Article

Sustainability Reporting and Performance Measurement Systems: How do Small- and Medium-Sized Benefit Corporations Manage Integration?

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Abstract: Benefit Corporations and B Corps represent alternative models of enterprise, often referred to as “hybrid companies” that bridge the for-profit and not-for-profit models. Italy is the first country outside the USA to pass Benefit Corporation legislation and introduce the Società Benefit. A large number of Italian Benefit Corporations are small- and medium-sized companies (SMEs), since SMEs are widespread within the entrepreneurial fabric and have great relevance in the Italian socio-economic context. A key issue in the emerging debate on small- and medium-sized Benefit Corporations concerns how these companies—with limited reach and considerable financial and human resource constraints—can effectively absorb their added social responsibility. In particular, such firms need to manage their dual mission, integrate social and environmental goals in their business model, and incorporate accountability mechanisms, all while scaling up and garnering the necessary resources to be economically competitive. Starting from these premises, this paper focuses on the performance measurement and reporting systems that are adopted by SMEs that are also Benefit Corporations, and investigates whether benefit impact assessment indicators integrate into an overall sustainability performance management system. To achieve this goal, an exploratory case-based analysis on seven small- and medium-sized Italian-certified Benefit Corporations is presented.

Keywords: Benefit Corporations; B Corps; corporate social responsibility reporting; sustainable management accounting systems; sustainable performance management systems; small and medium enterprise

1. Introduction

Integrating sustainability indicators into daily decision-making is a fundamental element of sustainability performance management systems (SPMS). Defined as the process of identifying social, environmental, and economic drivers that influence the success of an organization and measuring progress against those drivers [1], SPMS has been regarded as the best way to capture the complexity of the triple bottom line framework (TBL) [2,3].

Sustainability is now seen as the business paradigm for the 21st century. Decisions regarding corporate sustainability pose a significant dilemma for managers: to weigh social and environmental concerns against economic results [4]. Pursuing missions that differ from shareholder value maximization poses an even stronger need for all those forms of hybrid organizations, where the focus is on multiple bottom lines, to monitor and measure the extra value created. Measuring social impact takes on a pivotal role in this type of organization, since social value makes traditional
reporting unsuitable for organizations with a social purpose to prove their benefits for society [5–8]. Indeed, focusing on economic and financial results leads to a misrepresentation of the more far-reaching impact that socially purposed organizations can create (and destroy) for society [7,9–11]. This is particularly true for hybrid companies such as Benefit Corporations.

Benefit Corporations or B Corps have been recognized by legislation in the USA and Italy [12], or certified by B Lab, a non-profit organization that measures public benefit through a third-party standard [13–15]. In the first case (Benefit Corporations), there is a structured legal framework and an obligation to draw up an annual report, while in the second case (B Corps), the company is assessed by the benefit impact assessment (BIA), a tool through which a company discloses the impact of its actions on the environment, workers, communities, customers, and business model [16]. Due to their reinforced commitment to corporate social responsibility (CSR) practices and a mission bound to generate a public benefit, such organizations are a clear example of the convergence of for-profit companies and a strong CSR focus [17–21].

In this scenario, McMullen and Warnick [22] underline a one-size-fits-all approach, and Stubbs (2017) identified the relevant, vital themes to analyze their business model (mainly principal objectives, measuring success, stakeholders, and influencing the sustainability agenda).

While many authors have contributed with conceptual frameworks to better understand and integrate sustainability performance (SP) into business with specific figures and unique measurement methods, building a comprehensive measure of performance and developing instruments to manage multiple objectives is still a significant challenge [2,23–25] given the multiperspective character of sustainability and the variety of goals and stakeholders involved [26].

This paper aims to extend the comprehension of SPMS by exploring the level of integration of benefit impact assessment indicators into Benefit Corporation measurement, management, and reporting systems. More specifically, the research seeks to address whether Benefit Corporations have set the basis for a truly integrated overall sustainability performance management system guided by a single measure—the Benefit Impact Assessment.

