OXFORD RESEARCH ENCYCLOPEDIAS
BUSINESS AND MANAGEMENT
Forthcoming Jul- Sept 2023

PROOFS

For-Purpose Enterprises and Hybrid Organizational Forms: Implications for Governance and Strategy

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DOI: 10.1093/acrefore/9780190224851.013.413

Summary

A company's social purpose has become a key factor that should be considered in organizational design and strategic decision-making. For-purpose enterprises are for-profit, financially self-sustained organizations that embed a social aim as one of their main objectives. Companies that simultaneously must envisage a double purpose, namely, social and competitive, face an even greater complexity, that is, a likely risk of internal logics' tensions and structural drifts.

Scholars have proposed different theoretical and operative frameworks; on the one hand, they describe ad hoc business models to foster synergies between the social impact and economic and competitive-oriented actions. On the other hand, they also try to focus on an organization's governance, suggesting incentive schemes and organizational designs that could smooth trade-offs and tensions, which could jeopardize a company's viability.

Scholars have differentiated two clusters of studies: (a) instrumental–strategic–economic stream and (b) injunctive–social–behavioral.

The first approach perceives as critical the balance between social-oriented aims and profit with a viable business model. Under this perspective, the concept of synergies between the two aims is critical. Its mainstream framework is the stakeholder theory approach while recent approaches, rooted especially in marketing and strategic human capital studies, bring to the central stage how corporate social responsible actions develop social identity processes with focal stakeholders, which are responsible for reciprocity behaviors. These different perspectives, although complementary, could imply significant differences for the organization design, product strategy, and the role and power of the chief sustainability officer as well as allocation of resources and capabilities.

The second group of studies—injunctive–social–behavioral—is focused on understanding how to maintain active social aims under economic and competitive constrains. These works are particularly focused in investigating the intrinsic motivations of doing good and the type of tensions that could arise in organizations with a social mission. The works analyze the potential drifts, risks, and solutions that could mitigate tension and trade-offs. In this stream, the first line of work is related to social entrepreneurship, especially in developing countries, while the second is more focused on human-resource incentive schemes and organizational designs that preserve a company’s social goals under economic constrains.

Keywords: hybridity, social goals, profits, business models, synergy, entrepreneurship, stakeholders, social responsibility

Introduction: An Evolution of Philanthropy and Social Responsible Actions

Philanthropy derives from the ancient Greek word for "love for the human being" and has been a concept for philosophers and political scientists over the centuries, from Aristoteles to Bacon and from Thomas Aquinas to Hume. However, it was with the development and operationalization of Defoe's (1697) idea of *organized* philanthropy, and the following Benjamin Franklin's writings and actions, that the notion of philanthropy began to be associated with the role of spontaneous organizations and associations not directly related to governments and religious institutions. Only at the end of the 18th century did the first well- structured charity organizations begin to focus on health and schooling issues.

By the 19th century, philanthropy was being increasingly associated with the role of private business, especially during the second industrial revolution. Entrepreneurs like Carnegie or Rockefeller generated the idea that business entrepreneurs should reinvest personal wealth for society's well-being. Accordingly, these actions were usually decided directly by the entrepreneur, or their family foundations, and were not included and indicated as a company's official business strategy.

In the 1970s, companies began to transform philanthropic actions into corporate social responsibility (CSR) investments. In this respect, social actions became part of the decision processes and discussions of the board of directors of the same company and were no longer disembodied from the corporation, that is, delegated to foundations' decision (Matten & Moon, 2008). This trend has led to the well-known critique of Friedman (1970) under the shareholder primacy model of the firm (e.g., Dalton et al., 2007; Stout, 2012) who states that a company's only aim should be the maximization of profits and value of its shareholders.
Friedman's position was often interpreted as a broad attack on philanthropic donations and social initiatives; in reality, Friedman's point was precisely intended to avoid mixing in boards' discussions of strategic business decisions with philanthropic perspectives. This critique was intended to direct CSR back to the old concept of philanthropy, namely, separating social actions from classical economic and business decisions. Social investment should be individual shareholders' or entrepreneurs' private decisions, managed by an external organizational entity—and not the company itself. Friedman's ideas are usually analyzed under the umbrella of agency problems, where managers, under the lack of monitoring, are diverting funds from shareholders' wealth to increase their reputation and power in front of the eyes of the stakeholdersby committing to societal needs. This could be done, among other things, with CSR investments: managers

detract funds from important competitive investments that maximize dividends while CSR actions could increase the managers' image and legitimacy.

Granted, Friedman's point created a still lively debate in strategy centered to investigate if there is a reason to include CSR into a firm's decision-making. The focus of these research works is to understand if CSR actions are correlated with firm profitability. Up to date, CSR remains a contested field of theories (Mitnick et al., 2021) with a major distinction between the instrumental–strategic–economic and the injunctive–social–behavioral views, with varied nuances of more micro distinctions inside these two big streams.

