



CHAPTER 8

Implications and Future Research

Abstract Derived from the urgent need for new organizational designs in order to provide solutions of humanity's most pressing needs, different types of hybrid organizations have been emerging globally. In Chile, the B Corporations are among the most widespread. Given the centrality of B Corp entrepreneurs to the development of B Corporations and the subsequent need for insights into the rationale of B Corp entrepreneurship, the book examined the narratives of B Corp entrepreneurs in Chile to investigate the personal values and motivations, which drive them to found and maintain their B Corps. Discussing the results of the study, this final chapter of the book turns towards both theoretical and practical implications. It returns to the concept of the hybrid organization and the subsequent hybrid value orientation of B Corp entrepreneurs. Furthermore, it transcends the domain of B Corps and shows implications of this study for social entrepreneurship research. In so doing it also addresses various avenues for future research.

Keywords Hybrid-orientation • Value spectrum • Profit motives • Social motives • Social entrepreneurship • Policy • B Corp community

THEORETICAL IMPLICATIONS: B CORP ENTREPRENEURS' HYBRID VALUE ORIENTATION

First, a significant theoretical contribution of the present study to the research field of B Corporations is its comprehensive identification of personal values and motivations of B Corp entrepreneurs. It does not only compile the limited depiction of motivational drivers from prior studies on B Corporations (e.g. Stubbs, 2014; Abramovay, Correa, Gatica, & Van Hoof, 2013), but further provides more detailed insights and complements these motivations with additional values and motivations of Chilean B Corp entrepreneurs. The research results are in alignment with the ideology and aspiration of the overall B movement and the broadly defined motivational type of entrepreneur B Lab and Sistema B collaboratively attempt to unify in the movement. Ninety-two percent of the B Corp entrepreneurs interviewed are strongly driven by the motivation to attain self-chosen goals that reflect this ideology and give them a purpose in life. Expressed in the motivational goals of the value *achievement*, it becomes further evident that 11 out of 12 Chilean B Corp entrepreneurs strive for either a hybrid value creation or a very socially driven value creation. Nonetheless, it should be pointed out that priorities on economic, social, and environmental value creation differ significantly among the study participants.

While prior studies focus mainly on self-reported motivations related to the participation in the B movement itself, they lack insight into a coherent set of values and motivations. There has been a tendency in research on B Corps towards depicting B Corp entrepreneurs in a heroic manner with a focus on motivations to generate profit exclusively for the purpose of social value creation and a vision to change the world (e.g. Harriman, 2015; Stubbs, 2014; Coral, 2016). The differing characteristics among the sample along the value dimensions give rise to the assumption that there are different motivational types of B Corp entrepreneurs in Chile. Unlike indicated in literature (Harriman, 2015; Stubbs, 2014), not all B Corp entrepreneurs perceive profit as an exclusive means to sustain the business in order for it to increase social impact, but also value profit in terms of demonstration for personal success, personal financial stability, and the facilitation of personal passions. A significant contribution to this discussion is the exposition of distinct motivational profiles of Chilean B Corp entrepreneurs that differ in their orientation towards perceptions regarding success and achievement, as well as towards their desire to

devote themselves to the welfare of others. The profiles illustrate the motivational diversity among Chilean B Corp entrepreneurs and have the potential to shake up dominant assumptions about one ideal type of B Corp entrepreneur. To date, despite their theoretical advantages to make large quantities of data more tangible (Kluge, 2000), the analysis and formation of motivational profiles of entrepreneurs has been limited (Mody, Day, Sydnor, & Jaffe, 2016).

