

ORIGINAL ARTICLE

Open Access



# Acting as a benefit corporation and a B Corp to responsibly pursue private and public benefits. The case of Paradisi Srl (Italy)

Mara Del Baldo

## Abstract

Benefit Corporations and B Corps represent alternative models of enterprise that bridge the for-profit and not-for-profit model (hybrid organizations). Italy is the first country outside the US to pass Benefit Corporation legislation and introduce the *Società Benefit* (Law No 208, 2015), namely for profit companies formally allowed by law to pursue a CSR mission, intended to achieve general and/or specific public benefits. Starting from these premises, the aim of this study is to evaluate the motivations for and benefits of becoming a B Corporation through an empirical case study focussed on an Italian small and medium-sized enterprise (Paradisi Srl) transformed into Benefit in 2016. Findings point out the efficacy of this choice taking into account the enhancement of a socially responsible commitment to CSR practices and the creation of a public benefit, as well as the improvements in accountability, transparency and stakeholder engagement.

**Keywords:** Benefit corporation, B Corp, Public benefit, Società benefit, CSR, Italy

## Benefit corporations and B Corp for sustainable development

Sustainability has been acknowledged as a paradigm for the twenty-first century (OECD, 2016; UN, 2015) that calls for business to serve society. Many scholars have put forth the need for new business models that move beyond the traditional thinking that perceives businesses as purely economic entities (Stubbs, 2014; Stubbs & Cocklin, 2008) towards models where sustainability concepts are integral to the company's mission and are reflected through decision-making (Wicks, 1996). Indeed in the last few years, with the occurrence of profound societal and environmental changes, new forms of organizations have been developed, contributing to the growth of a collaborative ecosystem (Bulloch & James, 2014) blending the features of the public, private and civil-third sector (André, 2015; Billis, 2010; Nicholls, 2010; Rao & Kenney, 2008; Rawhouser, Cummings, &

Crane, 2015) through innovative business models aimed at operating ecologically and responsibly (Hemphill & Cullari, 2014; Lüdeke-Freund, 2009). Pursuing missions that differ from shareholder value maximization poses an even stronger need for all those forms of hybrid organizations - also called "grey sector organizations" (André, 2012) that serve multiple bottom lines.

Hybrid business models - neither fully governmental nor fully private nor no-profit - combine characteristics of all these sectors and employ market tactics to address social and environmental issues. Among these are new forms of corporations belonging to a sustainability-oriented movement emerged in the United States - the Benefit Corporation and B Corps, that are private companies allowed by law to pursue a CSR mission and a profit one (Alcorn & Alcorn, 2012; Castellini, Marzano, & Riso, 2017; Hiller, 2013; Nicholas & Sacco, 2017; Nigri, Michelini, Grieco, & Iasevoli, 2017). The White Paper released on Benefit Corporation (Clark Jr. et al., 2013) contributed to create the legal framework and favor the emergence of entities designed to create benefit for all stakeholders, rather than only shareholders (Munch, 2012). In contrast to the claim

Correspondence: [mara.delbaldo@uniurb.it](mailto:mara.delbaldo@uniurb.it)  
Economics of Sustainability and Accountability; Financial Accounting,  
Department of Economics, Society, and Politic, School of Economics,  
University of Urbino Carlo Bo, Via Saffi, Urbino, PU, Italy

that it is solely the government's responsibility to address society's needs, the B Corp movement triggered by B Lab - a third-party standard-setting and a not-for-profit certifying organization founded in Pennsylvania in 2007 - recognizes that the government and the not for profit sector alone have insufficient means to address the urgent challenges faced by society today. Being that "systemic challenges require systemic solutions" Benefit Corporation (hereinafter BC) and B Corp are an example of "for profit social entrepreneurship" that offers concrete, "market-based and scalable solution"<sup>1</sup> because they are aimed "to enhance their profit and apply the social and sustainability model to improve their impacts on the whole environment, changing in this way the mission of the organizations and understanding the corporate identity by building consideration into the corporate DNA" (Hiller, 2013, p. 291).

In US since the initial adoption in 2010, more than forty states have enacted BC legislation. Australia, Argentina, Chile, Colombia and Canada are also in the process of passing the law (B Lab, 2016; Harriman, 2015). Italy is the first country outside the US to pass BC legislation and introduce in 2015 the so called *Società Benefit* (Law 28 December 2015, No. 208, art. 1, subsections 376–382), with Nativa being the first one in 2013. Nativa became official country partner of B Lab and played an important role in the introduction of the BC legal form in Italy (Nativa, 2017).

Core attributes of a BC are: 1) a corporate purpose to create a material positive impact on society and the environment; 2) an expansion of the duties of directors to require consideration of non-financial stakeholders as well as the financial interests of shareholders; and 3) an obligation to report on its overall social and environmental performance using a comprehensive, credible, independent and transparent third-party standard.

Benefit corporations are "required to have a purpose of creating 'general public benefit' and are allowed to identify one or more 'specific public benefit' purposes" (Clark Jr. et al., 2013, *White Paper*, p.17). General public benefit is intended as a material positive impact on society and the environment, as evaluated against the B Lab standard. The BC legislation offers a non-exhaustive list of benefits, including: providing low-income or underserved individuals or communities with beneficial products/services or other economic opportunities; go beyond the creation of jobs in the normal course of business; protecting or restoring the environment; improving human health; promote the arts, sciences or advancement of knowledge; increasing the flow of capital to entities with a purpose to benefit society or the environment (White, 2015).

Benefit corporations and B Corps are not exactly the same thing, even if they are often complementary and designed to go together. A BC is an institutional form

with a recognized legal structure. It is "legally a for-profit, socially obligated business, with all of the traditional corporate characteristics but with explicitly stated societal responsibilities" (Hiller, 2013, p. 287). In other words, it is a for-profit entity that has voluntarily and formally committed to pursue a general or specific public benefit by creating social and environmental outcome, in addition to its responsibility to return profits to the shareholders (Nicholas & Sacco, 2017). BC has the obligation to draw up an annual report to assess and communicate its financial, social and environmental performance.

By contrast, a B-Corp refers to a business of any legal form that has obtained a certification as to its level of responsible business conduct. A B-Corp is subject to a "B Impact Assessment" (BIA) powered by B Lab, that evaluates companies across five broad categories: environment, employees, customers, community, and governance. In order to become a certified B Corp, a company must meet the performance relative to these features through scoring a minimum of 80 out of 200 points (Castellini et al., 2017). B Corps are similar to traditional commercial businesses in that they sell a product or service in order to generate profits. However, the difference lies in the mission that is embedded in the B Corp model - placing central importance on the underlying sustainability or community-driven values or goals embedded within the organization. As a consequence, not all certified B Corps are also BC and vice versa: a company can decide to become a BC even without obtaining the B Lab's certification. In the same way, certified B Corps don't have to be BC. Therefore, the main difference is that BCs don't get their CSR performance controlled by B Lab every two years.

Despite the growing debate on the implementation and the diffusion of the aforementioned hybrid forms, currently several aspects remain under investigated. Only few studies have deepened the knowledge of the intrinsic and/or extrinsic motivations that drive for-profit firms begin to take over activities traditionally carried out by the state or not-for-profit entities (Gelman & Grimes, 2017). Secondly, contributions aimed at investigating the issues and the controversial points, as well as the benefits regarding BC and BCorp are still rare. Moreover, the theoretical foundation of the phenomena should be deepened, as well as the similarities and differences with social enterprises, thus claiming for further research (Baudot, Dillard, & Pencle, 2019). The current literature gap claims for both theoretical enhancements and empirical studies based on extensive quantitative analysis, as well as single and/or multiple case studies capable to point out the contingent factors of internal nature (i.e. the company size, the sector, the governance system and the entrepreneurial/managerial

orientation) and external nature (i.e. the country institutional, political and normative framework) affecting the BC and B Corp development.

Accordingly, in the attempt to contribute at filling the aforementioned gaps the aim of this study is to evaluate the motivations and the benefits, as well as the process of becoming a BC through an empirical case study focussed on an Italian small and medium-sized enterprise (Paradisi Srl) transformed into *Società Benefit* in 2016. In order to achieve this goal, Paradisi's B Impact report and integrating report were analyzed and in-depth interviews with the President were carried out.

The remainder of the paper is structured as follows: section 2 introduces the theoretical framework focusing on the theories and constructs underpinning the BC and B Corp phenomenon, while sections 3 and 4 respectively depicts the normative framework pointing out the relevant features of BC and B Corp and the transparency and accountability duties. Subsequently, after describing the methodological approach, section 5 illustrates the case study. Finally, section 6 presents and discusses the findings, while section 7 sums up the main insights and conclusive remarks.

### Theoretical framework

Within the corporate social responsibility (CSR) debate a number of models, arguments and theories (Amini & Bienstock, 2014; Garriga & Melé, 2004; Godfrey & Hatch, 2006; Zadek, 2006) have been suggested, nurturing a collaborative ecosystem formed by different entities - such as private and public companies, for profit, not for profit and civil organizations, institutions, and BCs among others - that share the aim to deliver positive and measurable social outcomes (Bulloch & James, 2014) and feel responsible for the financial, social and environmental impacts of their activities. In parallel, the sustainable business movement, impact investing and social enterprise sectors have been developing rapidly, despite a legal framework often not adequately equipped "to accommodate for-profit entities whose social benefit purpose is central to their existence" (Clark Jr. et al., 2013, p. 2).

Adopting an institutional perspective, research on social movements have been investigating how new institutional forms (such as new hybrid forms) emerge (King & Pearce, 2010; Allen & Bromberger, 2011). The institutional framework lens has been adopted to understand the process and factors that lead to the enactment of BCs and B Corps. Institutional theory suggests that when organizational environments change dramatically new organizational forms are likely to arise (Scott, 2001). According to this interpretative framework, both BC and B Corps establish in a period of growing awareness of the effects of globalization and the crucial

importance of environmental and social sustainability issues, such as climate change, environmental degradation, reduced quality of life, scarce attention to the quality of the environment, child labor, labor exploitation and the exploitation of intellectual work (Clark Jr. & Babson, 2011; Hiller, 2013; Reich, 2018). Due to their reinforced commitment to CSR (corporate social responsibility) practices and a mission bound to generate a public benefit such organizations are an example of the convergence of for-profit companies towards a strong CSR focus (André, 2012; Gilpin, 2014; Nigri et al., 2017). Therefore, BCs and B Corps mark a shift in business focus, empowering companies to not only declare their intent to be ethical firms but to submit proof of that commitment and properly convey it to stakeholders (Wilburn & Wilburn, 2014; Fierro et al., 2016). In other words, they offer a new standard for businesses that are different from social enterprise in that they are profit oriented but want to be socially responsible and positively contribute to the diffusion of sustainability in the business context and the entire society as well (Honeyman, 2014).