2. Theoretical Background

2.1. Correlation between Corporate Social Responsibility Reporting and Performance and Management Accounting Systems

Two critical factors emerge when analyzing the management of CSR reporting: the level of formalization and the level of integration into the day-to-day sustainability management [3]. For sustainability practices to work, it is essential for SP to integrate the essence of sustainability into daily decision-making and accountability processes, including sustainability reporting [27–29]. Sustainability should be disseminated into every business process throughout the organization [2,26,30–33].

Multicriteria decision theory is suggested in the literature as being appropriate to orchestrate the multiple pieces of knowledge relating to sustainability [34] and to support sustainability decisions [35–37]. So far, though, proposals have not provided a single balanced measure that captures the complexity of the TBL and integrates it into management control systems (MCSs) [2]. Most strikingly, findings indicate that different management practices lead to similar outcomes [3], and aggregation plays a significant role in extracting useful information from data and communicating it to stakeholders as a sole measure [35].

The body of knowledge regarding performance measurement, management accounting systems, and corporate social responsibility is vast [38–40]. To make sense of the literature, the correlations among the various research topics were analyzed and summarized in a table. Tables 1 and 2 introduce the contributions that examine the relations between sustainability and performance management and highlight the ties among corporate social responsibility, sustainability performance, and management accounting approaches. Synergies are found when studying the tools and instruments that are used to measure, manage, and report sustainability and regular business processes [41–43], such as
sustainability balance scorecards and performance measurement system indicators. For example, if we look at the intersection in Table 1 between CSR measurement and SP reporting, we find that by disclosing sustainability information, companies aim in fact to increase transparency; enhance brand value, reputation, and legitimacy; enable benchmarking against competitors; signal competitiveness; motivate employees; and support corporate information and control processes.

**Table 1.** Publications focused on the correlations among corporate social responsibility, sustainability performance, and management accounting measurement, management, and reporting approaches.

<table>
<thead>
<tr>
<th>Sustainability Performance</th>
<th>Measurement</th>
<th>Management</th>
<th>Reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Impact Assessment</td>
<td>Social impact assessment (SIA) models include the Social Return On Investment, the Social Accounting and Audit, and the Global Reporting Initiative [9,44–46].</td>
<td>SIA has important benefits for organizations, both as a management tool, enabling a deep understanding of how best to allocate resources to maximize social outcomes [47], and to assess if the organization is achieving its targeted social mission [48].</td>
<td>The main reasons for companies to publish a sustainability report (SR) are to communicate with stakeholders about non-market issues; to secure or increase legitimacy, credibility, and corporate reputation; and to motivate employees to deal with sustainability issues and benchmarking [49–52].</td>
</tr>
<tr>
<td>Measurement</td>
<td>The role of performance management systems (PMSs) is to enable the definition of objectives to be fulfilled by management towards sustainability outcomes. This allows firms to identify critical areas, define Key Performance Indicators (KPIs), and efficiently distribute scarce resources [53–55].</td>
<td>For an integrated management of sustainability issues, environmental, social, financial, and risk performance indicators should be combined into an overall performance measurement system [26,28,31].</td>
<td>Through SR, companies aim to enhance transparency, brand value, reputation, and legitimacy; enable benchmarking; signal competitiveness; motivate employees; and support corporate information and control processes [56–58].</td>
</tr>
<tr>
<td>Management</td>
<td>Up to now, SP management has been mostly related to environmental performance management, promoting initiatives to prevent, mitigate, or control negative environmental impacts, and compliance with regulation [30].</td>
<td>SP management encompasses practices to improve environmental and social performance and is related to management systems, which can be supported by consolidated frameworks such as the European Eco-Management and Audit Scheme, ISO14000, OHSAS 18001, SA8000, and ISO26000 [59–61].</td>
<td>The evolution of sustainability reporting as an endpoint for any framework for sustainability performance management is strongly influenced by a number of contingent factors, of which two stand out: guidance documents and quasi-standards such as the Global Reporting Initiative (GRI) and International Integrated Reporting Council, and reporting, competitions, and rankings [62,63].</td>
</tr>
<tr>
<td>Reporting</td>
<td>Reporting guidelines, such as GRI, and accountability approaches can serve as an input for elaborating an adequate SP measurement system for internal decision-making. SP reporting addresses how the performance assessed can be used to elaborate disclosure and communicate performance [64–67].</td>
<td>Management and reporting of SP present close connections, as one can serve as an input for the other. For instance, indicators related to social and environmental practices can be included as part of the reporting framework [68,69].</td>
<td>Standardization of SR enables comparison between firms. The GRI is the leader in the development of a triple bottom line (TBL) framework that enhances the utility of these publications. SP reporting is not synonymous with sustainability accounting, but contributions can be complementary [70].</td>
</tr>
</tbody>
</table>
In the same way, if we look at the intersection in Table 2 between the CSR measurement and management accounting systems (MAS) tools such as the sustainability balance scorecard (SBSC), we find that the SBSC is an approach that is targeted to improve the integration of environmental, social, and economic aspects of corporate sustainability measurement with management [71]. It focuses the attention of management on key performance measures, including both financial and nonfinancial measures [72].

