

**LOCAL CHALLENGES WITHIN AN EMERGING INSTITUTIONAL FIELD: B CORP  
MOVEMENT IN NEW MEXICO**

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## Abstract

Prior work on institutional field emergence has provided rich mechanisms to explain how and why fields form and shift. However, this work has not fully considered the local variance within the larger institutional field gaining convergence. As a result, we do not know how local actors, defined in this study by their geographical region, address the unique challenges of their local context while contributing to the convergence of the broader institutional field. To understand these dynamics, we focus on the B Corp movement in New Mexico. Specifically, we study the actions of central and peripheral actors within and between field-configuring events organized to further the B Corp movement in the state. We are gathering data through (1) *diary entries* of key actors furthering the B Corp movement by encouraging other businesses to undergo certification and by advocating for the Benefit Corporation legislation in the state; (2) *observing the events* organized and supported by these key actors to create awareness around the B Corp movement; and (3) *interviews* with these key actors, as well the peripheral actors attending these events. We are also recording the impact these events have in terms of the number of B Corps certified between the events and the passing (or not) of the Benefit Corporation legislation within our study period. We are within 3 months of this two-year study. Our potential contribution lies in explicating the theoretical mechanisms underlying local variance within a broader institutional field comprising the actors interested in the B Corp movement, and the impact such variance has for the movement's success at the local level.

## **Introduction**

Institutional fields coalesce around common issues and meanings and are often driven by small actions or groups. Fields comprise “organizations that, in the aggregate, constitute a recognized area of institutional life: key suppliers, resource and product consumers, regulatory agencies, and other organizations that produce similar services or products” (DiMaggio & Powell, 1983: 148). For a field to configure and reconfigure, actors must agree with and center their attention on categories that provide reasons for the field’s existence (Anand & Watson, 2004; David, Sine & Haveman, 2015; Gray, Purdy & Ansari, 2015; Greenwood, Sudday and Hining, 2002).

Prior work has offered rich theorizing around how a field emerges and changes. For example, Hardy and Maguire (2010) describe how the text produced in and outside the discursive spaces such the UN Conferences leading to the Stockholm Convention resulted in changes in institutional field with new actors entering the field, meanings of key issue changing and as a result new rules emerging to address the key issues. Similarly, Hoffman (1999) describes changes in institutional fields in terms of competing institutions within the field. He describes field evolution in terms of actors and meaning of environmental management. Specifically, he explains the dynamics of such shift in terms of questioning prior belief and the salience in each stage of the regulative, normative and cognitive institutional pillars.

However, this literature is yet to fully acknowledged the local variance within an emerging field as the overall field continues to move toward coherence. Geographical region is one source of local variance. Broadly, the insights related to local communities and institutions imply that organizations sharing a geographical region also share the cognitive, normative and regulative institutions such that they cohere around similar issues and actions (Marquis, Glynn, & Davis, 2007).

The possibility of local convergence presents an interesting dilemma. For a field to emerge, reducing such variance could be beneficial. And yet it is possible that local regions are likely to face unique issues that are misaligned with the categories of a broader emerging institutional field. *How then do local actors manage their unique challenges while trying to adhere to the broader categories at the center of an emerging field?*

To answer this question, we focus on the emerging field of B Corps. B Corps represent a global movement of a “new kind of business that balances purpose and profits” (B Lab, 2019). These are businesses that choose to undergo an independent assessment and certification of their social, environmental and governance practices by a third party called B Lab. B Lab is a non-profit organization founded in 2006. Currently there are 2,788 businesses certified as B Corps across 150 industries, and 60 countries.

B Corp certification is not simply a certification but is orchestrated as a ‘movement’ for social change. Cao et al. (2018) describe it as a fourfold movement for “(a) building a community of Certified B Corporations; (b) promoting legislation creating a new corporate form that meets higher standards of purpose, accountability, and transparency; (c) accelerating the growth of ‘impact investing’ through the use of B Lab’s impact investment rating system; and (d) galvanizing support for the movement by sharing the stories of Certified B Corporations” (p. 3). More recently, B Lab has framed the term “B Economy” to include not only B Corps but also their suppliers, regulators, and others who are interested in the B Corp movement. We treat the B Corp movement as a field that includes certified and aspiring B Corps, B Lab, local and state government, lawyers, business associations, academic institutions and other actors interested in

institutionalizing business responsibility in business practices and corporate charter in the context of the B Corp movement.

Specifically, we focus on field-configuring events or “temporary social organizations such as tradeshow, professional gatherings, technology contests, and business ceremonies that encapsulate and shape the development of professions, technologies, markets, and industries” (Lampel & Meyer, 2008: 1026) as a central mechanism of achieving coherence in a field.

Field-configuring events are important because they provide a temporary space for actors in the field to interact with each other, spaces that are not usually available (Hardy & Maguire, 2010). In these spaces, actors can understand, manage, and resolve issues, such that “institutionalized meanings around events can fortify or change the relationships that structure a field” (Glynn, 2008: 1119).

We adopt a process ontological view (Chia, 2002; Langley, Smallman, Tsoukas, & Van de Ven, 2013) and consider field-configuring events as instances in the ongoing efforts of local actors to contribute to the emerging field and construct meaning within their geographic space. Epistemologically and methodologically, our study includes actions that lead up to events, and what happens between the events such that the events are simply markers of an ongoing process of field emergence.

## **Methods**

Our study is focused on New Mexico and its emerging interest in the B Corp movement. Currently, New Mexico has only four certified B Corps. This statistic is surprising given that New Mexico is in close proximity with a thriving B Corp community in Colorado; it is a majority-minority state with high poverty (United States Census Bureau, 2018), which means social issues such as diversity and food security are front and center for organizations including

businesses; and New Mexico receives much accolades in terms of mountain trails, ski valleys and other opportunities to experience the natural environment, and hence issues related to climate change are salient for most businesses.

Despite the few B Corps in the state, the B Corp movement in New Mexico seems to be gaining momentum. The certified B Corps are actively sharing knowledge and encouraging others to get certified. In parallel, the Santa Fe Chamber of Commerce has sponsored the Benefit Corporation bill a few times and is looking for the current Governor to change the tenor in order to pass the bill. Importantly, both groups—those advocating for B Corp certification and those looking to pass the Benefit Corporation legislation—see their work as complementary.

We are 3 months into a two-year study of how this movement unfolds in New Mexico. Given our research question, we are collecting the data as follows.

*Diary entries.* We are asking the four New Mexico B Corps, and one aspiring B Corp to record their decisions in the form of an online diary using the app called Penzu. They note information about the action/decision related to the work they do outside their organizations for furthering the B Corp movement. Specifically, we ask them to record who was involved, what was the goal of the action, and what was the conclusion. They periodically share these diary entries with us.

*Archival materials.* We ask the respondents filling the diary entries to also share supporting materials. For example, for a speaking engagement they send us: (1) emails, (2) slide decks, (3) planning documents, and (4) event photos.

*Events.* The B Corp managers have agreed to inform us beforehand if they plan to organize/speak at an event related to the B Corp movement. We are observing these events. In

addition, we are engaging in informal conversations with the event participants to understand their interest in and understanding of the B Corp movement in New Mexico.

*Interviews.* We are conducting periodic interviews with the 5 organizations making the diary entries. In these interviews, we go deeper into the diary entries to understand their actions between events.

We are also interviewing other actors in field such as event participants. We are conducting 30 min interviews with these individuals to record any action they may have taken toward certification, the relationships they established and followed upon post events, any learning and change in business practices after attending events.

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