The following paragraphs will analyze the different theoretical trajectories. However, before moving into the explanations of these two approaches, a definitional problem should be addressed. Although there is no unified position among scholars, some common definitions are emerging. In the last decade, social enterprises, hybrid social companies, social hybrids, and for-purpose companies have become labels used to define, according to most scholars, organizations that merge social with commercial competitive goals in the core of their strategic and organization routines (Batillana & Dorado, 2010; Batillana & Lee, 2014; Fosfuri et al., 2016; Moroz et al., 2018; Wry & York, 2017). In this respect, the simultaneous pursuit of a company's social and profit goals helps to exclude pure for-profit companies and nonprofits such as Non-governmental organizations (NGOs) or charities, which achieve economic viability with donors' support. In sum, this article only considers a for-purpose enterprise, that is, an organization that pursues a clear set of social goals while it is obtaining its economic and financial viability only by competing in markets of products and services.

Instrumental–Strategic–Economic View

This stream of works has a common denominator in considering the strict relationship between corporate social responsibility (CSR) and a company's profitability. In this respect, related studies typically accept the idea that profit maximization is an indisputable aim for a corporation. Given this condition, these studies typically investigate the relationship between classical measures of accounting and financial performance and the type of social actions, focusing on the idea that a company's optimal decision-making relies in its ability to find the right contingencies that create synergies between a company's profit and social objectives. When social actions are embedded in a strategic plan, this article refers to CSR because the corporate adjective is important to differentiate from the classical philanthropic donations, that is, social actions that are disembodied from a company's business model. Within this realm, two main theoretical approaches are discussed, namely, the institutional theory with stakeholder view and the social identity theory.

Stakeholder Perspective

Rooted in an institutional perspective (Zucker, 1987), the stakeholder theory has become the mainstream approach in sustaining that social actions should be included in a company's business decisions (George et al., 2021). Generally, stakeholder theory challenges the vision that a company should be interpreted with a collection of agency problems, where shareholders and managers are the two main actors. This theory recognizes that a firm is thriving in an institutional environment, which is a constellation of several stakeholders. Different stakeholders exert different pressures on a firm's actions with an impact on its performance; in turn, stakeholders are influenced by a firm's behavior (Hawn & Ioannou, 2016). In this respect, the assumption of mutual interdependence between a company and its stakeholders is fundamental for the development of all theoretical mechanisms.

Moreover, key stakeholders are usually defined as employees, ~~custo~~mers, suppliers, and creditors. This double feedback between a company and stakeholders generates a shared dependency that should be considered when a company's objectives are set in place. Stakeholderism concludes that the sole maximization of shareholders' wealth is a reductive view of the corporate scope because different pressures, interests, and incentives are key factors of a firm's viability. The objective of the companies is indeed to maximize the wealth and the utility of all the main stakeholders, especially the key ones—those that could influence more directly a firm's profitability. A related corollary from a financial viewpoint is therefore to avoid targeting pure accounting measures of performance, like Earnings Before Interests and Taxes (EBIT); managers would focus instead on a company's overall market value as a better measure to include this stakeholder perspective. In this regard, a high portion of a firm's market value depends on intangible capital, in which legitimacy and negative factors such as tension and boycotts with stakeholders are included.

How can the relationship between CSR investments and profits be explained under the stakeholder paradigm? There are three main avenues. The first two employ a transaction costs perspective à la Williamson, according to which CSR investments increases trust toward a company, and therefore they can reduce different market imperfections between a focal company and its stakeholders.

On the one hand, the reduction of such transaction costs, especially with the main stakeholders, will generate an advantage in cost-saving transactions. The underlying mechanism is the following: CSR tends to increase organizational trust, and in turn it reduces information asymmetries, opportunistic behavior suspects, and risks generated by moral hazard (Schuler & Cording, 2006). These mechanisms link CSR with less transaction costs of exchange with key stakeholders such as suppliers of raw materials, logistical distributors, investors, and prospective customers (Flammer, 2018; McMillan & Siegel, 2016).

On the other hand, the trust effect spurring from CSR engagement represents a form of insurance, meaning a reputational shield. Which could preserve a company's value (Godfrey, 2005) and protects it in the case of negative exogenous events. Therefore, in the case of negative exogenous events occur, stakeholders would not impinge on issues of moral hazard (i.e., misconduct of the company) and asymmetric information, which
are typical in presence of high transaction costs. On the contrary, stakeholders are likely to associate the negative occurrence to a random combination of external causes, rather than to the company's misbehavior. CSR assets could even lead to higher profitability under the occurrence of negative events (Godfrey et al., 2009). Finally, the third avenue is related to an institutional view, which suggests that companies to increase their legitimacy tend to adapt to external social pressures in the quest of conformity (King & Lenox, 2002). Regulatory and normative pressures can generate relevant costs to companies when avoided or dismissed. The negative results could be summarized in penalties, sanctions, lengthy litigations, boycotts from activist groups, and social movements. CSR directed toward these kinds of social pressures could lead to a cost-saving strategy that benefits profitability (Berrone et al., 2013).

Empirical studies that address the relationship between CSR and profitability use accounting and financial market data from a standard data set, along with CSR data mainly coming from KLD data sets or compulsory pollution certification (https://www.msci.com/index/methodology/latest/KLD400). These works have generally reached the consensus of a positiverelationship on average, even if the presence of studies that find no or negative results is not trivial(Surroca et al., 2010).

