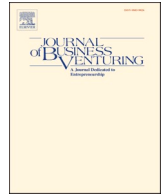




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Social corporations under the spotlight: A governance perspective

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ABSTRACT

A series of new legal statutes for profit-seeking social ventures has emerged across geographic and institutional settings. Extant studies commonly do not make a clear distinction between these ventures. Such confusion leads to blurriness in research design and methodology, thereby limiting the relevance of findings. Moreover, researchers, entrepreneurs, and policymakers often lack a clear view of the unique organizational and governance aptitudes these ventures call for, to sustain and grow over time. Thus, this study has two objectives: (1) to clarify the panorama of novel companies that legally commit themselves to a social mission, gathered under the term “social corporation,” by providing a comprehensive typology of these organizations and (2) to identify the governance capabilities that social corporations develop to be sustainable and avoid mission drift in the long run. Our analysis of corporate-governing documents leads us to classify social corporations into three types: hard-law, soft-law, and bylaw. In addition to this typology, our multiple case study uncovers five key governance capabilities of social corporations related to performance, conformance, and responsibility—the main pillars of organizational governance. Overall, our work contributes to a better understanding of novel forms of social entrepreneurship emerging on the market. More important, it casts light on the governance processes that characterize them.

Executive summary

In recent years, a variety of new, socially oriented profit-seeking businesses aiming to address core societal issues have emerged across various geographic and institutional environments. From community interest companies in the UK and social purpose companies on mainland Europe to benefit corporations in the US, these new corporate forms blur traditional boundaries between classic for-profits and nonprofits.

The ways that these profit-seeking social ventures address societal grand challenges have caught the attention of researchers, policymakers, and entrepreneurs. However, these various actors often find it particularly challenging to distinguish between these venturing forms in terms of their legal status and key organizational and governance features. Indeed, policymakers and entrepreneurs wishing to exert a social impact lack a clear view of the key specificities of these venturing forms and the unique organizational aptitudes they call for. To help dissipate this fog, we spotlight ventures that have adopted the legal form of a corporation and whose social mission is formally included in corporate-governing documents (i.e., articles of incorporation and/or bylaws). We call these full-

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fledged limited companies that legally commit themselves to a social mission as “social corporations.”

Our study has two main objectives. First, we present an original, global typology of social corporations that distinguishes among three generic types according to legal structure and core governance-related requirements and features. Beyond references to the social mission in corporate-governing documents, we identify four governance dimensions that both connect and separate these generic types: voting rights, profit distribution, property regime, and ownership structure. Second, to identify the governance capabilities that social corporations develop in order to be sustainable and avoid mission drift in the long run, we conduct a multiple case study of three social corporations (one per generic type). We find five governance capabilities related to organizational performance, conformance, and responsibility. Regarding *performance*, distinct types of social corporations (1) develop specific abilities to achieve a balance between several objectives and (2) intensively leverage limited resources. Further, they provide assurances to stakeholders about their aptitude to *conform* (3) by demonstrating that they can be held accountable for performing their social mission and (4) by implementing inclusive, shared governance practices. Last, (5) they meet impact expectations and *responsibility*-related demands by fostering change with and for the community.

Our contribution is twofold. First, we emphasize the key governance dimensions that different types of social corporations design and adopt “on paper” (i.e., legal form and corporate-governing documents). Second, we delve into governance activities and processes that social corporations deploy beyond those to achieve their mission in a profitable manner. Overall, this study benefits not only an academic audience but also policymakers and entrepreneurial actors. The introduced typology of social corporations provides insights into new venturing opportunities and their key governance dimensions, thus illuminating a fast-evolving landscape for those aiming to create and/or fund social businesses or foster their emergence. For example, the OECD has launched various working groups to reconcile views on the social economy and social enterprises, given their plurality. Our typology can inform such reflections by delineating boundaries between social enterprise types and broadening the decision framework currently adopted by many funders.

In addition, the identified governance capabilities provide entrepreneurs with empirical guidance on how to develop and nurture governance systems and processes that can combine explicit social and economic ambitions in the long run. Overall, our work shows that, despite commonalities, “one size does not (always) fit all.” It thus emphasizes that policymakers wishing to fund these socially oriented organizations should be attentive to their specific (domestic) characteristics. The distinctive governance dimensions and governance capabilities presented here can provide guidance to that end.

1. Introduction

In recent years, new entrepreneurial models have increasingly emerged with the aim to tackle societal grand challenges connected with core social and environmental issues (Dacin et al., 2010; Doherty et al., 2014; Santos, 2012; Zahra et al., 2009). Many of these venturing forms operate under full-fledged limited company legal statuses that recognize multidimensional objectives and performance expectations (Ebrahim et al., 2014; Rey-Martí et al., 2016; Wry and York, 2017). One example of such a company is the US sustainability pioneer Patagonia, which sells outdoor clothing and equipment with a lifetime guarantee. In 2012, it became one of the first companies to incorporate as a benefit corporation in California (Patagonia Works, 2020). By late 2021, more than 200 other US companies had joined Patagonia in the benefit corporation movement (Benefit Corporation, 2021). Several other countries have also passed similar legislation, including Italy (with more than 500 benefit corporations incorporated, see Società Benefit, 2021), Colombia, Ecuador, Peru, Porto Rico and the Canadian province of British Columbia. In French Guiana, Phronesis, a small social utility and solidarity enterprise (i.e., a special French corporate status initiated in 2014) works with individuals, companies, and communities to provide support in the design and implementation of their sustainable development initiatives. On the French mainland, by the end of 2021 468 for-profit businesses—including Danone—had transitioned to become mission-driven companies thanks to the 2019 “Pacte” law (Observatoire des Sociétés à Mission, 2021). Patagonia, Phronesis, and Danone constitute distinct examples of the large, growing movement of profit-seeking social ventures that legally integrate social and environmental objectives into their mission and corporate-governing documents (i.e., corporations' articles of incorporation and/or bylaws), increasingly supported by the creation of dedicated legal forms. Another such legal form is the community interest company (CIC) in the UK, which had 23,887 CICs in March 2021, 6901 of which were incorporated between April 2020 and March 2021 (Regulator of Community Interest Companies, 2021).

As with many other socially driven and profit-seeking ventures through which entrepreneurs endeavor to act as social “change agents” (Dearlove, 2004; Kibler and Muñoz, 2020; Sharir and Lerner, 2006), Patagonia, Phronesis, and Danone do not perfectly fit into existing paradigms, blurring the boundaries between typical for-profit ventures and traditional non-profits. Their novel approaches to value creation and the “legislative experiments” they associate with (Ebrahim et al., 2014) warrant reconsidering traditional perspectives of business venturing to better understand such organizations' specificities, including their governance characteristics (Markman et al., 2016; Rawhouser et al., 2015; Young and Longhofer, 2016).

Extant research on profit-seeking ventures that legally integrate social and environmental objectives into their mission and corporate-governing documents has at least two important limitations. First, much of research on these ventures does not make a clear distinction between entities in terms of their legal status, ownership type, profit-related orientation, and/or formal value creation objective (Dato et al., 2020), thereby limiting their relevance. Such confusion causes blurriness in research design and methodology, leading to validity concerns when comparing organizations. It also makes it more difficult for entrepreneurs and key stakeholders such as customers, funders, and policymakers to make decisions in certain situations (Stecker, 2016). In particular, as the world rides the growing social entrepreneurship wave, policymakers are increasingly working to develop public funding strategies to support social ventures (Battilana, 2018; Cobb et al., 2016). Yet with the emergence of different nascent venturing forms and the need for selectivity owing to funding limitations, developing guidance on and specific insights into new forms of social venture has become essential to guide these strategies (Davies et al., 2019; Sahasranamam and Nandakumar, 2020). In a context in which institutions and government

policies play an important role in promoting, developing, or even impeding entrepreneurship (Bradley et al., 2021), clarifying boundaries between these different forms is necessary.

The second limitation concerns the insufficient scholarly attention to the governance capabilities implemented by these novel legal forms of profit-seeking social venture. In particular, beyond recent insightful research efforts related to the governance of socially driven organizations (Battilana et al., 2020; Cornforth, 2020), specific theorization efforts focused on these particular novel venturing forms are still lacking. Additional insights are necessary into how these social ventures design and implement “the structures, systems and processes concerned with ensuring the overall direction, control and accountability” (Cornforth, 2004, p. 5) of their activities in relation to their specific venturing form (Choi and Majumdar, 2014). Understanding these is particularly important because developing appropriate governance capabilities enables social ventures to be sustainable in the long run and avoid mission drift—that is, a shift away from their status-entrenched social mission in an effort to generate revenue (Ebrahim et al., 2014).

In this article, we address these limitations in two ways. First, we specify social ventures with a corporation legal form and a social mission integrated in their governing documents as “social corporations.” We highlight core commonalities and differences among various types of social corporations that do not fit in the traditional categories of “for-profit” and “social” organizations. In doing so, we lay the groundwork for clear distinctions across social corporations at the international level. We introduce a comprehensive typology based on both the literature and an analysis of 40 governing documents of social corporations. We identify three main types of social corporations, each of which combines distinctive governance dimensions in a unique way: (1) hard-law (HLSCs), (2) soft-law (SLSCs), and (3) bylaw social corporations (BLSCs).

Second, we identify the governance capabilities social corporations must develop to meet their social and economic objectives and avoid mission drift. To do so, we build on our typology to conduct a multiple case study of the three types of social corporations. Adopting an organizational capabilities approach (Dosi et al., 2008, 2000; Helfat and Peteraf, 2003; Vallaster et al., 2021), and drawing from the literature on governance capabilities in traditional corporate settings (e.g., Klarner et al., 2021; Mayer and Salomon, 2006) and the increasingly dynamic body of knowledge addressing governance challenges in socially driven ventures (e.g., Battilana et al., 2020; Cornforth, 2020; Ebrahim and Rangan, 2014; Mair et al., 2015), we find that social corporations develop five key governance capabilities relating to three governance pillars: performance, conformance, and responsibility. First, to perform well, social corporations craft balance and intensively leverage restricted resources. Second, they demonstrate mission accountability and materialize joint governance mechanisms to ensure conformance. Third, they meet responsibility expectations through fostering change with and for the community. The development of such capabilities is central for social corporations that formally strive to achieve social objectives in a market environment (van Oosten et al., 2021; Termeer et al., 2015).

Our study contributes to the literature in two ways. First, going beyond work focused on specific legal forms of socially oriented profit-seeking venture at the country level (e.g., Hiller, 2013; Segrestin et al., 2015), we address the emergence of social corporations as a global phenomenon. We thus contribute to entrepreneurship literature by offering a first comprehensive delineation of social corporations. Our conceptual effort reveals that the three types of social corporations operating across different geographic and institutional environments share defining but slightly varying distinctive governance dimensions. These governance dimensions are the core governance characteristics of social corporations from a legal standpoint that vary across types and typically distinguish them from more traditional corporations. In a context in which the boundary between social and traditional business sectors “has become more porous” (Battilana, 2018, p. 1278), our effort also encourages entrepreneurship and management scholars to align their concepts and vocabulary. Second, our study provides an empirically grounded conceptualization of the governance capabilities social corporations need to develop to be sustainable in the long run. In particular, it shows that next to the performance and conformance pillars of governance typically critical to profit-oriented organizations (Lafuente et al., 2019; Spira and Bender, 2004), governance-related challenges also relate to responsibility considerations. This focus on specific emerging venturing forms answers calls for more insights into the development of balanced and effective governance processes to address organizational and institutional complexity and to prevent mission drift in socially driven organizations (Ebrahim et al., 2014; Mair et al., 2015).

