

# **Establishing the emerging B-Corp category: The relationship of engagement and institutional work explored.**



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## **Abstract**

This study explores the relationship of engagement with the emerging B-Corp category and the institutional work performed to further establish the emerging B-Corp category using a mixed method design. A comparative analysis of an organization's B-Corp profile and their corresponding ESG industry average is utilized to indicate different levels of engagement and subsequently 8 B-Corp organizations with different engagement levels are interviewed to gather data on institutional work performed. The engagement and institutional work are compared in a cross-case comparison and findings show that the low engagement organizations performed more institutional work than the high engagement organizations for material and relational work. The high engagement group performed more symbolic institutional work than the low group. This study advances the literature on categories by contradicting the categorical imperative and providing opportunities for further research. This study also shows that B-Corps from different fields collaborate together to perform institutional work to influence others. At last, the institutional work is researched on the micro level, which is on the contrary to most studies, which are on the macro level.

*Keywords:* B-Corp, ESG, category, category emergence, engagement, institutional work.

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## Chapter 1. Introduction

Corporate sustainable responsibility (CSR) is becoming more popular in the last few years and also a means to an organization to differentiate itself from its competitors (Moodie, 2015). Promoting your own CSR activities is one way to show stakeholders how you are using your resources to change the conditions for the good of your workers, environment and community. Self-promotion can create credibility gaps, which lower perceived credibility (Lock and Seele, 2017), and a voluntary external CSR certification might be a solution to this. Voluntary certifications “are administered by third parties with independent verification mechanisms and which are voluntary” (Bowler, Castka and Balzarova, 2017: 441). There are numerous external CSR certifications such as: ISO 26000 (ISO, 2018); SA8000 Standard (SAI, 2018); B-Corp Certification (B Lab, 2018a); several CSR courses including course certification; and more. Also, diverse organizations have CSR guidelines such as the OECD Guidelines for Multinational Enterprises (OECD, 2018), the UN Global Compact (UN, 2018), and the aforementioned ISO (ISO, 2018).

Adhering to the standards of a CSR certification and obtaining the certification can be seen as implicitly joining the category of organizations with that particular CSR certification. Categories are “conceptual tools for understanding organization-environment relationships” (Negro, Koçak and Hsu, 2010: 4). A more precise description would be from Durand and Paoletta (2013: 1102): “in the context of markets and organizations, categories provide a cognitive infrastructure that enables evaluations of organizations and their products, drives expectations, and leads to material and symbolic exchanges”. The cognitive infrastructure of a category is constantly tested by new beliefs or influential events, and can resist to change or can adapt. Category boundaries are constantly challenged and are dynamic to a certain extent.

When a new and distinctive CSR certification is created, a new (prosocial) category is also created. “Prosocial categories offer a ready-made context for those seeking to verify the authenticity and legitimacy of their ‘social entrepreneur’ identity” (Conger, McMullen, Bergman and York, 2018: 179). The founding of the ‘B-Corp Certification’ by the B Lab Company (hereafter B Lab) is a particular interesting example of a CSR certification. B Lab is an external institute to all industries which developed the Business Impact Assessment (hereafter BIA). In this assessment, organizations need to score at least 80 out of 200 points on five domains: Environment, Workers, Customers, Community, and Governance, in order to receive the B-Corp Certification. B Lab provides the opportunity to not just score sufficient to

receive the certification but also to continuously increase the score until the maximum score of 200 is reached. This is unlike the ISO 26000 and SA8000 Standard, which only have the comply/not comply dichotomy. The B-Corp category is still in its infancy because it was founded in 2006 (B Lab, 2018a) with 40 founding B-Corps (B Lab, 2018b) and gradually increased the amount of B-Corps over time. In April 2018 there were only 2,557 certified B-Corporations worldwide (B Lab, 2018a) and low awareness at the organization's customers (Colibri, 2017). The formation of the B-Corp category is based on elements extraneous to an existing market (Durand and Khaire, 2017) and therefore the B-Corp category is considered an *emergent category*.

For organizations it is beneficial to be part of an established category, called the 'categorical imperative', which was first coined by Zuckerman (1999). A categorical imperative indicates that when organizations not adhere to the market order principles of established categories, which are derived from a prototypical view of firms as pure players, penalties will be the consequence (Zuckerman, 1999). When organizations join an emergent category, it is in their interest to further develop the emergent category into an established category to avoid penalties, as explained by the categorical imperative.

Organizations are free to choose which categories they want to pursue to join, within the reasonable and their capacity. Organizations, in general, are part of some category such as their industry. Organizations can choose to join an emergent category but there are gradations. "The notion of category is therefore grounded in features of similarity (i.e., closeness to prototypes)" (Paolella and Durand, 2016: 332). These gradations can be seen as: in what respect organizations show characteristics which are more similar to the general characteristics of the emergent category than to the characteristics of the traditional category, i.e. the industry. Subsequently, the different gradations can be considered as a *level of engagement* of the organization with the emergent category. So an organization, that shows a high amount of characteristics which are similar to the general characteristics of the emergent category, is considered to have a high level of engagement with the emergent category. An assumption is made that the organizations only can pursue two categories: the B-Corp category and their industry category. Therefore, a high level of engagement with the emergent category also means that the organization shows characteristics which show low similarity to the characteristics of their traditional category, the industry. There are also organizations which join an emergent category with a low (or minimum) amount of characteristics which are similar to the general characteristics of the emergent category, which are considered to have a low level of engagement with the emergent category and thus have a high similarity with their traditional

category, the industry (for elaboration, see paragraph 4.1.3.). Having the categorical imperative in mind, organizations do not want to be stuck in the middle between the emergent category and the industry. Therefore, it is expected that organizations with a high level of engagement with the emergent category, are more incentivized to further develop the emergent category into an established category, than organizations with a low level of engagement with the emergent category.

The contribution of an organization, which is part of the emergent category, to further develop the emergent category into an established category is researched through the lens of 'institutional work' (Lawrence and Suddaby, 2006). Institutional work is defined as the "purposive action of individuals and organizations aimed at creating, maintaining and disrupting institutions" (Lawrence and Suddaby, 2006: 215). A category can be seen as an institution that facilitates exchange and shapes economic outcomes (Khaire and Wadhvani, 2010). In this case, institutional work is performed by the emergent category-organization to maintain and fortify the institutionalization of the emergent category into an established category, and can also be considered an institutional entrepreneur (Battilana, Leca and Boxenbaum, 2009).

Following the categorical imperative theory, it is interesting to study how the level of engagement with the emergent category, versus the traditional industry category, impacts the institutional work performed to further develop the emergent category into an established category. Therefore the research question of this study is: *What is the relationship between the engagement of an organization with the emerging B-Corp category and the institutional work performed to further establish this category?* The research question is divided into two sub research questions: First: How do organizations differ in engagement with the B-Corp category? Second: To what extent does this differentiation impacts the institutional work performed?

The scientific contribution of this study is twofold: First, "Institutional entrepreneurs and activists play key roles in framing new practices, mobilizing resources (including constituencies), and garnering legitimacy for new forms" (Rao, Morrill and Zald, 2000: 274). In this context, B-Corp category members can be seen as institutional entrepreneurs who are pursuing the establishment of the new form, the emergent B-Corp category, with their available resources. Rao et al. (2000: 275) call for "inquiry ... at the micro-level of analysis", which is elaborated upon next: "with some exceptions (e.g. Katzenstein, 1998; Kurzman, 1998), current work that links social movements, organizational change, and institutional analysis also *emphasizes macro investigations and ignores the emergence and impact of social movements and new forms as they are experienced on the front lines of organizations* [emphasis added]"

(Rao et al., 2000: 276). The establishment of the new form, the emergent B-Corp category, by performing institutional work, is researched at the micro level to answer this call. Second, in the relational institutional work field, Hampel, Lawrence and Tracey (2015: 572) state that “existing research on relational institutional work has focused primarily on the work involved in influencing like-minded actors from the same field” and thus little is known on the relational work performed to influence actors in different fields. Actors in different fields can have exceedingly different goals, roles and means. This study addresses this concern by providing insight on how actors from different fields (i.e. industries) perform institutional work for the B-Corp category, within the constraints of their goals, roles and means.

The scientific work of this mixed method study is twofold: First, a quantitative comparative analysis of two Environment, Social and Governance (ESG) profiles will be used to determine the level of engagement of an organization with the emergent category versus the industry: the B-Corp profile and the ESG industry average. The B-Corp profile scores the following five topics: Environment, Workers, Customers, Community, and Governance. The ESG industry average will be derived from the ASSET4 Environmental, Social and Governance database. The comparison of the two ESG profiles will lead to insight into different levels of engagement of organizations with the emergent category. Second, a qualitative analysis of semi-structured interviews with organizations of different engagement levels will result in a better understanding of what institutional work the B-Corps are performing to further develop the emergent category and how this interrelates with the level of engagement. The chosen B-Corps of interest are based in the Netherlands due to easier accessibility of relevant persons for interviews by the researcher.

This study provides insights for emergent category- intermediaries and members on what the impact is of more engaged category members on the institutional work performed to establish the emergent category. Intermediaries and members can use this information in their considerations to spend more resources on increasing the level of engagement of category members and thereby accelerate the process of establishing the emergent category.

This study shows that the low engagement organizations perform more institutional work than high engagement organizations for material and relational work. This is vice versa for symbolic work. Subsequently, the categorical imperative is not supported by the different levels of engagement and their institutional work performed. At last, the study shows that the emergent B-Corp category can stretch over traditional industry boundaries to bind actors to be like-minded and to perform institutional work together in order to influence others.

In the next section, background information on the B-Corp Certification is provided and the current literature on categories and institutional work is reviewed. Subsequently, the research design is explained. After that, the methodology and results of the quantitative comparative analysis are presented. Next are the method and results of the qualitative analysis are discussed. After that, a discussion and conclusion of the study is presented.

## Chapter 2. Literature Review

First of all, the B-Corp Certification is discussed to introduce the phenomena. Second, the relevant literature on categories and institutional work are reviewed. Finally, a theoretical integration concludes with incorporating the relevant theories.

### *2.1 B-Corporation*

#### *2.1.1 B Lab and the B-Corporation*

B Lab Company is a US-based nonprofit organization that “serves a global movement of people using business as a force for good” (B Lab, 2018c). B Lab wants to achieve systematic change in society through a fourfold objectives (B Lab, 2018c): 1. Building a global community of Certified B-Corporations, who meet the highest standards of verified, overall social and environmental performance, public transparency, and legal accountability; 2. Promoting mission alignment to align the interests of business with those of society and to help high impact businesses to last; 3. Helping businesses, investors, and institutions to measure what matters, by using the B Impact Assessment (abbreviated to BIA) and B Analytics (a software tool to analyze and compare impact data, see [B Analytics, 2018]) to manage their impact; 4. Inspiring millions to join the movement through the story-telling on B The Change (B The Change, 2018). The BIA and the B-Corp Certification are the central tools of the B Lab to pursue the envisioned systematic change.

*2.1.2. B-Corp Traction.* B Lab was officially founded on July 5<sup>th</sup>, 2006 (B Lab, 2018d) and released its first version of the Business Impact Assessment on September 15<sup>th</sup>, 2006 (B Lab, 2018d). According to the designated Founders webpage, 40 B-Corps were highlighted as Founders (B Lab, 2018b)<sup>1</sup>. Halfway through 2018, a total of 2,557 B-Corporations are certified (B Lab, 2018a). Figure 1 shows the traction of the B-Corp movement by its steady increase in yearly certified B-Corps (Cao, Gehman and Grimes, 2017: 8).

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<sup>1</sup> The amount of founding B-Corps is ambiguous in the information provided by the B Lab. The designated webpage showcases 40 founding B-Corps (B Lab, 2018b), the B Lab’s 2009 Annual Report highlights 74 Founding B-Corps (B Lab, 2009), and the highlighted amount of founding B-Corps increases in the more recent versions of the B Lab’s Annual Reports. The conservative amount of founding B-Corps is taken in this study.

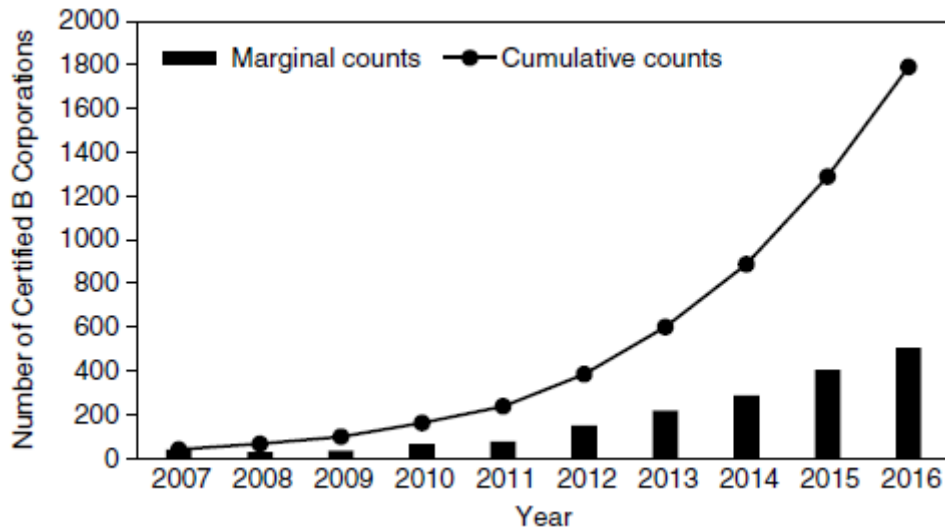


Figure 1. Count of certified B-Corporations worldwide, 2007-2016, on December 31, 2016, using data scraped from the B Lab directory in January 2017 by the source. Source: Cao, Gehman and Grimes (2017: 8).

2.1.3. *B-Corp Certification.* Organizations willing to become a Certified B-Corporation start the process by taking the Business Impact Assessment (BIA). The BIA assesses five dimensions of sustainability: environment, workers, customers, community, and governance (B Lab, 2018f). See Figure 2 (next page) for an overview of the domains and the evaluated corresponding factors.

In order to be eligible to obtain the certification, organizations must score 80 or more points out of the 200 possible points in the aforementioned dimensions. After eligibility, additional documentation must be submitted for extra background checks (for more information on the process see [B Lab, 2018e]). In addition, organizations must amend their governing documents and let shareholders approve those “to take into consideration the interests of all stakeholders, not just shareholders (B Lab, 2018g), pay an annual fee based on revenue, and also sign the Declaration of Interdependence (B Lab, 2018i).

The B-Corp Certification provides organizations with a committed purpose to have a positive impact on their sustainability and society. It also provides an opportunity to not just score sufficient to receive the certification but also to continuously increase the score until the maximum score of 200 is reached. This is unlike other sustainability certifications such as the ISO 26000 and SA8000 Standard, which only have the comply/not comply dichotomy.

<b>B-Corp Certification</b>	
<b>Dimensions</b>	<b>Factors</b>
Environment	Materials, resource and energy use Emissions Impact of supply chain on environment Environment friendliness of products/services
Workers	Compensation Benefits Training Work ownership Management and worker communication Job flexibility and corporate culture Worker health and safety practices
Customers	Products/services promote public benefit Products/services targeted at helping marginalized groups
Community	Supplier relations Diversity Local community involvement Community service Charitable giving Product/service designed to solve a social issue
Governance	Organization's mission Stakeholder engagement Overall transparency of its practices and policies

Figure 2. Overview of the evaluated dimensions and corresponding factors of the B-Corp Certification. Data is used from the B Lab website (B Lab, 2018f) and the overview is created by the author. Source: B Lab (2018f).