In this debate, microfounded research attempts to identify what contingencies could affect the relationship between profits and socially responsible initiatives, referring recently to a presence of firm capabilities in managing this relationship (Mishra & Modi, 2016; Nardi et al., 2022; Tang et al., 2012). The idea is that not all social actions are similar. Part of this research is devoted to separate substantive versus symbolic actions, in which symbolic actions are more related to communication practices (Wang et al., 2021; Zajac & Westphal, 1994). Extreme investments in symbolic actions could indeed backfire and generate suspicion of greenwashing and decoupling. Indeed, the literature and works related to decoupling (Delmas & Burbano, 2011) highlights how triggering stakeholders with only symbolic actions could be detrimental. Along this line, there is also a trajectory that studies the gap between a company's substantive actions and its level of communication, thus estimating the effect of a humble or inflated approach. Compared with a pure institutional stakeholder theory, in which the governing idea is the maximization of all stakeholder value, it is quite interesting to note that these works reintroduce part of the agency theory approach, including the costs of monitoring between stakeholders versus shareholders (Kim & Lyon, 2015). Shareholders are seen with a different angle compared with all the other stakeholders, with interests sometimes in contrast with those stakeholders. Shareholders then want to maximize CSR actions and visibility when stakeholder pressures are more salient for a company's profitability, but they would like to reduce them in situations when efficiency and financial constraints are more pressing. Shareholders could move this balance in terms of substantive and symbolic actions.

In sum, this literature has, overall, concentrated on how the intensity and quality of CSR actions are perceived positively from the stakeholders and how this, in turn, could be transferred to profitability by the reduction of transaction costs of different kinds.

Social Identity Theory

Social identity theory approaches are successive to the mainstream institutional view on CSR actions. Further, social identity tends to be rooted in studies more related to human resources and consumer behavior; they also try to move away from a perspective that sees CSR as a tool to only respond to stakeholder pressures (Gond & Crane, 2010; Vishwanathan et al., 2020). Theoretically, these scholars do not adopt the logic of the stakeholder/transaction cost framework but go deeper into a more microdynamic perspective. They are more interested in explaining detailed mechanisms that link a firm with focal stakeholders, and mechanisms that, from a particular stakeholder behavior, led to higher profitability for a company.

Compared with stakeholder theory, scholars might abandon the high-level view of corporate parental effects and prefer to dive into micromechanisms of shared value creation (Porter & Kramer, 2011). In this respect, social-psychology approaches (Tajfel & Turner, 1979) can be useful in opening the black box of inner micromechanisms of stakeholder theory. In so doing, these approaches focus on the role of synergies between CSR and economic goals, such that they reinforce each other (Fosfuri et al., 2016), especially in terms of employee job satisfaction and productivity as well as customer loyalty and willingness to pay.

The processes and mechanisms by which a firm can connect with a focal stakeholder to develop a common identity, with mutual meaning and a sense of belonging, are well addressed by the canonical social identity theory (Tajfel & Turner, 1979). This theory identifies social groups and interactions as central to sociology research (Reed, 2002); further, it has spurred multiple applications in social science because its holistic approach is relevant to various phenomena, including social movements, religious affiliation, ethnocentrism, altruism, and reciprocity (Turner & Tajfel, 1986). The theory is rooted in social-psychology studies; originally, it applied mainly to intergroup dynamics, designed to understand a person's sense of who they are, based on their group membership, and, over time, has been employed in human relations (e.g., Ndofor et al., 2015), organization studies (e.g., Leavitt & Sluss, 2015), marketing and consumer behavior (e.g., Brough et al., 2016), and strategic human capital (e.g., Buttner & Lowe, 2017).

According to Tajfel and Turner (1979) and Stets and Burke (2000), identity construction could be created when individuals see "the self as an embodiment of the in-group prototype" (Stets & Burke, 2000, p. 231). Three main steps support the identity formation: categorization, identification, and comparison. First, identity forms through categorization, such that the subjectselects a social group to join, according to a perceived alignment in subject- and group-related prototypical social values (Hogg & Terry, 2000). The second step is through identification: the individual progressively develops a social identity through continued participation in and interaction with group members. Finally, comparison helps the member reinforce this social identity by assigning in- and out-group membership to others (Stets & Burke, 2000). By establishing a community's boundaries, symbols and behaviors reinforce the identification processby enabling differentiation from other communities (Hogg & Terry, 2000). Symbols are also critical to the comparison step because they reinforce a sense of belonging among members of a community as opposed to nonmembers. Reciprocity guarantees community survival; to reciprocate, members engage in nonstipulated actions that mutually reinforce the community identity (Turner & Tajfel, 1986). The premise is that companies that are "not truly walking the talk" with CSR actions, as in cases of decoupling or greenwashing, will not be able to trigger social identity mechanisms (Walker & Wan, 2012). These studies introduce an element of "reciprocity" (Fosfuri et al., 2016) or reciprocation (Vishwanathan et al., 2020) as a basic mechanism of economic value creation. This means that CSR tends to improve an individual's identity salience, loyalty, and sense of belonging to a community in which the focal firm is a member or a founder (Flammer, 2015; Porter & Kramer, 2011).