2. Social ventures, social corporations, and governance

A social venture commonly refers to a venture that uses market mechanisms to achieve a social mission (Saebi et al., 2019; Santos, 2012; Wry and York, 2017). Social ventures rely on commercial activities to at least partly emancipate themselves from public markets and donors (Dees and Anderson, 2006). In this article, we focus on a specific type of social venture—namely, social corporations. A social corporation is a venture that adopts a corporation legal form (i.e., full-fledged limited liability company) and formally includes a social mission in its governing documents. Stating the social mission in corporate-governing documents is crucial for social corporations for two reasons. On the one hand, it helps them clearly signal to investors that they are not classic for-profit firms with a dominant focus on private wealth maximization (Jones and Felps, 2013). On the other hand, social corporation governing documents define legal rights for both investors and the executive team to pursue the social mission (Levillain and Segrestin, 2019) and implement the social impact in company activities. These enforceable governing documents earmark the social mission as a formal priority for top management, which is a shift away from a traditional shareholder primacy perspective (Doherty et al., 2014). The formal adoption of a social mission is therefore a distinctive dimension of social corporations; it formally expresses the aspiration of the social corporation (Fowler et al., 2017; Waddock and Steckler, 2016).

Another distinctive dimension of social corporations is the use of alternative governance mechanisms (Markman et al., 2016). Social ventures and, by extension, social corporations characteristically reflect “broader institutional patterns or logics that cross cultural categories with respect to profitability and governance” (Dacin et al., 2011, p. 1207). In this context, social corporations are likely to adopt an inclusive governance approach (Haug, 2007; Peredo and Chrisman, 2006), a principal, constitutive element of

social ventures (e.g., Colenbrander et al., 2017; Dufays and Huybrechts, 2016), which reflects a corporation's "formal, structured, ongoing connections" with its stakeholder network (Vallaster et al., 2021, p. 930).

Social corporations need to rely on special types of abilities to address the organizational and relational challenges associated with the design and effective implementation of an inclusive governance approach (Mair et al., 2012). That is, similar to other types of organizations, a social corporation needs to develop the right set of organizational capabilities to ensure long-term success (Kor and Mahoney, 2005; Teece, 2007). A capability-based perspective is particularly suitable when trying to understand the *how* of a particular organizational process (Klarner et al., 2021). While organizational capabilities come in many forms, such as technological, managerial, operational, or marketing-based (Mayer and Salomon, 2006), we focus specifically on governance capabilities of social corporations. Governance capabilities are central to governance decisions (Mayer and Salomon, 2006) and capture the ability to deploy organizational resources and competences necessary for the development and implementation of corporate strategies (Klarner et al., 2021) both inside and outside the organization (Dosi et al., 2008). Yet while the development of organizational capabilities appears central for corporations to achieve both social impact and economic objectives (Borland et al., 2016; Strauss et al., 2017; Vallaster et al., 2021), governance-focused capabilities of social ventures in general and social corporations in particular have received scant scholarly attention to date.

3. Methodology

In this study, we first establish a comprehensive, global typology of social corporations emphasizing the commitments of and legal requirements for social corporations on identified, core distinctive governance dimensions. Second, both generally and for each identified type of social corporation, we conduct a multiple case study to uncover the governance capabilities that help social corporations achieve success over the long run and either prevent or mitigate the risk of mission drift.

3.1. Typology: data collection and analysis

To develop our typology of social corporations, we first identified appropriate legal forms and relied on four main sources of information to this end. First, we identified some legal forms in different countries by reviewing the literature on social entrepreneurship, social economy, and organization studies. Second, we examined the national contexts in these countries to identify complementary legal forms. These first two steps led us to an initial identification of 14 specific legal forms. Third, some legal forms were also identified through sector federations, multi-actor associations, or research observatories. Fourth, to consolidate our list of identified legal forms, we discussed them with academic experts working directly or indirectly on the topic. With these two last steps, we identified two other legal forms. In total, by August 2020 (data collection time), we had identified 16 legal forms scattered across seven countries, including benefit corporations (Hiller, 2013), social purpose corporations (Cohn and Ames, 2014), low-profit limited liability companies (Ebrahim et al., 2014), CICs (e.g., Peredo et al., 2018), and social purpose companies (Defourny and Nyssens, 2008).

Beyond national laws, to highlight the key commonalities and specificities of legal forms within and across national environments and their implications for social corporations, we collected two to three corporate-governing documentation samples per identified form of corporation in each national environment. We then analyzed 40 corporate-governing documents to identify core legal and governance-related dimensions of social corporations, to substantiate commonalities and differences across types of social corporations. To devise these distinctive dimensions, we first built an analytic grid based on the open coding of corporate-governing

Table 1

Social corporations' distinctive governance dimensions.

Distinctive governance dimension	
Social mission integration	<ul style="list-style-type: none"> • Integration in corporate-governing documents at incorporation or during the lifetime of the company • Integration rationale: related or not to formal conditions for adopting a specific corporate form within a given legal and institutional context
Voting rights	<ul style="list-style-type: none"> • Board of directors: "one director, one vote" rule; potential for additional voting power for different classes of directors when made possible • General assembly: "one person, one vote"; potential for additional voting power for some shareholders, proportional to the quota in capital the hold
Profit distribution	<ul style="list-style-type: none"> • Profit distribution possibilities ranging from non-existent to liberal
Property regime	<ul style="list-style-type: none"> • Private property regime: shareholders divisibly own the corporation, as each owns the full bundle of rights over his/her share • Common property regime: bundle of rights is indivisibly shared co-equally among a group of people (Ciriacy-Wantrup and Bishop, 1975)
Ownership structure	<ul style="list-style-type: none"> • Member-owned corporations always under common property regime • Shareholder-owned corporations under either common property or private property regime • Asset lock implementation: de facto institutes a common property regime (Peredo et al., 2018) and prevents corporation from being diverted from social mission (Defourny and Nyssens, 2017) • Asset-locked bodies: can be held by shareholders, but in case of company dissolution, assets go to the community or to another asset-locked body

documents collected in the UK, before applying it to all the other countries and progressively refining our analysis through an iterative process. The UK was chosen as a robust baseline because it is a pioneer country in the implementation of dedicated legal forms for profit-seeking social ventures (Segrestin et al., 2021), which are now well-established within the British legal framework. While we noticed small differences among countries, the main core distinctive governance dimensions identified remained. We then re-examined national laws, scholarly literature, and other secondary sources to complement our analysis and clarify remaining ambiguities. Overall, beyond (1) the integration of the social mission in corporate-governing documents, this analytical process led to the identification of four other distinctive governance dimensions to help substantiate commonalities and differences across the three types of social corporations, whose respective requirements and/or positioning regarding these dimensions further help distinguish them from more traditional corporations: (2) voting rights, (3) profit distribution, (4) property regime, and (5) ownership structure. Table 1 summarizes these dimensions and their key features.

3.2. Multiple case study: cases selection, data collection, and analysis

Building on the typology and its core dimensions, we further investigate the governance capabilities of social corporations to highlight the abilities underlying the materialization of social corporations' governance practices and commitments. To do so, we carried out an in-depth multiple case study (Eisenhardt, 1989a; Eisenhardt and Graebner, 2007). We used theoretical sampling to select the three central case organizations to study as information-rich cases (Shah and Corley, 2006). We selected the organizations from the list of social corporations on which we analyzed the governing documentation. To do so, we conducted online searches, consulted local and regional press, and contacted representatives of these potential case organizations. Our selection for the cases was then based on the following criteria: type of social corporation, minimum size, length of continued business activity, willingness to discuss organizational activities, relational processes and governance practices, and possible access to key stakeholders. We chose three social corporations representing one of the three types identified: EnerCal (HLSC), IntegraWork (SLSC), and CoTogether (BLSC) (pseudonyms, to keep identities confidential). All three corporations have been active for roughly 10 years and are well established in their geographic areas and contexts. EnerCal, a British CIC limited by guarantee, is an energy company that develops sustainable and green energies in the communities in which it operates. With 6 unpaid directors and 40 voting members, its goal is for the community to become carbon neutral. IntegraWork is a social utility and solidarity enterprise in France. It is active in tech training programs for precarious populations, such as migrants and the long-term unemployed, and has trained and followed up on more than 10,000 people. CoTogether, a company limited by guarantee and based in the UK, is an art and culture company supporting local and independent business and political events. Adopting a portfolio business model, CoTogether uses mechanisms such as cross-subsidization (D'Espallier et al., 2013) to support more vulnerable parts of the population. Table 2 details the firms' key characteristics.

For each case organization, we interviewed both internal and external stakeholders. The former are representatives at different levels of the organizations; the latter are in direct relationship with and directly involved in the governance of the organizations. All authors conducted interviews at IntegraWork, while the first author conducted interviews at EnerCal and CoTogether. We adapted the semi-structured governance-focused interview guide to the type of interviewee. It reflected preliminary elements appearing in literature and was built on initial findings and distinctive governance dimensions emerging from the typology-building analysis (Eisenhardt and Graebner, 2007). The interview guide addressed key themes, including the mission of the social corporation and the way it is deployed, the use of profits, the associated potential strategic and relational challenges faced in the development of activities, and the key decision-making processes and governance mechanisms. The 48 interviews lasted a combined 1110 min. At EnerCal, 14 interviews were conducted, 6 with internal (i.e., directors) and 8 with external (i.e., public authorities' representatives, volunteers, users) stakeholders. We conducted 14 interviews at IntegraWork, 9 with internal (i.e., directors, employees) and 5 with external (i.e., investors, partners) stakeholders. Finally, we conducted 20 interviews at CoTogether, 14 with internal (i.e., directors, board members, employees) and 6 with external (i.e., customers, volunteers, users) stakeholders. We also recorded personal reflections after each interview. As secondary data, we gathered internal reports and documents, media articles and industry reports, and materials published by the case organizations (e.g., web pages, press releases). The multiple data types and sources provided a basis for triangulation (Yin, 2017), for what we expected to be recurrent, complex patterns of organizational action and social dynamics.

Our methodology for theory building contained three main phases, during which the degree of analytical generalization progressively increased (Strauss and Corbin, 1990). First, we formed unique views of the findings independently of each other to generate initial first-order codes. We condensed these views into a coherent whole, enabling us to detect initial concepts within the raw data and classify them. We used open coding to arrange the research material into data incidents (Strauss and Corbin, 1990) and then re-engaged methodically with the entire data set. Thus, the final set of 35 first-order codes resulted from several iterations, during which we investigated similarities and differences across groups of incidents (Jarzabkowski, 2008).

