explore what motivates organizations to pursue third-party certification, specifically B Corp certification, and whether or not differences exist between organizations in the United States and Canada.

I sourced your name from your company's listing on the B Corp community website (<https://www.bcorporation.net/community/find-a-b-corp>). As I am looking to explore the early experiences and motivations of organizations regarding certification, your organization was selected as it has been recently certified, i.e., since 2013. I am writing to ask whether you, and ideally a few of your employees, would be willing to individually participate in an interview for the purposes of this study. The interview would take between 30 minutes and 1 hour, and it could be conducted at a time and location that is convenient for you.

This research has been reviewed and approved by the Saint Mary's University Research Ethics Board (REB # 16-509). If you have any questions or concerns about ethical matters or would like to discuss your rights as a research participant, you may contact the Chair of the Saint Mary's University Research Ethics Board at ethics@smu.ca or 1 + (902) 420-5728.

I will call within the week to discuss the project in greater detail. In the meantime, please also feel free to contact me regarding your interest in the research. I can be reached at nicole.morris@smu.ca or by phone at 802-881-1274.

I look forward to speaking with you.

Sincerely,

Nicole S. Morris
Principal Student Investigator
Department of Management
Sobey School of Business
Saint Mary's University
923 Robie Street
Halifax, NS B3H 3C3, Canada

Appendix C

Drivers of B Corp Certification: A Comparative Study

SMU REB # 16-509

Nicole Morris • Primary Investigator • nicole.morris@smu.ca • 802-881-1274
Margaret McKee, PhD- Faculty Supervisor • Margaret.mckee@smu.ca • 902-491-8613

Saint Mary's University
Department of Management
923 Robie Street, Halifax, NS B3H 3C3, Canada

Name: _____

Age: _____

Gender: _____

Employer: _____

Tenure with organization: (circle one) 1-2yrs. 3-5yrs. 6-10 yrs. 11-15yrs. 15+ years

Role at organization: _____

Were you employed by the organization at the time of accreditation? Yes No

Email address, if you wish to obtain a results' report: _____

Appendix D

Drivers of B Corp Certification: A Comparative Study

SMU REB # 16-509

Nicole Morris • Primary Investigator • nicole.morris@smu.ca • 802-881-1274

Margaret McKee, PhD- Faculty Supervisor • Margaret.mckee@smu.ca • 902-491-8613

Saint Mary's University
Department of Management
923 Robie Street, Halifax, NS B3H 3C3, Canada

I would like to thank you for your participation in this study. As a reminder, the general purpose of this study is to explore what motivates organizations to pursue third-party certification, specifically B Corp certification, and whether or not differences exist between the United States and Canada.

Please be assured that I will take steps to ensure that any data pertaining to you as an individual participant will be kept confidential. Once all the data is collected and analyzed for this project, which is expected to be by summer 2018, I plan to present and/or publish papers that report the findings at academic conferences and in scholarly journals. If you provided your email address at the time of the interview, a results' report will be emailed to you. If you did not provide an email address, and are interested in receiving more information regarding the results of this study, or if you have any questions or concerns, please contact Nicole Morris at either the phone number or email address listed at the top of the page.

This research has been reviewed and approved by the Saint Mary's University Research Ethics Board (REB # 16-509). If you have any questions or concerns about ethical matters or would like to discuss your rights as a research participant, you may contact the Chair of the Saint Mary's University Research Ethics Board at ethics@smu.ca or 1 + (902) 420-5728.

Sincerely,

Nicole Morris
Ph.D. Student (St. Mary's University-Department of Management)

Margaret McKee, Ph.D.
Associate Professor (St. Mary's University-Department of Management)

Appendix E

Recruitment Letter/Consent Form

Drivers of B Corp Certification: A Comparative Study

SMU REB # 16-509

Nicole Morris • Principal Student Investigator • nicole.morris@smu.ca • 802-881-1274

Margaret McKee, PhD- Faculty Supervisor • Margaret.mckee@smu.ca • 902-491-8613

Saint Mary's University
Department of Management
923 Robie Street, Halifax, NS B3H 3C3, Canada

CONSENT FORM

RESEARCH PURPOSE

Hello. My name is Nicole Morris and I am a PhD student in Management at Saint Mary's University, Halifax, Nova Scotia, Canada working under the supervision of Dr. Margaret McKee, Associate Professor. Although my PhD program is in Canada, I am currently residing in the United States in Burlington, Vermont. As part of my doctoral studies, I am conducting a research study to explore what motivates organizations to pursue third-party certification, specifically B Corp certification, and whether or not differences exist between organizations in the United States and Canada.