As noted, the level of analysis is narrower, considering specific types of CSR activities, a specific stakeholder, and the direct effect on a firm's economic value (King & Lenox, 2002; For example, an employee can reciprocate a firm's CSR actions with greater job productivity (De Roeck et al., 2016) or higher levels of organizational commitment (Ali et al., 2010; Bode et al., 2015; Brammer et al., 2007; Hansen et al., 2011) and decrease knowledge leaks to protect internal innovation informally (Flammer & Kacperczyk, 2019). Further, customers seemmore attracted to derive satisfaction from purchasing products or services from firms active in CSR (Luo & Bhattacharya, 2006; Sen & Bhattacharya, 2001), which increases their purchasing intention (Sen et al., 2006) as well as their willingness to pay premium prices (Homburg et al., 2005; Marín et al., 2012), and the level of customer retention.

Companies that invest in CSR actions might activate processes of identity formation and reciprocity in focal groups of stakeholders who reciprocate by attributing more economic value to a company. In the case of customers, for instance, CSR investments could turn products and services into symbols of social values for some individuals' identities (Fosfuri et al., 2015), which translates into more loyalty and willingness to pay. It is also worth noting that, compared with stakeholder approaches, this perspective depicts a more proactive corporate role, less sensitive to external pressures, and whose economic value generation is less dependent on transaction cost savings. Indeed, it acquires importance in the customers' willingness to pay or buy or the employees' higher productivity (Bode et al., 2015; Hansen et al., 2011; Sen & Bhattacharya, 2001).

All in all, social identity theory can explain how corporate actions with social impacts can establish an identity-based mechanism between a firm and a focal stakeholder. They impinge at the end of the comparison mechanisms, meaning that, when products or working in a company assume a symbology that represents some value, it is when economic value is created. The role of companies is more proactive compared with that of a stakeholder-pressure view; here, CSR activities do not preserve value but create it. In this respect, a company must manage with its CSR actions all the potential dynamics and fault lines between in- and out-group members.

Injunctive–Social–Behavioral Views

With respect to the instrumental–strategic–economic view, this stream of works shares the common idea that entrepreneurs and companies have their main objectives in influencing a society's well-being. While the instrumental–strategic–economic stream focus intends for researchers to understand whether and how synergies between doing well and doing good exist and under which conditions, the injunctive–social–behavioral one is more concerned in doing good under the constraint of doing well. These scholars usually assume the presence of an intrinsic, almost innate motivations of entrepreneurs and managers to have an impact on society, especially in emerging and underdeveloped economies, and to be dedicated to social goals salient for the society. Organizational problems arise because a company's economic activity creates tensions with its social aims, which could jeopardize the company's overall mission and/or its viability. For this reason, these studies focus on understating the problems spurring from the contrasting logics that coexist in a company. These studies further analyze cases when this tension pushes toward a , avoid different types of drift or economic bankruptcy of a for-purpose company.

Moreover, it is worth to note that usually a related study's approach is more behavioral-oriented rather than adopting a strategic decision-making approach. Such tensions could be avoided or solved by a correct scheme of human-resource incentives and organizational design. Other studies are more devoted to the conflicts that a single founder or entrepreneur face to establish a double-aim company; the studies propose solutions to such conflict resolution via theories rooted in the psychological and identity role of an individual.

Social Entrepreneurship and Bottom of the Pyramid

Businesses with purpose and especially venturing with social purposes have also been at the center of the field of entrepreneurship throughout two lines of research, namely, social entrepreneurship and bottom of the pyramid.

Social entrepreneurship, which is defined as the activity with the explicit objective to alleviate societal pain, has followed a similar growing trend from the academic and practitioner fronts (Dacin et al., 2011; Lepoutre et al., 2013; Seelos & Mair, 2007; Zahra et al., 2009). However, although simple, the concept of social entrepreneurship has a complex range of meaning, which has opened an unsettled definitional debate and reflected into an extent of concept struggling to establish an institutional legitimacy andclear domain boundaries (Lepoutre et al., 2013; Trexler, 2008). In this respect, scholars have focused on reducing ambiguity of such investigation field via recognizing a series of characteristics that distinguish social entrepreneurship from the regular, commercial entrepreneurial process, and also from a series of overlapping and related concepts such as corporate social responsibility (CSR), nonprofit and philanthropic organizations, and hybrid ventures (Saebi et al., 2019).

Accordingly, the literature identifies three main references to an explicit and predominant social objective, which is fundamental because "social entrepreneurs cater directly to the basic human needs that remain unsatisfied by current economic or social institutions" (Seelos & Mair, 2005, pp. 243–244) or, similarly, entrepreneurial activity with an embedded social purpose (Austin et al.,2006). The social facet is critical because it sets the distinctive domain by differentiating from theclassical, commercial-oriented drives (Dacin et al., 2011; Harding, 2006; Santos, 2012). In this regard, it is important to define what social means: the predominance of the social mission suggests it would create a superior social value for clients (and, broadly, for society; Dacin & Dacin, 2011; Sud, VanSandt, & Baugous, 2009.), particularly addressing society's neglected problems via involving localized positive externalities (Pache, 2002), which benefit powerless segments of the population.