**Table 2.** Publications focused on the correlations among corporate social responsibility, management accounting systems, and measurement, management, and reporting approaches.

<table>
<thead>
<tr>
<th>Management Accounting Systems</th>
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<tbody>
<tr>
<td>Corporate Social Responsibility</td>
</tr>
<tr>
<td>Social Impact Assessment</td>
</tr>
<tr>
<td>Measurement</td>
</tr>
<tr>
<td>Management</td>
</tr>
<tr>
<td>Reporting</td>
</tr>
</tbody>
</table>

The literature points out factors that motivate firms toward sustainability reporting, such as to address an increasing demand for transparency [87], to enhance the corporation’s reputation and brand image [81], to influence investor and customer decisions [88–91], to react after negative
media attention [92], and to follow legal obligations. The most exciting evolution of the literature, however, is the intensification of interest in investigating how SP integrates into business strategy and management [30]. SP measurement requires business managers to define the goals and criteria of what is understood by corporate sustainability performance with stakeholders and to establish a measurement and reporting system that supports the management and communication of those indicators [32]. Stakeholders should participate (directly or indirectly) in the definition of the indicators by adopting disclosure protocols, such as those outlined in the GRI, or through engagement processes [2]. The stakeholder engagement and participatory processes should, in fact, produce goals that are jointly derived, and sustainability reporting should help to collect, classify, analyze, and compare performance targets to those goals—to develop improvement plans that move the company toward sustainability accordingly [26].

Despite the importance of building a corporate sustainability image and promoting external sustainability reporting, scholars highlight that the development of management solutions to systematically follow the integration of sustainability into business strategy is still an issue [93,94]. Firms that claim to be sustainable should have a performance measurement system (PMS) that measures SP, since what cannot be measured cannot be managed [95,96].

2.2. Integration of Impact and Accountability

The aforementioned critical aspect has brought about the convergence of two major topics which have become of interest both for academics and for business: social impact assessment (SIA) and the integrative management of sustainability performance. The latter is conceived to be a management tool linking business strategy and sustainability communications and reporting with performance management [32] through sustainable management accounting systems (SMASs). The first, as a measurement tool, incorporates social and environmental dimensions of sustainability in programs and projects [9]. Companies have begun to assess, manage, and monitor the social impacts that occur during project implementation to improve their internal strategies and to respond proactively to change [23,97–100]. Miller et al. [101] developed a framework based on five social dimensions that enable the identification, quantification, and comparability of social impact reporting and the identification of measurement tools to link SIA to CSR and to aid in the decision-making process. MASs partner in management decision-making in the same way, devising management tools and providing expertise in financial reporting and in control functions to assist in the formulation and implementation of an organization’s strategy through balanced scorecards and measurement systems. However, a lack of integration between financial and nonfinancial goals and between SP indicators and strategic performance measurement systems remains [102].