Martin and Osberg (2015) point out that institutional forms of social enterprise can be understood, including: highlighting relevant social problems, positioning the enterprise as a solution for affecting change, and affirming the role of the enterprise in bringing about change. Institutional forms that reflect hybrid business purposes and governance regimes have been envisioned in various configurations over the past decades (Baudot, Dillard, & Pencle, 2018) in both developed and emerging countries, arising from different institutional contexts. Among these, one can cite the low-profit limited liability companies (Rawhouser et al., 2015), the community-interest companies derived by different state-level initiatives (Hemphill & Cullari, 2014; Strine Jr., 2015), community based-business (Peredo & Chrisman, 2006), economy of communion companies (Bruni & Uelmen, 2006; Del Baldo, Baldarelli, & Ferrone, 2015; Gold, 2010) and purpose-driven enterprises (Jenkins, 2004 and 2006; Yunus, 2010; Molteni, 2009; Wilburn & Wilburn, 2014). As a new hybrid institutional form, BCs and B Corp can be conceived as "for profit social enterprises" that move the business's purpose and accountability expectations away from pure profit maximization to a more holistic purpose and suggest that firms can generate profits while providing public benefits (Hemphill & Cullari, 2014; Munch, 2012).

All the aforementioned forms are responses to a number of factors "including social dissatisfaction with some of the darker angels found in the nature of corporations and capitalism and the growing chorus of voices promoting the 3P bottom line - profit, people and the planet" (Tobin, 2013, p. 3). Some scholars argue that

legal forms such as the BC have emerged to overcome the threat of shareholder litigation for not meeting performance expectations while engaging in business as usual (Cummings, 2012; Mahoney, Thorne, Cecil, & LaGore, 2013).

Namely, B Corps arise from the need of socially-oriented entrepreneurs to serve both a profit mission and a CSR one, overcoming the traditional distinction between for-profit and not-for-profit and the relative weaknesses: no-profits limit profit distribution, which is important to attract capital consistently, while for-profits create practical and legal pressure to favour profits over social benefit (Brakman Reiser, 2011). On the one hand the BC and B Corp form triggers new opportunities to for-profit firms (i.e., additional investments and financial returns); on the other, it allows not-for-profit firms to access alternative revenues streams and financing opportunities by extending their objectives to include profit generation (Baudot et al., 2018). Being a voluntary “status” the BC serves as a for-profit model that enables a corporation to pursue profit-generating activities while contemporaneously promoting positive effects on society and the environment. In addition, it is complementary to non-profit and charitable activities, on a much larger scale (Eggers & Macmillan, 2013; Tobin, 2013, 2015; Westaway & Sampsel, 2013).

Baudot et al. (2018) observe that in its current stage, the BC form is primarily being framed as an extension of the business case for acting in the public interest for the common good. BCs have been described as grey sector organizations (André, 2012); purpose driven organizations (Hiller, 2013); a “variant” to the traditional for-profit corporate structure (Strine Jr., 2015) and an emerging hybrid purpose institutional form (Rawhouser et al., 2015) because it allows a for-profit firm to expand the stated mission to include public welfare objectives. Such regulated hybrids (Miller, Kurunmaki, & O’Leary, 2008) may represent a “shift in the role of the government as a traditional provider of public benefits to society” (Baudot et al., 2018, p. 16). “There is also some indication that States are beginning to view BCs as a vehicle for transitioning traditional public services into the private sector” (Baudot et al., 2018, p. 7).

Drawing from social entrepreneurship literature (Snow & Benford, 1988) BC have been considered a way to use business to solve social issues and provide solutions for affecting change (Hemphill & Cullari, 2014; Hervieux & Voltan, 2016; Martin & Osberg, 2015). In this regard, BC and B Corp are a tool to create an essential link between business and CSR, blending social impact with competitive advantage together and marking a shift in the approaches to CSR: from good citizenship (i.e., strategic philanthropy) to responsive CSR behaviours (i.e., transforming value chain activities to

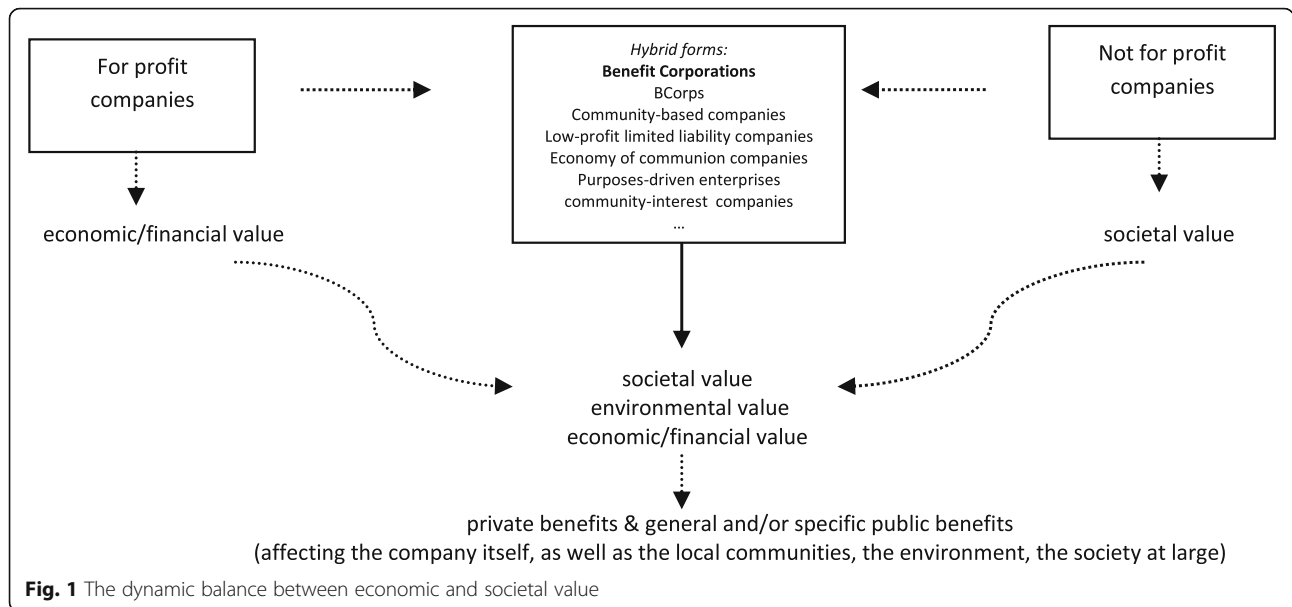
benefit society while reinforcing strategy) (Porter & Kramer, 2006).

As pointed out by the social entrepreneurship literature (Mair & Marti, 2006; Zaharaa, Gedajlovic, Neubaum, & Shulman, 2009) especially in the US they BC and B Corp mark a shift in the traditional goal of companies, which is no longer profit maximization (Shiller, 2012): they are socially responsible because their actions are primarily voluntary. Moreover, CSR is operationalized into value systems, externalities are addressed, environmental and social interests are integrated and multiple stakeholders are considered (Hiller, 2013; Sabeti, 2011). As they are purpose-driven companies, BC and B Corp are the fruit of an ethical substratum and marked by an authentic CSR orientation, such as “territorial businesses” or “spirited businesses” (Del Baldo, 2010, 2012a, 2012b; Lamont, 2002) - frequently represented by SMEs. In those cases CSR orientation is usually promoted by the entrepreneur and is reinforced by the social cohesion with internal and external stakeholders embedded to a local socio-economic framework that share common cultural and social values (Putnam, 1993) spread through the corporate culture.

Also the stakeholder theory perspective (Freeman, 1984) is useful to point out that BC and B Corp allow managers/entrepreneurs to expands the fiduciary duties towards all stakeholder and address their needs (Shiller, 2012). Managers/entrepreneurs have in fact to be fully informed about stakeholders’ interests when making decisions (B Lab, 2016) and should be more willing to consider CSR policies and report CSR performance assessed against a third-party standard (Hemphill & Cullari, 2014).

Finally, stewardship theory (Davis, Schoorman, & Donaldson, 1997) contributes at explaining the effectiveness of BC and B Corp, particularly in the case of SMEs (Suntae, Karlesky, Myers, & Schifeling, 2016). SMEs have long been committed to CSR practices as they are usually intrinsically driven even in the absence of a formal communication of CSR or reporting practices (Del Baldo, 2012a; Looser & Wehrmeyer, 2015). The BC or B Corp status prove that they are more genuine than big corporations, which often engage in CSR just to improve their image, as pointed out by Suntae et al.’s study (2016): the more companies claimed they were ‘good’, the more B Corps emerged.

In summary, despite the relative novelty of the phenomenon and the possible interpretations that have been emerging drawing from different theoretical frameworks, the features and the potential benefits of BC and BCs (Koehn, 2017; Patrick, 2014) should be deepened to verify their capability to concretize the “shift” from private to social value and allow the dynamic balance between economic, societal and environmental value (Fig. 1).



In the following sections attention will be thus addressed to the normative framework, pointing out the most relevant features of BC and B Corp stated by the American and Italian law to then focus the discourse on the accountability and disclosure duties.

**The normative framework: key features of the emerging B Corp and BC phenomenon in US and Italy**

BCs are considered a key actor of a dynamic movement to redefine success in business, intended as “the best for the world”, rather than “the best in the world” (Honeyman, 2014, *The B Corp Handbook*). Their purpose is to enhance CSR by providing legal protection to managers/entrepreneurs who voluntary want to change the societal form and the business model not only to make money but also to help alleviate poverty, build stronger communities, restore the environment and inspire people and organization to work for a higher purpose (B Lab, 2016). This shift presupposes a responsible-oriented management aimed at pursuing the goals of accountability, transparency and stakeholders engagement while ensuring the health of the organization as an ongoing concern and contributing to the health of the local community, the environment and the community at large. The B Corp Handbook highlights the motivations that can lead companies to seek the B Corp certification (Honeyman, 2014):

- lead a movement: companies join the movement first of all because they believe in it and they want to “use business as a force for good”;
- partner with peers: Certified B Corps meet frequently and create a sense of community where

opinions and experiences are shared, creating learning opportunities;

- benchmark CSR performance: the certification is effective in showing how a company fares against other sustainable organizations, highlighting improvement areas;
- save money and access services thanks to the network: B Lab gives the opportunity to get discounts on numerous business services. The savings coming from these relationships more than offset the certification fee (Marquis, Klaber, & Thomason, 2010);
- protect mission: often companies’ CSR efforts risk to be thrown away when management or ownership changes. The certification is a tool to reduce this risk by creating some legal and reputational constraints;
- differentiate from pretenders: the certification is an official and public statement that recognizes B Corps as truly effective in being socially and environmentally responsible. The certification is a powerful tool to differentiate ‘good’ companies from the ones which are simply ‘greenwashing’;
- attract investors: some investors are interested in companies that not only have a solid business, but also have a solid CSR approach (Marquis et al., 2010). In this regard Socially Responsible Investing (SRI) is growing decisively (White, 2015). The certification signals investors that a corporation is worth of receiving SRI;
- generate press: the movement is becoming more and more popular, finding coverage on important media outlets i.e. Bloomberg, providing free advertising to all B Corps;

- attract and engage talent: most workers are attracted towards workplaces where they can have a positive impact, and are more motivated and engaged if that is the case;
- participate in a campaign: collective B Corp brand campaigns are being launched increasingly more frequently.

In the last decades several American states have changed their corporate law to allow for such a new entities with hybrid purposes emerge (Cooney, Koushyar, Lee, & Murray, 2014; Data World, 2017). This is the case of Maryland, the first state in the US to enact in the BC form into law in 2010, followed by more than thirty states by the end of 2017 (i.e., Hawaii, New Jersey, Vermont, Virginia California, New York, Pennsylvania, South Carolina, and Texas, among others (Murray, 2012; Resor, 2012). As a result of legal and marketing needs of mission-driven businesses, an increased number of companies belonging to different industries have become BC and their number has increased from about 300 registered in 2013 to nearly 5500 in 2017.