Furthermore, social entrepreneurs tend to create rather than capture value because their objective projected toward society makes them more likely to seek sustainable solutions built on community-oriented logics (which do not depend initially on markets or government mechanisms) rather than on sustainable advantages (Dees, 2001;Martin & Osberg, 2007). The social aspect is thus reinforced by the fact that social entrepreneurs typically develop new commercial solutions moved more by a logic of empowerment than by a logic of control (Santos, 2012).

In contrast with commercial entrepreneurs, the social ones are concerned about the value of the overall effectiveness of the system of activities and not exclusively by the one of their own organizations. In addition to the social aspect, the literature highlights a second selection criterion in regard to the extent of innovativeness characterizing the solutions to complex and social issues (Alvord et al., 2004; Borins, 2000 , Lepoutre, 2013). The process of social entrepreneurship includes all the "innovative use of resource recombination to pursue social benefits" (Mair & Noboa, 2006, p. 122).

Last, social entrepreneurship refers to economically sustainable ventures that generate social value, regardless of where the revenue comes from (Austin et al., 2006; Tracey & Jarvis, 2007). A social value creation mission does not necessary negate the importance of economic returns, but they are a second-order factor: they are important and substantial inputs for the life of the economic venture and thus for the creation of social value. The study of social entrepreneurship has been conducted at the micro (or individual), meso (or organizational), and macro (or institutional) levels (Dacin et al., 2011; Saebi et al., 2019); they investigate, respectively, (a) the profiling, cognition, behaviors, motivations, emotions, values, types of opportunities and decisions of social entrepreneurs as individuals; (b) the social enterprise missions, leadership and entrepreneurial team, organizational culture, reputation, incentive system of the social venture, and its performance and scalability; and (c) the social and institutional context, the extent of poverty or injustice for instance, and the social change created by the social enterprise.

Despite all, Saebi et al. (2019) concluded that, from a theoretical standpoint, social entrepreneurship is still a contested concept where constructs are not completely clear, which hampers advancements in the field. Still, although social entrepreneurship refers explicitly to a multilevel and multistage phenomenon, it has not been studied in an explicit multilevel setting, making it difficult to understand antecedents and outcomes of this phenomenon (Dacin et al., 2011).

Another entrepreneurial approach aimed to improve the social context of poverty and inequality is the so-called the bottom/base of the pyramid literature (i.e., BoP; Prahalad & Hart, 2002). The BoP approach to the role of business and entrepreneurial activities has moved to the heart of strategic business introducing the possibility of serving the poor and alleviating poverty with profitability.

Given that, through aid-based programs sponsored by governments and institutions, in general society has registered numerous failures, and BoP has become a direct call for businesses, especially multinational enterprises (MNE) to act directly as agents of change to fight poverty (Hart, 2005). The underlying assumption of this new philosophy of business is that the "the poor can be a very profitable market, with the profit driven by the volume and capital efficiency" (Prahalad & Hart, 2002, p. 6).

The core argument of the first conceptualization of the BoP framework is that business plays a major role in alleviating poverty, not via socially responsible or charitable initiatives, but rather by engaging with segments of the market at the BoP. For instance, addressing the needs in developing countries was argued to be an ideal arena to launch disruptive environmental technologies or products that provide a competitive advantage in a developing world. This seminal version of the BoP was based on Western business practices applied to the poorest market segments (Sharmin, Khan, & Belal, 2014). aimed

to make profits via price reduction, redefining product(s) and packaging, overall extending distribution throughout the arm's-length relationship mediated by NGOs. Although criticized, this first approach has left room for a new iteration of the BoP 2.0, which shifts the argument from "selling to the poor" to "business/co-venturing with the poor" (Karnani, 2009; Simanis & Hart, 2008). Therefore, poor segments of the market are also involved in direct business relationships, still mediated by NGOs, which created shared commitment to cocreate products, services, and business ventures, giving an extent of empowerment to locals.

Recently, a new push toward a BoP 3.0 has created a more holistic framework that describes a more collaborative way to alleviate poverty, seen as a more stable societal transformation rather than a transitional economic growth (Cañequ e & Hart, 2015). In this regard, this third version of BoP is focused on improvement of the local community moving from an MNE-led toward more locally led BoP initiatives, adjusting BoP business mechanisms to broader community circumstances. In the final two transition phases, BoPscholars suggest that the distinctive element of this approach from others (such as CSR, philanthropy, or the same social entrepreneurship) is that the positive combination of profit with poverty alleviation takes place on a large scale if this approach combines new business models, that is, product adaptation by engaging the poor, who are no longer the mere recipients of these products.