2.1.4. *Usage of B-Corp Certification:* The B-Corp Certification is used in various ways by the organization's stakeholders: Consumers do not accept a brands' social and environmental claims at face value (Strammer, 2016). A third-party and independent standard is needed to provide assurance on the impact of corporate sustainability programs. The B-Corp Certification provides such assurance and appeals to conscious consumers. Some investors may prefer to invest their money in a B-Corps and it appeals even more to pro-social investors (Gunther, 2013). For some organizations, becoming a B-Corp is a cost-effective way to measure its total environmental footprint (Strammer, 2016) and to root out waste and operational inefficiencies in areas such as energy and water usage (Strammer, 2016). Even some vendors, such as Salesforce.com and Intuit, offer discounts to B-Corps (Gunther, 2013). Being a B-Corp attracts employees who seek meaningful careers (Gunther, 2013; Strammer, 2016) and helps to promote

and validate an employee-centric culture (Strammer, 2016). It also gives organizations access to best practices across different industries to constantly improve their social and environmental programs.

## *2.2 Categories*

### *2.2.1 Categories*

Categories are “conceptual tools for understanding organization-environment relationships” (Negro et al., 2010: 4). Durand and Paoella (2013: 1102) state that categories “in the context of markets and organizations, provide a cognitive infrastructure that enables evaluations of organizations and their products, drives expectations, and leads to material and symbolic exchanges”. Categories are the symbolic and material attributes of products, firms and industries that are both shared among actors and that distinguish these entities from others (Carruthers and Stinchcombe, 1999; Douglas, 1986; Zerubavel, 1991; Durand and Thornton, 2018: 17). Categories provide a certain expectation for category members and outside audiences of what can be expected from this particular category members.

*2.2.2. Category prototype theory.* A criticism of Quine (1951: 24) on the concept of category is that a category definition presents its challenges because of the endless disjunctive rules needed to create sharp boundaries of a particular category. Because of this criticism an alternative view emerged, known as the ‘prototype theory’ (Rosch and Mervis, 1975), “which is based on the notion of resemblances between objects rather than them having identical features” (Durand and Paoella, 2013: 1103). Rosch and Mervis (1975) defined the ‘category prototype’ as “the most representative or central member of a category in the eyes of a given audience”. Prototypes of a category can be seen as ‘pure’ players that possess all the resemblances of only one category (Durand and Paoella, 2013). This provides an audience to define categories and differentiate them from each other. Audience members prefer players that are highly prototypical because they fit within their cognitive expectations (Durand and Paoella, 2013). In the context of this research, using the prototypical perspective, the most ‘pure’ player in the B-Corp category would be the organization that scores the maximum score on the BIA, i.e. 200/200. The most ‘un-pure’ player would be the organization that scores the minimum score on the BIA in order to receive the B-Corp Certification, i.e. 80/200.

*2.2.3 Categorical imperative.* Looking back at the research history of category research there are two clear theoretical research trends made visible by a review by Vergne and Wry (2014): self-categorization and the categorical imperative. Following Vergne and Wry (2014),

self-categorization is rooted in cognitive psychology and the categorical imperative in sociology. Both trends conceptualize category dynamics, boundaries and identities differently. The categorical imperative is of interest to this study because it defines the category boundaries as “defined clearly by external audiences” (the B Lab here) “but can change over time or differ across audiences” (Vergne and Wry, 2014: 62) (For a more detailed distinction, see [Vergne and Wry, 2014: 61-63]).

The ‘categorical imperative concept’ was first coined by the influential study of Zuckerman in 1999 by his research on securities analysts. His study showed that firms which did not comply with specific established industry categories, which are derived from a prototypical view of firms as pure players, were systematically overlooked, or penalized, by analysts who specialized in their industries. This resulted in more volatile and lower share prices of those firms (Zuckerman, 1999). Turning the categorical imperative around also means that organizations in established categories receive an advantageous treatment over organizations that are in non-established categories.

*2.2.4. Category formation and emergence.* Category formation is approachable from different research streams and adjunct perspectives such as: organizational ecologists with the ecological perspective, strategic management with the agency perspective; institutional economics with the institutional logics perspective etc. A broad range of category terminology in the literature is used for the phenomenon of category formation. This study follows the classification of Durand and Khaire (2017), which use ‘category emergence’ and ‘category creation’. Category emergence is “the formation of categories that emerge from elements extraneous to an existing market” (Durand and Khaire, 2017: 88) and category creation is “a situation where a new category consists in redesigning cognitive boundaries around a subset of elements within a preexisting category system” (Durand and Khaire, 2017: 88). The formation of the B-Corp category occurred with elements extraneous to an existing market as it’s endeavor for sustainability in its broadest scope, is not an existing hard-rooted characteristic of any regular industry, following the widely known SIC classification scheme. Therefore this part continues on category emergence as stated by Durand and Khaire (2017).

Hannan, Pólos and Carroll (2007: 75) found that the main driving force behind the acceptance of given labels and types are from enthusiasts who define the identity and memberships of categories and spread them among their peers. Khaire and Wadhvani (2010) used a discourse analysis to describe how market actors shaped the construction of meaning in the new category, Modern Indian Art, by reinterpreting historical constructs in ways that enhanced commensurability and enabled aesthetic comparisons and valuation. Durand and

Khaire (2017: 95) state that the “legitimacy of an emergent category depends on how industry players use the criteria and metrics that define category membership, valuation, and performance”. Category emergence’s promoters also defend and sustain the category’s autonomy vis-à-vis extant categories and strive to introduce and impose new selection criteria in markets (Durand, 2012), which will help to establish the emergent category.

### *2.3 Institutional work*

Institutional work is defined as the “purposive action of individuals and organizations aimed at creating, maintaining and disrupting institutions” (Lawrence and Suddaby, 2006: 215). This definition has three main aspects (Battilana, Leca and Boxenbaum, 2009): It considers institutional actors as reflexive, goal-oriented and capable; it focuses on actors’ actions as the center of the institutional dynamics; and it aims to capture structure, agency and their interrelations. Lawrence, Suddaby and Leca (2011: 53) state that institutional work would “involve physical or mental effort aimed at affecting an institution or set of institutions” and institutional work is a useful concept in explaining complex processes of institutional change (Gawer and Philips, 2013). The effort, physical or mental or both, aimed at institutionalizing the emergent category into an established category is of interest to this study.

Hampel et al. (2015: 570) distinguish between three types of institutional work, which are based on the factors used to reach an institutional objective: First, symbolic work “that uses symbols, including signs, identities and language, to influence institutions”. Second, material work “that draws on the physical elements of the institutional environment, such as objects or places, to influence institutions”. Third, relational work “that is concerned with building interactions to advance intuitional ends”. These are discussed into more detail next.

*2.3.1 Symbolic work:* Symbolic work uses symbols to influence institutions (Hampel et al., 2015) and utilizes a wide range of symbols, such as (amongst others) categories, identities, narratives, rhetoric, rules and scripts (Raviola & Norbäck, 2013; Singh & Jayanti, 2013; Leung, Zietsma & Peredo, 2014). Actors are constructing narratives at the hand of the “selection, combination, editing, and molding of events into a story form” (Zilber, 2009: 208). Rhetoric is closely related to narratives and uses “persuasive language” (Ruebottom, 2013: 100). The concepts of *narratives and rhetoric* can be used by actors in different ways to pursue institutional work. The first approach is that actors can use meta-narratives that exist across multiple fields/industries and which resonate with numerous audiences (Hampel et al., 2015). Zilber (2009) found that meta-narratives were embedded into routines to influence and recruit new members on the go. Another approach is the creation of stories that involve widely

accepted vocabularies or rhetorical devices, rather than specific societal meta-narratives (Hampel et al., 2015). Ruebottom (2013) showcases that social entrepreneurs in Bangladesh were able to gain legitimacy for their entrepreneurial organizations by constructing the narrative that displays themselves as the heroic protagonists, which stands up to the evil antagonists.

*Identity* can be seen as a self-referential statement of ‘who I am’ or ‘who we are’ (Albert & Whetten, 1985). Actors construct and reconstruct identities at different levels (individual and organizational) to influence institutions (Hampel et al., 2015). Hampel et al. (2015: 571) suggest that identities and institutions are in constant interplay: “(1) actors can sometimes use their identities to influence institutions and, in turn, (2) sometimes adapt their identities to fit into these institutions”. The first case is illustrated by Jones and Massa (2013) which studied the Frank Lloyd Wright’s Unity Temple church building. The building challenged the accepted practices of ecclesiastical design in the architectural profession, and moved from ‘entrepreneurial anomaly’ to ‘consecrated exemplar’. They showcase how actors had to publicly express and defend the novel architectural identity of the building to obtain legitimacy for their work. The second case is illustrated by Gawer and Philips’ (2013) case study of Intel’s adaptation of its identity in order to introduce the platform logic across its industry. Intel had to put in internal and external institutional work to make new identity claims and resolve tensions between its established identity and new platform practices.

Regarding the use of *visuals*, it is not fully understood how institutional actors can effectively utilize image-based symbols (Meyer, Höllerer, Jancsary, & van Leeuwen, 2013). Yet, in this research, the expectation is that the usage of the B-Corp Certification visual by actors can contribute as institutional work performed for the B-Corp category.

*2.3.2 Material work:* Material work explores the tangible objects that are used to influence institutions, the manipulation of physical aspects of the institutional environment, and how materiality shapes institutional work (Hampel et al., 2015). There are three use cases for material work (Hampel et al., 2015): The first use case is that actors can use material objects to interpret situations that they face. The material objects enclose institutional information that can steer decision making. Raviola and Norbäck (2013) show that journalists use the experiences of working with a paper version of newspapers to come up with proposals for a digital version. The second use case is that actors will use material objects, which serve as an extension of their agency, by utilizing those to perform institutional work (Hampel et al., 2015). Monteiro and Nicolini (2015) showcase that actors use material objects to perform different types of institutional work, such as theorizing institutions or educating others. A practical example would be advice or feedback provided which is used in order to theorize on institutions

or to educate others. The third use case is that material objects can complicate institutional work (Hampel et al., 2015). Lawrence and Dover (2015) showed this in their study of the role of place and institutional work. In Vancouver, churches were used to house the hard-to-house. The unique materiality of a daycare facility (the church) led to a complication of the institutional work (churches had to be ‘rezoned’ to operate as a temporary shelter) and to significant shifts in how actors approached their institutional work.

*2.3.3. Relational work.* Relational work “explores how actors can influence institutions through their interactions with others” (Hampel et al., 2015: 572). Relational work has been studied in two different ways to date (Hampel et al., 2015) and hence are explained next: The first stream dug into how actors can gain followers for their cause using relational work (Hampel et al., 2015). Actors can build networks (Boxenbaum and Strandgaard Pedersen, 2009), utilize group dynamics (Dorado, 2013), suppress alternatives (Rojas, 2010), and amplify or enable each other’s initiatives through indirect work (Bertels, Hoffman and DeJordy, 2014). In the study of Dorado (2013) on Bolivian microfinance, he finds that actors use group dynamics to recruit supporters: It facilitates access to more potential members, it helps to motivate others to join it, and inspires members to identify opportunities. The second stream researches how actors engage in collaboration with other actors in their field to perform relational work (Hampel et al., 2015). This stream focused mostly on the interplay of factors such as goal alignment, role clarity, social position and status, in collaboration success (Bertels et al., 2014; Empson, Cleaver and Allen, 2013; Singh & Jayanti, 2013; Sminia, 2011; Wright & Zammuto, 2013). In addition, the effects of coordination and control on collaboration success are researched (Clark & Newell, 2013; Zietsma & McKnight, 2009). Hampel et al (2015: 572) state that “existing research on relational institutional work has focused primarily on the work involved in influencing like-minded actors from the same field” and thus little is known on the relational work needed to influence actors in different fields. Actors in different fields can have exceedingly different goals, roles and means. An exception is the study of Wijen and Ansari (2007) on how collective inaction was overcome to negotiate and realize the Kyoto Protocol to limit greenhouse emissions. They identified a range of drivers that enabled heterogeneous actors to reach a fruitful agreement.

#### *2.4 Theoretical integration – bringing it all together*

Organizations can join the B-Corp category by obtaining the B-Corp Certification, which provides independent assurance of their CSR efforts and to enjoy its other advantages. The B-Corp category is an emergent category due to its relatively low awareness at customers and

having only 2,557 certified B-Corps of the millions of businesses worldwide. Following the categorical imperative (Zuckerman, 1999) organizations in established categories obtain an advantageous treatment over organizations in non-established categories, therefore indicating that the emergent B-Corp category should pursue to establish itself. Joining the B-Corp category can occur in various gradations and once compared with the industry, can be seen as different levels of engagement of the organization with the B-Corp category. With the different levels of engagement, organizations can become more engaged with the emergent category and this could lead to showing characteristics which are less similar to the characteristics of their traditional category (the industry), becoming stuck in the middle of both categories, and thereby creating an incentive to further establish the emergent B-Corp category. The effort of establishing the emergent B-Corp category is researched through the lens of institutional work. The institutional work theory divides into three different types of 'work': symbolic work, material work, and relational work. These three types of work are leading in exploring the effort performed and the interview questions are based upon the types of work and its corresponding factors.

This will lead up to the research question, which is: What is the relationship between the engagement of an organization with the emerging B-Corp category and the institutional work performed to further establish this category? And the subsequent sub research questions: First: How do organizations differ in engagement with the B-Corp category? Second: To what extent does this differentiation impacts the institutional work performed?

## Chapter 3. Research Design

This study uses a mixed method research design to address the sub research questions and hence the research question. The mixed method research design consists of a sequential two-stage quantitative and qualitative approach which are explained next.

First: How do organizations differ in engagement with the B-Corp category? This sub research question is addressed by performing a quantitative comparative analysis of the B-Corp profiles scores of 44 Dutch B-Corps and their corresponding ESG industry average scores. The comparative analysis is performed on the domain level using the following domains for comparison: Environment, Social and Governance. The results provide a holistic pattern of engagement of the B-Corps with the B-Corp category. For more information, see the Methodology and Results of the comparative analysis in Chapter 4 and 5.

Second: To what extent does this differentiation impacts the institutional work performed? This sub research question is addressed using the results of the comparative analysis as departure point and comparing the impact on institutional work of high engagement B-Corps versus low engagement B-Corps. Based on the holistic pattern of engagement, 12 B-Corps are selected, which represent the holistic pattern (high versus low), for qualitative in-depth interviews. Of the 12 selected B-Corps, 8 are interviewed because of capacity restrictions. The semi-structured interviews address the following domains of institutional work: symbolic work, material work and relational work. But also “leaving space for participants to offer new meanings to the study focus” (Galletta, 2013: 24). The results provide insight in what institutional work is performed by the individual B-Corps and is compared in the cross-case comparison to show the impact of engagement on institutional work. For more information, see the Methodology and Results of the qualitative analysis in Chapter 6 and 7.

Finally, an analysis of the results of both research strategies leads to insights in the relationship between the engagement of an organization with the emerging B-Corp category and the institutional work performed to further establish this category. These results, in combination with the theory, will be elaborated upon in the discussion in Chapter 8.