As per the beginning of July, 2018 there are in Italy 215 BCs widespread in all economic sectors.<sup>2</sup> The Law on *Società Benefit* (Italian Republic, 2015) is very similar to the legislation passed in the US. First it introduced the concept of dual mission, with the insertion of a public benefit inside the company's objective in the Articles of incorporation or the statute. The BC does not represent a new type of corporation along with the ones defined in the previous laws (V section of the Civil Code), such as the Srl (limited liability) or Spa (public companies), rather is simply a configuration that each of these corporations can decide to adopt. The denomination *Società Benefit* can be used in the name of the company along with the type of corporation (Siclari, 2016). Italian BC do not enjoy any fiscal benefit, tax relief or other financial advantages (Bauco, Castellani, De Rossi, & Magrassi, 2017; Castellani, De Rossi, & Rampa, 2016; Di Cesare & Ezechieli, 2017).

For the purposes of the Italian law, a yearly benefit report is due concerning the pursuing of common benefit (Assonime, 2016). Such report must be attached to the annual financial statements and must be made accessible to the public, usually on the company's website, including three parts: 1) the description of the specific objectives, modalities and actions implemented by the directors in order to pursue the aims of common benefit 2) the evaluation of the social impact achieved according to a third-party standard and 3) the definition of future objectives (and related activities) to pursue in the following those year. Shareholders have the right to evaluate whether a company has reached the benefit goals and directors have acted correctly (Mickels, 2009; Siclari,

2016). Like in USA, the third-party that defines the standard of evaluation has to be: exhaustive and structured, cannot be controlled or partially owned by the BC and has to be credible and transparent (Castellani et al., 2016). Also in Italy the law identifies four areas to be covered in the yearly report, in accordance to the approach established by B Lab: 1) Governance: the degree of transparency and responsibility in achieving the public benefit goals; 2) Workers: the salaries and the welfare system, including training, opportunities for personal growth, work environment quality and safety; 3) Environment: analysis of resources, energy, materials and processes with a product life-cycle perspective; 4) Other stakeholders: suppliers, community, charities (Siclari, 2016). The specific purpose should be detailed and can be directed towards one or more categories listed above. However, also in Italy there is no a list of specific public benefits defined by the legislator, that only requires BC to operate responsibly, sustainably and transparently towards people, the community, the environment, cultural and social activities and goods, associations and other stakeholders.

By contrast, unlike the US, Italy grants to the Antitrust authority the task to oversee the behaviour of BCs and give sanctions for misleading advertising to BCs that do not pursue the public benefit for unjustifiable reasons (Castellani et al., 2016). This is a relevant difference, as one of the controversial points regarding BC is tied to the lack of governmental control over their actual operations and concerns relative to weak accountability and credibility (Tirelli, 2017).<sup>3</sup> Finally, a significant difference relates to the fact that in Italy BCs are usually small-sized, because the Italian economic system is based on SMEs, usually in the form of family business, whose ownership and management often coincides, as in the case as below presented.

### **BC and B Corp's transparency and accountability**

A BC should be accountable to and transparent with stakeholders (Adams & Larrinaga-González, 2007; André, 2012; Gray, Adams, & Owen, 1996, 2014; Kurland, 2017). The annual benefit report addressed to stakeholders must include a narrative description of how the company pursued a general public benefit and/or any specific stated benefit and to what extent it was developed, any circumstances that may have hindered the creation of general public benefit or specific public benefit, as well as the process and rationale for selecting or changing the third-party standard used to prepare the benefit report (Clark Jr. et al., 2013, *White Paper*, p. 18).

As mentioned in introduction, becoming or incorporating a legally recognized BC is not the only way to achieve the BC status. In states or countries where the law is still not active, B Lab, the promoter of the BC

model, offers its certification process (Alcorn & Alcorn, 2012; Tobin, 2013, 2015). B Lab released a specific certification system and valuation standard<sup>5</sup>. The first step towards certification is through the Benefit Impact Assessment (BIA), based on the assessment of companies' performance, benchmarking them with other best practices (B Lab, 2016). Notably, the rating measures the impact on the areas: Workers, Community, Environment, Customers, and Governance (Table 1).

The table points out the items of the Benefit Impact Assessment for each impact area (Castellini et al., 2017). Such areas are evaluated considering the impact they may generate, using a mix of standards and certifications that a company could obtain. Through an online platform<sup>4</sup> the top management (usually the CEO) and a team of selected employees, supervised by a Benefit Impact Manager (BIM),<sup>5</sup> answer specific questions and provide supporting documentation, which is then evaluated and calculated by the algorithm developed by B Lab's Standard Advisory Council (SAC).<sup>6</sup> The assigned score can range between 0 and 200. A score equal to or greater than 80 proves that the company generates a positive impact in several areas and can be certified as a B Corp. Even if certification has no legal validity, it allows the company to sign a statute in which the social purpose is declared and annually release a report to assess how the company pursues the stated objectives. Certification has to be renewed every two years.

From an organizational perspective, there is no specific structure, industry or business model which is more prone to obtain the certification. The main distinguishing element is the entrepreneur/the managerial attitude and orientation. Where the entrepreneur/managerial team is deeply conscious of CSR themes, the certification is more likely to take place, as in case of Paradisi Srl *Società Benefit* below introduced.

### **Case study: the 'dynamic balance' of Paradisi Srl *Società benefit***

This section describes the experience of Paradisi Srl, an Italian B Corporation with the aim to evaluate the motivations for and benefits of becoming a B Corporation, as well as to the process pursued to acquire this form. Italy is one of the countries that has the highest concentration of B Corp and BC (Nigri & Del Baldo, 2018). About 130 companies were included in the list available on the BCs website in 2017 and 210 were inserted included in the online register of BC as per July 2018.

For the purpose of this study we decided to adopt a qualitative-based approach based on a case-study (Eisenhardt & Graebner, 2007; Flick, 2009; Grafton, Lillis, & Mahama, 2011; Yin, 2009) useful for the in-depth analysis of an emerging and complex phenomenon.

Explorative case studies can be considered an appropriate research strategy because it provides richer insights that facilitate the understanding of the different aspects observed while still attempting to produce some form of generalisation (George & Bennett, 2005; Gerring, 2006).

Information was collected using multiple sources: the company website and the Italian BCorp website,<sup>7</sup> the company's reports (Paradisi integrating report and B Impact report, year 2016) and in-depth interviews and informal conversations performed throughout a multiyear period (2013–2017) with the B Corp director and Impact Manager (the President of the company). The President (S. Paradisi) is responsible for entrusting specific functions and tasks for the pursuit of social purposes. In total we carried out three interviews lasting about one hour each. Closed and open questions were also asked during several direct correspondences (i.e. meetings, multi-stakeholder forums, workshops and round tables involving entrepreneurs, managers and representatives from not-for-profit organizations) aimed to discuss and promote CSR actions and projects in the Region (the Marche, Central Italy) in order to achieve a holistic understanding of the interviewee's point of view (Patton, 1987) on the motivations, perceptions and benefits of becoming a BC. In particular, the questions addressing "the way and the how" were tied to four main themes: the values behind the CSR and sustainability orientation affecting the attitudes, behaviors and perceptions of the entrepreneur; the journey lead by the entrepreneur/manager towards CSR and sustainability before and after the choice to transform the company in *Società Benefit* and getting involved in the BC movement; the motivations (internal and external determinants) which led the company to seek the certification and the change to the legal status; and the effects (in terms of organizational and external impacts) and the benefits derived from the change. Some quotations from the interviews are used to illustrate and provide concrete examples of the underlying concepts and relationships in the manner advocated by Siggelkow, 2007.

The information collected from the interviews and the documental analysis was analyzed qualitatively through iterative manual coding into the four themes formalized by the research objective (Gioia, Corley, & Hamilton, 2013; Huberman & Miles, 1994). This approach is well suited for in-depth single case studies (Bergh, 2011). As afore mentioned the information gathered using interviews with the entrepreneur in charge of B Lab's certification process was supplemented by sources of secondary information which provide more accurate and unbiased information to contextualize interview findings. The news was gathered using documentary materials both internal (e.g., presentations and reports) and external (e.g., websites and press releases). Documentary

**Table 1** Impact areas and Items

<p>Business Model</p> <ul style="list-style-type: none"> <li>•Offer of benefits (i.e. health products or healthy foods)</li> <li>•Training</li> <li>•Educational Business Model</li> <li>•Fundraising to support social mission</li> <li>•Protection of the territory or wildlife</li> <li>•Franchising</li> </ul>	<p>Governance</p> <p><i>Corporate Structure</i></p> <ul style="list-style-type: none"> <li>•Integrate the mission into corporate structure</li> </ul> <p><i>Transparency and Accountability</i></p> <ul style="list-style-type: none"> <li>•Share the accountable information with the employees</li> <li>•Open book management procedure</li> <li>•Annual report on the organization's performance compared to mission</li> </ul>	<p>Environment</p> <ul style="list-style-type: none"> <li>•Sustainability</li> <li>•Carry out annual environmental audit to monitor the efficiency of water and energy consumptions and waste production</li> <li>•Certify the energy</li> <li>•Create offices and rooms where there are energy efficiency tools (i.e. photovoltaic system, solar panels, energy-saving heating systems)</li> </ul>
<p>Customer</p> <ul style="list-style-type: none"> <li>•consider the interests of customers as beneficiaries of the general public benefit or specific public benefit purposes</li> <li>•improve customer loyalty by enabling consumers to differentiate good deeds from merely good marketing</li> </ul>	<ul style="list-style-type: none"> <li>•Collaboration to develop social and environmental standards in the field of affiliation</li> <li>•Disclosure of performance</li> </ul> <p><i>Mission and involvement</i></p> <ul style="list-style-type: none"> <li>•Engage in corporate mission commitment to social and environmental responsibility</li> <li>•Training of employees on the social and/or environmental mission</li> <li>•Evaluation of employees and managers on the goals of the mission</li> <li>•Ask for external feedback on social and environmental performance</li> <li>•Place an external member on the board of directors for social and environmental performance audits</li> </ul>	<ul style="list-style-type: none"> <li>•Transparency of results</li> <li>•Evaluation of product's lifecycle</li> <li>•Plan to reuse and recover products</li> <li>•Encourage suppliers to initiate audits or environmental audits</li> </ul>
<p>Workers</p> <p><i>Emoluments/Wages, Benefits and Retribution/ Compensation:</i></p> <ul style="list-style-type: none"> <li>•Payment of adequate salary</li> <li>•Verify that wage levels are in line with the market</li> <li>•Offer the same benefits as managers to employees</li> <li>•Offer a social security plan</li> <li>•Offer a socially responsible investment option within the supplementary social security plan</li> <li>•Contribute to the upgrading and vocational training of workers</li> <li>•Offer resettlement services or a good exit package in case of termination of the employment relationship</li> </ul> <p><i>Employee shareholding/Workers Ownership:</i></p> <ul style="list-style-type: none"> <li>•Offer stock option</li> </ul> <p><i>Quality of work environment:</i></p> <ul style="list-style-type: none"> <li>•Health and wellness program</li> <li>•Manual distribution for employees</li> <li>•Conducting periodic surveys on the degree of satisfaction and involvement of workers</li> <li>•Periodically retrieve employee statistics data on turnover, retention and diversity</li> <li>•Granting flexible employment opportunities</li> <li>•Presence of a committee of workers with advisory and supervisory powers in the field of health and safety at work</li> <li>•Equality and diversity</li> </ul>	<p>Community</p> <p><i>Creation of new job positions:</i></p> <ul style="list-style-type: none"> <li>•Create new jobs for young and disadvantaged people</li> </ul> <p><i>Diversity:</i></p> <ul style="list-style-type: none"> <li>•Have an open and mixed board of directors that includes women and ethnic minorities</li> <li>•Have a team of managers and a staff with diversity</li> </ul> <p><i>Civic commitment and donations:</i></p> <ul style="list-style-type: none"> <li>•Offer incentives to employees to organize social service days and/or volunteer activities</li> <li>•Increase the percentage of employees that participate in volunteering activities</li> <li>•Agreement to support a non-profit organization</li> <li>•Be a member of an independent organization that certifies charity donations</li> <li>•Acquire goods and services from local businesses</li> <li>•Vendors, distributors and local products</li> <li>•Make social and environmental performance public</li> <li>•Local suppliers</li> </ul>	

evidence is considered objective because it is generated outside the influence of the researcher (Patton, 1990).