Second, we searched for links between and among the first-order codes to group them into emerging second-order concepts (Galunic and Eisenhardt, 1996). In particular, we were interested in how each case organization designed and built abilities related to governance-related requirements and expectations. This analysis involved repeated discussions among the authors; we moved among the data, themes, and literature to ensure the fidelity of the emerging concepts with the data and to confirm that our interpretations were trustworthy and credible (Gioia et al., 2013).

Third, we turned to cross-case analyses to compare the insights emerging from each case with those obtained from the other cases to identify consistent patterns and themes (Eisenhardt and Graebner, 2007; Yin, 2017). We discovered that the social corporations more or less consistently engaged in efforts geared toward developing five governance capabilities that we related to key organizational governance pillars (i.e., performance, conformance, and responsibility). In addition, we worked to develop a clear distinction between common patterns and identified idiosyncratic, organization-specific features. Fig. 1 presents the first-order codes, second-order

Table 2
Case study organization background, interviews, and archival data.

Social corporation	Industry	Number of employees	Geographic scope	Interviewees	Accessed data
<p>EnerCal Founded in 2011, this HLSC aims for its community to become carbon-neutral. It has 6 unpaid directors and 40 voting members. All projects carried out by EnerCal aim to improve the community at large in relation to sustainability. It does not aim to make a larger profit than what is necessary to cover operating expenses.</p>	Energy	<50	Regional	14 - Internal stakeholders: 6 (directors) - External stakeholders: 8 (public authorities' representatives, volunteers, users) + 1 board of directors Average interview length: 1 h and 6 min	<p><i>Internal sources:</i> corporate-governing documentation, board of directors' minutes, and press releases <i>External sources:</i> national legislation</p>
<p>IntegraWork Founded in 2013, this SLSC is one of the largest social utility and solidarity companies in France. It has trained more than 10,000 vulnerable persons (migrants, long-term unemployed, women, and uneducated people) to work in tech jobs. Beyond its training objectives, the firm ensures its trainees actively look for work. IntegraWork accepts funding from non-social sources because it deems the money well used.</p>	Tech training programs	>200	International	14 - Internal stakeholders: 9 (directors, employees) - External stakeholders: 5 (investors, external stakeholders) Average interview length: 48 min	<p><i>Internal sources:</i> corporate-governing documentation, reports on board organization, and press releases <i>External sources:</i> national legislation</p>
<p>CoTogether Founded in 2008, CoTogether rapidly became an icon in its geographic area. This BLSC supports independent shops, artists, and thinkers through its portfolio business model. It always puts the social mission first, solely using profits to pursue it.</p>	Arts and culture	<50	Regional	20 - Internal stakeholders: 14 (directors, board members, employees) - External stakeholders: 6 (customers, volunteers, users) + 2 company meetings Average interview length: 49 min	<p><i>Internal sources:</i> corporate-governing documentation, board of directors' voting power calculator, board of directors' minutes, and press releases <i>External sources:</i> national legislation</p>

concepts (organizational activities and processes), aggregate dimensions (governance capabilities), and key governance pillars. [Appendix A](#) provides illustrative quotes for the second-order concepts.

4. A typology of social corporations

Social corporations differ in their setup and legal forms, depending on regulatory and institutional contexts. Our analysis of social corporations' governing documents shows that the influence of these contexts, and especially the availability of various legal options for social corporations, leads to the five distinctive governance dimensions introduced (social mission integration, voting rights, profit distribution, property regime, and ownership structure). Variations in these distinctive governance dimensions, reflecting both strategic choices by corporations and the respective legal and institutional settings in which they operate, allow us to distinguish among the three types of social corporations. Each type may break down into several legal forms depending on the country of operation. [Table 3](#) presents our typology.

First, social corporations may have specific incorporation forms created by governments for socially oriented, profit-seeking companies. We call these HLSCs because they are characterized by a dedicated legal status. In our multiple case study analysis, this is the case for EnerCal (hereinafter labeled EnerCal-HLSC). Second, social corporations can take the form of traditional for-profit organizations that are officially labeled as belonging to the social economy movement, meaning that these organizations follow domestic social economy principles as defined by the government—in countries where there is law or decree on social economy. We label them SLSCs because they evolve through soft-law mechanisms. Such mechanisms enable a regulator to extend its jurisdiction through norms that are intended to affect corporate behavior and are defined by governmental bodies, but are not strictly binding. This is the case for IntegraWork (hereinafter labeled IntegraWork-SLSC). Third, some organizations decide to become social corporations without adopting a legal form specifically dedicated to socially oriented, profit-seeking companies; rather, they adopt a traditional corporation form and become social corporations by specifying their social mission in their governing documents—in environments in which this is

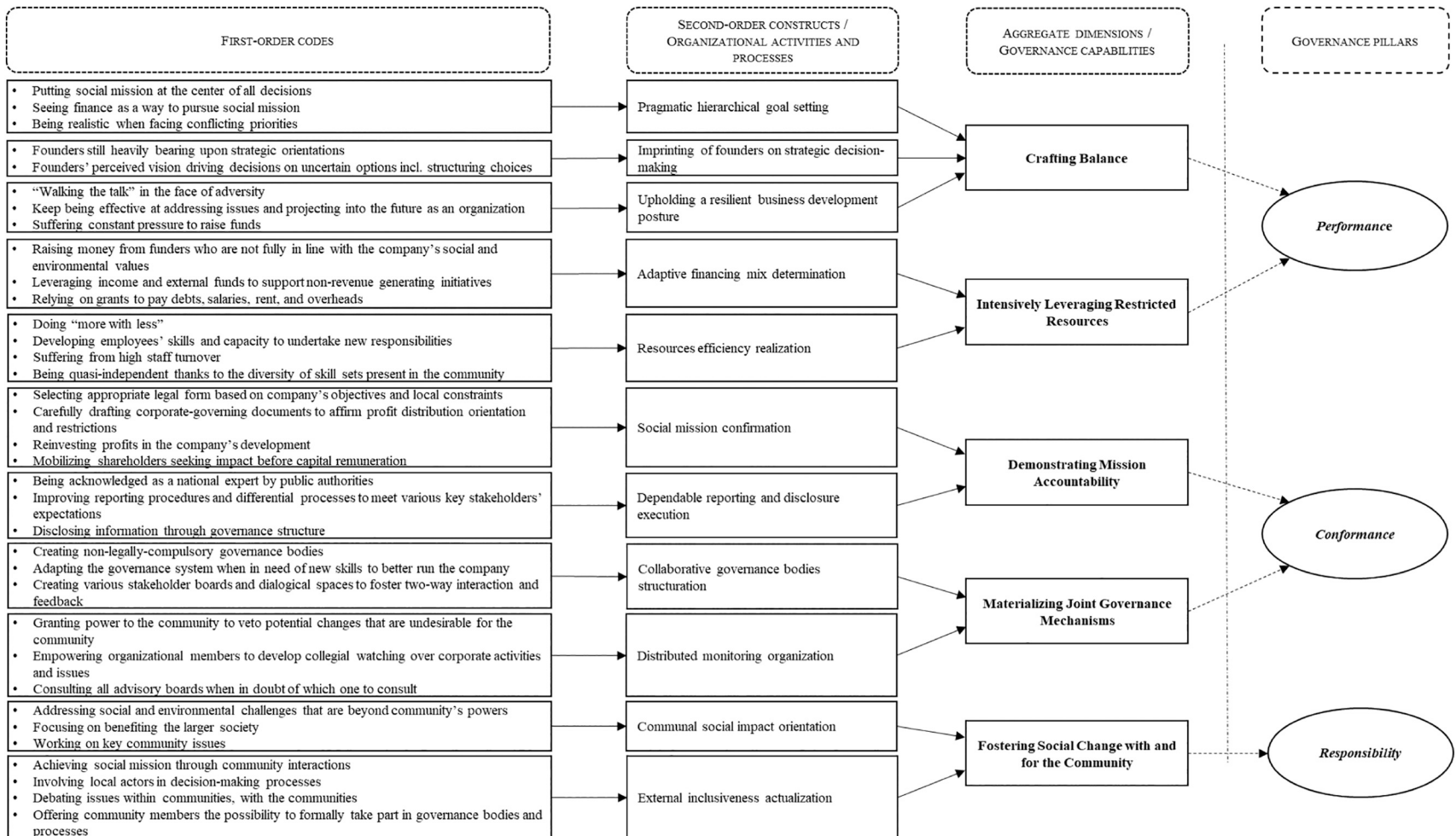


Fig. 1. Data structure.

Table 3
Typology of social corporations.

	Hard-law Social Corporation (HLSC)	Soft-law Social Corporation (SLSC)	Bylaw Social Corporation (BLSC)
Legal form	Specific for-profit legal status	Classic for-profit legal status & state-granted label to be a social economy entity	Classic for-profit legal status
Social mission integration	Legal requirement	Administrative requirement	Integrated into corporate-governing documents Discretionary decision
Voting rights			
Board of directors	One director, one vote or Double voting power for specific classes of directors	One director, one vote	One director, one vote
General assembly	One person, one vote and/or Votes proportional to quota in capital	Votes proportional to quota in capital	One person, one vote or Votes proportional to quota in capital
Profit distribution	Moderate to heavy requirements regarding profit distribution and dividends to shareholders	Moderate to significant requirements regarding profit distribution and dividends to shareholders	Non-existent requirements regarding profit distribution and dividends to shareholders
Property regime	Dominant private property regime	Dominant common property regime	Private or common property regime
Ownership structure	Shareholder-owned or Member-owned	Shareholder-owned	Shareholder-owned or Member-owned
Examples of countries	Colombia, Ecuador ^a & Peru ^a : benefit corporation (sociedades de beneficio e interés colectivo) Canada: community contribution company (British Columbia), benefit company (British Columbia) ^a , community interest company (Nova Scotia) Italy: benefit corporation (società benefit) France: mission-driven company (entreprise à mission) Puerto Rico: benefit corporation ^a UK: community interest company limited by shares, community interest company limited by guarantee US: benefit corporation, social purpose corporation, low-profit limited liability corporation	France: social and solidarity economy company (société commerciale de l'économie sociale et solidaire), social utility and solidarity enterprise (entreprise solidaire d'utilité sociale) Belgium: social purpose company (entreprise à finalité sociale/ vennootschap sociaal oogmerk) Luxembourg: social impact company (société d'impact sociétal)	Potentially all countries with a dedicated legal status for social corporations, in which social ventures nonetheless adopt a classic for-profit legal status. Only in countries where law or institutional environment does not prevent for-profit companies from not maximizing profit for shareholders.
Examples of social corporations	Colombia: Fruandes Canada: Anhart Homes (CCC), Placemaking 4G (CIC) Italy: BioClean UK: Common Interest (CIC ltd by shares), Till the Coast is Clear (CIC ltd by guarantee) US: Patagonia (benefit corporation), Purism (social purpose corporation), VSJF Flexible Capital Fund (L3C)	France: U2Guide (social and solidarity economy company), Phronesis, La Ruche Qui Dit Oui! (social utility and solidarity enterprise), Belgium: Azur en Ardenne (social purpose company) Luxembourg: 6zero1 (social impact company)	Belgium: Peas&Love France: L'équipe 1083 UK: Opus

^a These legal forms were created after our data collection and reflect the most recent legal developments as of January 2022.

possible. We call these organizations BLSCs.² This is the case for CoTogether (hereinafter labeled CoTogether-BLSC).