## Chapter 4. Methodology of the Comparative Analysis

The methodology of the comparative analysis is discussed here. The purpose of the comparative analysis is to compare the organization's B-Corp profile with their corresponding ESG industry average, to indicate engagement with the B-Corp category. The relative scores of the B-Corp profile and the ESG industry average are compared and showcases whether the B-Corp shows characteristics which are similar to the characteristics of the industry or deviates from it. When the B-Corp is similar to the industry then it has a low engagement with the B-Corp category. When the B-Corp strongly deviates from the industry then it has a high engagement with the B-Corp category. The details of the comparative analysis are explained in this section.

### *4.1 Methodology and data*

#### *4.1.1. B-Corp profile*

The B-Corps profile data is taken from the "B-Corp Impact Data" dataset (B Lab, 2018h), which contains raw profile data on 2,354 Certified B-Corps worldwide and is frequently updated by employees of the B Lab Company. The dataset version of the 20<sup>th</sup> of April 2018 is used for this analysis. The dataset contains 56 Dutch B-Corps, of which 44 B-Corps remain after selection on the following: the same version of the BIA, i.e. version 5; actual B-Corp status; and location confirmation.

The B-Corp profile spans the five following domains: Environment, Workers, Customers, Community, and Governance. See Figure 2 (in CH3) for an overview of the domains and corresponding factors. An organization can receive the B-Corp Certification with a minimum score of 80 or the maximum score of 200 or anything in between. The maximum obtainable scores per domain are difficult to establish as the BIA is a dynamic assessment which varies the domain score distribution and maximum domain scores based on the assessment track an organization is in. The assessment track depends on the size, industry and location. On top of that, there are bonus points available based on actual input during the assessment. Therefore, an alternative method is used to determine the maximum obtainable scores per domain: the full global Certified B-Corps dataset is taken, with version 5 of the BIA, and for each domain the top 1,3% of the observations are eliminated in order to have a cumulated total domain score as close as possible to 200 (in casu 201,3), since 200 is the maximum total obtainable score by a B-Corp in the BIA. The relative score per domain is calculated by dividing the domain score

by the maximum score of the corresponding domain and multiplied by 100. The ‘social’ domain relative score is calculated by the equal weighted average of the workers and community relative scores. An important notion is that the relative B-Corp domain scores of an organization are calculated relative to the maximum score per domain, which is derived from all the B-Corps in the dataset and thus matched against B-Corps worldwide. In short, the relative B-Corp domain scores are showing how the B-Corps performs versus all B-Corps worldwide.

For the comparative analysis only the domain scores are used, and not the underlying factors, as input to come up with a holistic pattern of engagement. In general, organizations have to re-certify every two years in order to maintain their B-Corp status. Therefore the re-certify processes took place in between the beginning of 2016 and April 20<sup>th</sup> 2018. For every organization, the B-Corp profile of the last certification is taken.

4.1.2. ESG industry average profile

The Thomson Reuters ASSET4 ESG database contains analyst-collected data on more than 4,300 global organizations and has over 750 ESG data points covering every aspect of sustainability reporting (Thomson Reuters, 2018), see Figure 3. The ESG data points are combined to make up 250+ KPIs including a normalized score and actual computed value. The KPIs make up the category scores, which are then combined to pillar scores, which are eventually combined to one overall ESG score. The pillars are Economic performance, Environmental performance, Social performance, and Corporate Governance performance.

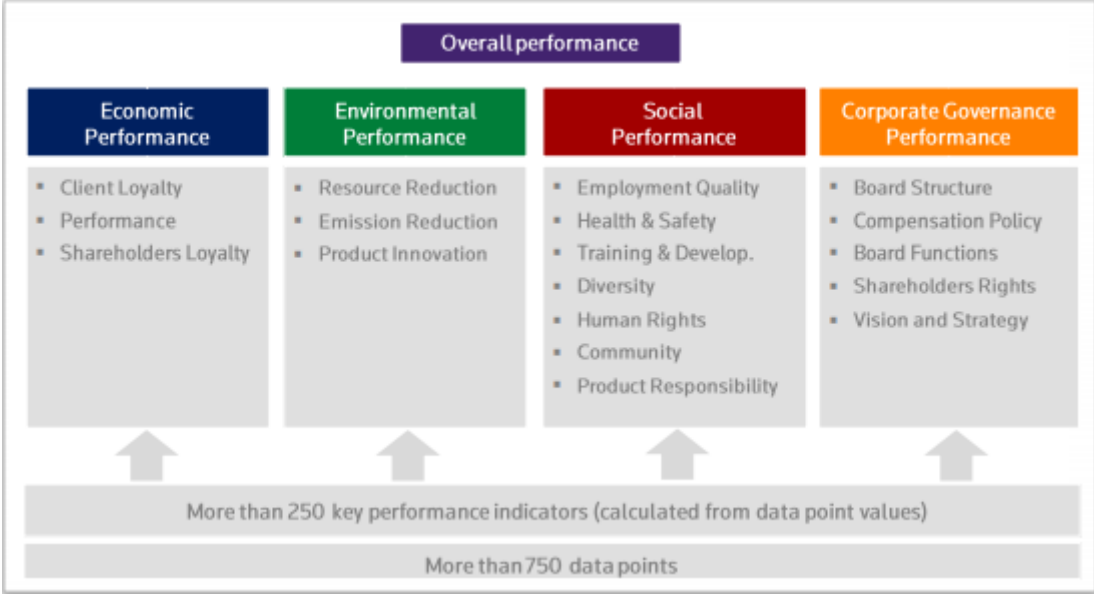


Figure 3. Overview of the structure of the pillars, categories, KPIs and data points of the ASSET4 ESG scoring system. Source: Thomson Reuters (2018).

In this analysis, the environmental, social and corporate governance (ESG) performance is of interest, and therefore, economic performance is excluded. An important notion is that the ESG domain score of an organization is the score relative to all worldwide organizations in the ASSET4 ESG database, and range between 0 and 100. In order to match the period used by the B-Corp profiles (2016-2017), the average score per domain per organization of the years 2015 and 2016 is taken, to also mitigate for outliers and extreme cases. The year 2017 contains too few scores to add anything meaningful to the comparison and is therefore excluded. Subsequently, based on the Thomson Reuters Business Classification (TRBC) industry code, the average score per domain of all organizations in that industry are computed. These averages are relative scores of the industry versus all other organizations/industries in the dataset. For example, a score of 30 for environment, indicates that this particular industry performs better than 29% of the worldwide industries and performs worse than 70% of the worldwide industries on the environment standpoint. These scores are used for comparison with the relative scores of the B-Corp profiles.

#### *4.1.3. Comparing both profiles and indicating engagement*

The comparison of both profiles offers a few challenges that are addressed here:

First, comparing the domains of both profiles. The B-Corp profile uses the following domains: environment, workers, customers, community, and governance. The ASSET4 ESG profile uses environment, social, and governance (economic is excluded). Comparing Figure 2 and Figure 3, it is clear that worker and community domains (and its factors) of the B-Corp profile are matched with the social domain of the ESG profile, and are therefore compared to each other: on one side, using an equally weighted average of the relative scores of the worker and community domains. On the other side, using the relative score of the social domain. The customer domain of the B-Corp profile finds little resemblance in the ESG profile under domain social and factor product responsibility. The customer domain is not taken into account in this analysis due to too little resemblance between both profiles and is therefore excluded.

Second, finding a meaningful comparison. Engagement is the result of the comparison of the two profiles and defined as: (1) In what respect does an organization show characteristics which are similar to the characteristics of the emergent B-Corp category (2) compared to its traditional category, i.e. industry. At first, this requires the relative scores of the B-Corp profile and their ESG industry average. Subsequently, due to data limitations and data un-availability, the comparative analysis does not show in what respect the characteristics of a B-Corp are

similar to the characteristics of the B-Corp category. It does, however, show in what respect the characteristics of a B-Corp are similar to the characteristics of the industry. Therefore an additional adaptation and assumption has to be made: The B-Corp can only be part of two categories: the B-Corp category and the industry category. Using this assumption the following can be framed: When the B-Corp shows characteristics that are not similar to the industry, then it has a high similarity with the B-Corp category and hence a high engagement with the B-Corp category. Vice versa, when the B-Corp shows characteristics that are similar to the industry, then it has little similarity with the B-Corp category and hence a low engagement with the B-Corp category. The assumption is further supported at point four of this paragraph.

Third, indicating engagement. At this stage, the relative score of the domains of the B-Corp profile can be compared with the ESG industry average score of the domains of the corresponding TRBC industry, as seen in Figure 4. The relative B-Corp scores for the governance, social and environment domains are compared with the relative scores of their corresponding industry average. This leads to differences between the B-Corp profile scores and the industry average scores, and the absolute cumulative difference is what indicates engagement.

Name	B-Corp			Industry Average			Difference			Cumulative difference
	b-governance	b-social	b-environment	i-governance	i-social	i-environment	d-governance	d-social	d-environment	
<b>On The Rocks</b>	79,2	28,2	46,1	50,4	61,5	65,8	28,9	-33,3	-19,6	81,8
<b>Physee</b>	33,5	31,4	74,3	46,3	38,8	47,0	-12,8	-7,4	27,4	47,6
<b>Plastic Whale</b>	59,9	53,0	58,5	52,7	54,4	59,1	7,2	-1,4	-0,5	9,1

Figure 4. Overview of the comparison of relative scores of the B-Corp profile and industry average per domain: governance, social and environment. Three B-Corps with respectively the highest, average and lowest cumulative differences of the sample are shown. Difference scores of <(-)20 are highlighted. Source: Author.

Taking the assumption of point two in mind, the absolute cumulative differences will lead to roughly one of the following three outcomes and engagement levels: (1) The B-Corp has a high cumulative difference and deviates substantially from the industry average, thus showing low similarity with the industry, and is therefore considered to have a high level of engagement with the B-Corp category. (2) The B-Corp has an average (of the whole sample) cumulative difference and deviates in some extent from the industry average, thus showing an average similarity with the industry and the B-Corp category, and is therefore considered to have an average level of engagement with the B-Corp category. This is also referred to as being ‘stuck in the middle’ as the B-Corp will receive double penalties for adhering to both categories,

as explained by the categorical imperative. (3) The B-Corp has a low cumulative difference and barely deviates from the industry average, thus showing a high similarity with the industry, and is therefore considered to have a low level of engagement with the B-Corp category. The outcomes and levels of engagement can, of course, fall in-between the aforementioned three rough outcomes. A visual overview is provided in Figure 4, and in combination with Figure 5, the following examples are given to clarify the engagement levels with the B-Corp category: B-Corp number 1, with a high level of engagement, would be On The Rocks, as they deviate substantially from the industry; B-Corp number 2, with an average level of engagement, would be Physee, as they deviate in some extent from the industry. They are stuck in the middle; and B-Corp number 3, with a low level of engagement, would be Plastic Whale, as they barely deviate from the industry.

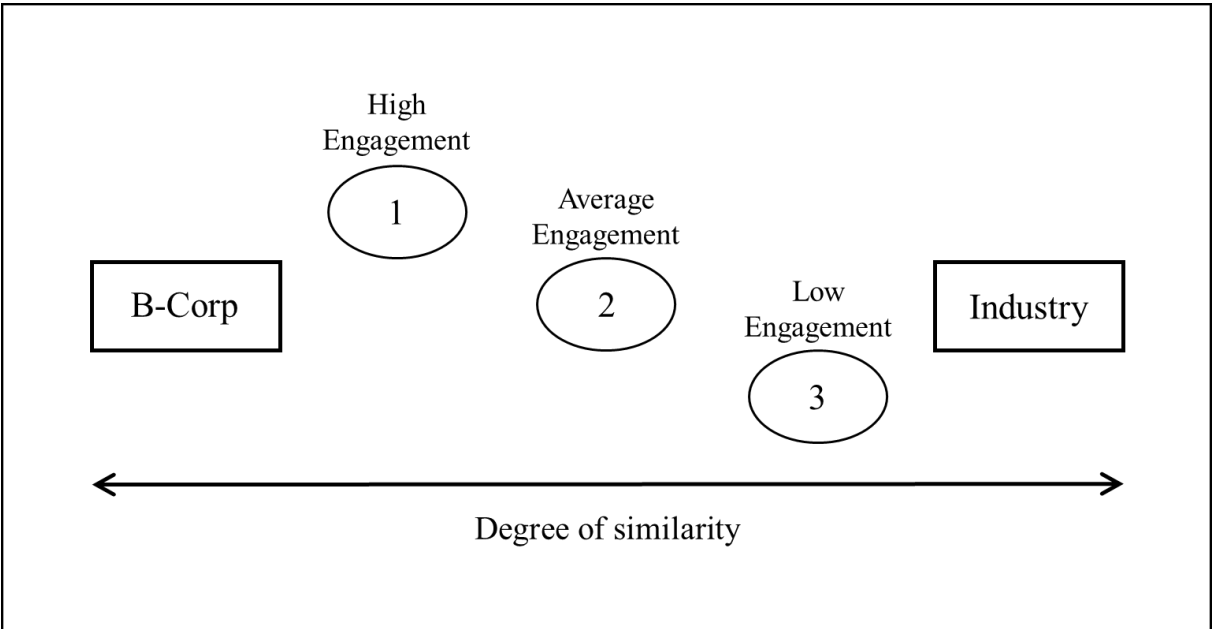


Figure 5. Overview of different engagement levels with the B-Corp category: three B-Corps with a high, average and low engagement are shown. Source: Author.

Fourth, assumptions regarding the comparative analysis. The first assumption, made at point two, that the B-Corp can only be part of two categories: the B-Corp category and the industry category. The researcher is aware of the fact that organizations might also pursue other CSR certifications such as ISO 26000 and the SA8000 Standard to obtain independent confirmation of their CSR efforts. However, a research setting that includes the possibility of such CSR certifications and the interplay of pursuing several CSR certifications at the same time, is beyond the scope of this study. The second assumption is about the differences between

the relative domain scores and how they are cumulated. The differences can be positive or negative, i.e. the B-Corp performs better on a certain domain than the industry (positive), or the B-Corp performs worse on a certain domain than the industry (negative). Subsequently, the absolute differences are cumulated to show in what extent the B-Corp deviates from the industry. A high deviation from the industry is considered to be high engagement with the B-Corp category and vice versa. The implicit assumption in this reasoning is at point 2: (1) A positive deviation is considered to be outperforming the industry and hence the B-Corp is leaning more towards the B-Corp category. (2) A negative deviation is considered to be underperforming the industry and hence the B-Corp is assumed to lean towards the B-Corp category because utilizing the B-Corp category is a means to make them look good even though they are underperforming on that domain compared to the industry. After this assumption, the differences are cumulated with absolute numbers and thereby foregoing the positive or negative effect. What results is a score that indicates in what respect the B-Corp deviates from the industry where a high score means deviating highly and a low score means deviating very little. Finally, the deviation is reframed into engagement, where deviating highly from the industry means a high engagement with the B-Corp category, and where deviating lowly (i.e. barely) from the industry means a low engagement with the B-Corp category.

Fifth, the minimum score of 80 of the B-Corp profiles. In order to receive the B-Corp Certification, organizations must score at least a combined score of 80 out of the 200 points. This entails that by selecting certified B-Corps as a sample for the comparative analysis, the pattern of the level of engagement is biased upwards, because all organizations already outperform, regarding ESG practices, several industries which rank among the lowest in the ASSET4 ESG database. The upward bias is considered to be a limitation of this study and is necessary because otherwise organizations would not be certified as B-Corps and hence not be part of the B-Corp category.