Second, the authors found that the basic values according to Schwartz' value theory (1992, 2012) provide a potent theoretical framework for the identification of the B Corp entrepreneurs' personal values and motivations. By articulating qualitative research findings on value dimensions derived from Schwartz' theory, the present study seeks to present a new alternative to the theory's application that goes beyond common accounts of its limits to quantitative use in motivational research (e.g. McCabe, 2012). Classifying concepts and categories emerging from qualitative data under Schwartz' values provides various advantages. On the one hand, it ensures a clear theoretical delineation of terminologies of motivations derived from their basic values. This was lacking in formerly conducted motivational research on B Corp entrepreneurship and SE. Related thereto, it serves as a screening pattern which provides guidance in the proper interrelation among emerging concepts. On the other hand, it represents a holistic motivational continuum that ensures the completeness of the examination of potential self- and other-oriented motivations. Scholars have stated the need for a value spectrum that goes beyond the overly simplistic classification of profit and altruistic motives (Mody et al., 2016). The holistic motivational continuum of Schwartz allows for the research findings to be multidimensional and thereby contribute significantly to the commonly applied two-dimensional profit-social continuum (Boyd, Henning, Reyna, Wang, & Welch, 2009).

Third, the findings of the present study reflect the hybrid nature of B Corps as being simultaneously mission- and profit-driven. Therefore, B Corp entrepreneurs' motivational goals are related to both the self and the others. The results demonstrate that the B Corp entrepreneurs in this study score high with regard to self-enhancement values, particularly power and achievement, and self-transcending values, such as universalism and benevolence. However, according to Schwartz (1992, 2012) and Schwartz et al. (2012), the pursuit of competing values located at opposite ends of the self-enhancement and self-transcendence continuum may cause conflicts on the individual and social level, since outcomes associated

with pursuing one set of values violate competing value sets. Schwartz (2009) argues that benevolence and conformity promote cooperative and prosocial behavior, whereas power and achievement oppose prosocial behavior. In this sense, pursuing all values to the same extent should be impossible and inevitably leads to psychological dissonance or corrective actions from the social environment.

This study did not focus on potential conflicts yielded by the B Corp entrepreneurs' motivational goals but aimed to answer the question of what motivates B Corp entrepreneurs to operate a B Corp. However, the apparent existence of hybrid-orientations ought to be discussed as they contradict the relationship of values that the theory hypothesizes. A first explanation may depart from the distinction between terminal and instrumental values (Rokeach, 1973). Schwartz' value and motivation theory treats all of the ten basic human values and the nine sub-values as terminal values. In this sense, they refer to desirable goals persons want to reach during their life. These goals yield preferred ways of conduct, that is, they motivate certain actions in order to attain the motivational goals specified by the values. In the case of B Corp entrepreneurs, however, the self-enhancement values of achievement and power may not constitute terminal but instrumental values in order to ensure societal and/or environmental impact. From such a perspective, B Corp entrepreneurs strive for social status and dominance (power) and focus on personal success as this enables them to achieve the social/environmental improvements that they value due to their universalism and benevolence orientation. A second explanation accepts the theory's original assumption that self-enhancement and self-transcendence values are terminal ones. However, the results of this study and previous research in SE suggest that they may not necessarily be organized on a bipolar continuum. Instead, connecting to the features of hybrid organizations, which are driven by the independent organizational dimensions of profit motivation and mission motivation (Boyd et al., 2009), also self-enhancement and self-transcendence, and for that matter self-orientation and other-orientation, could be interpreted as independent dimensions. In this case, people are not rendered as opportunistic beings, who either focus on their own advancement or on the advancement of others. Rather, human beings are defined as social beings, who have the capacity to simultaneously pursue their own interests AND interests for the sake of others. However, whatever explanation one likes to adopt, whether there are psychological, practical, and social consequences when B Corp entrepreneurs pursue competing values, like Schwartz

(1992) originally proposed, and how these consequences might look like should be the focus of subsequent studies. B Corp entrepreneurs, who operate a hybrid business, are themselves hybrid beings, and the nature and consequence of this hybridity in their value system, their motivations, yet also their personality and identity, and consequently their actions, thoughts, and feelings should be further investigated.