4.1. Hard-law social corporations

HLSCs constitute a wide category because of the many countries and legislations (e.g., Canada, Colombia, Italy, UK, US) represented in this type. They can be shareholder-owned or member-owned, and their property regime can be private or common, depending on whether they implement an asset lock. In most cases, HLSCs implement democratic voting rights (i.e., “one person, one vote”) at the board of directors, though some legal forms allow specific classes of directors to have more voting power. Regarding voting powers at the general assembly, they can be democratic and/or proportional to the quota in capital. Social corporations in Canada (i.e., CICs and community contribution companies) are particularly inclined to switch between the two systems depending on the voting system adopted. In some legal environments, some HLSCs are not permitted to redistribute any surpluses to shareholders or members, with “no dividends payable to shareholders” (UK-CIC limited by shares), or this is possible only to a limited extent, when “the directors may from time to time declare a dividend upon the shares of a particular class of shares” (Canada-CIC). In other contexts, profit distribution schemes can resemble redistribution mechanisms typifying conventional companies, with shareholders receiving a return on their investment through dividends, such as when “Shares of Preferred Stock ... earn dividends at an annual rate of 3% of the original purchase price” (US-Benefit corporation). Although this is not a strict legal obligation for HLSCs, they can forsake immediate returns, with shareholders renouncing their entitlement to dividends. In this case, the preference is to reinvest benefits in the social mission and the organization. Profit distribution policies are indeed considered a determining dimension of the social entrepreneurial nature of a venture (Rivera-Santos et al., 2014; Zahra et al., 2009). As socially oriented ventures, HLSCs aim for positive social change rather than mere profit maximization and therefore tend to reinvest their profits in the business or the community (see Doherty et al., 2014).

4.2. Soft-law social corporations

We consider SLSCs traditional profit-seeking organizations that fulfill national legal requirements regarding the social economy sector, among which is the integration of a social mission in their corporate-governing documents. By doing so, they receive a state-granted label that is defined by a law or decree (Chiapello and Godefroy, 2017; Dedeurwaerdere et al., 2017; Fraise et al., 2016). This state-granted label is an administrative status—rather than a legal one—making it a soft-law mechanism. In the case of SLSCs, state-granted labels indicate that for-profit companies originally deemed as not belonging to the social economy sector officially become so, provided they respect the domestic social economy principles advocated by the legislator. These principles are the rules, as laid out by a country's regulator, that need to be implemented to officially be a member of the social economy sector. This type of social corporation is found in Europe (e.g., Belgium, France, Luxembourg), where the social economy sector has historically been strong.

SLSCs tend to be democratic at the board level. For the general assembly, votes are proportional to the quota in capital. Despite being shareholder-owned, SLSCs are dominantly ruled under a common property regime. In such cases, “the liquidation surplus [is] allocated as close as possible to the company's social purpose” (Belgium-Social purpose company). Only Luxembourg SLSCs implement a private property regime. The use of surpluses in SLSCs is heavily dependent on the national context. Indeed, although these social corporations have the legal status of a traditional for-profit, they must comply with domestic social economy principles (Defourny, 2017), and most of them pay few, if any, dividends. SLSCs must first reinvest surpluses in the business to achieve social objectives before distributing dividends to shareholders—in Luxembourg, this is measured and controlled through performance indicators. Furthermore, the French social and solidarity law prevents social corporations from reducing their capital stock.

4.3. Bylaw social corporations

BLSCs are profit-seeking organizations that fulfill the condition of formally integrating their social mission into their governing documents. These ventures do not adopt a specific, dedicated legal form, nor do they seek to be officially recognized as a social economy entity. BLSCs are found alongside HLSCs and SLSCs in legal and institutional contexts in which official recognition of one and/or the other forms exists, and corporations have the possibility to include a social mission in their governing documents. Eligibility requirements for being formally considered an HLSC or SLSC vary from country to country, and some environments can be stricter than others regarding conditions to be met to acquire and maintain a dedicated status. In this context, some social corporations may not be able to gain official recognition or do not opt to adopt a specific social corporation form because they deem that this would significantly restrain their current functioning or not bring relevant added value. For example, Belgium has strict conditions on the governance mechanisms that a social corporation should implement. The country requires SLSCs to adopt a cooperative-like governance through democratic governance.

Although they are not ruled by strict legal or administrative requirements, unlike the other two types of social corporations, BLSCs often implement democratic principles at the board level. Regarding voting rights at the general assembly, BLSCs are closer to HLSCs, as they have a democratic and a more capitalist orientation, depending on the type of ownership and legal form adopted. For example, a British BLSC combines both orientations: “every member present in person or by proxy shall have one vote” (UK-Private limited

² We use the term “bylaw” in this name as a generic word encompassing all types of corporate-governing documents (i.e., both articles of incorporation and bylaws).

company); a French BLSC implements a more traditional approach: “Each share gives the right to one vote” (France-Simplified joint-stock company). Furthermore, BLSCs often reinvest profit in the business to foster their social goals, though they do not face constraints in this respect. Last, as they are member- or shareholder-owned, their ownership structure typically affects their profit redistribution policies.

5. Governance of social corporations

Identifying social corporations' distinctive governance dimensions enabled us to address their international typology and better understand how they work, in line with legal or administrative requirements and specific commitments at the organizational level. Yet these dimensions remain insufficient to fully grasp the governance mechanisms and abilities developed by social corporations to avoid mission drift and be sustainable in the long run. We thus identify five key governance capabilities related to the building, integration, and (re-)configuration of organizational and external resources and competences supporting social corporations' endurance over time. Each of these capabilities builds on specific sets of organizational activities and processes and relates to one or more identified distinctive governance dimensions. Four of these governance capabilities respectively connect with the two commonly considered organizational governance pillars: performance and conformance (see [Ho, 2005](#); [Jamali et al., 2008](#); [Tricker, 1994](#)).

The performance pillar pertains to the way corporations handle expectations about the definition and realization of their corporate objectives. It is associated with strategic decision-making and the actual deployment of the corporation's strategic orientation ([Huse, 2007](#); [Li et al., 2020](#)). The conformance pillar involves providing assurances to stakeholders about the corporation's aptitude to meet the expectations of external scrutiny. Conformance is about principles of accountability, disclosure, and transparency ([Huse, 2007](#); [Shleifer and Vishny, 1997](#)). The fifth governance capability refers to responsibility as the third governance pillar (see [Fahy et al., 2005](#); [Mason and Simmons, 2014](#)), which is more specifically relevant to mission-driven ventures such as social corporations ([Kennedy et al., 2020](#); [Rawhouser et al., 2015](#)). Responsibility entails expectations about the corporations' positive impact on key stakeholders and/or the natural environment. Such an impact is structurally entrenched in the social corporation's constitution and governance model ([Boeger, 2018](#)).

5.1. Performance pillar

5.1.1. Crafting balance

Social corporations leverage the crafting balance governance capability—or their ability to carefully construct an equilibrium between the potentially conflicting social and market logics to sustain economic success and the achievement of their social mission over time—through three sets of organizational activities and processes: (1) pragmatic hierarchical goal setting, (2) imprinting of founders on strategic decision-making, and (3) upholding a resilient business development posture. These organizational activities and processes help foster a constructive maintenance to avoid mission drift ([Ebrahim et al., 2014](#); [Smith and Besharov, 2019](#)). The sensible fulfilling of the status-entrenched, enforceable mission and the avoidance of mission drift stem from the social mission integration distinctive governance dimension.

First, all three social corporations engage in pragmatic hierarchical goal setting, with primacy typically given to social (vs. economic) goals. This is characterized by a focus on undertaking activities that are strictly in line with the social mission. As a CoTogether-BLSC board member (CT-bm3) noted, “the aim is not making profit, the aim is to deliver the activities.” Yet while it puts the well-being of its beneficiaries at the heart of every decision, IntegraWork-SLSC also sometimes pragmatically engages in remunerative partnerships with actors that do not fully echo its strong social ethos. In other words, “If we have a social impact but [face] a financial loss, well we are not going to be able to achieve our social impact for long [and] our main goal is to have a social impact” (IW-d1). Financial matters can thus be considered “secondary [but only] to some degree” (EC-d1). That is, social corporations share with other social ventures and traditional non-profits a declared “common pursuit of primary social, noneconomic objectives” ([Bacq et al., 2019](#), p. 822), but in a vigilant manner capable of “institutionally bending without organizationally breaking” ([Gümüşay et al., 2020](#), p. 124). Such mission-backed prescriptive efforts contain common purpose-grounded contradictions and associated tensions characterizing social ventures. In general, though, such declarative measured primacy of social goals must be considered cautiously, with some social corporations de facto more modestly broadening objectives to also include social goals along with profit-generating objectives ([Baudot et al., 2020](#)).

Second, founders' social vision and influence are usually enduring and of prime importance in enterprises created with social impact-generating objectives at their heart ([Bacq et al., 2019](#); [Kelly et al., 2000](#)). The founders of all three social corporations exert such strong imprinting effects ([Nelson, 2003](#)) and continue to craft balance through a long-lasting, substantial or more symbolic prevalence over strategic decision-making. This imprinting effect—as well as the way of dealing with often competing social and economic demands ([Wagenschwanz and Grimes, 2021](#))—may vary (and progressively diminish) depending on the founders' personality and formal governance decision-making processes. At CoTogether-BLSC, for example, the founder has a great deal of influence and remains entrusted with decision-making. During team meetings, the first author noticed that the founder was often entrusted by his colleagues on most matters. His influence, however, is counterbalanced by a highly participatory governance system—in which decision-making is not solely based on capital ownership but also actively involves specific stakeholders ([Defourny and Nyssens, 2010](#))—and his own willingness to dilute decision-making power, leading a consumer to state that this BLSC “seems a lot more like a team to me” (CT-c3). Conversely, IntegraWork-SLSC's founder and his strong personality remain particularly influential in strategic decision-making processes. He holds the majority of voting rights on the board of directors and, at times, goes against formulated recommendations, to follow what he deems relevant to achieve the social mission in the long run, leading an employee to declare that

“if [the leaders] have something in mind, then it will be done” (IW-e4).