The general BoP literature, including all its iterations, is mainly theoretical, aiming to develop the central constructs and definitions (e.g., who are the poor, if different types of poor exist, if geographical areas enter the studies) among the empirical case studies and preferred practitioner-oriented outlets (also with limited theoretical contribution), because they may reflect a preference for BoP scholars with high practical managerial implications (Dembek et al., 2020; Follman, 2012; Kolk et al., 2014). Recent literature reviews highlight that there are different streams of investigation: poverty, community and network, strategy and business, consumer, technology and innovation, and sustainability and development (Dembek et al., 2020; Khandker, 2022). Thus far, the approach appears on the macrolevel (institutional contexts, environmental and societal impact and outcomes); however, microdetails of BoP, for example, BoP consumer behaviors or BoP business model innovations, have not yet been studied (Khandker, 2022; Kolk et al., 2014).

Social Hybrids and Organization Behavior

Social hybrids are organizations where two logics, social and economic, coexist, and scholars of this field assume that they tend to be independent. These scholars do not focus mainly in analyzing how investments in CSR could generate a return in a company's economic profitability; however, they shift the focus to organizational dynamics, aiming to explain how they are affected and can be managed in the presence of these two logics at the core of a company's mission. This argument leads to the most important second assumption, which speaks of a natural emerging contrast between these two objectives. Organizations characterized by this double purpose are bound to generate internal tensions.

This stream of works tends to analyze the for-purpose enterprises under the paradigm of hybridity. They share with the stakeholder view the idea that organizations are not a random occurrence but are the product of an external environment with prevailing social traits. Historical organization studies have investigated hybridity in the form of multiple coexisting organizational identities (Corley et al., 2006), forms (Hannan & Freeman, 1986), and logics (Pache & Santos, 2010). This last perspective is the mostly commonly used in this realm. This view offers considerable insights into the opportunities and challenges faced by for-purpose enterprises because they are characterized by at least two competing logics (Battilana & Lee, 2014; Havemann & Rao, 2006; Marquis & Lounsbury, 2007): social and commercial. These scholars point out how, despite expectations of all stakeholders including the entrepreneur, social business hybrids are prone to suffer from organizational supply side tension, that is, they must overcome important internal hurdles to preserve their hybridity. The two logics indeed are prone to conflict, which can lead to organizational paralysis, drift, breakup, or shutdown (Pache & Santos, 2013; Tracey & Jarvis, 2006).

The literature on multiple logics depicts institutional logics as taken-for-granted social prescriptions that represent shared understandings of what constitutes legitimate goals and how they may be pursued (Scott, 1994). Research in institutional theory has studied the role that logics play in shaping actors' beliefs and practices as well as how these logics emerge, rise, and fall (Thornton & Ocasio, 1999). Research has alsoshown that multiple institutional logics often coexist in organizations (e.g., Marquis & Lounsbury, 2007), where they naturally generate conflicting demands. The main assumption that multiple logics will always generate conflict means that dealing with them is challenging for organizations because these conflicts create internal competition for resources and contrasts among organization members, who are experiencing the practical negative effects of different logics inside an organization (Fosfuri et al., 2016).

This literature is particularly passionate about the problems of tensions because it is the main cause of these corporations' organization instability. It is then a mostly inside-organization investigation, which focuses on understanding the nature of these tensions and the contrasts and power struggles that these firms face internally (Jay, 2010; Pache & Santos, 2013).

Granted, these scholars have analyzed the two main outcomes: first, what happens when tensions are not solved, and second, which potential solutions might reduce or delete these tensions and preserve hybridity. In terms of solutions, for-purpose enterprises are, by definition, arenas of contradictions and instability where solutions should avoid the dominance of either logic over the other. Scholars have proposed, for instance, human-resource practices and socialization policies (Battilana & Dorado, 2010) as some ways to form a common strand of language, routines, and discussion where conflicts could be solved without escalation; thus, the competition for internal resources could be reduced. In this way, a company could reach a balanced equilibrium between the two logics. Second, this literature has proposed that social business hybrids can gain viability by implementing the ad hoc organization design structures (Battilana & Dorado, 2010), which clearly separate the two logics internally and then reconnect them with well-designed flows of integration (Battilana et al., 2015), performance indicators, and organizational routines that help managers in persevering hybridity (Jay, 2010; Santos et al., 2015).

In the cases in which solutions are not found, hybridity will cause a mission drift (Battilana & Dorado, 2010), thus making one logic prevail over the other, for example, a for-purpose company that becomes a full-flag for-profit company or a stand-alone charity supported by donors' investments. Otherwise, when the power struggle becomes too exacerbated, these competition costs between the two logics could generate an overall financial instability that leads to the organization death (Tracey & Jarvis, 2006).

In sum, these scholars assume that the coexistence between social and business aims will naturally lead to an organization behavior that generates instability and tensions, which could be softened by a correct scheme of incentives, culture, and organization design that aims to preserve this hybridity. Otherwise, the same for-purpose enterprise will cease to exist because of bankruptcy or because it transforms itself into other types of organization.