Fourth, we suggest that the values and motivations identified among B Corp entrepreneurs as well as the exposition of motivational profiles might complement findings in motivational research in the field of SE. Although the sample interviewed in the present research shows opposing opinions on the perception of B Corp entrepreneurs as social entrepreneurs, all the motivations identified in SE research are in alignment with the research findings representing a major part of the B Corp entrepreneur sample. Derived thereof, in their values and motivations, B Corp entrepreneurs seem to be much closer connected to social entrepreneurs than traditional entrepreneurs prone to profit-seeking. In addition to the congruent findings derived from SE literature, there are various values and motivations identified in the present study that are considered value-adding. Among the self-oriented motives, the findings provide a more detailed delineation of the motivation that drives to action by separately examining motivations according to the pursuit of intrapersonal mastery including autonomy of thought and autonomy of action and the pursuit of personal success according to social standards. Also, the values stimulation and hedonism shed light on motivational drivers that have not been in the center of attention in current literature. In the other-oriented motivation sphere, additional insights can be complemented related to the values tradition and humility. These give new theoretical insights into where to locate the identified *sense of belonging* and *obligation* towards God and society in SE on the motivational continuum. A clear delineation of benevolence values and universalism values is also considered value-adding. Insights into the motivation to preserve and care for the natural environment contribute to the so far little addressed environmental value creation within SE. The motivational profiles also serve as a potential incentive in SE research to shaken up the common depiction of social entrepreneurs as heroic, virtuous, and selfless human beings (Boluk & Ziene, 2014; Braun, 2010).

Finally, investigations of the present study are limited to one type of hybrid organization, namely, the certified B Corporation. This has the advantage of a clear delineation of the case and its respective sample. As

outlined above, in accordance with literature on social entrepreneurs (e.g. Ruskin, Seymour, & Webster, 2016; Boluk & Zienc, 2014), B Corp entrepreneurs are motivated to develop viable new business models that generate mutually enriching correlations between economic, social, and environmental value. However, unexpectedly, the majority of the B Corp entrepreneurs in our study do not consider themselves social entrepreneurs as opposed to what has been claimed in prior research (e.g. McCabe, 2012; Chen & Kelly, 2015; Coral, 2016). Given the results of the present study, it becomes evident that the main reason why they do not concordantly agree on being classified as a type of social entrepreneur is that they perceive themselves as generating a different type of social and environmental value.

The businesses that give themselves the name social entrepreneurship have the objective to directly solve social problems and ours is more indirect. In fact, you have to be a little astute to see the social impact you ask for because in the end it is a large loop way. (...) I would not give myself that name, although I truly believe that I have a social and environmental impact. (BE3)

Hence, although many scholars would probably categorize B Corp entrepreneurs and social entrepreneurs similarly, the reality as expressed by the entrepreneurs themselves appears to be more complex. In this sense, the study provides first insight into the fine-grained understanding of some of the actors in the broad field of social business, an understanding that may counter simplified scholarly systematics. Therefore, we believe that additional research in the field of B Corp entrepreneurship is necessary to grasp the understanding of potential differences of the rationale of the foundation and maintenance of B Corporations as opposed to social and traditional entrepreneurship.

PRACTICAL IMPLICATIONS: FOSTERING THE B CORP COMMUNITY

Apart from its theoretical contribution, the present study to the values and motivations of B Corp entrepreneurs has important practical implications for a variety of stakeholders in the Chilean ecosystem.

B Corp entrepreneurs themselves benefit from sharpening their understanding of what drives them to develop their unique business models. It becomes evident that the decisions taken are deeply driven by personal

motives consisting of self- and other-oriented ones. For the individual B Corp entrepreneurs themselves, “the realization that one’s personal values profoundly affect the kind of opportunities [they] will pursue may be quite important to the way the entrepreneur forms [their] venture” (Mody et al., 2016, p. 1108). In this regard, B Corp entrepreneurs can overcome potential dilemma in decision-making when it comes to prioritization of the type of value creation (Yunus, 2010).