Finally, the holistic pattern of engagement. The outcomes of the comparative analysis will lead to a holistic pattern of engagement of organizations with the emergent B-Corp category, which is shown by the cumulative differences. The holistic pattern of engagement is the departure point for the qualitative analysis.

#### *4.2 Variable definitions*

Three variables per profile are used for the comparison. For the B-Corp profile b-environment (b for B-Corp), b-social and b-governance are used. For the ESG profile i-environment (i for industry), i-social and i-governance are used. After comparison, the differences between the B-

Corp domain score and the industry average score is indicated in the following three variables (d for difference): d-environment, d-social and d-governance.

The b-environment variable is a relative score number and calculated as the environment domain score points divided by the maximum obtainable score in that domain. This is the same for the b-governance variable. The b-social variable consists of the equally weighted average of the relative scores of the worker domain and community domain.

The i-environment variable is a relative score number and calculated as the equally weighted average of all industry incumbents of the particular industry. The organization's scores in the ASSET4 ESG dataset are already relative scores compared to all organizations in the dataset. This is the same for i-social variable and i-governance variable.

The d-environment variable is calculated by comparing the b-environment and the i-environment variables and a difference number is given by subtracting the i-environment from the b-environment score, i.e.  $d\text{-environment} = b\text{-environment} - i\text{-environment}$ . A positive score indicates that the B-Corp is performing better than the industry average and negative score that it performs worse than the industry average. This is the same for the d-social variable and the d-governance variable.

#### *4.3 Industry classification*

Engagement is indicated by comparing the B-Corp profile with the ESG industry average. The 'industry' indication in the B-Corp dataset and the researcher's interpretation are combined to classify the B-Corps into TRBC industry categories. Figure 9 in Chapter 5 shows the list of the Dutch B-Corps in the sample, their appointed industry and the corresponding TRBC industry codes.

#### *4.4 Relative scores*

The calculation examples and the relative scores of both the B-Corp profiles and the ESG industry averages are shown in this section and are addressed in the stated order.

##### *4.4.1. B-Corp scores*

The calculation of the relative scores of the B-Corps is as follows: As mentioned before in paragraph 4.1.1., a cumulated total domain score of 201,3 is taken as a benchmark for calculating the maximum scores per domain. Consequently, the maximum score per domain is as follows: Governance: 21,2; Workers: 42,2; Community: 82,2; and Environment: 55,7. The

relative score per domain is calculated by dividing the B-Corp domain score by the maximum score of the corresponding domain and multiplied by 100 (for comparison reasons). The ‘social’ domain relative score is calculated by the equal weighted average of the workers and community relative scores. The B-Corps ‘Alfa Accounts en Adviseurs’ and ‘Kirkman Company’ scored a global top 1% score in the Workers domain (respectively 57,1 and 53,6) and due to the elimination of top scores per domain (see paragraph 4.1.1.), the maximum score of the Worker domain is below both scores, which leads to relative scores of over 100 (respectively 138,6 and 127,0). The unwanted scenario of relative scores of over 100 is addressed by setting the relative worker domain scores of both B-Corps to ‘100’.

The overall, domain and relative scores per domain scores of the B-Corps are shown in Figure 6.

#### *4.4.2. Industry averages*

The relative scores of the ESG industry averages are calculated for the industry of every B-Corp in the sample as follows: The TRBC industry of the B-Corp is taken and all organizations of the ASSET4 ESG dataset which are in that particular TRBC industry are filtered. For every domain, the average of the organizations in the TRBC industry is taken. This leads to an industry average score of governance, social and environment. These average are the relative scores of the TRBC industry versus all other organizations and hence industries in the ASSET4 ESG dataset.

The relative scores per domain of TRBC industry averages are shown in Figure 7. Only the industries which are corresponding with the B-Corp sample are shown.

Name	Overall Score	Governance Score	Governance Relative Score	Workers Score	Workers Relative Score	Community Score	Community Relative Score	Social Relative Score	Environment Score	Environment Relative Score	Customers Score
Maximum score		21,2		42,2		82,2			55,7		
Active Health Group	87,5	11,0	<b>51,9</b>	24,0	<b>56,9</b>	34,7	<b>42,2</b>	<b>49,5</b>	7,1	<b>12,7</b>	10,7
African Clean Energy	148,9	9,3	<b>43,9</b>	19,2	<b>45,5</b>	59,0	<b>71,8</b>	<b>58,6</b>	21,1	<b>37,9</b>	40,3
Alfa Accountants en Adviseurs	101,9	12,4	<b>58,5</b>	57,1	<b>100,0</b>	21,2	<b>25,8</b>	<b>62,9</b>	9,3	<b>16,7</b>	1,9
BAST B.V.	80,9	11,3	<b>53,3</b>	0,0	<b>0,0</b>	38,1	<b>46,4</b>	<b>23,2</b>	31,5	<b>56,6</b>	0,0
BBK/Door Vriendschap Sterker	82,4	7,9	<b>37,3</b>	24,8	<b>58,8</b>	35,7	<b>43,4</b>	<b>51,1</b>	4,5	<b>8,1</b>	9,5
BeBright	102,2	11,7	<b>55,2</b>	28,1	<b>66,6</b>	45,1	<b>54,9</b>	<b>60,7</b>	4,5	<b>8,1</b>	12,8
beebox	109,3	15,2	<b>71,7</b>	19,2	<b>45,5</b>	44,1	<b>53,6</b>	<b>49,6</b>	30,8	<b>55,3</b>	0,0
Better Future	96,7	14,4	<b>67,9</b>	24,2	<b>57,3</b>	24,4	<b>29,7</b>	<b>43,5</b>	9,7	<b>17,4</b>	24,0
Bluerise BV	104,9	11,5	<b>54,2</b>	14,4	<b>34,1</b>	49,1	<b>59,7</b>	<b>46,9</b>	29,9	<b>53,7</b>	0,0
Bruggink & van der Velden Advocaten	81,1	12,0	<b>56,6</b>	37,2	<b>88,2</b>	25,9	<b>31,5</b>	<b>59,8</b>	6,0	<b>10,8</b>	0,0
Climate Neutral Group	86,5	11,3	<b>53,3</b>	26,7	<b>63,3</b>	15,2	<b>18,5</b>	<b>40,9</b>	11,1	<b>19,9</b>	22,2
CPI Risk, Finance & Governance	82,1	10,9	<b>51,4</b>	25,8	<b>61,1</b>	26,5	<b>32,2</b>	<b>46,7</b>	5,1	<b>9,2</b>	13,8
Croqqr	80,6	20,2	<b>95,3</b>	0,0	<b>0,0</b>	55,3	<b>67,3</b>	<b>33,6</b>	5,1	<b>9,2</b>	0,0
Dopper B.V.	132,4	13,0	<b>61,3</b>	17,8	<b>42,2</b>	55,9	<b>68,0</b>	<b>55,1</b>	45,7	<b>82,0</b>	0,0
dutch	87,0	12,6	<b>59,4</b>	30,3	<b>71,8</b>	29,3	<b>35,6</b>	<b>53,7</b>	9,2	<b>16,5</b>	5,6
Enviu	121,9	18,4	<b>86,8</b>	18,3	<b>43,4</b>	40,5	<b>49,3</b>	<b>46,3</b>	11,2	<b>20,1</b>	33,5
Fairphone	106,6	13,9	<b>65,6</b>	20,6	<b>48,8</b>	33,5	<b>40,8</b>	<b>44,8</b>	16,4	<b>29,4</b>	22,2
Farm Brothers	87,8	11,8	<b>55,7</b>	0,0	<b>0,0</b>	43,6	<b>53,0</b>	<b>26,5</b>	32,4	<b>58,2</b>	0,0
Generous Minds	131,6	18,2	<b>85,8</b>	0,0	<b>0,0</b>	53,9	<b>65,6</b>	<b>32,8</b>	9,4	<b>16,9</b>	50,1
Innate Motion	96,6	10,5	<b>49,5</b>	29,2	<b>69,2</b>	25,1	<b>30,5</b>	<b>49,9</b>	12,6	<b>22,6</b>	19,2
Kirkman Company	105,2	18,6	<b>87,7</b>	53,6	<b>100,0</b>	15,9	<b>19,3</b>	<b>59,7</b>	9,3	<b>16,7</b>	7,8
Lendahand	114,1	13,4	<b>63,2</b>	25,9	<b>61,4</b>	46,6	<b>56,7</b>	<b>59,0</b>	3,5	<b>6,3</b>	24,7
Manifesto	82,2	17,8	<b>84,0</b>	19,5	<b>46,2</b>	35,5	<b>43,2</b>	<b>44,7</b>	6,6	<b>11,8</b>	2,8
Moyee Coffee	100,6	15,5	<b>73,1</b>	10,8	<b>25,6</b>	49,5	<b>60,2</b>	<b>42,9</b>	24,8	<b>44,5</b>	0,0
MUD Jeans International	87,7	7,4	<b>34,9</b>	15,9	<b>37,7</b>	18,5	<b>22,5</b>	<b>30,1</b>	45,9	<b>82,4</b>	0,0
NewForesight Holding B.V.	83,3	8,9	<b>42,0</b>	26,5	<b>62,8</b>	16,8	<b>20,4</b>	<b>41,6</b>	5,6	<b>10,1</b>	25,5
Nextview	81,5	13,7	<b>64,6</b>	35,0	<b>82,9</b>	25,6	<b>31,1</b>	<b>57,0</b>	5,9	<b>10,6</b>	1,3
Nudge B.V.	82,3	11,6	<b>54,7</b>	21,4	<b>50,7</b>	31,8	<b>38,7</b>	<b>44,7</b>	12,0	<b>21,5</b>	5,5
On The Rocks	88,9	16,8	<b>79,2</b>	0,0	<b>0,0</b>	46,4	<b>56,4</b>	<b>28,2</b>	25,7	<b>46,1</b>	0,0
OpenBook.Works	100,9	13,3	<b>62,7</b>	36,3	<b>86,0</b>	30,6	<b>37,2</b>	<b>61,6</b>	3,3	<b>5,9</b>	17,4
Physee	80,4	7,1	<b>33,5</b>	20,8	<b>49,3</b>	11,1	<b>13,5</b>	<b>31,4</b>	41,4	<b>74,3</b>	0,0
Plastic Whale	112,7	12,7	<b>59,9</b>	20,8	<b>49,3</b>	46,6	<b>56,7</b>	<b>53,0</b>	32,6	<b>58,5</b>	0,0
Pymwymic	82,7	17,3	<b>81,6</b>	23,9	<b>56,6</b>	23,0	<b>28,0</b>	<b>42,3</b>	7,6	<b>13,6</b>	10,9
Rainbow Collection	106,8	13,2	<b>62,3</b>	22,0	<b>52,1</b>	30,4	<b>37,0</b>	<b>44,6</b>	5,2	<b>9,3</b>	36,0
Schuttelaar & Partners	111,8	11,1	<b>52,4</b>	30,0	<b>71,1</b>	28,1	<b>34,2</b>	<b>52,6</b>	12,9	<b>23,2</b>	29,7
Seats2meet.com	80,7	8,4	<b>39,6</b>	25,2	<b>59,7</b>	21,6	<b>26,3</b>	<b>43,0</b>	19,3	<b>34,6</b>	6,2
SnappCar	82,3	14,6	<b>68,9</b>	23,8	<b>56,4</b>	19,0	<b>23,1</b>	<b>39,8</b>	24,9	<b>44,7</b>	0,0
Solarus Sunpower	81,4	13,6	<b>64,2</b>	18,9	<b>44,8</b>	11,8	<b>14,4</b>	<b>29,6</b>	37,1	<b>66,6</b>	0,0
Starters4Communities	97,6	8,5	<b>40,1</b>	0,0	<b>0,0</b>	33,8	<b>41,1</b>	<b>20,6</b>	4,2	<b>7,5</b>	51,1
Swink Webservices	93,9	10,2	<b>48,1</b>	23,4	<b>55,5</b>	53,4	<b>65,0</b>	<b>60,2</b>	3,6	<b>6,5</b>	3,3
The Appeal Company BV	86,4	16,3	<b>76,9</b>	0,0	<b>0,0</b>	52,4	<b>63,7</b>	<b>31,9</b>	8,3	<b>14,9</b>	9,4
THE PLAYMAKERS	82,8	12,7	<b>59,9</b>	0,0	<b>0,0</b>	41,3	<b>50,2</b>	<b>25,1</b>	7,2	<b>12,9</b>	21,6
Tony's Chocolonely	100,9	10,9	<b>51,4</b>	26,1	<b>61,8</b>	45,2	<b>55,0</b>	<b>58,4</b>	18,7	<b>33,6</b>	0,0
WakaWaka	158,6	6,8	<b>32,1</b>	19,3	<b>45,7</b>	59,2	<b>72,0</b>	<b>58,9</b>	34,6	<b>62,1</b>	38,7

Figure 6. B-Corps, overall, domain and relative scores of the domains. The relative scores are bolded. Source: Researcher.

TRBC Code	Industry	Governance	Social	Environment
50201010	Renewable Energy Equipment & Services	52,7	54,4	59,1
51301020	Paper Products	50,4	61,5	65,8
52203010	Environmental Services & Equipment	62,2	52,1	60,1
52203030	Employment Services	62,2	39,7	27,5
52203040	Business Support Services	51,1	39,9	37,3
52406020	Passenger Transportation, Ground & Sea	36,9	45,2	47,4
53202020	Apparel & Accessories	53,5	50,1	53,7
53203020	Construction Supplies & Fixtures	46,3	38,8	47,0
53302010	Advertising & Marketing	48,5	49,3	44,2
54102010	Fishing & Farming	45,1	37,0	37,0
54102020	Food Processing	44,7	49,2	50,7
54201010	Household Products	57,8	66,4	71,2
54201030	Personal Services	51,9	37,3	25,9
54301020	Food Retail & Distribution	52,2	54,2	56,8
55101030	Consumer Lending	40,1	33,1	31,8
55102020	Investment Management & Fund Operators	54,3	44,5	39,3
55402020	Real Estate Services	52,8	32,4	30,3
57106020	Phone and Handheld Services	69,0	61,7	67,8
57201010	IT Services & Consulting	50,7	41,8	38,5
57201030	Online Services	36,3	31,7	27,4

Figure 7. ESG industry averages of the B-Corp sample: relative scores of the domains. Only industries which are corresponding with the B-Corp sample are shown. Source: Researcher.

# Chapter 5. Results of the Comparative Analysis

To restate, the relative scores of the B-Corps and the industry averages are discussed in the previous chapter and can be found in Figure 6 and Figure 7. The next step is to compare the relative scores of both profiles and calculate the differences between these scores. These are shown in Figure 9. The differences of >(-)20 are highlighted in grey for easier interpretation.

In general, most B-Corps (36 of the 44) are outperformed on the environment domain by their industry. On the other side, B-Corps often outperform their industry on the governance domain (30 of the 44). On the social domain, the B-Corps are roughly split in half of the ones outperforming their industry (25 of the 44) and the ones outperformed by the industry (19 of the 44).

The pattern of engagement is shown by taking the absolute numbers of the differences variables of governance, social and environment and adding them up together per B-Corp. The cumulative difference scores are shown in Figure 9 and the B-Corps are sorted based on this. The cumulative difference score indicates in what respect the B-Corp deviates from their corresponding ESG industry average, whereas a high score indicates a high deviation and a low score indicates little deviation (i.e. little deviation means is similar). The B-Corps with a high cumulative difference score under and/or outperform their industry and are considered to have a high engagement with the B-Corp category. The B-Corps with a low cumulative difference score are showing a high similarity to their industry and are considered to have a low engagement with the B-Corp category. To assess to what extent the institutional work differs per group, both groups are interviewed and their institutional work is compared and analyzed. The top and bottom 6 B-Corps are admissible to be interviewed to resemble the aforementioned groups, see Figure 8.