To promote corporate SP means that sustainable development challenges must be incorporated [103,104] through operational practices [105] and business strategy [106]. The internal context that is needed to facilitate this process includes the integration of sustainability into strategic plans [107]; a formal declaration of the importance of sustainability to the firm [108]; and corporate governance and top management support [109–111], including a formal organizational policy [112], commitment to ethics [113], and a shared organizational culture [114].

2.3. A Hybrid Solution: Benefit Corporations

Several publications deal with the incorporation of sustainability into specific aspects of business [31], but they consider a single measure as a technocratic illusion, no matter how sophisticated it might be [26].

Meanwhile, Certified B Corps and Benefit Corporations offer a comprehensive measure that is inclusive of legal framework, certification, and rating standards. Through their assessment, the BIA, they have come up with a unique form of measurement which also functions as a guidance for management and as a standard for reporting that is integrated into their performance.
management system. The most effective corporate structure for scaling SP, in fact, seems to be the Benefit Corporation.

Benefit Corporations are for-profit companies that are committed to creating a benefit in addition to their for-profit motive [15]. The Benefit Act introduced by Maryland in 2010 gives directors and officers the legal protection to pursue a public benefit while expanding the obligations of boards, requiring them to consider environmental and social factors as well as the financial interests of shareholders [115]. In states and countries where the law is still not active, B Lab, a third party such as the U.S. Green Building Council, Underwriters Laboratory, Green Seal, or Global Reporting Initiative is present with its certification process [13].

Although their goal remains the same—using business as a force for good [21]—these two phenomena are separate: The Benefit Corporation status is a legal form of a corporation, while the B Corp B Lab certification is a seal of fitness to the standards [15]. To become certified B Corps, companies have to achieve a score of 80 or above (which indicates value creation on top of profits) on the BIA [15]. The process involves inserting company data into the algorithm developed by B Labs’ standards advisory council, a committee of independent members—respected in the field for their wisdom and with full industry or stakeholder expertise that adequately represents the diverse interests covered by the assessment—that holds itself above B Lab [116].

The BIA, an evolution of the SIA utilized to rate projects and as a B Corp index [117], measures impact on the following areas: workers, community, environment, customers, and governance. These areas, evaluated through questions, weighted averages, and calculations, consider the impact that the company may generate, the standards and certifications it has obtained, implemented in-house practices, community involvement, and value chain activities. Once the process evaluates the general impact of the business, the company that completes the assessment process (which lasts about six weeks) can add the B Corp certification to its products and website. Results can also be utilized to help prepare the annual Benefit Report, which Benefit Corporations are required to make available to the public (except in Delaware), as the BIA is also one of the third-party standards that meets the statutory requirements for such a report [118]. Lastly, the B Corp Benchmarks can be used to compare and improve a company’s social and environmental performance.

In this context, the goal of the present exploratory research is to investigate the corporate performance measurement systems put in place by Benefit Corporations and to analyze the sustainability indicators utilized in the BIA assessment process, evaluating the level of integration of such indicators.

3. Description of Case Study Methodology

Given the lack of a research body on sustainable performance management in Benefit Corporations, exploratory research was chosen to develop new insights [119]. The study, mainly descriptive [120–122], was based on an exploratory case-based analysis. Eisenhardt and Graebner [123] find this method particularly useful in new research areas, or in situations in which researchers need to address “how” and “why” questions [123,124].

A literature review was performed to analyze the correlations among the main themes of the research. The literature review highlighted that single or multiple in-depth case studies were most often used when studying performance management, accounting systems, and CSR reporting. In Table 3 below is a summary of the primary literature in line with the research objective.
Table 3. Content and case-based study literature when studying PMS, management accounting system (MAS), and CSR reporting.