The third set of identified organizational activities and processes supporting crafting balance as a governance capability involves upholding a resilient business development posture, previously suggested as a strong imperative for social ventures (Williams et al., 2017). Throughout their life span, all three case organizations faced a variety of crises. For example, EnerCal-HLSC is “still resilient and continuing” (EC-pa4) after the departure of one of its founders. Directors also became liable when troubles in a governmental grant emerged. IntegraWork-SLSC's rapid growth from a start-up to a 200-plus employee-company led to a treasury crisis in 2017, only overcome by developing novel financing sources and innovative partnerships. In line with Haigh and Hoffman's (2012) arguments, trust-based relationships with the communities in which these organizations operate were foundational and instrumental to the upkeep of organizational resilience. The lasting aptitude of the case corporations and their members to address criticisms, overcome adversity, and rebound allowed for navigation through hybridity-related strains and for multi-dimensional performance achievements in the long run (see also Kuntz et al., 2016; Vallaster et al., 2021).

5.1.2. Intensively leveraging restricted resources

The governance capability of intensively leveraging restricted resources—or the ability of the social corporation to gain access to, mobilize, and make effectual use of key resources to create value for the organization and the community—is supported by two sets of activities and processes: (1) adaptive financing mix determination and (2) resource efficiency realization.

First, the financing mix of many social corporations comprises a wide range of funding sources (Huybrechts et al., 2014). The three social corporations position themselves slightly differently in terms of financing mix, reflecting both their respective legal status as income-generating ventures and more organization-specific philosophical orientations. Regarding external funding processes, EnerCal-HLSC regularly benefits from public governmental grants. According to a director at EnerCal-HLSC (EC-d3), “We apply for grants. And we win a lot of grants,” taking advantage of the CIC status. CoTogether-BLSC cannot access public funding as it is not officially recognized as a social venture. In this context, the corporation relies more on sponsor funding from private actors. Both these corporations nonetheless endeavor to align their financing mix with the values underlying their social mission. For example, although CoTogether-BLSC is under constant financial strain, in the past it has refused grants from private donors not matching its business-related principles. At IntegraWork-SLSC, intensive patronage by multinational corporations complements public funding that the corporation can receive thanks to its social utility and solidarity enterprise status. IntegraWork-SLSC thus adopts a more opportunistic approach and welcomes funds even if it deems them not in line with its own business philosophy. “I ... am among those who think that we have to go and take the money where it is,” stated a co-worker (IW-e1), “because I know that this money is turned into something good.”

Second, resource efficiency refers to the ratio of input (e.g., money, personnel) to output (Ozcan et al., 1997) and dictates how social corporations use different types of resources to deliver value and ensure that “their own limited resources [do not] keep them from pursuing their vision” (Dees, 2001, p. 5; see also Malsch and Guieu, 2019). The three social corporations were particularly skilled at doing more with less, including forming proactive partnerships and/or building on the dedication of organizational members. EnerCal-HLSC, for example, effectively calls on the community to take part in projects whenever support is required. IntegraWork-SLSC is demanding of employees regarding tasks scope and commitment. CoTogether-BLSC also mobilizes organizational members on firm projects. “If we can find ways to overcome those barriers of [financial] capacity, then we can derive more value from the work that we're doing” (CT-e3). Such involvement of organizational members, who in the case of CoTogether-BLSC are the final owners, is embedded in the distinctive governance dimensions of property regime and ownership structure.

5.2. Conformance pillar

5.2.1. Demonstrating mission accountability

Social corporations' success is gauged not only by their financial success but also by their progress toward the achievement of their social mission. However, “ensuring accountability for the social mission ... is complicated by a lack of common standards or benchmarks for social performance measurement” (Ebrahim et al., 2014, p. 85). In this context, a social corporation's governance capability of demonstrating mission accountability is its ability to produce, provide, and effectively communicate evidential elements regarding the actual realization of its social purpose to key stakeholders. Our study suggests that this capability builds on two sets of activities and processes: (1) social mission confirmation and (2) dependable reporting and disclosure execution.

First, our case organizations' inclusion of their social mission in corporate-governing documents, as a distinctive governance dimension, constitutes a formal and binding primary commitment to fulfill their social purpose alongside economic objectives. Actual benefits allocation decisions and processes, in relation to the distinctive governance dimension of profit distribution, are further indications of the confirmation of the social mission by social corporations. The aim of EnerCal-HLSC, for example, “is really to spend the money on the things that improve ... the overall well-being [of the community]; but it's not for individuals” (EC-d3). IntegraWork-SLSC, which can distribute dividends to shareholders, has always transparently communicated to investors that they would never receive dividends. This SLSC thus positions itself beyond the law in terms of benefits allocation. CoTogether-BLSC highlights that “the social mission always wins” (CT-d1), strongly asserting the centrality of its social mission, considering its more conventional legal status.

Second, social ventures still often “do not provide constructive and voluntary accountability information to their stakeholders” (Connolly and Kelly, 2020, p. 1997), though expectations of extra-financial disclosure by corporate actors are increasing (Jackson et al., 2020; Maroun, 2020). Effectively engaging in dependable reporting and disclosure execution is crucial for social corporations to substantiate their social performance. To address such requirements, on top of public relations initiatives, EnerCal-HLSC has

implemented a dual externally oriented reporting process: one for governments at large (including regular efforts along the lines of grants-related requirements) and one for its community. Notably, the company conducted a 10-year longitudinal survey of the community to report measures and show evidence of its social impact. Several community members informed us, through informal talks, that this survey played a part in the success of and their involvement in the project. IntegraWork-SLSC produces extra-financial reporting for shareholders. Communication with the external world is also strategically deployed; the SLSC uses media coverage to attract candidates who are not “under the radar” and increase its social impact. CoTogether-BLSC's actual external reporting processes remain limited and strictly related to grant application schemes and ties aimed to answer private funders' demands. Yet the BLSC engages in continuing public relations and external communicational initiatives to increase the visibility of its social engagement. As a result, according to a director (CT-d3), “people are regularly commissioning [the BLSC] to contribute to reports and surveys and ... speak at events.”

5.2.2. Materializing joint governance mechanisms

Materializing joint governance mechanisms refers to the creation of inclusive governance bodies as well as collaborative decision-making and monitoring, in relation to the distinctive governance dimension of voting rights. This involves internal and external actors to ensure connections with key stakeholders. This governance capability is central for social corporations; fostering cooperative schemes at different organizational levels provides social corporations with knowledge and know-how (Vallaster et al., 2021) and conditions the scaling effect of social venture activities (Ellis, 2010). Two sets of activities and processes feed this capability: (1) collaborative governance bodies structuration and (2) distributed monitoring organization.

First, the design of specific governance bodies can be legally required, though this is often left to the social corporation's discretion. IntegraWork-SLSC and CoTogether-BLSC have gone beyond legal requirements. IntegraWork-SLSC has created several governance bodies, sometimes granting them more influence than requested by the French legislation. Yet even less powerful bodies (i.e., that have only a consultancy role and no formal decision-making power) are highly considered by the management committee, which intensively consults these other bodies, when by law, they are only required to have a works council. CoTogether-BLSC recently redesigned its governance system. The BLSC used to have one board, comprising employees and key external stakeholders. With time, that board became inefficient, as it failed to meet accountability standards and to identify evolving stakeholders' expectations. This BLSC thus engaged in restructuring its governance bodies. After “a very long, drawn-out considered process” (CT-e5), it split the old board into three boards: an employee board comprising directors and all employees with some minimum seniority, a technical expertise board comprising social economy and industry professionals, and a stakeholder board. Voting powers of these boards are 60%, 20%, and 20%, respectively, with a “one person, one vote” rule; consensus is constantly sought. Despite the predominance of the employee board in terms of voting power, much attention is paid to the other boards, considered the safeguards of CoTogether-BLSC's business development and mission. As with IntegraWork-SLSC, CoTogether-BLSC went beyond legislation, which usually only formally requires a board of directors and a general assembly. The SLSC and BLSC thus adopt a participatory governance approach (Defourny and Nyssens, 2010). EnerCal-HLSC decided not to go beyond UK CIC-related requirements and functions with one board of directors (with a “one person, one vote” rule) and a general assembly. This HLSC could legally engage in rearticulating its governance system to make it more inclusive through new governance bodies (Dufays and Huybrechts, 2016).

Second, the design of several governing bodies, consisting of various kinds of stakeholders, helps distribute monitoring activities within the organization. This distributed monitoring—linked to both distinctive governance dimensions of property regime and ownership structure—constitutes a distinguishing feature in the three organizations. In this study, the term “monitoring” represents the observance and gathering of information about internal agents' “actions and effort” (Eisenhardt, 1989b) in the fulfillment of the social and economic corporate responsibilities. It supports information provision to management and reporting to main stakeholders. At IntegraWork-SLSC, for example, the continuing monitoring function has—sometimes informally and often beyond traditional auditing processes—developed across hierarchical layers inside the organization and involves external stakeholders. As a director (IW-d4) noted, “compared to what I have seen in large companies, I think we have a much stronger participation [from employees] in the company's projects.” The management committee and board of directors widely consult to attain consensus and avoid voting whenever possible (see Haugh and O'Carroll, 2019). According to a CoTogether-BLSC employee (CT-e2), “I think anybody who wants to express an opinion about anything is given a good opportunity to do so. And lots of the meetings, more than in other organizations, are open to all.” This helps trigger a stronger motivation among stakeholders, including “owners,” and interest in organizational life and processes (Deci et al., 1989).

5.3. Responsibility pillar: fostering social change with and for the community

For a social corporation, making a profit and addressing customer desires are not only part of the model but also a means to a social end. Economic value creation is not the gauge of success, nor is customer satisfaction or economic wealth accumulation; lasting social impact is (Dees, 2001; Jiao, 2011). Our case organizations emphasize their ability to collaboratively generate social impact and ensure that value is indeed shared among key actors. Thus, they address social impact considerations by developing two sets of capability-building activities and processes: (1) the reliance on a communal social impact orientation and (2) the actualization of external inclusiveness. Both sets of activities, and thus the capability itself, are entailed by the distinctive governance dimensions of profit distribution, property regime, and ownership structure.

First, all three social corporations are forcefully engaged in exerting a positive impact on the well-being of the ecosystems in which they operate, beyond economic benefits. EnerCal-HLSC views the community in which it mainly develops its activities as the primary beneficiary. All decisions are taken with a community-centered orientation in mind, summarized by a simple question: “Will it benefit

the community?” Even projects that do not directly tie in with its main business operations are considered a potential investment opportunity. As underscored by one director (EC-d4), “everything we do in the long run has to be to benefit the community.” This HLSC further engages more widely in community-driven efforts across the UK. CoTogether-BLSC adopts a similar community-centered approach in the surroundings in which it operates by supporting independent businesses and local initiatives in the community at large, not solely its customers. “The things that we do, generally speaking, are intended to be for the well-being of the community,” notes an employee (CT-e4). EnerCal-HLSC's and CoTogether-BLSC's efforts to generate social impact are thus “built in” and “bolted on”—or less directly connected with—their core business activities (see Grayson and Hodges, 2017; Hahn, 2020). At IntegraWork-SLSC, primary beneficiaries are the trainees. Beyond training activities, this SLSC also closely follows up their integration on the job market and thereby cooperates with a constellation of organizations at the local level, with a social impact ambition always remaining tightly linked to its core business.