Engagement	High	Low
	On The Rocks	Plastic Whale
	Kirkman Company	Bluerise B.V.
	The Appeal Company	Dopper B.V.
	Lendahand	Beebox
	MUD Jeans International	Innate Motion
	OpenBook.Works	Seats2meet.com

Figure 8. High and low engagement B-Corps admissible for interviews. Source: Researcher.

Name	TRBC code	B-Corp				Industry Average				Difference				Cumulative difference
		b-governance	b-social	b-environment	i-governance	i-social	i-environment	d-governance	d-social	d-environment				
On The Rocks	51301020	79.2	28.2	46.1	50.4	61.5	65.8	28.9	-33.3	-19.6	81.8			
Kirkman Company	52203040	87.7	59.7	16.7	51.1	39.9	37.3	36.7	19.8	-20.6	77.0			
The Appeal Company BV	53302010	76.9	31.9	14.9	48.5	49.3	44.2	48.5	28.4	-29.3	75.1			
Lendahand	55101030	63.2	59.0	6.3	40.1	33.1	31.8	23.2	25.9	-25.5	74.6			
MUD Jeans International	53202020	34.9	30.1	82.4	53.5	50.1	53.7	-18.6	-20.0	28.7	67.2			
OpenBook.Works	52203040	62.7	61.6	5.9	51.1	39.9	37.3	11.7	21.7	-31.3	64.7			
Croqjer	54201030	95.3	33.6	9.2	51.9	37.3	25.9	43.4	-3.6	-16.8	63.8			
Manifesto	52203040	84.0	44.7	11.8	51.1	39.9	37.3	32.9	4.8	-25.4	63.1			
BAST B.V.	54201010	53.3	23.2	56.6	57.8	66.4	71.2	-4.5	-43.2	-14.7	62.4			
Generous Minds	52203040	85.8	32.8	16.9	51.1	39.9	37.3	34.8	-7.1	-20.4	62.3			
Starters4Communities	52203030	40.1	20.6	7.5	62.2	39.7	27.5	-22.1	-19.2	-19.9	61.2			
Climate Neutral Group	52203010	53.3	40.9	19.9	62.2	52.1	60.1	-8.9	-11.3	-40.1	60.3			
Fairphone	57106020	65.6	44.8	29.4	69.0	61.7	67.8	-3.5	-16.9	-38.4	58.8			
Nextview	57201010	64.6	57.0	10.6	50.7	41.8	38.5	13.9	15.3	-27.9	57.1			
Pynwymic	55102020	81.6	42.3	13.6	54.3	44.5	39.3	27.3	-2.2	-25.7	55.2			
BeBright	52203040	55.2	60.7	8.1	51.1	39.9	37.3	4.1	20.8	-29.2	54.1			
Enviu	55102020	86.8	46.3	20.1	54.3	44.5	39.3	32.5	1.8	-19.2	53.5			
Bruggink & van der Velden Advocaten	52203040	56.6	59.8	10.8	51.1	39.9	37.3	5.5	19.9	-26.5	52.0			
Alfa Accountants en Adviseurs	52203040	58.5	62.9	16.7	51.1	39.9	37.3	7.4	23.0	-20.6	51.0			
BBK/Door Vriendschap Sterker	53302010	37.3	51.1	8.1	48.5	49.3	44.2	-11.2	1.8	-36.2	49.3			
Swink Webservices	53302010	48.1	60.2	6.5	48.5	49.3	44.2	-0.4	11.0	-37.8	49.1			
THE PLAYMAKERS	52203040	59.9	25.1	12.9	51.1	39.9	37.3	8.8	-14.8	-24.3	48.0			
Physee	53203020	33.5	31.4	74.3	46.3	38.8	47.0	-12.8	-7.4	27.4	47.6			
Rainbow Collection	52203040	62.3	44.6	9.3	51.1	39.9	37.3	11.2	4.7	-27.9	43.8			
Solarus Sunpower dutch	50201010	64.2	29.6	66.6	52.7	54.4	59.1	11.4	-24.8	7.5	43.8			
Moyee Coffee	52203040	59.4	53.7	16.5	51.1	39.9	37.3	8.4	13.8	-20.8	43.0			
Farm Brothers	54102010	73.1	42.9	44.5	45.1	37.0	37.0	28.0	6.0	7.5	41.4			
Better Future	54102020	55.7	26.5	58.2	44.7	49.2	50.7	11.0	-22.6	7.5	41.1			
SnappCar	52203040	67.9	43.5	17.4	51.1	39.9	37.3	16.9	3.6	-19.9	40.3			
NewForesight Holding B.V.	52406020	68.9	39.8	44.7	36.9	45.2	47.4	32.0	-5.5	-2.7	40.2			
Nudge B.V.	52203040	42.0	41.6	10.1	51.1	39.9	37.3	-9.1	1.7	-27.2	38.0			
CPI Risk, Finance & Governance	57201030	54.7	44.7	21.5	36.3	31.7	27.4	18.4	13.0	-5.9	37.3			
Active Health Group	52203040	51.4	46.7	9.2	51.1	39.9	37.3	0.4	6.8	-28.1	35.3			
African Clean Energy	52203030	51.9	49.5	12.7	62.2	39.7	27.5	-10.3	9.8	-14.7	34.8			
Tony's Chocolonely	50201010	43.9	58.6	37.9	52.7	54.4	59.1	-8.9	4.2	-21.2	34.3			
WakaWaka	54102020	51.4	58.4	33.6	44.7	49.2	50.7	6.7	9.2	-17.1	33.1			
Schuttelaar & Partners	50201010	32.1	58.9	62.1	52.7	54.4	59.1	-20.7	4.5	3.0	28.2			
Seats2meet.com	52203040	52.4	52.6	23.2	51.1	39.9	37.3	1.3	12.7	-14.1	28.1			
Innate Motion	55402020	39.6	43.0	34.6	52.8	32.4	30.3	-13.2	10.6	4.4	28.1			
beebox	52203040	49.5	49.9	22.6	51.1	39.9	37.3	-1.5	10.0	-14.6	26.1			
Dopper B.V.	54301020	71.7	49.6	55.3	52.2	54.2	56.8	19.5	-4.7	-1.5	25.7			
Bluerise BV	54201010	61.3	55.1	82.0	57.8	66.4	71.2	3.5	-11.3	10.8	25.7			
Plastic Whale	50201010	54.2	46.9	53.7	52.7	54.4	59.1	1.5	-7.5	-5.4	14.4			
	50201010	59.9	53.0	58.5	52.7	54.4	59.1	7.2	-1.4	-0.5	9.1			

Figure 9. Comparison of both profiles and the differences. Differences of >(-)>20 are highlighted for interpretation. Source: Researcher.

## Chapter 6. Methodology of the Qualitative Analysis

The methodology of the qualitative analysis on the impact of different levels of engagement on the institutional work performed to establish the B-Corp category, is discussed here. An inductive and interpretive approach is used to develop a theory on the impact of engagement on institutional work.

### *6.1 Research setting*

The field research is focused on the emerging B-Corp category and its category members. An emergent, distinctly prosocial, and industry-spanning category (Conger et al., 2018). The B-Corp category provides a rich context due to its continuum of the scoring system and thereby a manner of indicating engagement with the category. The combination of the indication of engagement together with the institutional work performed, provides an unique opportunity to explore this relationship.

### *6.2 Sample and data collection*

The data collection is aimed at mapping the institutional work performed by various organizations with different levels of engagement with the B-Corp category. The results of the comparative analysis are used as deliberate departure point for the selection of the respondents. For the interviews, 12 B-Corps are selected as admissible, which represent the top and bottom of the holistic pattern of engagement. For both high and low level of engagement, at least 3 B-Corps are chosen to interview. The following criteria apply to the selection of respondents in the selected B-Corps: (1) the respondents are part of the management team, and (2) are involved in the initiative to become a B-Corp or part of the re-certify process of the B-Corp status.

Based on these two criteria, the researcher was able to interview the following companies, being restricted by the capacity and schedules of the B-Corps executives, see Figure 10. This totals the amount of interviews on eight: five in the high engagement group and three in the low engagement group.

Engagement	Name B-Corp	Position interviewee
<b>High</b>	On The Rocks	Founder
	Kirkman Company	Managing partner + Co-founder
	The Appeal Company	Co-founder
	Lendahand	CCO + Co-founder
	MUD Jeans International	Founder
<b>Low</b>	Dopper B.V.	CEO
	Innate Motion	Co-founder
	Seats2meet.com	Co-founder

Figure 10. B-Corp interviewee's and functions. Source: Researcher.

The semi-structured interviews address the following domains of institutional work performed by the organization: symbolic work, relational work and material work. But also “leaving space for participants to offer new meanings to the study focus” (Galletta, 2013: 24). During the interview, the structure of the interview questions is not necessarily as shown below because the researcher connects the interview questions to the answers that the interviewee provides, in order to not miss out on relevant information. The contents of the semi-structured interviews are operationalized in the next section.

In qualitative research, “the researcher is the instrument” (Patton, 2002: 14) and key to the quality of the research. Reliability is addressed by documenting the interviews with audio files, written transcriptions, and coding, thereby ensuring that the qualitative research is reproducible and reviewable by others. Validity is addressed by triangulation of the institutional work performed by multiple sources. “Triangulation is typically a strategy (test) for improving the validity and reliability of research or evaluation of findings” (Golafshani, 2003: 603). The paramount source of qualitative data in this research are the semi-structured interviews. The institutional work that is researched is about what message organizations use, what technical or content value they add to the movement, and who receives their message. The interviewed organizations are split into two groups with at least three organizations per group to triangulate the findings. A way to backup these spoken claims per organization would be to have second interviews at the same organization. However, the researcher does not have the capacity for this. Therefore, data triangulation is performed on the group level and not on the individual organization level. One exception to this is the claimed usage of the B-Corp Certification symbol on the website by B-Corp organizations: this is triangulated by the researcher.

### 6.3 Operationalization

The concept of interest is operationalized in this section: institutional work. Institutional work consists of three domains (Hampel et al., 2015): symbolic, material and relational work. The operationalization of institutional work into interview questions and the structure is shown in

Appendix A. Interview questions. All constructs are discussed in this section and the appendix shows the corresponding questions per construct.

*Symbolic institutional work* uses symbols to influence institutions (Hampel et al., 2015) and is explained by three constructs: First, narratives. Actors are constructing narratives at the hand of the “selection, combination, editing, and molding of events into a story form” (Zilber, 2009: 208). In the context of this study, the approach to narratives is to show how positive the B-Corp organizations are about B-Corps in their storytelling. Second, identity. Actors construct and reconstruct identities at different levels to influence institutions (Hampel et al., 2015). The approach to identity is to show how B-Corps are adding value to the identity of the B-Corp movement and how they use the organization’s identity to influence others. Third, visuals. Visuals are the employment of image-based symbols (Meyer et al., 2013) to influence institutions. The approach to visuals is to show at how many places the organizations are showing the B-Corp Certification symbol to influence others.

*Material institutional work* explores the tangible objects that are used to influence institutions, the manipulation of physical aspects of the institutional environment, and how materiality shapes institutional work (Hampel et al., 2015), and is explained by the following construct: extension of agency. Material objects are used as an extension of agency by using those to perform institutional work (Hampel et al., 2015). The approach to the extension of agency is to find out if the B-Corp organizations are adding value to the B-Corp movement through content or technical input which helps to the B-Corp movement to develop itself further.

*Relational institutional work* “explores how actors can influence institutions through their interactions with others” (Hampel et al., 2015: 572), and is explained by the following four constructs: gaining followers, indirect work, collaboration, and suppress alternatives. First, gaining followers. Gaining followers digs into how actors can gain followers for their cause using relational work (Hampel et al., 2015). The approach of gaining followers is to see how organizations are using their networks to spread the message on B-Corp and how active they are in doing so. Second, indirect work. Indirect work is about amplifying or enabling each other’s initiatives through indirect work (Bertels et al., 2014). The approach to indirect work is

show if organizations are amplifying other's initiatives and to what extent. Third, collaboration. Collaboration is about how actors engage in collaboration with other actors in/outside the field to perform relational work (Hampel et al., 2015). The approach to collaboration is to find out with whom organizations are collaborating with, from which fields/industries and what the goals are of the collaboration in regard to relational work. Fourth, suppress alternatives. Suppress alternatives are about alternatives that are selectively chosen (Rojas, 2009) and others are rejected. The approach to suppress alternatives is to find out in what respect B-Corps are creating consciousness of the impact their suppliers and clients have on the world and subsequently act on it by rejecting to work together with others who do not.

After analyzing the findings, the following remark is made regarding identity. Based on the answers of the questions about the identity of the B-Corps and how they use B-Corp with respect to their identity, the author came to the conclusion that it is of less interest how the organizations 'feel' about how B-Corp adds (any) value to their identity, and it is of more interest to what they express in regard to what B-Corp adds to their identity and the institutional work they hence perform. The expression of the identity is taken into account by the narratives, about what they tell others, and with visuals, about what they show to others. Therefore, the identity construct is not taken into account on its own in the cross-case comparison, findings and discussion, but indirectly through narratives and visuals.

#### *6.4 Data analysis*

The analysis of the data is performed by the following steps:

First step, transcribing. The interviews are transcribed by the researcher.

Second step, coding. In the transcribed interviews, institutional work and other non-upfront specified items were coded. At first, the coding scheme is derived from the structure of the interview questions and hence the theory. After the first round of coding, additional codes were added in order to cover the transcribed data to a fuller extent, which are 'General added value' and 'Improvements'. Subsequently, a second round of coding was performed to take the newly added codes into account. The coding scheme can be seen in Appendix B. Coding scheme, along with quotation examples to illustrate what is coded.

Third step, individual case descriptions. The performed institutional work by the individual organizations is described.

Fourth step, systematically assessing the differentiation in institutional work performed to establish the B-Corp category and to what extent. This is performed by utilizing the individual case descriptions for the following three domains of institutional work and their

corresponding constructs, by showcasing a cross-case comparison of the high versus low engagement groups.

Fifth step, the impact of engagement on institutional work. The findings of the cross-case comparison are used to conclude on the impact of engagement on institutional work.

### *6.5 Research ethics*

Research ethics are important to consider and to disclose because they can influence research decisions and results (Resnik, 2011). Regarding the usage of data in this study: for the comparative analysis, raw data and the working data is stored. For the data of the interviews, raw audio files are stored and transcriptions are attached in the appendix. All data is available upon request. Proper acknowledgement or credit are given for all contributions to research (Resnik, 2011). The researcher has no conflict of interest (Bell and Bryman, 2007) whatsoever and no affiliations (Bell and Bryman, 2007) with corporations or other possible influencing organizations. Regarding the interviews, objectivity and carefulness (Resnik, 2011) are required to not bias the raw data that interviewees provide. Interviewees are required to give an informed consent before they can be interviewed, and anonymity, confidentiality and privacy (Bell and Bryman, 2007) are preserved.