WHO IS BEING INVITED TO PARTICIPATE?

Your organization was selected based on the "Find a B Corp" directory located online at <https://www.bcorporation.net/community/find-a-b-corp>. I am particularly interested in studying existing businesses that have been recently certified to explore their early experiences and motivations regarding certification.

WHAT DOES PARTICIPATING MEAN?

If you agree to participate, I will schedule an interview lasting from 30 minutes to 1 hour at a date/time that is most convenient for you. In the interview I will ask you to reflect back to the initial B Corp certification process and we will discuss what motivated your organization to pursue certification and what that experience was like. Participants will be asked to complete a brief paper survey to collect demographic information. Thereafter the interview will be recorded so as not to collect personally identifiable information on the resulting audio files.

WHAT ARE THE POTENTIAL BENEFITS OF THIS RESEARCH?

I hope that there will be benefits to your participation in my research study. You may find that having the opportunity to reflect on your experiences and role in achieving certification gives

you a sense of achievement and pride, and perhaps inspires you to do more work to increase your commitment to your economic, environmental and social priorities. As a participant, you may also appreciate the opportunity to contribute to research on B Corps. There is also potential for broader benefits to the practitioner and scholarly communities through an improved understanding of the influences on organizations' pursuit of B Corp certification.

WHAT ARE THE POTENTIAL RISKS FOR PARTICIPANTS?

Involvement in this research poses minimal risks. If more than one member of your organization takes part in an interview, there may be differences of opinion relative to the questions about the motivations and experiences related to B Corp certification. Perhaps you will be concerned about whether people will know that you took part in the study and be able to determine what you said in your interview. I will take steps to ensure your anonymity and confidentiality. I will not disclose who has participated in my interviews, and all responses will be kept confidential and will not be shared with anyone at your organization. Additionally, if for any reason you have concerns or sensitivities regarding a question, you can choose to skip the question.

If new information affecting risks arises during the course of the study I will communicate that to you so that you may reassess your willingness to participate in the research. If at any time during or after the research you have concerns about adverse effects, you can contact me or my supervisor using the contact information at the top of the page.

HOW CAN I WITHDRAW FROM THIS STUDY?

Your participation in the study is voluntary and you are free to end your participation at any time prior to the completion of the final report without penalty. A final report is expected no later than December 2018. If you no longer want to take part in the research, I will ask for your permission to use the information you have provided to date in the interview. If you do not want the information to be used, I will erase the interview tape and your information will not be used in the study.

WHAT WILL BE DONE WITH MY INFORMATION?

The data collected during the interview will include:

- directly identifying: name, email address
- demographic: age, gender
- indirectly identifying information: type of workplace, job role, community organizations involved in, etc.

All data obtained from participants will be kept confidential and all interview transcripts will be stripped of any personally identifiable information, including company information. When I report my research findings, I will discuss broad themes from across my interviews, and support this with selected excerpts from my interviews. I will take care to remove any information that could inadvertently identify my interview and/or organizational participants. Additionally, all interview recordings and notes will be kept confidential, accessible only to me and my supervisor. The data collected will be stored securely in my office. Data will be destroyed within five years of original collection.

Once the data are collected and analyzed, the results will be reported in a student academic paper to be submitted to the supervising professor and defense committee. The paper may additionally be shared with the research community through academic seminars, conferences, or publications.

COMPENSATION

As a token of appreciation, you will be given a \$10 local coffee shop gift card at the conclusion of the interview.

HOW CAN I GET MORE INFORMATION?

If you would be interested in receiving a results' report, please provide your email address on the brief demographic survey at the beginning of the interview. If you do not provide an email address and are interested in receiving more information regarding the results of this study, or if you have any questions or concerns, please contact me at either the phone number or email address listed on page 1.

