PERCEPTIONS OF JOB QUALITY AND PERFORMANCE IN B CORPORATIONS: EVIDENCE FROM THE BEST PERFORMERS IN THE US

Agni Dikaiou [*], Walter Wehrmeyer [*],
Michela Vecchi [**], Angela Druckman [*]

* Centre for Environment and Sustainability, University of Surrey, Guildford, the UK
** Department of Economics, Middlesex University Business School, London, the UK

Abstract

Since the 1990s firms in the western corporate world have increasingly shifted their goals from shareholder value maximization to concerns about broader societal impact, through frameworks such as environmental social and governance (ESG) reporting. In line with this reporting evolution, Certified B Corporations (B Corps) have met rigorous standards of sustainable performance assessment, receiving scores in dimensions such as governance structure, workers' wellbeing, customer and community engagement and environmental impact. This study explores how high corporate social performance (CSP) is related to various CEO and HR managers' perceptions of job quality and productivity, the relationship between these and what factors affect this relationship.

For this purpose, eight of the best performing Certified B Corporations in the North East of the US were interviewed using a semi-structured and open-ended approach. The interview questions mainly focused on the CEOs' and managers' perceptions of their CSP dimensions, namely their employee outcomes in terms of job quality, productivity and growth. They were also asked to identify how these aspects relate with each other and with the rest of the dimensions of

their CSP, including their community, environmental, customer and governance practices.

Methodologically this study employed a qualitative approach of thematic analysis of multiple cases, supported by desktop studies of related documents by secondary online sources, such as social media. The study's qualitative design targeted subjective perceptions and attributions of the companies as represented by managers and/or CEOs. Case selection was based on the companies' demonstrated efforts in corporate social responsibility (CSR). The best performers chosen for interview were among those who received the Best for the World 2017 awards, from B lab, a third-party certifying institution.

The findings and discussion centred around the perceptions of CSP and how their B certification changed them, the meaning of productivity and growth and the importance of job quality. Regarding their perception of CSP, the themes discussed included managers' and CEOs sense of pride over their authenticity, their transition to strategic planning, mechanisms of competition and network spillovers, feelings of belongingness and recognition and the chance to expand their CSP activities through the process of certification as B Corps. The above themes were developed considering their effect on performance and job quality outcomes.

Regarding productivity, their perception was strongly related to the quality of output, efficiency in production and job quality, hence productivity and job quality were not perceived as two distinct outcomes. Managers' perception of growth was associated with sustainable growth, holistic growth of their entire triple bottom line (TBL), and impact in general. Again, growth was linked with the well-being of workers and the growth in their capabilities. It was notable that their perceptions of productivity and growth were not laid out in traditional economic terms but that they revolved around their sustainability agenda and very often were identified with the job quality that their employees enjoy and how they attempt to increase it.

Themes of job quality were discussed with regards to the organizational identification and commitment of workers based on the worker's value attunement with those of the company upon their recruitment. Other interesting outcomes discussed concerned turnover intentions and retention, team building and employee involvement in CSR practices. These were found to contribute to increased job satisfaction and employee motivation. Opportunities for employee training and development as well as the importance of issues related to work-life balance distinguished the special case of the best performers compared to their peers.

Consistent with the literature, factors that were identified as important mechanisms explaining their successful CSP outcomes, were the role of transformational leadership of managers and that of moral standards. Leaders genuinely seemed to care "beyond legal

requirements", having a growth mindset and a business culture of high ethical and moral standards. The value congruence of the employees with that of the firm was also linked with individual motivation. The distinctive business culture and leadership style of those companies, along with their exceptionally high moral standards and a persistent growth mindset that goes beyond economic growth are the differentiating factors between those B Corps and regular businesses. It is their intrinsic motivation that is driving them to excel in CSP, mostly based on their ethical orientation and strong moral standards.

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