At the *B Corp community* level, a better understanding of what drives the overall community could strengthen the community feeling and bring B Corp entrepreneurs closer together. Given the centrality of the sense of belonging and support in B Corp entrepreneurial motivation, this practical implication relates to a key factor for the survival of the B movement.

Value compatibility may also be essential with other *stakeholders* associated with the venture. Due to the fact that the generation of social and environmental value is an integral part of business, B Corps operate in contextually complex systems. Consequently, the value alignment of B Corps and their context may be decisive for its sustainability (Conger, 2012).

At a wider societal level, *potential new B Corp entrepreneurs* could be supported in their venture creation by using current B Corps as their role models. Insights into what drives current B Corp entrepreneurs are consequently necessary for potential adherents to grasp the movement’s ideology and compatibility with their own. These can be comprised of socially conscious entrepreneurs who seek a like-minded community as well as traditional entrepreneurs who decide to change their business purpose and practices. Also, *multinational corporations* might reach out for new ways of doing business and use best practices and social innovations of B Corp entrepreneurs as an inspiration.

For *Sistema B* and *B Lab*, it is necessary to acknowledge and understand the values and motivations that drive their adherents to be part of the B movement. Considering the central importance of value alignment of this social movement (B Lab, 2017; Harriman, 2015), deeper market-focused insights into B Corp entrepreneurial motivations and needs may guide their actions. On the one hand, it may provide guidance for the continuous assessment and adaptation of their assessment tools like the BIA and for the development of programs that support their members adequately. On the other hand, successful strategies for expansion depend on the understanding of motives. This is important for *Sistema B* that strives for the expansion of B Corps in Chile and other Latin American countries but

also for B Lab that works towards the goal of global expansion. The findings may also indicate in which sectors to look for potential new B Corp entrepreneurs by understanding the different motivational profiles. Simultaneously, Sistema B and B Lab should recognize that B Corp entrepreneurs seem to position themselves as a unique type of entrepreneur and may not appreciate being identified as social or traditional entrepreneurs. To induce systemic change, Sistema B does not only aim at strengthening B Corps directly but also bring together the different strategic key players of social and economic change including public policy, opinion leaders, an academy, and the market. Building strong relationships among these actors in the economy also depends on their value alignment. With deeper insights into what these are, strong bonds for collaboration can be incentivized.

Close collaboration with the *government and policymakers* is of high importance in Latin America to develop the legal framework needed for B Corps that recognizes their corporate form and legally protects their social mission (Soto, 2015). As outlined previously in this book, the numerous support programs of the Chilean government show its willingness to address shortcomings of the economy and invest in innovation. Through a more comprehensive understanding of what drives Chilean entrepreneurs willing to adopt the requirements of a certified B Corp, the government might be incentivized to increase its support for the Chilean B Corp movement. This could particularly be true for their recognition and awareness of motives like social justice.

FUTURE RESEARCH

The theoretical implications of the present study offer a number of interesting avenues for future research: First, the research framework consisting of qualitative rankings on value dimensions based on Schwartz' original value theory (Schwartz, 1992, 2012) and a subsequent cross-comparison of these forming motivational profiles can be used to inspire multiple approaches for future research. This could include complementing the data through a wider sample of Chilean and other B Corp entrepreneurs and newly joined adherents. The value dimensions could be provided with further information emerged from interviews based on the research findings of this study, particularly in the areas where no motivational expression could be revealed. Moreover, new clusters could be created to group B Corp entrepreneurs related to different value dimensions. At a regional

