

CERTIFIED BENEFIT CORPORATIONS AND THE COMMON GOOD:
A REFLECTION OF BUSINESS PURPOSE

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Abstract

How businesses leverage virtue to distinguish themselves in the outside world of customers, investors, suppliers, and community is an interesting research consideration discussed in this paper. Certified Benefit Corporations (CBC) are a group of businesses that have been approved as certified by the non-profit B Lab as meeting rigorous standards of social performance and environmental performance through audited accountability. Within this framework, these organizations aspire to be profitable entities, which use the power of markets to not only solve social and environmental problems, but also operate under unifying movement of people using business as a force for good. The purpose of this study is to examine the motivation of organizations who pursue the CBC designation utilizing the lens of the “common good” and the “Theory of the common good of the firm”. Specifically, the research question examined herein is: how do CBC’s manifest the good works that they are performing in a community? We explore the statements of 349 CBCs located in California and utilize each firm’s web page at bcorporation.net. Using Atlas.ti (version 8.0) to conduct a text analysis of the statements presented by the CBC’s regarding “About”, “Why a B Corp”, and “The Change We Seek®”, this dataset was specifically coded for the use of key terms related to the “common good” and the “Theory of the common good of the firm”. A number of common and recurring themes emerged in the cited practices of these organizations that support the idea of the “Theory of the common good of the firm”. Some relevant themes uncovered in this research include: being a part of and/or building a community; community investment and development; investment and consulting services to help reflect individual values; sustainability and sustainable operations; sustainable employment and paying employees a living wage; and, corporate or social responsibility. Additional themes included transparency, ethics, mission, vision, and values discussions, environmental sustainability through clean air and/or water, and being organic or using organic materials. By exploring the statements the firms use to describe themselves to the public, we have an insightful glimpse into these organizations.