### Paradisi's profile

The company was founded in 1957 by Antonio Paradisi and a partner based in Jesi (Ancona). In 1985, the founder's children, Sandro and Tiziana, constituted the current Paradisi Srl, devoted to manufacturing precision

turned components (metalworker sector) for the automotive, electromechanical and automation sectors. Throughout the years, the company has expanded into new markets thanks to the development of automatic turning and the quality of its operations. Paradisi Srl works in symbiosis with both the needs of its customers and workers. Since its foundation the company has been characterised for its attention to a pleasing work



environment in term of safety, stimulation and motivation. Secondly, Paradisi is deeply rooted in the local area where it is headquartered. “We are proud not only to be an Italian company, but one that was founded and ‘brought up’ in the Marche region and that helps to make the area around it a better place”. In order to remain a leader, as well as generate wealth for its stakeholders, the company has to be regarded as a “resource for the territory”<sup>8</sup>.

Moreover, the company is actively involved in managing operations to safeguard the environment. For instance, it systematically promotes separate waste collection for recovery and recycling and monitors energy efficiency levels, as well as environmental performance levels.

*“We are convinced that we can only excel and be competitive if the territory around us is equally competitive. We have always worked to improve it both from a social and environmental point of view. Certification is the tool that helps us formalize the direction we are going in and gives us increasingly challenging improvement goals, thanks also to the need to compare ourselves with other B Corp situations”* (S. Paradisi, President).

In 2016 the company, which currently employs 39 people, achieved important economic and financial performance: over 7 million euros in revenues; about 3 million euros in investments and a profit of 400.000 euros. However, it has not finished improving and these numbers are not a sign of success, as the President explains: *“Let’s start with our financial performance: a 13% increase in turnover and 134% in net profit. However, not only the numbers and economic data have given us gratification. On September 27, 2016, we decided to transform*

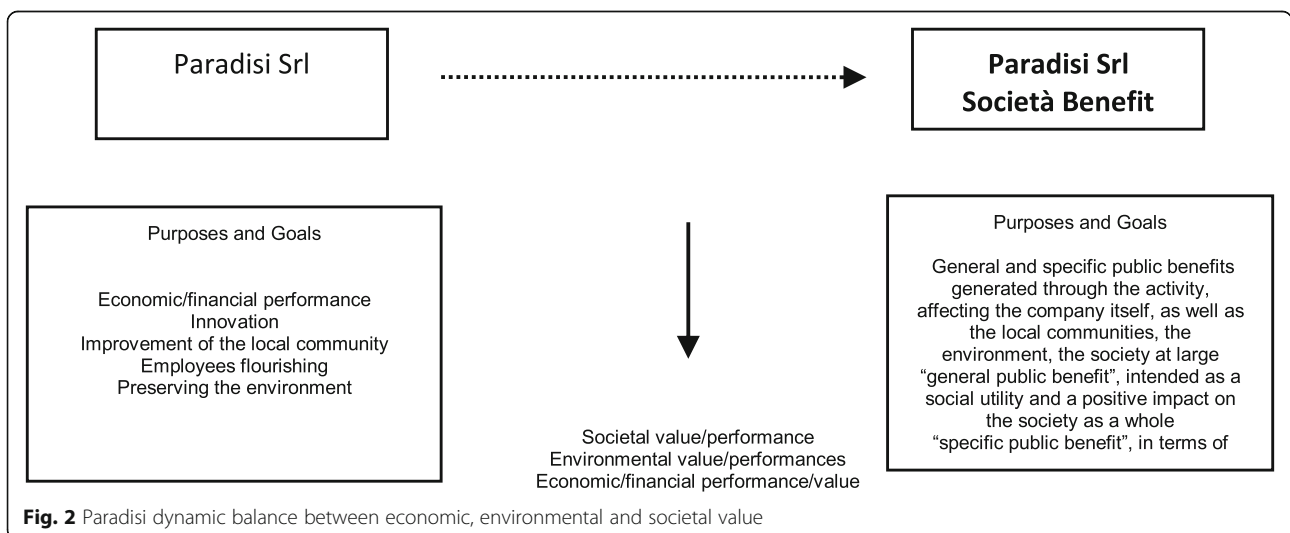
*the company into Benefit”* (Italian Law No 208 December 28, 2015, art. 1, subsections 376–382). Throughout the years Paradisi has started to change the “paradigm” and share a new business culture: from an entity that exploits resources (and often creates pollution) in order to maximize its own profits, to an entity that distributes wealth, while minimizing the environmental impact. Such a change relies on transparent and fiduciary relations with all stakeholders involved in the value creation process and the territory that the company belongs to.

As the Statute of Paradisi Srl states (Social Object, Art. 3) it is managed in a way that balances the interest of the members, the pursuit of common benefit and the interests indicated in the corporate purpose. The economic results that Paradisi has achieved in the last few years testify that there is a two-way relationship between profit and general public benefit (common benefit) (Fig. 2).

*“We are increasingly convinced that positive economic performance is closely related to the transparent and sustainable way our company operates daily, tending to balance the interest of shareholders with that of all stakeholders, thus allowing us to continuously seek the dynamic balance of value creation, widespread for our territory”* (S. Paradisi, President; Paradisi Integrated Reporting 2017: 7).

**The trigger agent of a “hidden” hybrid purpose form orientation**

Paradisi Srl has been able to maintain its “dynamic balance” in the years after merging tradition and innovation, economic-financial aspects and social aspects, short-period and long-term orientation and flexibility in production and investments. This capability that



**Fig. 2** Paradisi dynamic balance between economic, environmental and societal value

marks since the foundation its pro-social orientation (i.e. the status of for profit social enterprise) is connected to the values of the founder, which were then inherited by his children: the momentum towards the ideal, the punctuality of knowledge, and competence and the value of hard work. Such values have been further reinforced by Sandro Paradisi (the current President), who, since he was a child, has always been fascinated by the perfection of the helical shape of a shell, which is still the symbol of the company. Such orientation has been summarized in the company's mission:

*"In fact that shell has become the symbol of my adult work: to use natural materials and skillfully transform them to draw up everyday objects; to interpret traditions in a new and versatile way; to search for precise and ambitious details with elegant style and meticulous care"* (S. Paradisi, Paradisi; Paradisi Integrated Reporting 2017: 35).

The shell can also be intended as a metaphor of the company evolution toward the pursuing of further goals, starting from "private" and traditionally profit maximization goals to specific and general public benefits.

The company values (Table 2) have been translated into the company vision, that is "the search for a dynamic balance". The latter is intended as a long-term and sustainable growth capable to ensure the mutual development of the organization and the socio-economic context where Paradisi Srl was founded and currently acts. The values system that characterises the identity of the company (Paradisi Srl, 2017; Paradisi Integrated Reporting, 2017: 33–34) orients all actions and strategies and is shared by the management team and the employees, both at the individual and organizational level. Therefore it constitutes the "substratum" of the "mixed" and ideal/purpose-driven orientation and the key driver of the shift toward the formal recognition as benefit corporation. Namely, since its set up Paradisi Srl was oriented to a multidimensional (economic, social and environmental) growth, despite the lack of a formalized strategy and the absence of formal roles, processes (e.g. a CSR officer) and tools useful to disclose such orientation (i.e. a social balance, sustainability report). In other

**Table 2** Paradisi's founding values

---

Centrality of the customer/client
Respect for people
Environment and local territory
Quality and precision
Innovation and tradition
Partnership

---

words, it represents a case of an "originally (or native)--born" hybrid organization that only recently has been formally recognized as benefit corporation, after the enactment of the Italian law, even if de facto it has always been pursuing such a "mixed" orientation.

Accordingly, the corporate governance guarantees the balance of specific purposes of common benefit and profit with the vision of continuous improvement. Sandro and his sister Tiziana have equal shares in Paradisi Srl. The administration is entrusted to a Board of Directors composed of three members: S. Paradisi and T. Paradisi (who are respectively the Chairman of the Board of Directors and the Chief Executive Officer) and an external and independent administrator who, in turn, plays the role of President and General Manager of an SME in a close town in the same region (Del Baldo, 2010). The board members (both internal and external to the owner family) belong to the same local community and share a set of cultural and social values that favour the development of the organization as an ongoing concern. They represent the primary interested constituents in the general and specific benefit to pursue.

#### **Paradisi's BC certification: the annual benefit report - the report on the common benefit**

In September 2016, Paradisi turned into a Benefit company (Paradisi Srl Società Benefit). In December 2016 it obtained the B Corporation certification from B Lab on the basis of the expected standards for social and environmental benefits, responsibility and transparency. The company has been externally evaluated on its impact on employees, the community, the environment and its customers. "Paradisi is proud to participate in the dissemination of this new business paradigm, hoping that in the future every business will use its own activities as a tool to contribute to the common good, because solidarity is a good business!" (S. Paradisi, President).

With the aim to disclose the responsible business practices in 2015 the company released the first integrating report and implemented the analysis of the added value, aimed at demonstrating how the value generated by the company had been distributed among the several stakeholders, included the local community and the territory it belongs to, addressing the achievement of specific and general public benefits. Italian Law on BCs requires Benefit companies to annually release "a report concerning the achievement of the common benefit" to be attached to the annual report. The evaluation of the impact generated must be made by adopting an external evaluation standard. Paradisi Srl chose to adopt the GRI - G4 standard (GRI 2013) and release an integrating report that includes the analysis of all the evaluation areas proposed by the legislation: the company governance,<sup>9</sup> workers, other

stakeholders and environment. It also indicates the following features for each area (as required by the Law No 208/2015, Art. paragraph 382): description of the general and specific objectives; actions taken to achieve them; further activities carried out; impediments; impact assessment and the objectives for the following year (Paradisi Integrated Reporting 2017, p. 95 and following). The annual benefit report (titled integrated reporting year 2016) includes “the manifesto of being a Benefit Corporation” which clearly states the company’s orientation towards the continuous improvement and sustainable development of the territory. *“As a Benefit company, the company intends to pursue, in addition to profit, the purpose of common benefit and operations in a responsible, sustainable and transparent way with people, communities, territories, the environment, cultural and social organizations, associations and other stakeholders. Paradisi is highly committed to diffusing a responsible and sustainable business culture in order to achieve the economic and social growth of the territory and the community”* (Paradisi Integrated Reporting 2017: 21–22).