level, studies could explore how B Corp entrepreneurial motivations and clusters differ across countries or across B Lab representations like Sistema B in Latin America. Second, follow-up studies could provide information about how B Corp entrepreneurial motivations change and evolve over time. This could demonstrate how B Corp age, length of participation in the B movement, and other potential factors influence motivations. Third, the importance of some value dimensions over others for the achievement of a long-term sustainability of B Corps might also be of interest, which would give new insights into which motivations to nourish and support in the future. Fourth, quantitative studies could be developed to allow testing and refining of the research findings related to the rankings on the value dimensions and the formation of the motivational profiles. A cross-cultural comparison of motivational profiles might further be of interest and give valuable insights for the transnational B movement. Fifth, given the similarity in theoretical concepts of social and B Corp entrepreneurs but contradictory data-induced self-perception of B Corp entrepreneurs as a separate type of entrepreneur, future research could directly compare motivations of different types of social and hybrid entrepreneurs to explore commonalities and differences among these. Finally, it seems necessary that future research explored motivational compatibilities of B Corp entrepreneurs with adherents of other potentially like-minded movements to unify the forces of alternative business conducts. A potential compatibility has, for instance, been suggested between the B Corp movement and the Economy for the Common Good movement (Sanabria Garro, 2016).

TOWARDS CONCLUSIONS

Building on the motivational research from entrepreneurship and psychology, the present study sets out to identify the personal values and motivations of B Corp entrepreneurs to found and maintain Chilean B Corps. The exploratory case study at hand gives a rich picture of the coexistence of self- and other-oriented motivations of Chilean B Corp entrepreneurs.

Motives that drive the entrepreneurs to found and maintain their B Corps can be found along the whole spectrum of Schwartz' value and motivation theory. The strongest motivators among the self-oriented ones are the following: They have a strong need to attain self-chosen goals as most of these represent deeply rooted convictions about the role of citizens and businesses in this world. As Chilean B Corp entrepreneurs have strong personal passions, they strive towards autonomy to include these in their daily

routine, blurring the boundaries between professional and private dreams. Derived from their deeply rooted belief system, they are moreover motivated to influence others to act according to their expectations. Personal security also plays an important role for their decision to found a B Corp including taking care of their own health and their children. The strongest motivator among the other-oriented ones is their search for meaning, which they find through creating welfare for others based on their desire to live in social justice, mainly triggered by close connections to underprivileged social groups, a sense of obligation to give back to society, and a need for relief of personal frustration experienced in former jobs. In a profit-social motivational continuum, four motivational types can be identified that differ in their prioritization of economic and social value creation and that vary in their definitions of success and personal achievements. It can hence be concluded that the coherent motivational continuum for the foundation and maintenance of Chilean B Corps is complex and diverse leaving room for further exploration in this field in future research.

Their motivations are closely aligned with those identified in literature regarding social entrepreneurs. Nonetheless, B Corp entrepreneurs often position themselves as a unique type of entrepreneur and reject to be classified as social ones. Furthermore, the motivational diversity identified particularly along the profit and social-orientation raises the question of whether B Corp entrepreneurs are more strongly scattered in the profit-social continuum than social entrepreneurs. The motivational profiles grouping distinct combinations of these provide first indications that can be explored further in future research.

Finding and supporting alternatives for *business as usual* becomes more and more important to tackle humanity's most pressing needs. A holistic understanding of those who drive these alternatives is necessary to tap their full potential. The steadily growing B movement including its highly motivated B Corp community has the potential to form a substantial part of the urgently needed social and economic change in this world.

REFERENCES

- Abramovay, R., Correa, M., Gatica, S., & Van Hoof, B. (Eds.). (2013). *Nuevas empresas, nuevas economías. Empresas B en suramérica*. Santiago, Chile: Fondo Multilateral de Inversiones (FOMIN).
- Boluk, K., & Ziene, M. (2014). Motivations of social entrepreneurs: Blurring the social contribution and profits dichotomy. *Social Enterprise Journal*, 10(1), 53–68.