Second, effective inclusion of external stakeholders and the public at large, through dialogical and deliberative processes, contributes to realizing a collective responsibility extending beyond organizational boundaries to guide the development of the social corporation and the achievement of positive community impact. At EnerCal-HLSC, for example, external inclusion—beyond declarative commitments—materializes through the encouragement of the involvement of all community members, who are free to decide on their level and period of involvement. All community members are treated in the same way, regardless of the amount of help they bring to the social corporation. Although not all social corporation forms are legally required to engage in such an inclusive approach, all our case organizations carry out deep inclusiveness-oriented initiatives that help mobilize external stakeholders in their governance system at various levels of the organization, also beyond board representation. For example, CoTogether-BLSC intensively builds on community members' volunteer work to craft and develop key projects, to “allow room for debate,” and to develop “strong connections to communities” (CT-c2). IntegraWork-SLSC mostly actualizes external inclusiveness through the activation of several board-related consultative committees of external actors.

6. Discussion

Profit-seeking ventures that legally integrate social and environmental objectives into their mission and governing documents are an increasingly important structure for entrepreneurs. Thus, distinguishing social corporations from other venturing forms and identifying specific types of social corporations is particularly relevant. To further position social corporations as clearly delineated forms of profit-seeking social ventures, we examined their governance characteristics through the identification of their distinctive governance dimensions as well as the governance capabilities they develop to sustain their social mission and avoid mission drift over time. This work is particularly important because governance abilities remain a poorly explained component of social ventures (Battilana et al., 2020; Zahra et al., 2009). More traditional shareholder-centered corporate governance approaches are indeed limited in their consideration of and intrinsic capacity to deal with social ventures' institutional complexity. These approaches also fail to consider relations with and integration of multiple stakeholders in organizational and strategic dynamics (Amis et al., 2020). In addition, beyond highlighting actual governance procedures and mechanisms that can or should drive the flourishing of socially driven organizations such as social corporations (Bacq and Aguilera, 2022; Battilana, 2018; Ebrahim et al., 2014; Mair et al., 2015), research has largely left aside questions related to the practices and abilities that together allow for the development of such governance procedures and mechanisms by social ventures. Setting relevant governance processes and developing specific governance-related organizational capabilities (Filatotchev et al., 2003; Mayer and Salomon, 2006) are nevertheless crucial for companies that combine social and economic objectives. Our findings thus extend literature by showing how social corporations can deploy resources and competences to achieve mission-related social impact and economically sustain relationships with key stakeholders (Dosi et al.,

Table 4

Governance capabilities of social corporations.

		Hard-law Social Corporation (HLSC)	Soft-law Social Corporation (SLSC)	Bylaw Social Corporation (BLSC)
Performance	Crafting balance	Strong social logic and dominant market logic or <i>Equilibrium</i> between social and market logics	<i>Equilibrium</i> between social and market logics	Strong social logic and dominant market logic
	Intensively leveraging restricted resources	<i>Private</i> and <i>public</i> financing – Supporting an <i>organizational efficiency</i> emphasis	<i>Private</i> and <i>public</i> financing – Supporting a <i>personal efficiency</i> emphasis	<i>Private</i> financing – Supporting an <i>organizational efficiency</i> emphasis
Conformance	Demonstrating mission accountability	<i>Mission centrality affirmation</i> – Reported and communicated through a predominant social mission <i>walking-to-talk</i> stance	<i>Mission centrality affirmation</i> – Reported and communicated through a predominant social mission <i>walking-to-talk</i> stance	<i>Mission centrality averment</i> – Reported and communicated through a predominant social mission <i>t(w)alking</i> stance
	Materializing joint governance mechanisms	<i>Inclusive</i> governance approach or <i>Participatory</i> governance approach	<i>Participatory</i> governance approach	<i>Inclusive</i> governance approach or <i>Participatory</i> governance approach
Responsibility	Fostering social change with and for the community	Community impact through <i>core</i> business and <i>peripheral</i> activities.	Community impact through <i>core</i> business activities	Community impact through <i>core</i> business and <i>peripheral</i> activities.

2008; Klarner et al., 2021).

While specifically relevant in the particular universe of social corporations, our work nevertheless connects with recent, more general debates and insights into the design and implementation of inclusive governance perspectives in for-profit contexts and the need to reconsider how to approach, theorize, and practice “stakeholder governance” (Amis et al., 2020; Bebchuk and Tallarita, 2020; Bridoux and Stoelehorst, 2020). Our findings on different governance-related activities, processes, and capabilities contribute to efforts to understand the growing development of sustainability- and other purpose-driven strategic initiatives by more traditional for-profit organizations (Freeman et al., 2020; Hengst et al., 2020). In particular, our findings show that specific governance capabilities can indeed both condition and foster stakeholder governance strategies, mechanisms, and activities that can safeguard company-specific investments while increasing the welfare of multiple stakeholders (see Klein et al., 2012).

Ultimately, confirming prior research on socially driven for-profit ventures (Vallaster et al., 2021), our multiple case study further stresses the central importance of also considering context-specific contingencies for better conceptualizing nuanced social corporation governance capabilities and the activities and processes supporting them. To clarify commonalities and discrepancies across social corporation types, we discuss, in light of extant research and general social corporation regulatory and administrative characteristics, the findings associated with each of the key organizational governance pillars (performance, conformance, and responsibility) to which identified governance capabilities relate. Table 4 summarizes our arguments.

6.1. Social corporation types and performance, conformance, and responsibility

6.1.1. Performance-related governance capabilities

Profit-seeking social ventures are confronted with various degrees of hybridity (Shepherd et al., 2019), which is a source of competitive advantage for social ventures that are able to forge “a configuration of elements that fits well with the demands of their environment” (Pache and Santos, 2013, p. 996)—especially if their customers care about social values and attach symbolic meaning to a company’s products and services (Fosfuri et al., 2016). The development of novel social venturing forms such as HSLCs and SLSCs provides opportunities for such a (re)configuration by further legitimizing corporate efforts toward combining social and economic logics. Yet these efforts can often be a hurdle for sustaining activities or growing over time (Smith and Besharov, 2019), notably owing to the various tensions they can cause within and across organizational boundaries (Battilana and Dorado, 2010; Pache and Santos, 2010).

Our findings indicate that when performing well, social corporations craft balance between sometimes conflicting goals and values to intensively leverage their resources. However, they implement these capabilities in different ways, depending on their type. While HLSCs, SLSCs, and BLSCs all follow a strong social logic, BLSCs, which are closer to traditional for-profit corporations, typically remain subject to stricter market expectations. This is at least partly due to the lack of opportunities to access public financing for developing their activities. Our study indicates that different types of social corporations proactively but non-homogeneously combine social and market logics in their governing practices (see Mair et al., 2015; Zhao and Wry, 2016). Importantly, it substantiates how differences in the degree of hybridity (Shepherd et al., 2019) are associated with the respective types of social corporations. It suggests that, when deciding to adopt one or the other venturing types, entrepreneurs might (re)consider the relative suitability of the combination of their economic and social ambitions.

To leverage restricted resources, the specific regulatory and administrative specificities of the different forms of social corporation condition access to certain financing possibilities. In a context in which access to financial resources proves critical to the survival and growth of social ventures (Cobb et al., 2016; Davies et al., 2019), our findings stress how the social corporation types differ in the way they mobilize and use resources to enact their social mission. In particular, to develop their activities, SLSCs mostly rely on approaches that put emphasis on human capital and especially on “personal efficiency.” Personal efficiency, as a sub-dimension of the broader organizational efficiency line, is described in other contexts as giving particular emphasis to workers’ hard work, thrift, and will power (Haber, 1973). While this finding is in line with works underscoring the intrinsic motivation and positive work-related commitments among organizational members of such structures (e.g., Borzaga et al., 2019), our study also suggests that overemphasis on personal efficiency can lead to negative well-being outcomes (e.g., occupational stress, exhaustion). These outcomes echo emerging management research on the darker sides of so-called work meaningfulness (Bailey et al., 2019; Bunderson and Thompson, 2009).

6.1.2. Conformance-related governance capabilities

Our findings show that social corporations achieve conformance through their ability to demonstrate accountability and develop joint governance mechanisms. From an accountability demonstration standpoint, HLSCs and SLSCs affirm the centrality of their social mission. The SLSC type is formally backed by specific administrative conditions associated with its status. The social legitimacy conferred to social corporations by a formal HLSC or SLSC status also helps explain the typical adoption of a “walking-to-talk” stance regarding the venture’s communication around social impact (Mersland et al., 2019). That is, social corporations give priority to “walking”—the actual actions and realization of the social mission—over “talking,” in which they typically engage subsequently. Conversely, BLSCs prioritize a mission centrality aversion, as we call it in Table 4, which is characteristically backed by a “t(w)alking” stance (Schoeneborn et al., 2020). Through such an approach, mission-driven efforts and associated communication are often deployed simultaneously; activities and communication are thus continuous and mutually constitutive. The use of a “t(w)alking” stance helps socially driven for-profit ventures cope with a lack of institutional recognition and affirm their social mission. Indeed, these ventures and their social pursuit are frequently considered less authentic (see Mazutis and Slawinski, 2015) and face more cynicism and legitimacy-related questions (Stecker, 2016).

Our multiple case study and analysis of corporate-governing documents further show that both rules imposed by regulators and

self-imposed principles shape the development of the joint governance mechanisms supporting and enabling social corporations' accountability toward society and key stakeholders. Our study thus contends that stakeholder governance mechanisms must be considered a *de facto* defining feature of social corporations. In line with Mair et al. (2015), we show that legal or administrative forms of social corporations vary in the extent of formal power allocated to various stakeholders in governance processes. We also show that the “fundamental shifts in power relationships” (Stephan et al., 2016, p. 1269) characterizing organizations pursuing positive social change are not only experienced (Jay, 2013; Mair et al., 2015) but also proactively experimented and shaped by social corporations and their stakeholders.

6.1.3. Responsibility-related governance capabilities

Finally, our study shows that social corporations' responsibility for social impact is a primarily defining governance mainstay attached to the formalization of their social mission. Social corporations of all types encourage external stakeholders—in particular, community members—to take ownership of the social impact ambition (Hertel et al., 2019). They typically foster the opportunity for a multiplicity of actors operating collectively to drive social change (Maiolini et al., 2015; Montgomery et al., 2012), echoing the functioning and objectives of community-based ventures to some extent (Muñoz and Kimmitt, 2019). Our study shows that social corporations can achieve this communal social impact ambition through initiatives that are embedded in their core business or, even, are peripheral to their main business activities (Aguinis and Glavas, 2013). However, there are some type-related nuances in this context. In line with their closeness to the social economy sector, SLSCs tend to focus more on fostering communal social impact through core business activities, as they usually use resources (incl. dedicated public funds) to nurture clearly delineated activities. As a rule, BLSCs and certain forms of HSLC enjoy more freedom in the way they mobilize resources (Cohn and Ames, 2014); they can combine strategically integrated and more peripheral efforts to deliver social value, to a certain extent echoing the behavior of more common “enlightened” companies seeking reputational rewards (Crilly et al., 2012).