## Chapter 7. Findings of the Qualitative Analysis

In the analysis, it is explored how engagement with the B-Corp category is impacting the institutional work performed to further develop the B-Corp category. This section starts with the individual case descriptions which outline the institutional work performed by every B-Corp. In the second part of this section, the institutional work performed by the individual cases is compared using a cross-case comparison of the high engagement group and the low engagement group, as outlined in chapter 6. The individual cases descriptions start with the descriptions of the high engagement group, which consist out of five cases, and is followed by the low engagement group, which consists out of three cases. For further ease of use, the high engagement group is abbreviated to the ‘high group’ and the low engagement group to the ‘low group’.

### *7.1 Individual case descriptions – high group*

#### *7.1.1 On The Rocks*

On The Rocks sells note books with paper made of rocks, called Rockbook, in order to reduce the resources used in producing note books.

*Symbolic:* On The Rocks uses the narrative that B-Corp is a certification for sustainable organizations, who not only make a sustainable product or service, but also make their operations more sustainable and social. They often add that B-Corps are the only organizations that are allowed to and must have a future:

*I often explain that it is a certification system for sustainable companies who not only make a sustainable business or service, but also want to make their whole way of operating the business as sustainable and socially possible. In addition to that, I often say that B-Corp organizations are the only organizations that are allowed and must have a future. Maybe I am pretty radical in that but I just think that (On The Rocks).*

Another narrative is using a personal experience: On The Rocks just joined B-Corps and the founder got into a conversation with Merijn Everaarts from Dopper [(another B-Corp)] and he became a mentor to the founder and is now member of the advisory board. Regarding identity, for On The Rocks, B-Corp was the framework in which the organization is founded,

and not a framework for other organizations who use it as guidelines for improving their processes. On The Rocks uses the identity of B-Corp to strengthen their organization's identity because they are part of the same movement as other known big companies such as Tony's Chocolonely, Dopper, Ben & Jerry's and Patagonia. On The Rocks uses the B-Corp certification symbol on the website, presentations, flyers and in their newer Rockbook's and expect that it gains trust from their B2B customers because it is very relevant for them.

*Material:* Regarding extension of agency, On The Rocks does not contribute actively because it considers itself too small of an organization.

*Relational:* On The Rocks created the 'B Inspired' book with stories of 34 B-Corp entrepreneurs about: how it is to work at a B-Corp: why did they found the organization; and what is your purpose/goal? This book is available for sale for consumers but is mostly used as a relationship gift by businesses. On The Rocks mentions B-Corp in their networks such as suppliers and customers and even recommends getting in touch with B Lab when there might be a good fit. On The Rocks also participated in an accelerator program and invited all other organizations to get in touch with B Lab and to try certifying as well. They also wrote articles on B-Corp and about Fairphone [(another B-Corp)] on LinkedIn about why you should support these organizations. On The Rocks shares social media posts from B Lab and other B-Corps such as 'Mondora' from Italy who often writes articles. On The Rocks collaborated with Fairphone to host a social media workshop for B-Corps who are consumer retail centered about how they communicate on B-Corps and sustainability. They also help other B-Corps with questions on the assessment or contacting them with other people within their network. On The Rocks selects suppliers based on their certifications, ownership and power usage. It is similar to the BIA and thorough, and some parties did not make it because of it. They pursue this as far as their buying power lets them due to them being a small organization. On The Rocks attracted impact investors who invested because they are a B-Corp and would not have done so if they were not. On The Rocks is held accountable for their certification score by its investors on a two year basis.

### *7.1.2 Kirkman Company*

Kirkman Company is a management consulting organization that enables successful transformations of organizations towards a hundred percent relevance for all stakeholders.

*Symbolic:* Kirkman Company uses the narrative that an organization has a position in society and that you have to be relevant for all your stakeholders. The B-Corp certification is the recognition for taking all stakeholders into account, and not only to have an eye for

profitability. Regarding identity, for Kirkman Company, being a B-Corp makes their stakeholder story stronger because they do not only have a marketing story, but also have been tested by B Lab if they actually are taking into account the relevance of stakeholders. It strengthens their story of what they do for their clients. Kirkman Company does not expect anything from using the B-Corp certification symbol on their website, presentations and in their organization's logo.

*Material:* Regarding extension of agency, Kirkman Company has a strategic partnership with B Lab Europe. They advise B Lab Europe and big corporates on how they can transform their organization to one that can obtain the B-Corp certification. B Lab tries to find potential B-Corps in the network of Kirkman Company and needs advice on their positioning and transforming to the next level.

*Relational:* Kirkman Company often involves the B-Corp symbol as part of their organizations name and symbol which has a certain presence in their networks and sometimes leads to good conversations. They also host B Lab events in their office so that other organizations can get to know B-Corp. They also share their best practices on how they organize employee involvement, how they deal with customers and suppliers. Kirkman Company actively addresses B-Corp when the situation is at hand and in terms of organizing they prefer a reactive role. Kirkman Company has two other organizations which are B-Corp: Social Impact Factory (with Seats2meet) and Outside Inc. (an innovation acceleration program). Kirkman Company shares social media posts and has two big coffee corners from Moyee Coffee (another B-Corp) because they support them. Regarding their suppliers, Kirkman Company asks all suppliers on their impact on society. They search for suppliers which are close by and can deliver local products.

### 7.1.3 The Appeal Company

The Appeal Company is a management consulting organization specialized in the development of brand and organization. [Author's note: The Appeal Company is the parent organization and consists out of two entities: BR-ND and 23plus1. Both are B-Corps. The following information is from BR-ND unless specified otherwise.]

*Symbolic:* The Appeal Company uses the narrative B-Corps are a group of organization which raise the bar in respect to planet, people and profit. They also use examples as narrative: What they often tell is that it is very special that a big organization such as Danone is working on becoming a B-Corp and that some of their business units already are a B-Corp. They think that it often is the easiest for people to understand what B-Corp is by bringing up appealing

examples which are B-Corps. The Appeal Company adds value to the identity of B-Corps by increasing the diversity of the network of B-Corps by showing that their organization (brand specialist) can also become a B-Corp, which is on the contrary to logic examples such as Tony's Chocolonely (slave-free chocolate). The Appeal Company views being a B-Corp as a supplementary positive factor and name it quite quickly in a meeting or presentation. One of their working drivers is making the world a bit more beautiful, and the evidence of that driver is that they are a B-Corp. The Appeal Company uses the B-Corp certification symbol on presentations, website, client collaboration stories and documents they use: proposals, invoices, sender information and contracts. They expect not so much from the usage of the symbol because most of the communication is not really noticed by people and they hope that some people will remember it by showcasing it often.

*Material:* Regarding extension of agency, The Appeal Company does contribute ideas which are often not developed because everyone is busy.

*Relational:* The Appeal Company uses the network of their clients, business partners and suppliers, which have a similar view on the world and they tell them that becoming a B-Corp could also be something for their clients and partners. They can join the B-Corp club and also enjoy the advantages. The Appeal Company promotes it actively by getting other people to know B-Corp, take them to events and make them conscious about it. They are also promoting B-Corp in the network of the 23plus1 entity such as providing information on B-Corp and together going to B-Corp events, for example the B-Corp Summit. The Appeal Company participated in the CEO-dinner and contributed ideas. The Appeal Company collaborated with a Dutch B-Corp called Kyoto Lease to only drive with electric cars from there on. The Appeal Company is pretty flexible in which suppliers they need and want to build a loyal relationship with them, starting with B-Corps and if they are not available then looking for other suppliers. They want to create a consciousness at suppliers about their impact on the world.

#### *7.1.4. Lendahand*

Lendahand provides an impact investing platform where investors directly invest in the businesses of small entrepreneurs in developing countries.

*Symbolic:* Lendahand uses the narrative that B-Corp is a network of organizations with a quality label [i.e. certification] which try to make the world better off in the same fashion. You can join the network after you completed the pretty rigorous assessment. The certification shows that [the organizations] want to do as little damage [in any way] as possible and only

wants to create a positive impact. Regarding identity, Lendahand considers themselves a frontrunner, think they strengthen the identity of the B-Corp movement by being part of the portfolio as a social enterprise, and that they fit in perfectly with the B-Corp movement. They do not use B-Corp for their identity positioning because it is not a worldwide known movement and certification. They are an impact investing platform and by the way: they are a B-Corp. Lendahand expects to generate trust from their investors from the usage of the B-Corp certification symbol on their website. They need to show that the invested money goes to poor and developing countries and not to an 'empty shell company'. Trust is crucial. B-Corp helps them in that.

*Material:* Regarding extension of agency, Lendahand is not putting in any efforts to add value to the B-Corp movement because they rather use their resources to grow the amount of investors. The expectation is that if they would spend more time on B-Corps, it would not get them extra investors for their platform.

*Relational:* Lendahand plays a reactive or passive role in the networks to promote B-Corp. Lendahand says that Dopper has a more active role in it and that they organize an evening with other B-Corps for the B-Corp community such as consumers, investors and socially involved people. One of those events was organized at Lendahand where they tell their story, together with MUD Jeans, but bottom line it does not yield that much for them. Lendahand also goes to the yearly B-Corp events organized by B Lab such as the B-Corp Summit where they tell their story if asked for. When Lendahand became a B-Corp, they placed an article in their newsletter which goes to about 4 to 4,5 thousand people. They also explicitly informed their shareholders, which are quite numbersome because of several equity crowdfunding rounds. They did the same after the recertification. They also sent out a message after being nominated for "Best for the World" by B Lab. Lendahand only shares social media posts from B Lab when they are relevant for their community and perform no other indirect work. Lendahand collaborates with other B-Corps in organizing the aforementioned evenings and also with NPFC, which is a financial services organization on the Philippines and also a B-Corp. And also with OnePlanetCrowd, which is a sustainable crowdfunding platform. Lendahand selects their financial suppliers based on that they must have a social mission which pursues an improvement of the environment of people and not just profitability. Lendahand does not know the social drivers of only 1 of the 30 financial suppliers.

### *7.1.5. MUD Jeans International*

[Author's note: the interview was performed in a group session with other students where everyone could ask questions one by one. Therefore not all interview questions are asked and a limited amount of information is gathered from this B-Corp.]

MUD Jeans International (hereafter MUD Jeans) is a denim jeans brand that leases jeans to customers and recycles old jeans into new jeans which are again leased.

*Symbolic:* MUD Jeans like to use their identity as a B-Corp because they are proud of it and like to match themselves with the best of the world. MUD Jeans is not much contributing to the identity of the B-Corp movement because they are busy growing the organization year on year.

*Material:* [Not asked.]

*Relational:* MUD Jeans participates in the annual meetings of B-Corp and talk about being a B-Corp when asked. Recently they participated in an event where all the Dutch B-Corps gather and exchange views and learn from each other. MUD Jeans uses the B-Corp network to get to know and meet other B-Corps. MUD Jeans performed a collective branding action with three other B-Corps, amongst which Moyee Coffee. All four B-Corps send brand information from the other three B-Corps to their own network to support and amplify each other's effort. Regarding suppliers, MUD Jeans asks all stakeholders to sign their code of conduct which ensures that they behave according to many laws and their vision of responsible producing (see document "Code of Conduct – MUD Jeans").

## *7.2 Individual case descriptions – low group*

### *7.2.1. Dopper*

Dopper's main activity is selling a reusable bottle for tap water to reduce the usage of single-use plastics.

*Symbolic:* The narratives they use, to explain what a B-Corp is, are that they are part of a B-Corp community of 2500 organizations which do business the same way and you have to meet certain criteria to be able to join them. Regarding identity, Dopper was one of the first Dutch B-Corps and that is been used many times as an example of a Dutch B-Corp. They are often present on a seminar, congress of B-Corp event and consider themselves an active member of the B-Corp community. They explain their identity as a social enterprise and

sometimes mentions that the B-Corp community exists and that there are more organizations like them, but mostly the B-Corp identity supports and amplifies what they do as a social enterprise. Dopper considers themselves a good example of what a B-Corp can look like. When going on stage they always mention their B-Corp status, while in short conversations it is often not mentioned as explaining what a B-Corp is requires a lot of words or a short movie. Dopper uses the B-Corp certification symbol on the website, presentations, on the packaging and on the flyer that is inside the packaging. They do not expect much from using the symbol because it is not yet recognized by everyone such as Fairtrade.

*Material:* Regarding the extension of agency, the CEO joined the CEO-dinner with all Dutch B-Corps and proactively contributed ideas to how they can build towards a better [B-Corp] community. Dopper also provides feedback on the questions in the assessment (the BIA).

*Relational:* Dopper is often on stage and tells/promotes about B-Corp. B Lab organized an informative 'Breakfast Session' for potential B-Corps where Dopper told about how the process of becoming a B-Corp goes and how it is to be a B-Corp:

*We always tell about it [(B-Corp)] and yes, we actually want to promote it. We are taking the stage a lot, you know, and a lot of people think: I am going to take a look what my organization is capable of ... B Lab want to convince other organizations to just become a B-Corp and they have invited all of them here. And I have spoken there with all the other organizations that are not a B-Corp yet, to tell them: How much time did it take me, etc, all the things that you are asking me right now [(on B-Corp)], I told that to the potential B-Corps. We will do that. ... The name is Breakfast Session. ... It is an informative meeting for organizations and people to get to know B-Corp and to gather knowledge on how it is to be a B-Corp. ... 25 organizations were present I think (Dopper).*

Dopper was also in a panel with Fairphone at an event to tell about how they run their business. Dopper only spreads messages in their community when they are relevant for their community. Things they have shared is the B-Corp Summit, which had good keynotes about a sustainable lifestyle and changing behavior. Also the aforementioned CEO-dinner is applicable here. Dopper collaborates with other B-Corps (5 or 6) on the HR domain. The HR managers have a meeting every 1,5 month to discuss how everyone is running their HR department so that they can learn from each other, instead of taking two years to find it out yourself. Dopper also buys coffee from another B-Corp Moyee Coffee and if there is a choice for a supplier at

hand: they would choose a B-Corp first and do not mind paying extra to support another B-Corp. When there is no B-Corp at hand, they go for another sustainable option. Dopper also rejects retail resellers who are not aligned with Dopper and who do not want to tell the story and mission of Dopper.

### 7.2.2. *Innate Motion*

Innate Motion is a marketing consulting firm that takes a human-centered approach to enable marketers to use their brands as a force for good, and specialize in humanizing business.

*Symbolic:* Innate Motion uses the narrative of doing business and doing good, and also about their personal experience with becoming a B-Corp: It was not easy to become a B-Corp and that several measurements do not fit well with their office-less way of working, that they take the offset of travel into account, and being good and doing good. Regarding identity, for Innate Motion, B-Corp is something that also defines them but it is not their identity. Innate Motion uses the B-Corp certification symbol on all the documents they produce, the proposals, presentations and on the website. They expect it to be a conversation piece and maybe that in the future it could be a competitive advantage in the sense that it is proof of that they do humanizing business very seriously.

*Material:* Regarding the extension of agency, employees from Innate Motion are members of the advisory board of B Lab Europe and Indonesia, where they think along and advise on transformation processes and brand building when there is an occasion.