<table>
<thead>
<tr>
<th>Theme</th>
<th>Objective</th>
<th>Number of Case Studies</th>
</tr>
</thead>
<tbody>
<tr>
<td>PMS [31]</td>
<td>The different case studies helped to provide an understanding of how companies integrate sustainability into their pre-existing corporate PMS.</td>
<td>Five cross-sector case studies</td>
</tr>
<tr>
<td>MAS/SP [32]</td>
<td>The one-year case study helped to define the importance of the SBSC as a strategic management approach, outlining its importance as a measurement, communication, and reporting tool.</td>
<td>An extended single case study carried out over a year</td>
</tr>
<tr>
<td>PMS [2]</td>
<td>The case study in a highly regulated specific sector pinpointed how a multicriteria model that considers the TBL framework helps corporate decision-making.</td>
<td>An extended single case study carried out in a highly regulated sector</td>
</tr>
<tr>
<td>CSR Reporting [3]</td>
<td>The cross-case study analysis was able to highlight best practices on how companies manage their CSR reporting.</td>
<td>Six cross-sector case studies</td>
</tr>
<tr>
<td>CSR Reporting PMS [87]</td>
<td>The content analysis helped to evaluate the communication methods used on websites and in CSR sustainability reports and how they were utilized as a managerial tool.</td>
<td>Content analysis of websites and reports published online by 150 top hotels worldwide</td>
</tr>
<tr>
<td>CSR Reporting PMS [125]</td>
<td>The analyzed case studies helped to investigate whether firms that were rated good, mixed, or poor in their environmental impact had better disclosure policies.</td>
<td>Fifty-one U.S. firms</td>
</tr>
</tbody>
</table>

Academic research includes the sustainability disclosure of companies [125], corporate websites [87], and interviews [3,31]. All were deemed as valuable resources when studying the research topic.

Based on Eisenhardt’s [121] recommendation to use from four to ten cases, sampling was done by selecting all the small- and medium-sized certified Benefit Corporations stratified by country. Italy was chosen since it was the first European country to produce benefit corporation legislation (in 2016) after the U.S. We selected the entire Italian sample of 20 B Corps; we then excluded 5 that were not also certified Benefit Corporations and a further 3 that were not SMEs, obtaining a sample of 12 small- and medium-sized certified Benefit Corporations. All the companies in the sample were contacted for the interview and seven replied. The analysis was performed from April 2017 to February 2018. Each single company was considered as an analysis unit [126].

The information was gathered using multiple sources of secondary information (e.g., corporate documents, websites, and press releases, which provide more accurate and unbiased information) and contextualized with interview questions to the top management. Research questions were elaborated by analyzing the literature review and secondary information.

The interviews and documents were analyzed qualitatively through iterative coding into the themes formalized by the research objectives [31] to unravel new concepts from the data [127,128]. Similarly, document analysis was performed. This approach is well suited for in-depth single case studies [129]. The qualitative data analysis began with a within-case analysis, exploring the uniqueness of each case, followed by a cross-case analysis [130], since in multiple cases, the study should examine similarities and differences across cases.

Results were then interpreted and compared with those in the literature [126], facilitating theory building [130]. The interviewed companies are mentioned with their actual name and details (Table 4).
Table 4. The selected sample.

<table>
<thead>
<tr>
<th>Company</th>
<th>Year of Foundation</th>
<th>Sector</th>
<th>About</th>
</tr>
</thead>
<tbody>
<tr>
<td>D-Orbit Srl</td>
<td>2011</td>
<td>Business Products and Services</td>
<td>D-Orbit develops smart satellite disposal systems for reducing man-created debris in orbital space</td>
</tr>
<tr>
<td>EXE.it Srl Sb</td>
<td>1988</td>
<td>Energy and Environmental Services</td>
<td>EXE built the first zero-emission data center in southern Europe that was CO2 emission free</td>
</tr>
<tr>
<td>Facile Aiuto</td>
<td>2013</td>
<td>Health and Human Services</td>
<td>Facile Aiuto is a facilitator whose aim is realizing innovative projects and services dedicated to health promotion</td>
</tr>
<tr>
<td>Mondora srl</td>
<td>2002</td>
<td>Business Products and Services</td>
<td>Mondora is a software and advisory company that promotes holacracy, puts people in the center, and supports its community</td>
</tr>
<tr>
<td>Nativa</td>
<td>2012</td>
<td>Business Products and Services</td>
<td>Nativa is a re-design company creating a positive impact on people and planet, thus growing happiness</td>
</tr>
<tr>
<td>Right Hub</td>
<td>2015</td>
<td>Business Products and Services</td>
<td>Right Hub works on procurement, logistics, marketing, and sustainable supply chains, the missing link between non-profit suppliers and for-profit companies</td>
</tr>
<tr>
<td>Cooperativa Insieme</td>
<td>2010</td>
<td>Business Products and Services</td>
<td>Insieme is a cooperative in which customers associate to aggregate their insurance needs, adhering to shared protocols centered on ethics and sustainable development</td>
</tr>
</tbody>
</table>

Finally, the cross-case report was written and is presented herein.