6.2. Future research avenues

Recognizing the distinct characteristics of social corporations has implications for both entrepreneurs and policymakers. Social entrepreneurs can refer to our typology to better grasp their options when setting up a social venture and the identification of key governance capabilities contributes to emphasize processes and activities that must support their sustaining. Policymakers can further refer to governance dimensions and capabilities of social corporations when setting requirements for accessing public funding. To substantiate practices associated with the emergence and adoption of social corporations as new forms of social venture, further research is however required from both an empirical and a theoretical standpoint, as the idea of social corporations still requires theories adapted to their nature and context (Siqueira et al., 2018). This could be done in two ways. First, scholars could adjust existing theories to the distinctive governance features of social corporations. For example, institutional logics theory and stakeholder theory already include elements related to tensions between economic and social objectives in well-established organizational forms, and may need to be adapted to the key specificities of social corporations. Second, where existing governance theories prove insufficient to constructively deal with these specificities, our findings encourage scholars to further engage in novel, more fundamental theorization efforts specifically dedicated to these venturing forms.

Moreover, we invite entrepreneurship and management scholars to continue our research effort by conducting studies along several avenues. The first avenue would address some of the limitations of our study. Our comprehensive analysis—without claiming to be exhaustive—spans seven national environments and pays specific attention to context-related contingencies characterizing the social corporation phenomenon. We further draw on a diverse set of corporate-governing documents to substantiate our typology in addition to the national laws related to the 16 social corporation forms we identified. Considering all these elements, we are confident our theory-generating effort achieves a sensible level of contextual generalization (Tsang and Williams, 2012). Yet key differences related to a particular social corporation form in a given legal environment deserve a more nuanced approach or more specific attention to overgeneralization; there is thus a potential to refine the typological framework we proposed and/or specifically enrich the governance capabilities we stressed. Moreover, while community-based entrepreneurship initiatives typically rely on participative action (Hertel et al., 2019; Peredo et al., 2020; Peredo and Chrisman, 2006), our findings suggest that the design of inclusive governance structures can help foster a distribution of monitoring in social entrepreneurship. Further research could build on recent literature on the entrepreneurship theory of commons (Meyer, 2020; Peredo et al., 2018) to better understand how such governance mechanisms in social ventures could contribute to the institutionalization of resources as commons and to the commodification of resources.

A second avenue involves the implications and outcomes associated with the adoption of a specific social corporation form. A dedicated profit-seeking legal status provides companies with a steadfast way of ensuring commitment to social objectives and is also likely to soften some hybridity-related performance tensions (see Ozanne et al., 2016). Further research could focus on the implications of social and economic value creation flowing from the decision to adopt a specific social corporation form at the outset or to transition into a social corporation. Indeed, research needs to shed light on the value creation repercussions of various social corporation types compared with other social venturing types. This could guide efforts of entrepreneurs, investors, and policymakers in setting up, developing, and/or supporting social ventures (Davies et al., 2019; Sahasranamam and Nandakumar, 2020). In particular, keeping in mind the specificities of the respective contexts in which social corporation forms have emerged, and given the growing interest in entrepreneurial intention in the entrepreneurship literature (Bacq and Alt, 2018; Liñán and Fayolle, 2015), further research should also address the specific intentions of founders in different legal and institutional environments. The new generation of entrepreneurs associated with the rise of social corporations requires moving beyond the typical portrayal of the devoted entrepreneurial super(wo) man (see Bacq et al., 2016). Furthermore, research could compare social corporation entrepreneurial intentions with the motivations

of traditional for-profit company entrepreneurs and entrepreneurs leading other types of social ventures in the different contexts in which social corporations exist.

Third, research could also analyze the new legal statuses that define social corporations as the result of the interactions between lawmakers and civil society organizations certifying businesses and influencing new regulatory structures (Khavul et al., 2013; Moroz et al., 2018). National legal requirements thoroughly influence social corporations that need to stick to regulatory rules to operate, such as SLSCs. Further research could examine how existing regulations affect the balance between various institutional logics. Moreover, research could explore how tailored-made regulatory frameworks could encourage the emergence of social corporations and how specific self-regulation practices moderate the effect of these frameworks.

Fourth, the five governance-related organizational capabilities we emphasized and the way they are deployed are relevant in the specific context of the social corporation types we examined, as a subset of so-called profit-seeking social ventures that formally integrate a social mission into their governing documents. Beyond testing the validity of our capability-related arguments in different contextual settings, future research efforts could further assess their relevance to a wider range of organizational populations. Such populations include not only other social ventures, such as non-profit and mixed-entity socially driven organizations, which associate “a for-profit with a non-profit [structure] through ownership, contracts, donations, or other means” (Haigh et al., 2015, p. 60), but also more traditional for-profit companies. We hope that the social corporation typology and governance capabilities we have proposed will fruitfully inspire more work on the growing global phenomenon of profit-seeking ventures pursuing social goals.

Declaration of competing interest

The authors declare that they have no conflict of interest.

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Appendix A. Table of quotes

Governance capabilities	Organizational activities & processes	Case organization	Illustrative quotes
Crafting balance	<i>Pragmatic hierarchical goal setting</i>	<i>EnerCal-HLSC</i>	“Our goal has never been financial. Our goal has always been environmental and social.” (Director 1) “Our goals are mainly environmental and social. The finance is ... we need to be viable but it's secondary to some degree.” (Director 1) “So if it has a return then good, if it doesn't, it has to promote awareness of what's going on.” (Director 2)
		<i>IntegraWork-SLSC</i>	“I, for example, on a very individual and personal basis, am among those who think that we have to go and take the money where it is, to go on.... Because I know that this money is turned into something good.” (Employee 1) “We work with a [company like] Total, because we take their money, which is very good. But behind, suddenly, we close our eyes to a lot of things and we, at the same time, have a discourse, where we want ... not to save the world but almost and ... it's complicated. It's difficult to justify, it's very, very complicated. And so, we are not militant, we are more opportunist than militant.” (Employee 1) “If we have a social impact but make a financial loss, well we are not going to be able to achieve our social impact for long. And if we make a lot of money, that doesn't make sense since that's not our main goal. Our main goal is to have a social impact.” (Director 1)
		<i>CoTogether-BLSC</i>	“The aim is not making profit, the aim is to deliver the activities.” (Board member 3) “It's not there to benefit individuals, it's there to benefit the community.” (Board member 3) “I think all the projects are kind of guided by the same mission, which is to promote positive social change in [the city], and in the wider areas, promote positive social change.” (Employee 1)
		<i>EnerCal-HSLC</i>	“I think people come up with ideas and then we discuss it. I think if we felt that there was no quantifiable benefit to the community, or that it didn't really reflect our values then we probably wouldn't do it.” (Director 4)
	<i>Imprinting of founders on strategic decision-making</i>	<i>EnerCal-HSLC</i>	

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Governance capabilities	Organizational activities & processes	Case organization	Illustrative quotes
		<i>IntegraWork-SLSC</i>	<p>"You'd actually debate it and talk about it and work out what's ... sometimes the best ideas come from a chance remark. So I think that we try and respond to all the inquiries and things that we get, and sometimes we get a lot, people want to come along and film, and do things like that." (Director 4)</p> <p>"I suppose we don't sort of seem to divide up responsibilities." (Director 6)</p> <p>"This is a bit of a problem at [IntegraWork]. Not only the management committee, but especially the leaders. Honestly, if they have something in mind, then it will be done. Even if the management committee does not agree and says 'going for this is a mistake', if [the Chairman] or [the CEO] want to do it, and are convinced, the management committee will also be swayed and therefore the employee board will also be swayed." (Employee 4)</p> <p>"I feel like I live in a dictatorship that isn't one. It's ambivalent. I have the impression that we are in a strong dictatorship." (Employee 3)</p> <p>"I often say, half joking, that [IntegraWork] is a North Korean democracy. That is to say that it is a democracy where everyone has the right to speak but in the end it is still either [the Chairman], or [the Chairman] and the board who decide at the end of the day. So as that is under control, let's say, we only see advantages to having participatory governance." (Director 3)</p>
		<i>CoTogether-BLSC</i>	<p>"I don't think [CoTogether] comes across as an organization with a manager and managed people. It seems a lot more like a team to me." (Customer 3)</p> <p>"We all depend on each other for different things, and we all help out as and when we're needed. I think there's an element of ... kind of natural leads for certain things." (Employee 3)</p>
	<i>Upholding a resilient business development posture</i>	<i>EnerCal-HSLC</i>	<p>"One of the founders of [EnerCal] has now moved away from [the village], but the group itself is still resilient and continuing. So that's testament to its effectiveness." (Public authorities 4)</p>
		<i>IntegraWork-SLSC</i>	<p>"Today I would say that [IntegraWork] built up very quickly because [the Chairman] had the acumen to give the means to build the regional entities of [IntegraWork] to people he met. This allowed us to expand very quickly. And at the same time, on the other hand, people have developed a bit of autonomy. And I would say that the deployment models (when I talk about operational entities, I'm talking about those who are responsible for delivering training so the team of trainers, what we call training project managers and all managers who manage the somewhat operational part) ... well in fact, we have no entity today that has the same [internal] organization. And we don't have the same vocabulary. There was, for example, one project that revealed a lot about all this and upset many people: We set up a customer relationship management tool and the question was to know who was going to use [it] because we were not going to give it away [to everyone] because we are supposed to be a community of software developers and salespeople and in fact, we realized that nowhere was organized in the same way. And basically, when somewhere some people said that the territorial manager was a developer, or commercial manager, in fact, it was not the case elsewhere." (Employee 3)</p> <p>"[The Chairman] says '[CoTogether]'s strategy is that there isn't one.' And that sums up his character well, actually. He likes chaos and when it really is a mess." (Employee 3)</p> <p>"The second absolutely essential event was the fall in subsidies for vocational training, since there was a fairly significant crisis." (Employee 5)</p> <p>"Now there is also a reality, it is that at the financial level, this is a company which has been shaken by various and diverse crises." (Employee 5)</p> <p>"I would say at least 2-3 [directors] have left, who in the end did not necessarily adhere to the change in the organization." (Director 2)</p>
		<i>CoTogether-BLSC</i>	<p>"[Our] main challenges? I suppose like so many organizations money, and sustainable income or revenue money through monetary throughput to pay for staff time. Because it's very very dependent on staff time." (Employee 3)</p> <p>"It seems like quite a vulgar answer, but we need more money. We need ... we always need more funding ... more income." (Employee 5)</p>
Intensively leveraging restricted resources	<i>Adaptive financing mix determination</i>	<i>EnerCal-HSLC</i>	<p>"If we haven't got the money we don't spend it." (Director 2)</p> <p>"The provision for the pavilion and the field, it came from a grant. The school, if it wants something, we had the playground resurfaced last year, but there was no money available for it. We had to apply for a grant to pay for the playground, but it wasn't sufficient in itself." (Director 2)</p> <p>"We applied for grants. And we won a lot of grants. We won one grant to specifically pay for us to go around the country speaking to other communities." (Director 3)</p>
		<i>IntegraWork-SLSC</i>	<p>"We still need to obtain some additional [finance] that we will look for either if we have specific audiences and therefore the project has a specific color, or from funders, such as the region." (Employee 5)</p>