The specific purposes of common benefit are relative to: care and motivation of personnel with recognition of prizes and training; use of renewable energies; promotion of training on sustainability issues, partnering with schools, universities and public institutions; promotion of technical training, also partnering with public and private schools, and universities; investments in technological innovation; support to local entrepreneurship; selection of local suppliers that respect sustainability principles.

*“The spread of a responsible, sustainable and transparent business culture can also take place in collaboration with public and private companies, professionals, organizations and institutions through meetings, workshop, laboratories and public events”* (S. Paradisi, shareholders meeting, September 27, 2016).

In this regard the annual benefit report explains the objectives pursued, the evaluation of the impact generated (Evaluation of the Impact generated and goals for 2017) and a section dedicated to the description of the objectives that the company intends to pursue in the following year. In addition, the company released an Environmental Declaration<sup>10</sup> which testifies Paradisi’s 100% Green Energy, an important turning point for environmental sustainability, since the company exclusively uses energy produced by renewable resources.

Among the aspects related to the aforementioned areas in the following we provide a brief example focusing attention on workers, external stakeholders and the local community (territory).

First, Paradisi’s strategy is based on the professional and human flourishing of the key actors (employees and collaborators), who are fundamental for the achievement of the company’s performance. In the last few years a significant increase has been recorded in the hours dedicated to training courses (1000 h training in 2015 and 1700 h in 2016) with about an average of 45 h/year per employee. The company invests in the professional skills of the whole staff through specific plans ranging from training basic technique for toolmakers and operators to new technologies, from workplace safety to environmental sustainability. In this regard good practices aimed to support the reduction of pollution are encouraged and promoted. For instance, in 2016, the company contributed to the European Mobility Week, whose purpose was to monitor the use of ecological means of transport such as cycling to go to work.

Second, particular attention has been addressed to the training and career opportunities of female personnel in departments that are historically “male-dominated”. Concrete support for families and work-life balance has been granted through adhering to the Nursery School “Industria Consortium Vallesina”, of which Paradisi is a founding member, which allows working mothers/fathers’ children to attend the infant school under the payment of a fee whose amount is lower than the market prices.

Third, in addition to the great attention devoted to safety working condition (testified by a low number of accidents) specific incentives (on the basis of indicators such as productivity, individual absenteeism and return on sales rate) are given to employees every year. In this regard, among the improvements and future objectives there is the adoption of the code of conduct.

Fourth, Paradisi’s choice of suppliers aims to support local entrepreneurship and is based on the search for local partners that share high standards in terms of quality, sustainable growth and technological development.

Finally, concerning the dialogue with the territory, in compliance with the current Italian legislation, Paradisi has established a relationship based on maximum correctness and transparency with the Public Administration and local community, organizing events aimed at sharing the “Paradisi’s journey” towards the development of the community and the territory. Some examples of the several projects that were implemented throughout the year are summarized in the following table (Table 3).

#### **The formal acknowledgment and assessment of the “shift”: Paradisi B impact report (2016)**

The first B Impact report (Table 4) released by Paradisi Sr<sup>11</sup> points out an overall score attributed equal to 85 over a median score relative to all businesses that have completed the B Impact Assessment equal to 55. As afore mentioned, businesses are eligible for a

**Table 3** Paradisi's initiatives for the general public benefit

toBe - Equilibrium and Dynamics of Being Benefit - Jesi 7 October 2016	At the presentation of the Integrated Report 2015, the transformation into a Benefit Corporation was announced and shared at a public event that was a harmonious counterpoint between theatrical readings, stories of virtuous and innovative initiatives.
We have nothing left to sell - Jesi 15 September 2016	A workshop (Genba Talk) addressed to local entrepreneurs and partners aimed to present and share the Paradisi project of "Lean transformation".
School and University Job Training	Collaboration with the high school ("ITIS Marconi" of Jesi) and training internships and orientations in collaboration with the Marche Polytechnic University.
Initiatives in favor of the areas affected by the earthquake in Central Italy (Marche)	Visit to the Municipality of Pieve Torina December 26, 2016. The initiative was organized with the other local companies adhering to the 'Succisa Virescit' project. A lunch was organized as an opportunity to share with the resident population who remain, the volunteers and the people who bravely resist in several damaged areas facing great difficulties. Paradisi's employees voluntarily decided to donate one day of their holiday in favor of the earthquake victims. To reward this test of generosity, the company itself wanted to make its own contribution by doubling the equivalent economic value. Through networking activities and collaboration with other local entrepreneurs Paradisi contributed to the donation for the building of a new school in one of the most damaged centres (Pieve Torina).
OIKOS contribution	Every year Paradisi gives important donations to the Oikos Onlus Association that since 1990 has dealt with abandoned children, mothers in difficulty and people with pathological addictions from the use of drugs.
I.O.M. & Paradisi	A "friendship that lasts for years" with the Marche Oncology Institute through the collaboration in and financing of numerous research projects.

Source: our elaboration from Paradisi Srl Integrated Reporting

certification as a BC and enter the status of B-Corp if they obtain a score higher than 80 (on a score ranging from 0 to 200). The report is organized into five sections briefly summarized below.

#### **Environment**

The Environment section evaluates a company's environmental performance through its facilities, materials, resource, and energy use and emissions. Where applicable, it also considers a company's transportation/distribution channels and environmental impact of its supply chain. In addition, this section measures whether a company's products or services are designed to solve an environmental issue (i.e. products that support the provision of renewable energy, conserve resources, reduce waste, promote land/wildlife conservation, prevent pollution) or contribute (through education, measure or consult) to solve environmental problems.

#### **Workers**

The Workers section assesses the company's relationship with its employees and collaborators, focusing on how the company treats its workers (through compensation, benefits, training and ownership opportunities) and on the overall work environment (through management/worker communication, job flexibility and corporate culture, and worker health and safety practices).

#### **Customers**

The Customers section of the assessment focuses on whether a company sells products or services that

promote public benefit, and if those products/services are targeted towards serving underserved populations. Attention is addressed to measure whether a company's product/service is designed to solve a social or environmental issue (i.e. improves health, promote the arts or sciences, preserves environment, creates economic opportunity to individuals or communities, or acts as a driver to increase the flow of capital to purpose-driven enterprises).

#### **Community**

The Community section evaluates a company's supplier relations, diversity, and involvement in the local community. It also measures the company's practices and policies around community service and charitable giving, including assessing whether the company's product/service is designed to solve a social issue (i.e. access to basic services, health, education, economic opportunity, and arts) and increase the flow of capital to purpose-driven enterprises.

#### **Governance**

The Governance section evaluates a company's accountability and transparency and focuses on the company's mission, stakeholder engagement and overall transparency of the company's practices and policies (Paradisi B Impact Report 2016: 2). In other words, it evaluates if and how the company is accountable for/towards different expectations by several stakeholders.

**Table 4** Paradisi B Impact report (2016)

Overall B Score	Company Score	Media Score
<i>Environment</i>	34	7
Environmental Products & Services (e.g. Renewable energy, recycling)		NA
Environmental Practices	16	6
Land, Office, Plant	3	3
Energy, Water, Materials	5	1
Emissions, Water, Waste	5	1
Suppliers & Transportation	2	N/A
<i>Workers</i>	23	18
Compensation, Benefits & Training	15	22
Worker Ownership	2	1
Work Environment	4	3
<i>Customers</i>	N/A	N/A
Customer Products & Services	N/A	N/A
Products & Services	N/A	N/A
Serving Those in Need		N/A
<i>Community</i>	20	17
Community Practices	20	15
Suppliers & Distributors	7	2
Local	6	5
Diversity	3	2
Job Creation	2	2
Civic Engagement & Giving	2	3
<i>Governance</i>	8	6
Accountability	3	3
Transparency	3	3
<i>Overall</i>	85	55 <sup>a</sup>

Source: (Paradisi Srl, 2016)

<sup>a</sup>Median scores will not add up to overall

## Discussion

A first reflection derived from the empirical analysis is relative to the motivations that led Paradisi to become a BC (Società Benefit), which are tied to the intrinsic motivations of the founder and the current entrepreneurial and managerial team. Even before obtaining the certification as a benefit company (thus operating as a “hidden” BC -, Paradisi was constantly striving to balance all stakeholders’ interests and needs and was marked by a strong responsible behavior toward sustainability and responsibility. Such orientation was triggered at the foundation of the company by the entrepreneurial family that belongs to a community and a local area historically nurtured by a set of values (respect for people, attention attributed to authentic relationships, sense of belonging, respect for the local environment, spirit of sacrifice and

energy devoted to work, quality improvement, development of knowledge, sense of respect for the beauty) that has been inherited by the local entrepreneurial framework and are widespread in several companies belonging to the Marche region (Del Baldo, 2013). As it has been confirmed by excellent examples of companies—that are quite common in the Marche region—“Where there is quality and beauty, there is responsibility” (Lanzone, 2017; Olivari, 2015).

The President affirmed that “*Although it may seem a theorem without a solution, it is possible to argue that the capacity of the company, our capacity, to overcome difficulty and crises, is due both to entrepreneurial ability and the management’s sensitivity to do business sustainably and with a constant outlook to create widespread added value for the whole community and the territory*” (Paradisi Integrated Reporting 2017: 24). Therefore, an intrinsic CSR orientation characterizes the company (Looser & Wehrmeyer, 2015) that can be considered an “ideal-based company” (Molteni, 2009) and explains the motivation that pushed Paradisi to pursue the journey toward the assessment of the impact of the company’s activity, which is both a way of doing and a way of being a business (Del Baldo, 2012a, 2012b).

Accordingly, the second reflection drawn from the analysis is relative to the company’s distinctive embeddedness to the local community and the territory. This rootedness increases (and, in turn, is nurtured by) the aforementioned orientation and “genetic” attention to social and environmental sustainability. Paradisi Srl has been a key actor of the local social, cultural and economic fabric - called “Vallesina” - for over 50 years and, like many other small and medium-sized enterprises, recognizes and is profoundly aware of the importance of the territory and its own development. Therefore, it is strongly linked to the community of which it is naturally a part and exemplifies a model of “territorial company” constantly committed to protecting ethical values, traditions, traditions and norms that form the social capital of the area (Del Baldo, 2012b).

In this regard becoming a “recognized” BC, that is, providing a formal recognition to the Paradisi Srl’s orientation towards the common goods (Capaldi, 2013; Ketola, 2008; Reich, 2018; Zamagni, 1995; Zamagni, 2007) represents a key element for the diffusion of best practices and the contamination its stakeholders. In other words, the transformation in BC and the change of the legal status was coherent to the company’s orientation (which is common to many small family businesses) aimed at enhancing CSR and sustainability through principles, strategies and concrete projects. This path towards a formally-stated social mission provides a concrete reply to the following claim: “We need to find a way to do so in a sustainable and more equitable way, not only with resources but also with

business models that are sustainable and generate reasonable returns” (Stubbs, 2014).