4. Results of Analysis

This paper is a first exploration of how Benefit Corporations integrate sustainability practices into their performance management system. Knowledge about the management of CSR activities is critical for understanding of the integration of social value at large. Using a qualitative research design, the internal factors that are associated with the integration of the benefit impact assessment indicators of seven Italian small- and medium-sized certified Benefit Corporations were examined. Table 4 gives a description of the selected sample and its social value.

During semistructured interviews with benefit impact managers, CEOs, and business developers, what emerged was that programming and control structures, systems, and processes by which sustainability is managed varied across companies. Despite this heterogeneity in internal factors, some notable patterns of internal management were uncovered across companies, which resulted in a typology of companies [3]. Figure 1 summarizes the different types.
Figure 1. Business model and levels of implementation of benefit impact assessment (BIA)-guided sustainability indicators in the analyzed B Corps programming and control structures (PandC).

The first type of company, labeled “B Way”, is characterized by the systematic integration of CSR into business operations. Drawing from the typology elaborated by Molteni and Lucchini [131] to portray the different approaches of Italian firms toward CSR, they can be considered as “cohesive firms.” The companies that followed the B Way demonstrated a business orientation that integrated economic, social, and environmental goals into everyday decision-making. They also portrayed a high level of formalization when it came to reporting. Nativa was structured from the beginning as a Benefit Corporation; it was the first Benefit Corporation in Italy, and it has a mission to promote and accelerate this new paradigm, making Italy a model for sustainable innovation. Nativa also played a crucial role in conceiving and developing Italian legislation on Benefit Corporations. As a consulting company, they support other B Corporations: Mondora, which is in contact with them and which obtained the certification idea from Eric Ezechieli, one of Nativa’s founders, has a much more structured approach than the other analyzed B Corps. The same was evident from the D-Orbit case analysis: the companies that utilized consulting support achieved better results and portrayed a better structure.

The second type of company was structured as social enterprises (SE), and they maintained their SE business model. They were thus characterized by a lack of formal organization, slim to no reporting, and decoupled CSR. Although these companies acknowledged the importance of structures, systems, and processes for CSR, they still had not developed and installed formal CSR practices. They showed an inclination toward CSR strategies, but their activities were still separate from everyday business, and this was considered to be mainly a communication issue. Size proved to have had an impact on the decision to be more flexible and less formal [132–134]. Furthermore, stakeholders trusted the social mission and were not looking for extra proof.

“We are small; we have four employees plus some external collaborators, depending on the projects. So, let’s say that the issue of sustainability reporting has not, for now, been taken into account just because of our size. I did not consider it essential at this stage of the company’s growth”, says Luca Guzzabocca, CEO of Right Hub. Moreover, to tell you the truth, no customer, both profit and non-profit, of the ones we collaborate with has ever asked us for specific accountability on our social impact” [135].

Companies in the last category, “mix and match”, had a mixed approach and combined integrated CSR with informal structures, ad hoc strategies, and systems. Ultimate performance was essential, and reporting was the consequence of this orientation, that is, informing stakeholders.
“We communicate through a blog where we write nothing about technology or about the work we do. We write about all those things we call benefit projects, which are outside the box.” Kirsten Ruffoni, Mondora’s benefit impact manager, curates the blog herself, together with top management.

In general, Benefit Corporations in Italy maintained the same tiers secteur characteristics, as Jacques Delors defined it in 1979—an active social mission and a nonformal structure—and they are an example of the non-profit sector moving towards for-profit practices. The BIA indicators were fully integrated, but without a structural approach. They seemed to have skipped a step in moving from CSR to Benefit, and this change in paradigm was voluntary.