Certifications and Standards

The literature streams present in this article acknowledge that for-purpose enterprises suffer problems of asymmetric information (what the companies are really doing socially) and measurement. The increasing presence of socially responsible businesses in turn has also increased the need to measure and assess their social impact and particularly the authenticity of the declared commitment toward the environment, society, and governance transparency (ESG) in order to contrast the phenomenon of greenwashing. Accordingly, over time, ESG factors have become nonfinancial criteria for investors to guide their decision-making to recognize business sustainability when investing in a firm. In this respect, it has become fundamental for companies to signal their commitment with some concrete indicators. From an academic viewpoint, comprehensive databases such as the MSCI KLD Social Index, Thomson Reuters Asset4, Risk Metrics, SharkRepellent, and Foundation Directory Online (e.g., information on corporate giving of U.S. firms) have been employed to assess the socially responsible initiatives of public firms and their ESG ratings. From the business side, third parties or agencies have started processes of certifications such as IQNet SR10 certifications, ISO 26000 and ISO 37001, to certify firms along social responsibility criteria (economic, environmental, and social aspects), ethical management, and transparency.

In 2013, public benefit corporations made its appearance in Delaware (the United States) when its legislation was enacted. As defined under the statute, a "public benefit corporation" is a for-profit corporation that is intended to produce a public benefit or public benefits and to operate in a responsible and sustainable manner, which includes a positive impact on society, workers, the community, and the environment in addition to profit as its legally defined goals, in that the definition of "*best interest of the corporation*." Since then, approximately 40 U.S. states have adopted some sort of benefit corporation legislation, although the laws vary from state to state. Laws concerning conventional corporations typically do not specify the definition of "best interestof the corporation," meaning that shareholder value (profits or share price) is the main compellinginterest of the firm (André, 2012).

Legislations that grant a public form of business with purpose are currently in the United States, British Columbia (Canada), Ecuador, Colombia, Italy (e.g., Societá benefit), Spain (i.e., Empresa con Proposito), and France (Segrestin et al., 2021). The public benefit corporations, however, must not be confused with the certified B-corporations (henceforth B-corps; Moroz et al., 2018), which are still profit-seeking corporations that combine and pursue social impacts.

Started in 2007 in the United States, B-corps achieve their status from a nonprofit organization called B-Lab, which acts as an external auditor and helps entrepreneurs obtain certification by ensuring their social mission. These B-corps number 5,700 companies in 157 sectors and 83 countries (see Cao et al., 2017). Prominent B-corps include Ben & Jerry's, Danone North America, and Patagonia. Other examples of B-corps include DataWorld, Kickstarter, and Plum Organics. At present, B-corps certification is available to any business worldwide. To achieve certification, the organization must submit its own B impact assessment and score at least 80 out of 200 on four core metrics: community, environment, governance, and workers. Although self-reported, the score also is verified by external B-Lab evaluators and weighted by company size, sector, and nationality (www.bcorporation.net). Certification can be renewed every 2 years, during which time companies have a chance to improve their social impact score or else suffer decreases, which could lead to a loss of certification. The fundamental idea underlying B-corps is a redefined way to do business; their motto states to "compete not to be the best in the world, but for the best of the world"

Among several business certifications, B-corps have attracted the most research attention, especially as the movement has advanced beyond an early adopter phase (Cao et al., 2017). Overall, the literature has addressed a few macrothemes, for example, benefits of the B-corp structure for society and critique of the structure itself and the impact of the certification to an organization and notable phenomena of the B-corp movement (Cao & Gehman, 2021). Moreover,uncertainty still exists about the value and social impact of the B-corp structure (André, 2012; Lofft et al., 2012; Moroz et al., 2018).

Legal and finance scholars typically address shareholder value maximization in the presence of a social certification and protections of the social mission during takeover attempts (e.g., Alexander, 2016; Blount & Offei-Danso, 2012; Cohen. 2012), whereas business scholars focus more on the role of the certification process and its impact on corporate social responsibility performance (André, 2012; Hiller, 2013), corporate legitimacy (Wilson & Post, 2013), or defining the frontier among business, society, and public policy (Haymore, 2011; Kurland, 2017; Rawhouser et al., 2015). In the management domain, debates about B-corps highlight their status as hybrids (Santos et al., 2015), reflecting efforts to understand how these business hybrids compete, gain differentiation advantages (Fosfuri, Giarratana, & Roca, 2013) or deal with trade-offs across their dual purposes when they seek to expand (Fosfuri et al., 2016).

At an organizational level, efforts to analyze the entrepreneurial journey explore the nature of prosocial opportunities related to certification processes (Conger et al., 2018; Moroz et al., 2018), the imprinted characteristics of B-corp entrepreneurs and their ventures (Grimes et al., 2018), and the characteristics and behaviors of startups that endure or change over time in the presence of social certification options (Muñoz et al., 2018; Siqueira, Guenster, Vanacker, & Crucke, 2018).

Scholars have employed a few theories to study the phenomenon of B-corps (Cao & Gehman, 2021). For instance, institutional and stakeholder theories focus on the emergence of new practices and legitimation of new practices associated with this new business form. Social identity theory research attempts to understand motivations and processes that enable firms to certify as a function of a perception of business owners and contextual factors.