Third, comparing the motivations highlighted by B Lab and the ones that actually were (and are) present for seeking the certification of Paradisi Srl, the most relevant ones that can be deduced from the case are: 1) to protect the mission and make sustainability a key part of the business and 2) to improve external communication, giving official recognition to the CSR efforts of the company, both outside of it, towards customers, the community and other external stakeholders, and inside, towards employees. Conversely, given the reduced size of both the overall BC movement in Italy and the company itself, it seems unlikely that Paradisi Srl adhered purposefully to access services and advantages through the network. Moreover the interviewed does not signals interest from investors and attraction of capitals thanks to the Bcorp certification, also considering that the impact investing is much less developed in Italy than in the US (Tiresia, 2016). Therefore, intrinsic motivations prevail over extrinsic ones, such as attraction of capitals.

According to the declarations of the President there are no downsides deriving from the certification, such as increased complexity in board decisions, nor significant consequences in terms of commercial opportunities are showed up.

Fourth, among the relevant benefits a series of challenges and current and potential organizational impacts emerge: workforce motivation has been observed to increase, as well as a strong organizational culture, better planning of CSR practices and participative decision-making. As the President declares: *“Before the certification, in Paradisi Srl, like in many other small-sized companies, sustainable activities were often randomly implemented, without a specific plan or a CSR strategy in mind or improvement areas. The certification process and its continuation force our company to be more structured and think strategically about our CSR approach, rather than according to the circumstances or my intuition to implement new initiatives that are believed to be beneficial for the company, and the community. In addition, workers feel more engaged as they see their company recognized for being ethical. They also become more aware of their actions and their consequences on sustainability, feeling the increased focus on CSR by their company”*.

The President - who is the benefit officer - highlighted how the employees feel the company as ‘their own’ and appreciated the organization’s CSR results; He also marked the increased fiduciary duties to consider all stakeholders in all decisions: “We have seen in most cases how the strongest areas of impact in the BIA were also the areas where the most important stakeholders were present”.

In addition, among the highlighted relevant organizational change deriving from the certification is the appointment of a benefit officer (which happens in both Benefit Corporations and Certified B Corps) to monitor and make sure that the B-Corp fulfil its CSR mission, who plays a key-role within the organization. His values attitudes, as pointed out in the case-study, strongly influence the CSR strategies and the pursuing of general/specific benefits (André, 2012). Among other benefits are: easier communication and attraction of talents. On the one hand the B-Impact score is a measure which is easy-to-understand by external partners. Consequently, the CSR efforts of the BC are thus more easily recognized; the BC network allows companies to get in contact with best practices and apply them. On the other hand most workers are conscious about sustainability themes and would like to work in companies that share their values. The certification is a tool that clearly signals to these talents that a B Corp is a company with such characteristics.

Finally, the benefit impact assessment – and the consequent formalization of the “status” of *Società Benefit* - did not cause, rather it stimulates the orientation to continuous improvement and contributes at enhancing the company’s strengths and sharing best practices within the local and national community. In this regard, the Inclusive Economy Challenge, launched in 2016, represents the latest call to action for the community of Certified B (Digital Impact Report, 2017: 2) aiming at improving the collective impact and moving toward an inclusive economy (Del Baldo, 2014; Jenkins, Ishikawa, Geaneotes, & Paul, 2010), thus spreading the vision of shared and durable prosperity worldwide. This goal is impossible without an inclusive economy, that is, without companies that: increase diversity and inclusion in the workforce, the supply chain, and their board of directors; adopt or improve family-friendly policies (including caregiver leave and job flexibility options); improve financial service for part-time and hourly workers; create more inclusive ownership opportunities for employees, including those from underrepresented groups.

### Concluding remarks

In referring to the results obtained that point out useful insights on the managerial implications deriving from the BC status, it can be maintained that “Benefit corporations best meet the needs of entrepreneurs, investors, consumers and policymakers interested in using the power of business to solve social and environmental problems” (Clark Jr. et al., 2013, *White Paper*, p. 29). The BC form, as a hybrid purpose entity, allows a for-profit corporation intended to produce public benefits to explicitly operate in a responsible and sustainable

manner. Public benefit means a positive effect (or a reduction of negative effects) on one or more categories of persons, entities, communities or interests other than merely stockholders (Baudot et al., 2018; Castellini et al., 2017; Hemphill & Cullari, 2014; Munch, 2012; Nigri et al., 2017; Tobin, 2013; Tobin, 2015).

Currently, there are more than 2000 certified B Corporations from different industries operating in more than 60 countries throughout the world. This rise of the global community of BC and B Corp on the global stage is an interesting phenomenon that unites companies from all over the world in a quest to redefine success in business. Accordingly, BC has been diffusing in the last decade increasingly attracting the interest of the scientific, political and managerial/entrepreneurial world. However there is a limited amount of contributions on a topic that has been emerging as a new research stream.

The “dual aim” that characterize BC and B Corps is capable to “mould” an “inclusive” or holistic business model (Jenkins et al., 2010) aimed at enhancing the economic, environmental and social performance, thus changing in this way the mission of the organizations and “understanding the corporate identity by building consideration into the corporate DNA” (Hiller, 2013, p. 291). The purpose to create the “general public benefit”, intended as a social utility and a positive impact on the society as a whole, and the “specific public benefit”, in terms of wealth and environmental benefits, should be reinforced through the diffusion of such models. In this regard the data marking the growth of the phenomenon seem to give reason to the original intuition and intention of the B-Lab, whose main objective was to encourage the emergence of a business community (Certified B Corp™) that pursues social and environmental goals and broadens its responsibility towards key stakeholders by incorporating the creation of shared value as a binding statutory element. Coherently, the development of the Innovative Business Evaluation Standard (such as the Global Impact Investing Rating System - GIIRS can effectively contribute to overcoming traditional rating systems and devoting important resources towards impact investments, triggered by companies strategically oriented to creating collective value. In viewing the B Corp movement as a shift in cultural consciousness to redefine the purpose of the corporation as something beyond economic utility with implications that are as far reaching as transforming the role of business in society as a whole, the importance of ideas driving action becomes very significant. This rise of the B Corp on the global stage is thus an interesting phenomenon that unites companies from all over the world in a quest to redefine success in business.

In conclusion, the present paper aims to be illustrative, rather than exhaustive or definitive, cutting the path for future research. Therefore we are aware that it is affected by limitations that could be amended through a

more extensive study based on both qualitative and quantitative approaches. In particular, future research directions should extend the analysis to a larger sample of BC and B Corps in other sectors and industries. However, considering the novelty of the phenomenon, the recent diffusion of BC and B Corps and their relevance among the CSR and sustainability debate, the work offers insights both in theory and practices that can positively contribute at spreading the knowledge of and interest in this new research stream.

## Endnotes

<sup>1</sup>[www.bcorporation.net](http://www.bcorporation.net)

<sup>2</sup>See the BC Italian register at <http://www.societabenefit.net/elenco-delle-societa-benefit/>

<sup>3</sup>The benefit corporation that does not pursue the aims of common benefit is subject to the provisions of Italian law regarding misleading advertising (Legislative Decree 2 August 2007, No. 145) and the Italian Consumer Code (Legislative Decree, 6 September 2005, No. 206).

<sup>4</sup>[www.bimpactassessment.net](http://www.bimpactassessment.net)

<sup>5</sup>The “director” of a benefit corporation (that is, the manager who is specifically designated to oversee benefit issues), in considering the best interests of the corporation shall evaluate the effects of any action (or inaction) upon: the shareholders, employees, subsidiaries and suppliers, customers, community, as well as the societal factors, the local and global environment, the short-term and long-term interests of the benefit corporation and the ability of the benefit corporation to accomplish its general benefit purpose and any specific public benefit purpose.

<sup>6</sup>The B Lab’s Standard Advisory Council is a group of independent members, selected based on their industry or stakeholder expertise, that adequately represent the diverse interests covered by the assessment (see: <https://bcorporation.net/about-b-lab/standards-and-governance>).

<sup>7</sup><https://bcorporation.eu/about-b-lab/country-partner/italy>, <http://www.societabenefit.net/>

<sup>8</sup>See: Paradisi website. [www.paradisi.it](http://www.paradisi.it)

<sup>9</sup>See, respectively, the sections of the Paradisi 2016 Integrated Report: 4.1.1; 4.1.2; 4.1.3–4.1.4–4.1.5 and 4.16.

<sup>10</sup><http://www.paradisi.it/it/press/>

<sup>11</sup><https://www.bcorporation.net/community/paradisi-srl>.

## Abbreviations

B Impact Report: Benefit Impact Report; BC: Benefit Corporation; BCs: Benefit Corporations; BIA: Benefit Impact Assessment; CEO: Chief Executive Officer; CSR: Corporate Social Responsibility; GRI: Global Reporting Initiative

## Acknowledgments

We would like to thank Sandro Paradisi for his invaluable collaboration, sensitivity and help in providing us with the material necessary to develop the case-analysis, and share our reflections. The paper has been presented at

the 5th International Conference on CSR, Sustainability, Ethics & Governance held on June 27-29, 2018, in Santander, Spain.

### Funding

The Conference Scientific Committee has now decided about the publication opportunities for your paper. I am glad to announce that your paper "Acting as a Benefit Corporation and a B Corp to responsibly pursue private and public benefits. The case of Paradisi Srl (Italy)" has been considered suitable to be submitted to the International Journal of CSR. Just a few number of papers has been selected for the Journal.

### Authors' contributions

The author read and approved the final manuscript.

### Competing interests

The author declares that he/she has no competing interests.

### Publisher's Note

Springer Nature remains neutral with regard to jurisdictional claims in published maps and institutional affiliations.