CERTIFICATION

This research has been reviewed and approved by the Saint Mary's University Research Ethics Board (REB # 16-509). If you have any questions or concerns about ethical matters or would like to discuss your rights as a research participant, you may contact the Chair of the Saint Mary's University Research Ethics Board at ethics@smu.ca or 1 + (902) 420-5728.

DIGITAL SIGNATURE OF AGREEMENT

Typing my name in the box below indicates that I understand what this study is about, appreciate the risks and benefits, and that by consenting I agree to take part in this research study and do not waive any rights to legal recourse in the event of research-related harm. I understand that my participation is voluntary and that I can end my participation at any time without penalty. I have had adequate time to think about the research study and have had the opportunity to ask questions.

Print Name: **Date:**

Phone: **E-mail:**

Appendix F

VIA Institute on Character. (2021). <https://viacharacter.org/resources/activities/the-via-classification-of-twenty-four-character-strengths>



The VIA Classification of 24 Character Strengths

<p>Wisdom</p>	<p>CREATIVITY</p> <ul style="list-style-type: none"> • Clever • Original & Adaptive • Problem Solver 	<p>CURIOSITY</p> <ul style="list-style-type: none"> • Interested • Explores new things • Open to new ideas 	<p>JUDGMENT</p> <ul style="list-style-type: none"> • Critical thinker • Thinks things through • Open-minded 	<p>LOVE OF LEARNING</p> <ul style="list-style-type: none"> • Masters new skills & topics • Systematically adds to knowledge 	<p>PERSPECTIVE</p> <ul style="list-style-type: none"> • Wise • Provides wise counsel • Takes the big picture view
<p>Courage</p>	<p>BRAVERY</p> <ul style="list-style-type: none"> • Shows valor • Doesn't shrink from fear • Speaks up for what's right 	<p>PERSEVERANCE</p> <ul style="list-style-type: none"> • Persistent • Industrious • Finishes what one starts 	<p>HONESTY</p> <ul style="list-style-type: none"> • Authentic • Trustworthy • Sincere 	<p>ZEST</p> <ul style="list-style-type: none"> • Enthusiastic • Energetic • Doesn't do things half-heartedly. 	
<p>Humanity</p>	<p>LOVE</p> <ul style="list-style-type: none"> • Warm and genuine • Values close relationships 	<p>KINDNESS</p> <ul style="list-style-type: none"> • Generous • Nurturing • Caring • Compassionate • Altruistic 	<p>SOCIAL INTELLIGENCE</p> <ul style="list-style-type: none"> • Aware of the motives and feelings of self/others • Knows what makes others tick 		
<p>Justice</p>	<p>TEAMWORK</p> <ul style="list-style-type: none"> • Team player • Socially responsible • Loyal 	<p>FAIRNESS</p> <ul style="list-style-type: none"> • Just • Doesn't let feelings bias decisions about others 	<p>LEADERSHIP</p> <ul style="list-style-type: none"> • Organizes group activities • Encourages a group to get things done 		
<p>Temperance</p>	<p>FORGIVENESS</p> <ul style="list-style-type: none"> • Merciful • Accepts others' shortcomings • Gives people a second chance 	<p>HUMILITY</p> <ul style="list-style-type: none"> • Modest • Lets one's accomplishments speak for themselves 	<p>PRUDENCE</p> <ul style="list-style-type: none"> • Careful • Cautious • Doesn't take undue risks 	<p>SELF-REGULATION</p> <ul style="list-style-type: none"> • Self-controlled • Disciplined • Manages impulses and emotions 	
<p>Transcendence</p>	<p>APPRECIATION OF BEAUTY & EXCELLENCE</p> <ul style="list-style-type: none"> • Feels awe and wonder in beauty • Inspired by goodness of others 	<p>GRATITUDE</p> <ul style="list-style-type: none"> • Thankful for the good • Expresses thanks • Feels blessed 	<p>HOPE</p> <ul style="list-style-type: none"> • Optimistic • Future-minded • Future Orientated 	<p>HUMOR</p> <ul style="list-style-type: none"> • Playful • Brings smiles to others • Lighthearted 	<p>SPIRITUALITY</p> <ul style="list-style-type: none"> • Searches for meaning • Feels a sense of purpose • Senses a relationship with the sacred

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