- Boyd, B., Henning, N., Reyna, E., Wang, D., & Welch, M. (2009). *Hybrid organizations. New business models for environmental leadership*. Sheffield, UK: Greenleaf Publishing.
- Braun, K. (2010). *Social entrepreneurs: Identifying the personal motivations and values of successful project leaders* (Published doctoral dissertation). Retrieved from ProQuest Dissertations Publishing (AAT 3429148).
- B Lab. (2017). *Platform for B Corporations*. Retrieved April 13, 2017, from <https://www.bcorporation.net/>
- Chen, X., & Kelly, T. F. (2015). B Corps—A growing form of social enterprise. Tracing their progress and assessing their performance. *Journal of Leadership & Organizational Studies*, 22(1), 102–114.
- Conger, M. (2012). The role of personal values in social entrepreneurship. In J. R. Kickul & S. Bacq (Eds.), *Patterns in social entrepreneurship research* (pp. 87–109). Cheltenham: Edward Elgar Publishing.
- Coral, C. (2016). *Increasing societal impact in social enterprises—Lessons from a B Corp multiple case study* (Unpublished master's thesis). Lund University, School of Economics and Management, Lund, Sweden.
- Harriman, A. (2015). *The making of a movement: The rise of the B Corp on the global stage* (Unpublished master thesis). Copenhagen Business School, Copenhagen, Denmark.
- Kluge, S. (2000). Empirisch begründete Typenbildung in der qualitativen Sozialforschung. *Forum: Qualitative Social Research* (Article 14). Retrieved from <http://nbn-resolving.de/urn:nbn:de:0114-fqs0001145>
- McCabe, L. (2012). *Human values of entrepreneurship: An empirical analysis of the human values of social and traditional entrepreneurs* (Unpublished doctoral dissertation). Regent University, School of Global Leadership & Entrepreneurship, Virginia Beach, VA.
- Mody, M., Day, J., Sydnor, S., & Jaffe, W. (2016). Examining the motivations for social entrepreneurship using Max Weber's typology of rationality. *International Journal of Contemporary Hospitality Management*, 28(6), 1094–1114.
- Rokeach, M. (1973). *The nature of human values*. New York, NY: Free Press.
- Ruskin, J., Seymour, R., & Webster, C. (2016). Why create value for others? An exploration of social entrepreneurial motives. *Journal of Small Business Management*, 54(4), 1015–1037.
- Sanabria Garro, O. (2016). *Formas híbridadas de empresa: Del reinado del accionista al del bien común: los caminos paralelos de la Economía del Bien Común y las Empresas B* (PhD in process). Escuela de Administración Tecnológico de Costa Rica, Costa Rica.
- Schwartz, S. H. (1992). Universals in the content and structure of values: Theoretical advances and empirical tests in 20 countries. In M. P. Zanna (Ed.), *Advances in experimental social psychology* (Vol. 25, pp. 1–65). Academic Press.

- Schwartz, S. H. (2009). Basic values: How they motivate and inhibit prosocial behavior. In M. Mikulincer & P. Shaver (Eds.), *Prosocial motives, emotions, and behavior: The better angels of our nature* (pp. 221–241). Washington, DC: American Psychological Association Press.
- Schwartz, S. H. (2012). An overview of the Schwartz theory of basic values. *Online Readings in Psychology and Culture* (Article 11). Retrieved from <https://scholarworks.gvsu.edu/cgi/viewcontent.cgi?article=1116&context=orpc>
- Schwartz, S. H., Cieciuch, J., Vecchione, M., Davidov, E., Fischer, R., Beierlein, C., et al. (2012). Refining the theory of basic individual values. *Journal of Personality and Social Psychology*, 103(4), 663–688.
- Soto, D. (2015). *Estudio del comportamiento del consumidor chileno frente a productos de Empresas B: Análisis de percepción de precio e intención de compra* (Unpublished doctoral dissertation). Universidad Técnica Federico Santa María, Santiago, Chile.
- Stubbs, W. (2014). *Investigation of emerging sustainable business models: The case of B Corps in Australia* (Unpublished doctoral publication). Monash University, School of Social Sciences, Clayton, Australia.
- Yunus, M. (2010). *Building social business. The new kind of capitalism that serves humanity's most pressing needs*. New York: PublicAffairs.