Moreover, imprinting theories study how past decisions have an enduring impact on firms; notably, scholars have studied how the choice of becoming a B-corp, how objectives are set and pursued, and the effects on other firm's objectives and general company survival. Categorization theories explore how the certification can help firms to connect with peers' categories, feel like a new category, and realign the identity since categories are powerful constructs that guide cognition, social comparison, and social practices. At the same time, B-corps have fallen into the studies of hybrid organizations as an example of organizations, which have been discussed previously, where the logics of profit and social goals coexist. Finally, value theories emphasize the role of values and how, from the leaders' or organizational perspectives, they move or explain firms' actions (Cao & Gehman, 2021).

Conclusions

Two views permeate the debate on for-purpose enterprises. The first discerns the necessity to include sustainability investments in a business model that should target the maximization of competitive advantage and profitability. In this respect, the main investigation is centered in understanding under which conditions it is possible to achieve synergies between business and social goals.

The second stream is related to understand the inner individual motives of an entrepreneur and manager to move an enterprise to have a positive impact on the society, especially when nonavoidable, deep-rooted tensions between social and business aims are manifesting. These scholars thus analyze potential remedies to preserve an enterprise's social goals, together with its economic and financial viability under stressful situations.

The two perspectives start from two different traditions and analyze different problems; they also propose a different menu of normative prescriptions and solutions. Granted, some common ground exists in which several shared findings and suggestions could nurture future avenues of research.

First, the organization design matters. The position of the sustainability division inside an organization chart, the career experience of the chief sustainability officer, and the flow of information between the sustainability division and the other departments of a company both influence the exploitation of synergies and the control of tensions. This is, in general, a point scarcely addressed by the literature due to lack of reliable data across time but with promising opportunities of new discoveries because original data sets will be constructed.

Second, authenticity of social actions is key to evaluate the coherence of a business model, and the level of potential tensions that could arise inside a company. Authenticity is a main issue because the information about social actions is, most of the time, difficult and costly to monitor, meaning that is permeated by asymmetric information problems. Thus, it is important for an enterprise to not only decide the boundaries of its social actions but also how the communication strategy is framed internally and externally. The level of asymmetric information is an important moderator in both streams of literature. In this matter, the role of certification from autonomous third-party institutions is also a key factor. However, there is still room to improve our knowledge about the interplay between a firm's communication strategy and its willingness to participate in accreditation processes, along with the subsequent diffusion of accreditation scores.

Third, the measurement problem still permeates the research in for-purpose enterprises. Here, it is important to distinguish between data source and measurement problems. Companies show complications to fully understand and include a common scoreboard platform of potential input and output measures of social actions. This scoreboard should be correctly used to better proxy synergies between sustainability and business models and to prevent tensions. What are KPIs for a company in terms of sustainability? In this respect, while some measures are nowadays quite standard like carbon footprint, wastewater, and paper recycling, others are more subject to high levels of uncertainty. In this respect, competition across different accreditation and rating agencies with different scoreboards could pose severe maladies to a company sustainability plan. It is worth noting that measures could also define companies' resource allocation. If measures are used to promote internal market competition of resources among companies' divisions, then escalation of tensions should be expected. If measures are used to generate a common understanding of the targets and processes then synergies could be better exploited and tensions could be avoided. This third avenue of future research may be more pressing, but it could be the one with higher possibilities. Machine-learning techniques could help in matching texts related to standard accreditations, texts related to a company's communication, and texts presented in formal documentation scrutinized by third parties like patents and trademarks in order to create validated proxy of a firm's social actions. One central point of this research is the validation of social keyword vocabularies, which should be used as the starting base for any machine-learning algorithm. However, there are not only problems of different languages and cultural differences but also could lead to different results even inside the same language. Moreover, machine-learning techniques should carefully be instructed tospot false positives such as words that could be misleadingly associated with sustainability content.From a research point of view, this lack of validity represents a key opportunity, particularly fruitfully for a prospective doctoral student given the necessity of a long-term research agenda.

Validation of social dictionaries under different contingencies from industry, regulatory, and normative social pressures could require time and detailed robustness checks as well as mixed methodology (namely, secondary data collection, validation of the meaning and perceptions via focused groups or experiments, and possibility to adopt artificial intelligence algorithms in presence of big data). For instance, an interesting avenue could be to classify and triangulate different social dictionaries (such as the Corporate Knights or Elsevier) with the UN 17 Social development goals, with SABS industry materiality pressures information, and with B Impact assessment categories of the private B-corp certification. Finally, an addition aspect, fruitful for PhDs and still quite unexplored, is related to the internationalization of corporate social responsibility (CSR) practices for business for purposes. In such processes, cultural distance and language differences are contingencies that play a key role. Therefore, social vocabulary, heterogeneity of social-oriented initiatives, and the sensitivity to different social aspects could represent opportunities for young scholars and PhDs in international business who would like to focus, for instance, on CSR strategy of a multinational corporation with subsidiaries in different countries.

Acknowledgments

The authors thanks two anonymous reviewers for their comments and suggestions. This article was partially funded by State Research Agency (AEI)—10.13039/501100011033 Grant No.

PID2019-104568GB-100 and by the IE University Research Award on Sustainability Impact.

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