Received: 7 November 2018 Accepted: 8 May 2019

Published online: 12 June 2019

### References

- Adams, C. A., & Larrinaga-González, C. (2007). Engaging with organizations in pursuit of improved sustainability accounting and performance. *Accounting, Auditing, and Accountability Journal*, 20(3), 333–355.
- Alcorn, S., & Alcorn, M. (2012). Benefit corporations: A new formula for social change. *Associations Now* <https://www.asacenter.org/Resources/ANowDetail.cfm?ItemNumber=179687>.
- Allen, R., & Bromberger, A. R. (2011). *A new type of hybrid* (pp. 52–53). *Stanford Soc. Innovation Rev.*, Spring. Available at: <https://canvas.brown.edu/courses/1073328/files/61028046>, [https://ssir.org/articles/entry/a\\_new\\_type\\_of\\_hybrid](https://ssir.org/articles/entry/a_new_type_of_hybrid)
- Amini, M., & Bienstock, C. C. (2014). Corporate sustainability: An integrative definition and framework to evaluate corporate practice and guide academic research. *Journal of Cleaner Production*, 76, 12–19.
- André, R. (2012). Assessing the accountability of the benefit corporation: Will this new grey sector organization enhance corporate social responsibility? *Journal of Business Ethics*, 110, 133–150.
- André, R. (2015). Benefit corporations at a crossroads: As lawyers weigh in, companies weigh their options. *Business Horizons*, 58(3), 243–252.
- Assonime. (2016). *La disciplina delle Società benefit*. Associazione fra le società italiane per azione Circolare n.19 del 20 giugno 2016. Rome: Assonime. <http://www.assonime.it>.
- B Lab (2016). Benefit impact assessment. <http://benefitcorp.net/b-impact-assessment>.
- Bauco, C., Castellani, G., De Rossi, & Magrassi, L. (2017). *Le società benefit (parte III) Qualificazione giuridica e spunti innovativi, Gennaio 2017*. Roma: Fondazione Nazionale dei Commercialisti.
- Baudot, K. L., Dillard, J., & Penclé, N. (2018). *The emergence of benefit corporations: A cautionary tale of responsible business conduct and the common good*, paper presented at the 41th Annual Congress of EEA, European Accounting Association, Milan, Bocconi University, May 30th- June 1st, 2018 (pp. 1–60).
- Baudot, L., Dillard, J.m., & Penclé, N. (2019). The emergence of benefit corporations: A cautionary tale. *Critical Perspective on Accounting* in press, Available online 10 February 2019, <https://www.sciencedirect.com/journal/critical-perspectives-on-accounting/articles-in-press>.
- Bergh, D. D. (Ed.). (2011). *Building methodological bridges in research methodology in strategy and management*. Bingley: Emerald.
- Billis, D. (2010). Towards a theory of hybrid organizations. In D. Billis (Ed.), *Hybrid organizations and the third sector: Challenges for practice, theory and policy* (pp. 46–69). Basingstoke: Palgrave Macmillan.
- Brakman Reiser, D. (2011). Benefit corporations - a sustainable form of organization? *Wake Forest Law Review*, 46, 591–625.
- Bruni, L., & Uelmen, A. J. (2006). Religious values and corporate decision making: The economy of communion project. *Fordham Journal of Corporate & Financial Law*, 11, 645–680.
- Bulloch, G., & James, L. (2014). The convergence continuum. In *Towards a 4th sector in global development* (pp. 1–20). Accenture [https://www.accenture.com/t20150523T022417\\_\\_w\\_/us-en/\\_acnmedia/Accenture/Conversion-Assets/DotCom/Documents/Global/PDF/Dualpub\\_1/Accenture-Convergence-Continuum-Global-Development.pdf](https://www.accenture.com/t20150523T022417__w_/us-en/_acnmedia/Accenture/Conversion-Assets/DotCom/Documents/Global/PDF/Dualpub_1/Accenture-Convergence-Continuum-Global-Development.pdf).
- Capaldi, N. (2013). How American spiritual capital informs business and affects the common good. In S. Groschl (Ed.), *Uncertainty, diversity and the common good: Changing norms and new leadership paradigms* (pp. 25–40). Surrey: Gower.
- Castellani, G., De Rossi, D., & Rampa, A. (2016). *Le società benefit: la nuova prospettiva di una corporate social responsibility con commitment*. Roma: Fondazione Nazionale dei Commercialisti 16 maggio 2016. <http://www.fondazioneNazionalecommercialisti.it/node/1006>.
- Castellini, M., Marzano, M., & Riso, V. (2017). Are B corporations' a model of disclosure of intellectual capital? An analysis by ecosystem, paper presented at the 13th interdisciplinary workshop on intangibles and intellectual capital, EURAM conference. In *Soft regulating Integrated Reporting for SMEs: The case of Italy*. Ancona: Università Politecnica delle Marche.
- Clark, W. H., Jr., & Babson, E. K. (2011). How benefit corporations are redefining the purpose of business corporations. *Wm Mitchell L Rev*, 38, 817.
- Clark, W.H. Jr., Biddle, D., Reath L.L.P., Vranka, L., & Canonchet Group LLC (2013). *White Paper. The Need and Rationale for the Benefit Corporation: Why it is the legal form that best addresses the needs of social entrepreneurs, investors, and ultimately, the public*. B Lap Version of January, 18, 2015. [https://benefitcorp.net/sites/default/files/Benefit\\_Corporation\\_White\\_Paper.pdf](https://benefitcorp.net/sites/default/files/Benefit_Corporation_White_Paper.pdf).
- Cooney, K., Koushyar, J., Lee, M., & Murray, H. (2014). Benefit corporations and L3C adoption: A survey. *Stanford Social Innovation Review* Available at: [http://www.ssireview.org/blog/entry/benefit\\_corporation\\_and\\_l3c\\_adoption\\_a\\_survey](http://www.ssireview.org/blog/entry/benefit_corporation_and_l3c_adoption_a_survey).
- Cummings, B. (2012). Benefit corporations: How to enforce a mandate to promote the public interest. *Columbia Law Review*, 112, 581–586.
- Data World (2017). *B Corp Impact Data*. Available at: <https://data.world/blab/b-corp-impact-data> [Accessed 10 Sep-Oct 2017].
- Davis, J. H., Schoorman, F. D., & Donaldson, L. (1997). Toward a stewardship theory of management. *Acad Manag Rev*, 22(1), 20–47.
- Del Baldo. (2012a). Corporate social responsibility and corporate governance in Italian Smes: The experience of some "spirited businesses". *J Manag Gov*, 16(1), 1–36.
- Del Baldo, M. (2013). Values-based enterprises: The good practices of Italian SMEs, passionately committed to people, environment and community. In L. Bruni & B. Sena (Eds.), *The charismatic principle in social life* (pp. 112–150). London and New York: Routledge, Taylor & Francis Group.
- Del Baldo, M. (2010). CSR and sustainability: Mission, governance and accountability in Italian Smes. The experience of BoxMarche, a "convivial" and "territorial" Enterprise: Toward a "territorial model of sustainability". In M. G. Baldarelli (Ed.), *Civil economy, democracy, transparency and social and environmental accounting research role. Some reflections in theory and in practice* (pp. 289–345). Milano: MacGraw-Hill Italia.
- Del Baldo, M. (2012b). Family and territory values for a sustainable entrepreneurship. The experience of Loccioni Group and Varnelli distillery in Italy. *Journal of Marketing Development and Competitiveness*, 6(3), 120–139.
- Del Baldo, M. (2014). Developing businesses and fighting poverty: Critical reflections on the theories and practices of CSR, CSV, and inclusive business. In L. Pate & C. Wankel (Eds.), *Emerging research directions in social entrepreneurship, advances in business ethics research* (pp. 191–223). Dordrecht: Springer Science Business Media.
- Del Baldo, M., Baldarelli, M. G., & Ferrone, C. (2015). The relationships among CSR, good governance and accountability in the economy of communion (EoC) enterprises. In S. O. Idowu, C. S. Frederiksen, A. Y. Mermod, & M. E. J. Nielsen (Eds.), *Corporate social responsibility and governance. Theory and practice* (pp. 3–38). Heidelberg: Springer International Publishing Switzerland.
- Di Cesare, P., & Ezechieli, E. (2017). Le benefit corporation e l'evoluzione del Capitalismo. In M. Fasan & S. Bianchi (Eds.), *L'azienda sostenibile trend, strumenti e case study* (pp. 55–78). Venezia: I Libri di Cà Foscari. <https://doi.org/10.14277/6969-188-1/LCF-4-4>.
- Eggers, W. D., & Macmillan, P. (2013). *The solution revolution: How business, government and social enterprises are teaming up to solve Society's toughest problems*. Boston: Harvard Business Review Press.
- Eisenhardt, K. M., & Graebner, M. E. (2007). Theory building from cases: Opportunities and challenges. *Academy of Management Journal*, 50(1), 25–32.
- Fierro, R.S., Hill, D.M., & Johnson, J. (2016). Benefit corporations and measures of social impact: Evaluation insight, opportunities, and limitations. Report Re-submitted to The Faster Forward Fund, December 2016 Partners for Development. <http://pdf.org/wp-content/uploads/REPORT-Benefit-corporations-and-Measures-of-Social-Impact-Fierro-Hill-Johnson.pdf>.