*Relational:* Innate Motion uses the network of their clients and on congresses for marketing/PR, by naming or showing B-Corp and having a conversation about it. They participate in B-Corp events in the Netherlands, Europe and Indonesia. In some conversations, when they meet organizations who might be a good fit for B-Corp they tell them: have a look at it. Innate Motion also shares best practices on travel offset and sometimes other organization ask them for help on how they did the BIA. Some employees of Innate Motion share thing about B-Corps on social media but they do not do it as an organization. Innate Motion collaborates with an accountant who is also a B-Corp and when they need new suppliers they look for B-Corps at first. They like giving the business to a B-Corp over a non B-Corp. A notion is that they value the organizations, that do the right thing more, than the strengthening of the B-Corp movement because the B-Corp movement is nothing without the [B-Corp] organizations. Innate Motion does not expect clients to have a positive impact by themselves and try to see what they can do in the micro context. Innate Motion receives applicants who want to work for them

because they are a B-Corp and are conscious that they also want to do something good, and the B-Corp is more vivid for youngsters than it is for older people.

### 7.2.3. *Seats2meet*

Seats2meet (S2M from now on) has an online platform where you can book 'flex spaces' for working, training sessions, meetings and also facilitate knowledge transfers and collaboration.

*Symbolic:* S2M uses the narrative that B-Corp is appealing because it really is about the combination of using your organization as a tool to make society or the world a bit better off, but you also have to balance that with a financial sustainable organization. They also use appealing examples of B-Corps such as Patagonia and Tony's Chocolonely to tell the B-Corp story. S2M think they add to the B-Corp identity by being a 'school example' of doing something good for society and how you can actively promote that. On top of that, S2M uses the B-Corp identity and guidelines to make their vision of how society should look like (so called society 3.0) more concrete for customers. S2M think they are distinguishing themselves from the industry because no one else is meeting the B-Corp criteria and that they are making a statement in the industry with the B-Corp identity. S2M uses the B-Corp certification symbol online in their footer and in social media posts, and expects that some people, who know B-Corp, will recognize it. Sometimes it helps a lot with partnerships when they found out that S2M is a B-Corp and think that they are doing good.

*Material:* Regarding the extension of agency, S2M provides elaborate feedback and thinks along on the assessment because some parts of value creation are not easy to quantify into money and the BIA is money-centered.

*Relational:* S2M says that the B-Corp message is flowing through their networks of customers, traditional real estate organizations and suppliers. They use a S2M Magazine which is online and provides relevant content snacks to people based on their interests, so anybody with interest in social enterprise or impact receives articles from B-Corp and related things. The intensity of the content articles relates to how many times you make a reservation. S2M say that they are actively using the B-Corp network. They want to learn from other parties in the B-Corp network, which is the biggest added value according to S2M. S2M collaborated with Kirkman Company and Bruggink en van de Velde Advocaten (BvdV) to found a new organization called the Social Impact Factory (SIF):

*What we did in the past few years is to practically collaborate with other B-Corps. If you can create synergies in that, then the impact becomes even bigger. Those [the B-*

*Corps] are parties of which you don't have to think if they are doing things with the right intentions. That facilitates that you can reach a collaboration much faster and that you can achieve even more together. ... We started the Social Impact Factory. A physical spot where we want to put examples of social entrepreneurship on the stage. We started that with the B-Corps Bruggink en van de Velde advocaten and Kirkman Company and a foundation which was already there: the Social Impact Factory Foundation, and us as Seats2meet. We combined our strengths to make that spot, THE meeting spot, the hotspot, for social entrepreneurship. Of course, with the Seats2meet concept to make sure that dynamics are getting going in that place (Seats2meet).*

The B-Corps behind SIF also organized a B Together event, which staged several B-Corps, for people who did not know about B-Corps at all and to transform knowledge. S2M is also working with an education organization to form a MBA called the Meaningful Business Academy, which is for B-Corps and other organizations which want to embrace this mind-set. Social media posts from B Lab are shared within their network. S2M also participated in the CEO-dinner to collectively brainstorm on how to make more impact. S2M prefers to collaborate with only other B-Corps such as bottles from Doppo, coffee from Moyee Coffee, their lawyers are BvdV etc. Regarding suppliers, S2M works consciously with parties that do something good, such as biological suppliers for food, and puts up the societal impact of their suppliers operations in conversations with them.

### *7.3 Cross-case comparison*

In this section, the comparison is made between the high and low group for the three themes of institutional work: symbolic, material and relational institutional work. The institutional work efforts of the 8 B-Corps in two groups are relatively compared using a three item scale: (++) means doing relatively more work than other B-Corps; (++--) means doing an average amount of work relative to other B-Corps; (--) means doing relatively less work than other B-Corps. To emphasize this: all cross-case comparisons are *relative* to other B-Corps in the sample.

The item scales use a double sign for clarity reasons and has no other intention by the author. A minus (--) could be given to a B-Corp which does quite some institutional work in absolute sense but is still doing relatively less work than other B-Corps in the sample. Performing institutional work is sometimes referred to as performing 'work' for ease of use.

To be able to compare both groups, a point system is used to determine the average score per group:  $(++) = 2$ ,  $(++--) = 1$ ,  $(--) = 0$ . The group with the highest average score performs more institutional work than the other group.

		High						Low		
Institutional Work		On The Rocks	Kirkman Company	The Appeal Company	Lendahand	MUD Jeans International	Dopper	Innate Motion	Seats2meet	
Symbolic	Narratives	(++) Only B Corps should have a future, and personal experience	(++) B Corp new normal, and stakeholder relevancy	(+++) Using examples of known B Corps	(--) Making the world better off	N/A	(-) Making the world better off	(-) Doing business and doing good	(++) Right balance of doing good and doing business, and use examples	
	Visuals	(+++) 4	(+++) 3	(++) 7	(--) 1	N/A	(+++) 4	(+++) 4	(-) 2	
Material	Extension of Agency	(--) Not contributing	(++) Strategic partnership B Lab Europe	(--) Not contributing	(--) Not contributing	N/A	(+++) Provides feedback on BIA	(++) Part of Advisory Board B Lab Europe	(+++) Provides feedback on BIA	

Figure 11. Cross-case overview of symbolic work for: narratives and visuals. Material work for: extension of agency.

N/A means not applicable. Source: Researcher.

### *7.3.1 Symbolic institutional work*

The theme symbolic institutional work is shown in Figure 11 by showing narratives and visuals. Narratives indicate how relatively positive the sample tells the story about B-Corp, where a (++) means very positive and a (--) means less positive. Visuals indicate on how many places in the organization the B-Corp certification symbol is used, where a (++) means more than others and a (--) means less than others. MUD Jeans International is not taken into account for symbolic institutional work since the researcher did not had the opportunity to ask about it.

Regarding narratives the high group performed substantially more institutional work than the low group. For visuals, the high group used the B-Corp certification symbol on average on more places than the low group. To conclude, the high group performed substantially more symbolic institutional work than the low group.

### *7.3.2. Material institutional work*

The theme material institutional work is shown in Figure 11 by showing the extension of agency. This indicates in what respect the organization puts in effort to add value, technically or content-wise, to the B-Corp movement. A (++) means doing more work and a (--) means less work. MUD Jeans International is not taken into account for material institutional work since the researcher did not had the opportunity to ask about it.

The comparison shows that the low group is performing more institutional work than the high group by providing feedback on the BIA and an advisory board seat, compared to the strategic partnership at B Lab Europe. To conclude, the low group substantially performed more material institutional work than the high group.

### *7.3.3. Relational institutional work*

The theme relational institutional work is shown in Figure 12 showing gaining followers, indirect work, collaboration and suppress alternatives. Gaining followers indicates at how many businesses and people the B-Corp message arrives by the B-Corps through their networks, events and other communication, and also how convincing. A (++) means more people reached and/or more convincing and a (--) means less people reached and/or less convincing. Indirect work indicates in what respect other people actions are amplified. Collaboration indicates the amount of effort put in to collaborate with other B-Corps to provide business to each other, share best practices, and found new B-Corps. Suppress alternatives indicates in what respect B-Corps choose to do business with organizations that have a positive impact on the world by imposing the B-Corp mindset and hence suppressing other alternatives. For indirect work,

collaboration and suppress alternatives: A (++) means doing more work and a (--) means less work. MUD Jeans International is not taken into account for indirect work since the researcher did not had the opportunity to ask about it.

Regarding gaining followers, the high group performed slightly more work than the low group by having a strong B-Corp presence in their networks. For indirect work, both groups performed an equal amount of work sharing social media posts and articles in their networks. In regard to collaboration, the low group is performing substantially more work than the high group. The low group collaborates more with other B-Corps in terms of sharing best practices, business and founding new B-Corps than the high group. With respect to suppress alternatives, the low group performed slightly more work than the high group by suppressing low impact alternatives and focusing on B-Corp first. To conclude, the low group performed more relational institutional work than the high group.

Institutional Work	High						Low		
	On The Rocks	Kirkman Company	The Appeal Company	Lendahand	MUD Jeans International	Dopper	Innate Motion	Seats2meet	
<b>Relational</b>									
<b>Gaining Followers</b>	(++) B Inspired book, and recommends B Corp in network	(++) B Corp presence in networks, and hosts events	(++) Recommends B Corp and joining it in networks	(++-) - Passive and reactive role, host events, newsletter	(-) - Passive role	(++) Active role on stage and in network, Breakfast session	(-) Passive role, and promote B Corp occasionally	(++) Active role in networks, S2M Magazine, B Together	
<b>Indirect Work</b>	(++) Sharing social media posts and articles	(++-) Sharing social media posts	(-) Not sharing	(++-) Sharing social media posts	N/A	(++) Share relevant messages to network	(-) Social media share by personnel, not as an organization	(++-) Sharing social media posts	
<b>Collaboration</b>	(++-) Shared social media best practices in a workshop	(++) Founded two other B Corps, and shares best practices	(-) With Kyoto Lease	(++-) With other B Corps: NPFC and OnePlanetCrowd	(++-) Collective branding action with 3 other B Corps	(++) On HR domain with other B Corps for sharing best practices	(++-) Share best practices and B Corp accountant	(++) Founded another B Corp, B Together, works with 3 other B Corps	
<b>Suppress Alternatives</b>	(++) Thorough supplier check	(++-) Asks all suppliers on their impact	(++-) Create consciousness of impact at suppliers, and B Corp first	(++) Selection on social mission	(++-) Sign their code of conduct	(++) Rejects retailers, and B Corp first	(++-) B Corp first	(++) Consciously works with partners that do something good, B Corp first	

Figure 12. Cross-case overview of relational institutional work for: gaining followers, indirect work, collaboration, suppress alternatives. N/A means not applicable. Source: Researcher.

## Chapter 8. Discussion

This study started with the following research question: *what is the relationship between the engagement of an organization with the emerging B-Corp category and the institutional work performed to further establish this category?* The research question is divided into two sub research questions: First: How do organizations differ in engagement with the B-Corp category? Second: To what extent does this differentiation impacts the institutional work performed? By the means of a comparative analysis, a pattern of engagement of organizations with the emerging B-Corp category is shown. Subsequently qualitative semi-structured interviews explored the institutional work performed by organizations of high and low levels of engagement.

The relationship of the organization's engagement with the emerging B-Corp category and the institutional work performed to further establish the emerging category shows the following: Following the categorical imperative, the expectation was that: organizations, with high levels of engagement with the emerging category, would perform more institutional work than the organizations with low levels of engagement, because the organizations with high levels of engagement are more similar to the emergent category and will receive more penalties from not adhering to an established category than organizations with lower engagement levels, due to the categorical imperative. It is more in the interest of high level engagement organizations to establish the emergent category than for the low level engagement organizations, as they receive little penalties because they are more similar to the established industry category. The findings contradict the expectation in two ways: First, the low group performed more institutional work than expected regarding material and relational work. Two of the three B-Corps in the low group were very active regarding material and relational work. The low group performed symbolic institutional work as expected, i.e. little work. Second, the findings partly support the reverse case of the expectation: Organizations with low levels of engagement actually performed more institutional work than the organizations with high levels of engagement. For symbolic institutional work, the high group performed more group than the low group. For material and relational institutional work, the low group performed more work than the high group and thereby contradicting the general expectation that the high group would perform more work than the low group.

In this section, the findings and its relation to theory, implications, limitations and directions for further research, are elaborated upon.

### *8.1 Symbolic institutional work*

Regarding narratives, the findings suggest that both groups (high and low) used widely accepted vocabularies to influence institutions (Hampel et al., 2015) by setting the B-Corp organizations apart from the industry with the narrative of doing good and doing business. The high group employed relatively more positive narratives than the low group and substantially performed more institutional work.

In regard to visuals, theory suggest it is not fully understood how institutional actors can effectively utilize image-based symbols (Meyer et al., 2013). The findings suggest that, by employing the B-Corp Certification symbol, three organizations expect to gain trust from customers which contributes to the ease of doing business; one organization expects it to be a conversation piece; and the other four organizations expect nothing. The high group used the B-Corp Certification symbol on average on more places, such as documents, websites etcetera, than the low group and thus performed more institutional work.

### *8.2 Material institutional work*

Regarding material institutional work, theory suggest that actors can provide material objects, which serve as an extension of their agency, by utilizing those to perform institutional work (Hampel et al., 2015). The findings suggest that two B-Corps provided verbal and/or written feedback on the Business Impact Assessment, the material objects, which is utilized by B Lab to improve the BIA for easier future use. Two other B-Corps provide direct material advice to B Lab through a seat in the advisory board and a strategic partnership. The comparison shows that the low group is performing substantially more institutional work than the high group by providing feedback on the BIA and an advisory board seat, compared to the strategic partnership at B Lab Europe.

### *8.3 Relational institutional work*

Relational work “explores how actors can influence institutions through their interactions with others” (Hampel et al., 2015: 572). The first stream dug into how actors can gain followers for their cause using relational work (Hampel et al., 2015):

First, actors can build networks (Boxenbaum and Strandgaard Pedersen, 2009): Most of the B-Corps leveraged their networks of customers, suppliers, B-Corp network itself and business partners, quite well with an active presence and even recommending others to join B-

Corps, and thereby growing the B-Corp institution. The comparison shows that the high group performed slightly more work than the low group.

Second, actors can amplify or enable each other's initiatives through indirect work (Bertels et al., 2014). For indirect work, the only institutional work mentioned was the sharing of social media posts and articles in organizations social networks. The comparison shows that both groups performed an equal amount of institutional work.

Third, actors can suppress alternatives (Rojas, 2010) and choose other alternatives that influence institutions in a, for them, favorable way. The B-Corps did this by ensuring that their suppliers are having a positive impact on the world to a certain extent. Examples are: performing thorough supplier checks, selecting suppliers based on their social mission, rejecting retailers with the wrong mission, creating consciousness of the impact at suppliers, and selecting B-Corps first before considering any other supplier. The comparison show that the low group performed slightly more institutional work than the high group by suppressing low impact alternatives and focusing on B-Corp first.

The second stream of relational work researches how actors engage in collaboration with other actors in their field to perform relational work (Hampel et al., 2015). The B-Corps engaged in collaboration with actors from the same and different fields to perform institutional work together. Many collaborated to share best practices on the domains of HR, travel off-set, social media, and the BIA. Other examples are: a collective branding action with 4 B-Corps in total, founding two new B-Corps together, and collaborating with other B-Corps for business services such as car leasing, lawyers and accountants. The comparison shows that the low group collaborates more with other B-Corps in terms of sharing best practices, business and founding new B-Corps than the high group. The low group is performing substantially more institutional work than the high group.