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Governance capabilities	Organizational activities & processes	Case organization	Illustrative quotes
		<i>CoTogether-BLSC</i>	<p>“So we sort of all sought business advice. So we went to growth incubators, and all this sort of nonsense.” (Director 2)</p> <p>“Mainly ... you know, by and large we're also left to our own devices to trying to work that out, as a business.” (Employee 2)</p>
	<i>Resource efficiency realization</i>	<i>EnerCal-HSLC</i>	<p>“All the money we spend is reinvested in the village. So for example, a community recreation field is everybody's benefit. The community shop is everybody's benefit. We don't invest in individuals; we invest in projects.” (Director 3)</p> <p>“At the moment, we're probably not doing a massive amount, we're looking after the money, we're looking after the panels, we're keeping up one of our main things.” (Director 4)</p>
		<i>IntegraWork-SLSC</i>	<p>“We also have people who are distressed at [IntegraWork], because we are under pressure, well, under pressure and there's quite a strong tension since we have a lot of work. We still have a corporate culture that is still akin to a start-up. Except that we are no longer much of a start-up because we no longer have the objectives of a start-up at all. We have finally become huge, we are operating at the international level, we are.... We are starting to be very big, but we still have start-up modes of operation. That is, there are very few strata between management and the field. And, suddenly, it's very interesting but it means that everyone has to do very diverse and varied tasks but which, all of a sudden, do not really match job descriptions, which do not really correspond to what we were expecting from our work. And, in fact, we are a little loose by nature at [IntegraWork] because it goes very quickly, it goes too fast and ... there you go.” (Employee 1)</p> <p>“We don't quite know how it will impact [IntegraWork]. The employees work a lot. So, you have to keep in mind that most of these instances and most of the things that are carried out at [IntegraWork], they are carried out almost outside working hours. In fact, a lot of people are working overtime or throw themselves into this mission to spend hours at the works council, spend hours at the employee board.” (Employee 5)</p>
		<i>CoTogether-BLSC</i>	<p>“The main targets for us, in the sort of sales role, are the monthly magazine targets and the app sales targets, which cover the costs. Basically they just cover the costs of going to print and staff time, and the sort of development spend on the app.” (Employee 1)</p> <p>“Bringing in new members of staff and increasing the hours of existing members of staff and developing the app a bit more. We added some more features to that. So it's very rare that we have a kind of capital expenditure, it's very rare that we say ‘Right, we want to spend all the money on this thing.’” (Director 3)</p>
<i>Demonstrating mission accountability</i>	<i>Social mission confirmation</i>	<i>EnerCal-HSLC</i>	<p>“Our primary motivation isn't to make money, our primary motivation is to make the village as self-sufficient as possible, in as many ways as possible.” (Director 1)</p> <p>“Our mission is really to spend the money on the things that improve the overall sustainability of the village, or the overall well-being of the population, but it's not for individuals.” (Director 3)</p> <p>“To generate funds that we can usefully use in the village, particularly through the saving of energy and the things that we've done to support the village firstly through helping.” (Director 2)</p> <p>“Yes, so they can benefit from it in a sense because all the money we spend is reinvested in the village.” (Director 3)</p>
		<i>IntegraWork-SLSC</i>	<p>“We're in a company that has an absolutely obvious social impact. We're on social innovation. We're on free training. We're with founders who really wanted to be a social utility and solidarity enterprise and who fought for that.” (External stakeholder 1)</p> <p>“The first mission that we are aiming to fulfill at [IntegraWork], is indeed to train for valued jobs of the future, allowing society to include young people with few qualifications and the long-term unemployed.” (External stakeholder 5)</p> <p>“In our bylaws and with our shareholders we have always been clear that we would never pay dividends.” (Director 3)</p> <p>“Profit is supposed to be reinvested in the business. So, for me, today there is no real profit at [IntegraWork].” (Employee 5)</p>
		<i>CoTogether-BLSC</i>	<p>“We are only beholden to ourselves.” (Director 2)</p> <p>“I would say broadly, yes: The social mission always wins. But there's probably some nuance to some of those decisions.” (Director 2)</p> <p>“I think they're taking on a very difficult job. So to boost something like social benefit ... that's ... would restrict those guidelines.” (Customer 1)</p> <p>“Last year we made some profit and it was invested this year into a new company-wide branding, which we introduced in April: A new website for</p>

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Governance capabilities	Organizational activities & processes	Case organization	Illustrative quotes
			the magazine.” (Director 3) “All of the profits go back into the company and the work that people do.” (Volunteer 1)
	<i>Dependable reporting and disclosure execution</i>	<i>EnerCal-HSLC</i>	“We’re governed by the Charity Commission, it gives us that seal of approval that we’re a proper organization and we do proper reporting.” (Director 3) “Our reporting is clearly to the Companies House, to the revenue and customs and to the CIC regulator.” (Director 1)
		<i>IntegraWork-SLSC</i>	“We strongly urged [the Chairman] to complement [his] executive function with an experienced man who would structure and set up HR, reporting, recruitment, financial tools, etc. To channel, sort, prioritize the myriad ideas that [the Chairman] has every morning when he meets someone.” (External stakeholder 1) “Investors take a very, very close look at [IntegraWork]’s financial and organizational objectives. That is, it is this body [the board of directors] that asked that a COO be recruited, a financial director be recruited.” (Employee 5)
		<i>CoTogether-BLSC</i>	“Well I wrote a social impact report for [CoTogether]: An overview of the organization and the impacts it has in different areas.” (Employee 2) “People are commissioning us to do reports and surveys and speak at events.” (Director 3)
Materializing joint governance mechanisms	<i>Collaborative governance bodies structuration</i>	<i>EnerCal-HSLC</i>	“So, if there’s a project, the board will consider it and vote on it. But we certainly wouldn’t borrow to fund anything.” (Director 2) “It doesn’t matter if the staff change at the school, and so then it carries on, rather than it being what one teacher does and they leave, so it’s properly embedded, and then, for the board, a good strong presence in the village.” (Director 2)
		<i>IntegraWork-SLSC</i>	“We have an executive committee [the employee board] within [IntegraWork] that is made up of young employees, generally middle managers. And this executive committee is selected through elections. Representatives are elected by the whole team and they are completely autonomous in terms of what they can bring up. They have their own decision-making power. They have a budget; they have time and they work on subjects that are generally cross-cutting for [IntegraWork]. Either they tackle subjects that they are offered, for example, they were currently working on telecommuting, or subjects that they tackle themselves in an extremely free manner. So, these are meetings we don’t attend. But it is an important part of governance. We put this in place because it allows us, on the one hand, to have structured input from the team on subjects that are important subjects for [IntegraWork]. And on the other hand, it allows us to break up the silos a bit, the more hierarchical approaches that are a bit inevitable when you are in a large structure.” (Director 1) “I will tell you about the governance at [IntegraWork] at two levels: There is the micro level and there is the macro level. At the micro level, finally, what I call the micro level, is the governance of teams and how management, or the way teams communicate with each other, can be set up. We are still on something very very cross-departmental and very horizontal.” (Employee 5)
		<i>CoTogether-BLSC</i>	“Everyone decides which decisions they share with the team.” (Director 4) “It was a very long drawn-out considered process getting to that point where we’ve got three, the three boards. And exactly what those roles of those boards are.” (Employee 5) “I think that the management team clearly have a leadership dynamic, or power dynamic. But that power dynamic is not recognized in the ways that you would normally recognize a leadership.” (Employee 5)
	<i>Distributed monitoring organization</i>	<i>EnerCal-HSLC</i>	“It’s never been an issue, where we have to, for instance, vote. We’ve never voted on anything, it’s more or less based on agreement. I don’t think anyone has ever disagreed on the direction we should go. There are general agreements, because I think we all want to achieve the same thing. And if an idea is good, I think everybody appreciates it, no matter who says it.” (Director 5) “Consensus is, I think, the way everything has gone. Generally, most things that have been suggested, I think, have normally been followed up.” (Director 6)
		<i>IntegraWork-SLSC</i>	“On employee involvement, compared to what I have seen in large companies, I think we have a much stronger participation in the company’s projects [...]. It is something that we want and push for.” (Director 4) “This employee board, it reinvents itself every year to try to be more efficient, more participatory, more ...” (Director 2)
		<i>CoTogether-BLSC</i>	“I think anybody who wants to express an opinion about anything is given a good opportunity to do so. And lots of the meetings, more than in other

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Governance capabilities	Organizational activities & processes	Case organization	Illustrative quotes
Fostering social change with and for the community	<i>Communal social impact orientation</i>	<i>EnerCal-HSLC</i>	organizations, are open to all.” (Employee 2) “I mean, sometimes there are obviously specific projects people are working on. But often there are lots of people at generic meetings.” (Employee 2) “Have a technical expertise board, and then also have staff helping direct decision-making. You know, being led by staff making decisions on the board is absolutely critical, really, I think.” (Director 4) “Everything we do in the long run has to be to benefit the community.” (Director 4) “The energy company provides a service to the community.” (Volunteer 1) “If they think the way that we operate at the moment could be improved, or you know, we need to make it a wider organization, a membership organization or whatever, then obviously we would look at that.” (Director 4)
		<i>IntegraWork-SLSC</i>	“We are happy with the impact, we are happy with the growth, the number of people who take the training, the diversity, their background, etc.” (External stakeholder 1) “The people who work here have such a desire to do well, and so want to make an impact, and are so proud, that we also have trouble setting our own limits.” (Employee 4)
		<i>CoTogether-BLSC</i>	“The things that we do, generally speaking, are intended to be for the wellbeing of the community.” (Employee 4) “We’re very outwardly and obviously a community-based organization that wants to empower and assist the community itself.” (Employee 4)
	<i>External inclusiveness actualization</i>	<i>EnerCal-HSLC</i>	“Ultimately our aim is to have a zero-carbon footprint and we get that through community interaction.” (Director 3) “Anybody who engages with any aspect of village life ought to have felt some advantage at some stage.” (Director 1)
		<i>IntegraWork-SLSC</i>	“We share our news, our impact missions. We soak up what they tell us in terms of ideas, in terms of possible partnerships, etc.” (Director 1) “We decided to be more bottom-up and to orient ourselves toward a more participatory but external governance.” (Director 2) “There is really a lot of thinking going on to integrate more stakeholders of a different nature.” (Director 2)
		<i>CoTogether-BLSC</i>	“Allowing room for debate, allowing strong connections to communities from us as a business.” (Customer 2) “They do raise money through distribution which, obviously, is part of the informing end and connecting of the community and that sort of thing.” (Board member 3) “We run a poetry event. There will be an open mic section where anybody can get up and read a poem. For the festival, anybody could get in touch and run an event, and we would provide the support and the infrastructure for that to happen. And through the magazine, anybody can get in touch and write an article.” (Director 3)

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