- Flick, U. (2009). *An introduction to qualitative research*. London: Sage Publications.
- Freeman, R. E. (1984). *Strategic management: A stakeholder approach*. Boston: Pitman.
- Garriga, E., & Melé, D. (2004). Corporate social responsibility theories: Mapping the territory. *Journal of Business Ethics*, 53(1), 51–71.
- Gehman, J., & Grimes, M. (2017). Hidden badge of honor: How contextual distinctiveness affects category promotion among certified B corporations. *Academy of Management Journal*, 60(6), 2294–2320.
- George, A. L., & Bennett, A. (2005). *Case studies and theory development in the social sciences*. Cambridge: MIT Press.
- Gerring, J. (2006). *Case study research: Principles and practices*. Cambridge: Cambridge University Press.
- Gilpin, L. (2014). *Business as a force for good: How benefit corps are rewriting the rules of the corporate world* <http://www.techrepublic.com/article/business-as-a-force-for-good-how-benefit-corps-are-rewriting-the-rules-of-the-corporate-world/>.
- Gioia, D. A., Corley, K. G., & Hamilton, A. L. (2013). Seeking qualitative rigor in inductive research: Notes on the Gioia methodology. *Organizational Research Methods*, 16, 15–31.
- Godfrey, P. C., & Hatch, N. W. (2006). Researching corporate social responsibility: An agenda for the 21st century. *Journal of Business Ethics*, 70(1), 87–98.
- Gold, L. (2010). *New financial horizons. The emergence of an economy of communion*. New York: New City Press.
- Grafton, J., Lillis, A. M., & Mahama, H. (2011). Mixed methods research in accounting. *Qualitative Research in Accounting & Management*, 8, 5–21. <https://doi.org/10.1108/11766091111124676>.
- Gray, R., Adams, C. A., & Owen, D. (1996). *Accounting and accountability. Changes and challenges in corporate social and environmental reporting*. London: Prentice Hall Europe.
- Gray, R., Adams, C. A., & Owen, D. (2014). *Accountability, social responsibility and sustainability. Accounting for society and the environment*. Harlow: Pearson.
- Harriman, A. (2015). The making of a movement: The rise of the B Corp on the global stage. A historical look at the expansion of the B Corp movement throughout South America, Master Thesis, August 21, 2015, Copenhagen business school.
- Hemphill, T. A., & Cullari, F. (2014). The benefit corporation: Corporate governance and the for-profit social entrepreneur. *Business and Society Review*, 119(4), 519–536.
- Hervieux, C., & Voltan, A. (2016). Framing social problems in social entrepreneurship. *Journal of Business Ethics*, 1–15. <https://doi.org/10.1007/s10551-016-3252-1>
- Hiller, J. S. (2013). The benefit corporation and corporate social responsibility. *Journal of Business Ethics*, 118(2), 287–301.
- Honeyman, R. (2014). *The B Corp Handbook: How to Use Business as a Force for Good*. San Francisco: Berrett-Koehler.
- Huberman, A., & Miles, M. (1994). *Qualitative Data Analysis: An Expanded Sourcebook* (2nd ed.). Newbury Park: Sage Publications.
- Italian Republic (2015). *Law nr. 208–28/12/2015, commas 376–384 and attached files 4–5*. Available at: <http://www.gazzettaufficiale.it/eli/id/2015/12/30/15G00222/sg> [Accessed 11 Jan 2016].
- Jenkins, B., Ishikawa, E., Geaneotes, A., & Paul, J. (2010). *Inclusive business: Expanding opportunity and access at the base of the pyramid*. Washington: IFC.
- Jenkins, H. (2004). A critique of conventional CSR theory: An SME perspective. *Journal of General Management*, 29(4), 37–57.
- Jenkins, H. (2006). Small business champions for corporate social responsibility. *Journal of Business Ethics*, 67(3), 241–256.
- Ketola, T. (2008). A holistic corporate responsibility model: Integrating values, discourses and actions. *Journal of Business Ethics*, 80, 419–435.
- King, B. G., & Pearce, N. A. (2010). The contentiousness of markets: Politics, social movements, and institutional change in markets. *Annual Review of Sociology*, 36, 249–267.
- Koehn, D. (2017). How beneficial are benefit corporations? London school of Economics Business Review. Available at: <https://blogs.lse.ac.uk/businessreview/2017/02/21/how-beneficial-are-benefit-corporations/>
- Kurland, N. B. (2017). Accountability and the public benefit corporation. *Business Horizons*, 60(4), 519–528.
- Lamont, G. (2002). *The spirited business: Success stories of soul friendly companies*. London: Hoddes and Stoughton.
- Lanzone, G. (2017). Qualità e bellezza nella storia delle imprese. In L. Serio (Ed.), *Medie Eccellenti, Le imprese italiane nella competizione internazionale*. Milano: Guerini e Associati.
- Looser, S., & Wehrmeyer, W. (2015). *Doing well or doing good? Extrinsic and intrinsic CSR in Switzerland, UWF* (pp. 1–14) published online August 14, 2015). Berlin Heidelberg: Springer-Verlag. <https://doi.org/10.1007/s00550-015-0360-9>.
- Lüdeke-Freund, F. (2009). *Business model concepts in corporate sustainability contexts. From rhetoric to a generic template for 'business models for sustainability'*. Lüneburg: Centre for Sustainability Management.
- Mahoney, L. S., Thorne, L., Cecil, L., & LaGore, W. (2013). A research note on standalone corporate social responsibility reports: Signaling or greenwashing? *Critical Perspectives on Accounting*, 24, 350–359.
- Mair, J., & Marti, I. (2006). Social entrepreneurship research: A source of explanation, prediction, and delight. *Journal of World Business*, 41(1), 36–44.
- Marquis, C., Klaber, A., & Thomason, B. (2010). B Lab: Building a new sector of the economy". *Harvard Business School Case*, September.
- Martin, R. L., & Osberg, S. (2015). *Getting beyond better: How social entrepreneurship works*. Boston: Harvard Business Review.
- Mickels, A. (2009). Note: Beyond corporate social responsibility: Reconciling the ideals of a for-benefit corporation with director fiduciary duties in the U.S. and Europe. *Hastings International and Comparative Law Review*, 32, 271–303.
- Miller, P., Kurunmaki, L., & O'Leary, T. (2008). Accounting, hybrids and the management of risk. *Accounting, Organizations and Society*, 33(7–8), 942–967.
- Molteni, M. (2009). Aziende a movente ideale. In L. Bruni & S. Zamagni (Eds.), *Dizionario di Economia Civile* (pp. 65–75). Roma: Città Nuova.
- Munch, S. (2012). Improving the benefit corporation: How traditional governance mechanisms can enhance the innovative new business forms. *Northwestern Journal of Law & Social Policy*, 7(1), 170–195.
- Murray, J. (2012). Choose your own master: Social Enterprise, certifications and benefit corporation statutes. *American University Business Law Review*, 2(1), 1–54.
- Nativa (2017). *Nativa*. <http://www.nativialab.com/> [Accessed 10 June 2017].
- Nicholas, A., & Sacco, S. (2017). People, planet, profit: Benefit and B certified corporations - comprehension and outlook of business students. [http://digitalcommons.salve.edu/cgi/viewcontent.cgi?article=1069&context=fac\\_staff\\_pub](http://digitalcommons.salve.edu/cgi/viewcontent.cgi?article=1069&context=fac_staff_pub).
- Nicholls, A. (2010). Institutionalizing social entrepreneurship in regulatory space: Reporting and disclosure by community interest companies. *Accounting, Organizations and Society*, 35(4), 394–415.
- Nigri, G., & Del Baldo, M. (2018). Sustainability reporting and performance measurement systems: How do small- and medium-sized benefit corporations manage integration? *Sustainability*, 10(12), 4499. <https://doi.org/10.3390/su10124499>.
- Nigri, G., Michelini, L., Grieco, C., & Iasevoli, G. (2017). Social impact and online communication in B-Corp companies: Evidences from EU and USA. In *SIMA conference 2017, value co-creation: le sfide di management per le imprese e per la società*. Università di Napoli Federico II June 15–16. Paper presented at SIMA Conference.
- OECD. (2016). *OECD and the sustainable development goals: Delivering on universal goals and targets better policies for 2030: An OECD action plan on the sustainable development goals*. Paris: Meeting of the OECD Council at Ministerial Level Paris, 1–2 June 2016 <http://www.oecd.org>.
- Olivari, E. (2015). In A. Arabnia, L. Bruni, V. Coda, C. Lacaita, B. Laborghini, E. Loccioni, & M. Vitale (Eds.), *L'impresa del terzo millennio* With the contributions of. Milano: Inaz, Piccola Biblioteca d'Impresa Inaz.
- Paradisi Srl (2016). *Paradisi B Impact Report 2016*: Paradisi: Ancona. <https://bcorporation.net/directory/paradisi-srl>.
- Paradisi Srl (2017). *Integrated reporting 2016* Paradisi: Ancona, June 2017. Fano: Grapho5.
- Patrick, J. (2014). Assessing the benefits of becoming a benefit corporation. *The New York Times* [online]. Available at: <https://boss.blogs.nytimes.com/2014/06/13/assessing-the-benefits-of-a-benefit-corporation/> [Accessed 12 May 2017].
- Patton, M. Q. (1987). *How to use qualitative methods in evaluation*. Thousand Oaks: Sage Publications, Inc.
- Patton, M. Q. (1990). *Qualitative evaluation and research methods*. Newbury Park: Sage Publications.
- Peredo, A. M., & Chrisman, J. (2006). Towards a theory of community-based Enterprise. *Academy of Management Review*, 31(2), 309–328. <https://doi.org/10.5465/AMR.2006.20208683>.
- Porter, M. E., & Kramer, M. R. (2006). Strategy & society – The link between competitive advantage and corporate social responsibility. *Harvard Business Review*, 84(12), 78–92.
- Putnam, R. D. (1993). *Making democracy work. Civic tradition in modern Italy*. Princeton: Princeton University Press.

- Rao, I., & Kenney, M. (2008). New forms as settlements. In R. Greenwood, C. Oliver, T. B. Lawrence, & R. E. Meyer (Eds.), *The sage handbook of organizational institutionalism* (pp. 352–370). London: Sage.
- Rawhouser, H., Cummings, M., & Crane, A. (2015). Benefit corporation legislation and the emergence of a social hybrid category. *California Management Review*, 57, 13–35.
- Reich, R. (2018). *The common good*. New York: Knoff.
- Resor, F. R. (2012). Benefit corporation legislation. *Wyoming Law Review*, 12(1), 91–113.
- Sabeti, H. (2011). The for-benefit enterprise. *Harvard Business Review*, 89(11), 99–104.
- Scott, W. R. (2001). *Institutions and organizations* (2nd ed.). Thousand Oaks: Sage Publications.
- Shiller, R. (2012). *Benefit Corporations*. [video] Available at: <https://www.youtube.com/watch?v=anh1K10nA8U> [Accessed 13 May 2017].
- Sicliari, D. (2016). Le società benefit nell'ordinamento italiano. *Rivista Trimestrale di Diritto dell'Economia – Luiss*, 1.
- Siggelkow, N. (2007). Persuasion with case studies. *Academy of Management Journal*, 50, 20–24. <https://doi.org/10.5465/amj.2007.24160882>.
- Snow, D. A., & Benford, R. D. (1988). Ideology, frame resonance and participant mobilization. *International Social Movement Research*, 1, 197–218.
- Strine, L. E., Jr. (2015). The dangers of denial: The need for a clear-eyed understanding of the power and accountability structure established by the Delaware general firm law. *Wake Forest Law Review*, 50, 761–777.
- Stubbs, W. (2014). *Investigation of emerging sustainable business models: The case of B Corps in Australia*. Melbourne: Monash University.
- Stubbs, W., & Cocklin, C. (2008). Conceptualizing a 'sustainability' business model. *Organization Environment*, 21(2), 103–127.
- Suntae, K., Karlesky, M.J., Myers, C.G., & Schifeling, T. (2016). Why companies are becoming B corporations. *Harvard Business Review* [online] Available at: <https://hbr.org/2016/06/why-companies-are-becoming-b-corporations> [Accessed 31 May 2017].
- Tirelli, S. (2017). *La vigilanza dell'Autorità garante della concorrenza e del mercato sulle società benefit*. *Diritto.it*, [online]. Available at: <https://www.diritto.it/la-vigilanza-dell'autorita-garante-della-concorrenza-del-mercato-sulle-societa-benefit/> [Accessed 30 Sep 2017].
- Tiresia (2016). Uno Sguardo all'Impact Investing in Italia nel 2016. Il centro di ricerca sull'Innovazione e l'impatto Sociale della School of Management del Politecnico di Milano.
- Tobin, D. J. (2013). *The evolution of the corporation: The public benefit corporation*. Blaney McMurtry LLP 1-20, August 28, 2013. <https://www.blaney.com/articles/the-evolution-of-the-corporation-the-public-benefit-corporation>
- Tobin, D. J. (2015). *The rise of the for-profit, socially-responsible Corporation in Canada* (pp. 1–7). Blaney McMurtry LLP May 29, 2015. Available at <https://www.blaney.com/articles/the-rise-of-the-for-profit-socially-responsible-corporation-in-canada>
- UN. (2015). *Transforming our world: The 2030 agenda for sustainable development* (pp. 25–27). New York: United Nations General Assembly September, 2015. <https://www.un.org/sustainabledevelopment/>.
- Westaway, K., & Sampselle, D. (2013). The benefit corporation: An economic analysis with recommendations to courts, boards, and legislatures. 62 Emory LJ 999 at 1006.
- White, T. J. (2015). Benefit corporations: Increased oversight through creation of the benefit corporation commission. *Journal of Legislation*, 41, 329.
- Wicks, A. C. (1996). Overcoming the separation thesis: The need for a reconsideration of business and society research. *Business & Society*, 35, 89–118.
- Wilburn, K., & Wilburn, R. (2014). The double bottom line: Profit and social benefit. Kelley School of Business, Indiana University. *Business Law and Ethics Corner*, 57, 11–20. <https://doi.org/10.1016/j.bushor.2013.10.001>.
- Yin, R. (2009). *Case study research: Design and methods* (4th ed.). Thousand Oaks: Sage.
- Yunus, M. (2010). *Building social business*. New York: Public Affairs.
- Zadek, S. (2006). Responsible competitiveness: Reshaping global markets through responsible business practices. *Corporate Governance*, 6(4), 334–438.
- Zaharaa, S. A., Gedajlovic, E., Neubaum, D. O., & Shulman, J. M. (2009). A typology of social entrepreneurs: Motives, search processes and ethical challenges. *Journal of Business Venturing*, 24, 519–532. <https://doi.org/10.1016/j.jbusvent.2008.04.007>.
- Zamagni, S. (Ed.) (1995). *The economics of altruism*. Hants: Elgar.
- Zamagni, S. (2007). *L'economia del bene comune*. Roma: Città Nuova.

**Submit your manuscript to a SpringerOpen<sup>®</sup> journal and benefit from:**

- Convenient online submission
- Rigorous peer review
- Open access: articles freely available online
- High visibility within the field
- Retaining the copyright to your article

---

Submit your next manuscript at ► [springeropen.com](https://www.springeropen.com)

---