#### *8.4 Implications*

This study advances the literature on categories and institutional work in a threefold way:

First, following the categorical imperative theory, the expectation (as described at the beginning of this chapter) was that high engagement organizations would perform more institutional work than the low engagement organizations and the findings partly contradict the expectation and hence the categorical imperative (Zuckerman, 1999). The findings suggest that the low engagement organizations perform more material and relational institutional work than the high engagement organizations. The findings also show that two of the three organizations in the low group are performing a substantial amount of work which largely contributed to the

general findings of that the low group performed more institutional work than the high group. The categorical imperative is contradicted and this might be because of the categorization of the B-Corps sample into high and low engagement group categories. The categorization of the B-Corps was based on the comparison of the B-Corp profile and the ESG industry average and whether the B-Corps were or were not deviating from their industry average. However, three other aspects are found that might provide a better categorization of the sample into groups, for supporting the categorical imperative. First, the positive attitude towards the B-Corp category was distinctively present in the B-Corps that performed the most institutional work of the sample: On The Rocks, Kirkman Company, Dopper and Seats2meet. A scale indicating how positive the attitude towards B-Corps is, might provide a better categorization. Second, the findings suggest that several B-Corps were more easily able to perform institutional work than others because for those B-Corps, material and relational work were easier to integrate in their core business activities. A material work example is: Kirkman Company and Innate Motion, who are respectively specialized in business transformations and branding, are providing specialized advice to B Lab Europe through a strategic partnership and advisory board seat. A relational work example is: Seats2meet operates an online booking platform for booking work and training spaces, and users automatically receive relevant articles from the S2M Magazine through using the booking platform. Every user has an own account where it can indicate its interest and receives articles based on those interests with every reservation/booking. Articles about B-Corps are regularly shown when 'impact' or 'social enterprises' are tagged as interests. The infrastructure of Seats2meet makes it easier for them to perform institutional work. Third, from the B-Corps that performed most institutional work, three out of four were larger companies: Kirkman Company employs 75-80 employees; Dopper had a turnover of €4 million in 2014 (Dopper, 2018); and Seats2meet employs over 105 work-spot locations in the Netherlands and has over 2.1 million work-spot bookings (Seats2meet, 2018). The findings suggest that size amplifies the amount of work performed when organizations decide to perform institutional work.

Second, this study contributes to the field of social movements, organizational change and institutional analysis by providing insights into how institutional work is performed on the micro level by individual organizations, to further develop the emerging social B-Corp movement. Most of the research in these fields were macro investigations (Rao et al., 2000). The findings show that individual institutional actors, from different and also from the same field, approach and perform institutional work differently, and that there are nuances between institutional actors that can have this effect. The nuances are as mentioned before: the positivity

towards the B-Corps movement, easiness of performing institutional work, and size. These influence how actors approach institutional work and the amount of work they perform.

Third, Hampel et al. (2015: 572) state that “existing research on relational institutional work has focused primarily on the work involved in influencing like-minded actors from the same field. We know much less about the work needed to marshal support from actors in different fields, who may have vastly different goals and occupy very different roles”. This study provides an insight that like-minded actors from different fields (i.e. industries) *perform institutional work together* to influence others and to fortify the institution they have in common, which is the emergent B-Corp category. The B-Corp category is an emergent category that stretches over the traditional field (i.e. industry) boundaries and that binds actors from different fields to be like-minded, to have common goals, and to together influence others. An example of this is the collaboration of Kirkman Company, Seats2meet and another B-Corp, which together founded a new B-Corp: the Social Impact Factory. The Social Impact Factory wants to create a physical hotspot for social entrepreneurship, where social enterprises and B-Corps can use the stage to tell their story.

Finally, the practical contribution of this study is that emergent category intermediaries, in the case of B-Corp, should focus: on increasing the attitude of category members towards the category resulting in more institutional work; finding ways to facilitate institutional work which can be (easily) integrated with the category members core business activities; and actively organizing meetings where several category members share their best practices with each other, as this adds a lot of value to the category membership, according to several B-Corps.

### *8.5 Limitations and directions for further research*

This study has limitations which are elaborated upon here and should be addressed in future research:

First, the comparison of two ESG benchmarks, the B-Corp profile and ASSET4 ESG, which measure ESG performance, but are not exactly measuring the same things in every domain. Comparing the B-Corp profile with other ESG benchmarks could lead to interesting results.

Second, this study assumed that the B-Corps only pursues the B-Corp Certification and no other CSR certifications to reduce complexity. It could be interesting to research how the interplay of pursuing several CSR certifications impacts the institutional work performed for one of those CSR certifications.

Third, the industry classification of Thomson Reuters Business Classification (TRBC) was used in this study. Others are invited to apply the Standard Industrial Classification (SIC) or other classification schemes, which might result in different categorization of B-Corp organizations and hence findings.

Fourth, due to data limitations in the comparative analysis, an alternative way was found to indicate engagement. A necessary assumption is that there are only two relevant categories for the B-Corp organizations, the B-Corp category and the industry category. The data limitations resulted in indicating engagement by, in what respect the B-Corp organization deviated from the industry average, instead of how similar the B-Corp is to the B-Corp category. The assumption that deviating positive or negatively from the industry resulted in more engagement with the B-Corp category was necessary to be able to indicate engagement. For further research, it might be interesting to compare the B-Corp profile with other ESG benchmarks to come up with other categorizations and use that as a departure point for a wide scope of topics related to ESG performance compared to the industry.

Fifth, categorization. The findings show that the categorization of the B-Corps into a low and high engagement groups might not have been the best fit, according to the contradicted expectation. For further research, categorizations based on the following, or even combinations, might provide a better fit: attitude towards the B-Corp category, easiness of implementing institutional work in core activities, and size.

Finally, the B-Corp profiles have a score of at least 80 (out of the 200) to be able to have the B-Corp Certification and this entails that by selecting certified B-Corps as a sample for the comparative analysis, the pattern of the level of engagement is biased upwards, because all organizations already outperform, regarding ESG practices, several industries which rank among the lowest in the ASSET4 ESG database. The upward bias is considered to be a limitation of this study and is necessary because otherwise organizations would not be certified as B-Corps and hence not be part of the B-Corp category.

## **Chapter 9. Conclusion**

This study utilized a mixed method design that explored the relationship between the engagement of a B-Corp organization with the emerging B-Corp category and the institutional work performed to further develop the B-Corp category, on a micro level. A comparative analysis showed the different levels of engagement of the organization with the B-Corp category and the interviews provided data on the institutional work performed by the B-Corp organizations. In general, both groups of B-Corps performed a substantial amount of institutional work to further establish the emerging B-Corp category. The findings show that the low engagement organizations performed more institutional work than the high engagement organizations for material and relational work. The high engagement group performed more symbolic institutional work than the low group. This study also shows that B-Corps from different fields collaborate together to perform institutional work to influence others.

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## Chapter 11. Appendix

### Appendix A. Interview questions

Interview question including probes. Source : Author.

Domains	Constructs	Interview questions
<b>Introduction</b>		
		- How did you find out about the B-Corp movement and why did you choose to pursue/obtain the certification?
		- What were your expectations regarding the consequences of adopting the B-Corp standard? Were those expectations met?
		- What are the main activities you have executed so far in order to implement the standard?
<b>Main</b>		
<b>Symbolic</b>	Narratives	- In what way do you explain what a B-Corp is to stakeholders? - What stories (narratives) do you use to inform stakeholders on the B-Corp movement?
	Identity	- In what way does the organization contribute to the shaping of the identity of the B-Corp movement? - How do you use your organization's identity, as a B-Corp or as an industry player, to influence others? (Follow-up: Why this particular choice?)
	Visuals	- Does your organization use the B-Corp Certification symbol? (If yes: How do you use it? What do you expect of it?)
<b>Material</b>	Extension of agency	- Is your organization adding any value to the content of what a B-Corp is or the B-Corp movement entails? (Such as, data availability, feedback to B Lab, focus groups to develop the next BIA version: content and technical side)
<b>Relational</b>	Gaining followers	- Which networks is the organization using in regard to the B-Corps and its community, and how do they add value to the B-Corp movement?

		- Is your organization part of any B-Corp groups which stimulate each other to actively grow the amount of followers of the B-Corp movement?
	Indirect work	- Is your organization part of collective actions to further develop the B-Corp movement in any way (and in which everyone does a little bit of work)? - Does your organization put in effort to amplify someone else's actions to further develop the B-Corps movement? (i.e. social media sharing etc).
	Collaboration	- Does your organization collaborate with other B-Corps, in the same industry or outside your industry, to further develop the B-Corp movement? (If yes: How does this collaboration look like and what are its goals? (for example sharing best practices))
	Suppress alternatives	- Does your organization select suppliers who put in efforts to have a positive impact on the world? Or demand that they know what kind of impact they have?
<b>Closing</b>		
		- Are you content with the B-Corp standard? If not, what would you do different?
		- How do you see the future of the B-Corp standard?
<b>End.</b>		

Appendix B. Coding scheme

Coding scheme of the transcribed interviews by using the themes, constructs and their codes.

Examples quotes are shown per code to illustrate it.. Source: Author.

Themes	Constructs	Codes	Example quotes
Introduction	Introduction	Obtain Certification	<i>We know Marcello Palazzi (founder of B Lab Europe) for quite some time. We have been approached by him to become a B-Corp. In 2009/2010, we said no to that because it [B-Corp] was meant for American readers. Two years ago, we became B-Corp because we could adhere to a better standard which fits better with our society. And not the Americans (Kirkman Company).</i>
		Expectations	<i>Well, my expectation was that it [B-Corp] would provide a fun and useful network, of organizations who help each other a lot. And that expectation is met for sure. I just joined the it and I got in touch with Merijn Everaarts from Dopper and he became a [personal] coach for me and he is also in my advisory board right now. [etc.] ... (On The Rocks).</i>
		Main Activities	<i>Not much. We already have a healthy man-to-woman balance. We have a lot of female managers. Which also do not make less than men. The way we approach our network, I think we did everything pretty well and we were considerate. [etc.] ... (Seats2meet).</i>
Symbolic	Narratives	Explain	<i>I explain it in several ways. It depends on the kind of person or group I'm facing. I often explain that it is a certification system for sustainable companies who not only make a sustainable business or service, but also want to make their whole way of operating the business as sustainable and socially possible. In addition to that, I often say that B-Corp organizations are the only organizations that are allowed and must have a future. Maybe I am pretty radical in that but I just think that. [etc.] ... (On The Rocks).</i>
		Stories	<i>The stories I use are appealing examples. Parties such as Patagonia and Tony's Chocolonely. I think that eventually the experiences and examples from practice are the best way to tell what makes companies into B-Corps.[etc.] ... (Seats2meet).</i>
	Identity	Identity Shaping	<i>I think to be a school-example of how you can do something good for society and how you can actively and continuously bring it to the attention of people. [etc.] ... (Seats2meet).</i>
		Identity Influencing	<i>J: You could say that B-Corp was the departure point for your organization. Like a framework where you put the organization into. A: Yes, actually it is. ... Some big companies say like. It is a framework which you can use to improve processes</i>

			<i>with, for it was more like: it provides a framework which you can use to build an organization with (On The Rocks).</i>
	Visuals	Visuals	<i>J: Yes, alright. So you say that it [the symbol] is on everything. Except for the website, which other places do you mean? M: On all the documents we produce. The proposals we are sending to clients. On the front page, it shows the flag [B-Corp symbol]. [etc.] ... (Innate Motion).</i>
Material	Extension of Agency	Extension of Agency	<i>M: We are in the board in Europe and we are working on that in Indonesia right now. We actively contribute and think along where ever we can. J: In what board do you have a seat then? In Europe and Indonesia? ... M: It is a kind of, I think, an advisory board. [etc.] ... (Innate Motion).</i>
Relational	Gaining Followers	Networks	<i>Our clients, but also our suppliers and business partners. [etc.] ... (The Appeal Company).</i>
		Grow Followers	<i>We always tell about it [(B-Corp)] and yes, we actually want to promote it. We are taking the stage a lot, you know, and a lot of people think: I am going to take a look what my organization is capable of ... B Lab want to convince other organizations to just become a B-Corp and they have invited all of them here. And I have spoken there with all the other organizations that are not a B-Corp yet, to tell them: How much time did it take me, etc, all the things that you are asking me right now [(on B-Corp)], I told that to the potential B-Corps. We will do that. ... The name is Breakfast Session. ... It is an informative meeting for organizations and people to get to know B-Corp and to gather knowledge on how it is to be a B-Corp. ... 25 organizations were present I think. [etc.] ... (Dopper).</i>
	Indirect Work	Collective Actions	<i>One of those was the CEO dinner, which we had at the beginning of the year, with several organizations such as Triodos Bank, Dopper was there, and other different organizations. I proactively joined the session and thought along: How can we build a better community? I came up with good ideas which are executable (Dopper).</i>
		Amplify Indirect Work	<i>When we are on the stage, but our network, that are many people. When they [B Lab] organize an event about lawyers, because we also have lawyers as B-Corps, that is not really relevant for my network. But if it is about a B-Corp Summit with very good keynotes, which is about sustainable lifestyle and changing your behavior, then for sure [(they will share it)]. It has to be relevant for our community (Dopper).</i>
	Collaboration	Collaboration	<i>What we did in the past few years is to practically collaborate with other B-Corps. If you can create synergies in that, then the impact becomes even bigger.</i>

			<i>Those [the B-Corps] are parties of which you don't have to think if they are doing things with the right intentions. That facilitates that you can reach a collaboration much faster and that you can achieve even more together. ... We started the Social Impact Factory. A physical spot where we want to put examples of social entrepreneurship on the stage. We started that with the B-Corps Bruggink en van de Velde advocaten and Kirkman Company and a foundation which was already there: the Social Impact Factory Foundation, and us as Seats2meet. We combined our strengths to make that spot, THE meeting spot, the hotspot, for social entrepreneurship. Of course, with the Seats2meet concept to make sure that dynamics are getting going in that place (Seats2meet).</i>
	Suppress Alternatives	Suppress Alternatives	<i>Yes. Our suppliers are parties like NPFC. Those are financial partners in those countries and we have about 30 of those. With such parties, we contract them and that party has to have a social mission, just as Lendahand. There are hundreds of thousands organizations which only pursue a commercial goal, profit maximization. We will not contract those. The party must show us that in their mission, bylaws or approach, that they, just as Lendahand, strive for an improvement of the environment of people. [etc.] ... (Lendahand).</i>
Other	General Added Value	General Added Value	<i>Young people know it [B-Corp] much better. There is a big generation gap. I notice now that young people are joining us because we are a B-Corp organization. They are applying to us for that reason. [etc.] ... (Innate Motion).</i>
Closing	Closing	Content	<i>Yes, I am satisfied. Yes, I think it can be improved. I realize it very well that why they [B Lab] are so focused on the goal of growing and to get more organizations [to become B-Corp]. But I think that the organizations which are there, should work together even more and learn much more from each other. [etc.] ... (Dopper).</i>
		Future	<i>Well, I think that it should be more action focused. The big companies should join B-Corp who have a big impact on the world. They are doing it right now, but more that they are visibly making a difference in that they not allow that if you do something for one stakeholder, that the other stakeholder has to give in. (Kirkman Company).</i>
		Improvements	<i>M: If you want to make the label serious, right now it all is a little bit hippy and new. On a given moment, they [B Lab] has to do a more serious job. J: That it becomes a way of life instead of a label. M: It logically goes this way. You have to start somewhere. The next step is coming. They have to think about it. For me, it still feels a bit like: we are so happy with ourselves.</i>

			<p><i>J: It will be a new challenge to take everything to the next level.</i></p> <p><i>M: Yes, and to broaden the scope. And to not accept to get 120 points in just 1 category [regarding the assessment] (Innate Motion).</i></p>
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