As Paolo Di Cesare, co-founder of Nativa, puts it: “We already use the most advanced and robust measuring instruments. We are open to new inputs, but I doubt that the concept of CSR can bring new ideas. It has the historical merit of getting companies out of pure compliance to new areas of identity that have raised the burden of responsibility for doing business. But now we have to look at new frontiers and make sure that these develop as quickly as possible. Today the BIA is used by more than 63,000 companies in the world, and it is expected to reach 100,000 by 2019. The concreteness of the B Corp concept is to extend beyond its commitment on paper. Businesses find it useful to measure impact and discover areas of improvement, and hence embrace the movement.”

From this perspective, the concept of CSR could be obsolete and the tools available no longer adequate to achieve a sustainable for-profit and for-purpose model. CSR practices are seen by Benefit Corporations as a voluntary, nonbinding frame that is no longer able to support the prosocial identity businesses that entrepreneurs want to achieve and with which stakeholders can identify.

Contrary to the literature that states that external stakeholder pressure has significant impacts on corporate social responsibility implementation, and that companies may invest in philanthropic activities to improve external perceptions and influence external decision-makers that affect the company, Benefit Corporations had an internally driven proactive behavior. Their approach to stakeholders was thus coherent with their mission and drive and inserting the BIA into their programming and control structure was a logical consequence. Thus, to legitimize their social value, Italian-certified Benefit Corporations integrated BIA-guided sustainability measures into their day-to-day activities.

5. Discussion

We can distinguish between two general approaches to assess impact: a project-based analysis of specific programs, as per the SIA methodology, and a standardized analysis of the social orientation of business models, as per the BIA methodology. Standardized tools to measure impact include the United Nations’ Social Development Goals, the Impact Reporting and Investment Standards (IRIS), the Global Impact Investing Report System (GIIRS), and, as mentioned, the B Lab Certification. The BIA has recently been adopted by the United Nations to help companies evaluate their performance against the UN’s Social Development Goals, so an integration of these two standards will soon be available.

What emerges from the data analyzed, taking into consideration B Lab Certified B Corps, is that the prosocial value of B Corps functions as a driver and motivates the assessment of the common benefit produced by Benefit Corporations. BIA results are used to support internal decision-making by top management and employees, and BIA-guided indicators are integrated into the company planning and control systems. Although, as we were able to see in the results, the approach differs, they are all either integrated, almost integrated, or getting there. The B Way companies are at full integration levels; the Social Businesses are trying to keep up to par, and they tend to represent the average Italian SME; and finally, the mix and match are in between.

The Benefit Impact Assessment and the B Lab key performance indicators could potentially better fit the prosocial need that has been witnessed in these past years, and the Italian case study shows a movement in that direction. The BIA though still leaves some doubts in terms of accountability and
comparability, as opposed to the more structured CSR indicators and reporting guidelines that are available. For now, the B Corp movement runs alongside existing models as a new paradigm.

The implications of this paper are twofold. On the one hand, the paper highlights the importance of integrating sustainability into performance management systems as guidance for management and as a standard for reporting, especially in companies with a strong prosocial value, such as Benefit Corporations. On the other hand, the SME Italian-certified Benefit Corporation sample underlines specific integration levels that are true for Italian B Corps, which can be used as a base point to study evolutions or pinpoint differences. This way, in the future, it may be possible to overcome the comparability limitations of the BIA, and measuring impact can itself be an essential management practice [140].

As for the limitations of the study, it must be acknowledged that the research focused solely on the correlations among measurement, management, and reporting in performance and management accounting systems and CSR because the literature was extensive. Moreover, although the entire Italian sample was contacted, only seven B Corps replied and were available for the interviews. Future research should extend the investigation to the entire sample of Italian-certified Benefit Corporations. Finally, qualitative studies should explore the effectiveness of the benefit impact assessment by studying the impact beneficiaries through questionnaires, one-to-one interviews, and focus groups.

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