European journal of volunteering and community-based projects Vol.1, No 3; 2024
ISSN: 2724-0592 E-ISSN: 2724-1947
Published by Odv Casa Arcobaleno

Legitimizing Benefit Corporations: An Italian Perspective on Mandatory Non-Financial Reporting

Francesca Picciaia,
University of Perugia
Associate professor
Email: francesca.picciaia@unipg.it

Libero Mario Mari
University of Perugia
Full professor
E-mail: liberomario.mari@unipg.it

Mazzotta Romilda
Associate professor
University of Calabria
E-mail: romilda.mazzotta@unical.it

Corresponding author: Francesca Picciaia, University of Perugia**,** Via Pascoli 1, 06135 Perugia, Italy**.** Email: francesca.picciaia@unipg.it Phone: 00390755855251

Abstract

Purpose: Analyze how Italian Benefit Corporation (BC) use their mandatory non-financial report (SIR) to enhance corporate legitimations and therefore comprehend if SIR is used in substantive or symbolic approach.

Design/Method/Approach: The study analyzes Impact reports (SIRs) of 56 Italian Benefit Corporations (BCs), chosen from ORBIS database. The analysis is conducted through the lens of legitimacy theory and through a content analysis of SIR.

Findings: the results revealed the presence of organizations which have not yet fully understood the importance of the accountability and communication processes in terms of sustainability, legitimation.

Originality: This is an original contribution, that considers the new interconnection between mandatory non-financial reporting and hybrid organizations.

Practical and social implication: The results could be useful for scholars, since they contribute to deepening the issue of mandatory non-financial reporting in hybrid organizations and its effects in terms of legitimacy, but also for practitioners and hybrid organizations in understanding the importance of materiality of disclosure and in structuring material reporting.

Key words: Benefit corporations, non-financial report, Relazione di impatto; Legitimacy theory, Content analysis; Hybrid organization; materiality; symbolic approach; substantive approach; social aim; communication; Italy

Doi: 10.5281/zenodo.14199786

European journal of volunteering and community-based projects Vol.1, No 3; 2024
ISSN: 2724-0592 E-ISSN: 2724-1947
Published by Odv Casa Arcobaleno

1. Introduction

In recent year, there has a significant shift towards sustainability issues and the social impacts of business activities, prompting a transition from traditional business models to so-called sustainable business models. This shift, driven by various factors, largely stemming from social and institutional pressures (Baker and Schaltegger, 2015; Bansal and Roth, 2000; Campbell, 2007; Matten and Moon, 2008), has been reflected in an increasing recognition of sustainability as an integral component of corporate value. Within this evolving perspective, the reporting of sustainability aspects not only emphasizes a heightened focus on Corporate Social Responsibility (CSR) but also serves as a tool for evaluating and judging the organization's results. This transition is particularly evident in so-called hybrid organizations. One of the most recent examples of this hybridism is represented by Benefit Corporation (BC).

Originally introduced in the United States, BCs challenge the conventional dichotomy between profit and social impact, aiming to encourage companies to integrate profit objectives with social and environmental goals (Marchini *et al.*, 2022). Subsequently, this model was also adopted in Europe, with Italy pioneering (Bandini *et al.*, 2022; Gazzola *et al.*, 2019) through the enactment of Law no. 208/2015 (BC Law), which establishing the legal framework for BC, referred to as "*Società Benefit*". A key feature of BCs is the mandatory non-financial report, known as the Social Impact Report (SIR) or "Relazione di Impatto", which details their achievement of non-economic objectives, or common benefits, as specified by law.

In the literature there are some initial contributions focused on BCs in Italy (Gazzola *et al.*, 2019; Marchini *et al.*, 2022; Mion *et al.*, 2021; Nigri *et al.*, 2020; Preghenella and Battistella, 2021). These studies, however, like the existent international literature, do not address the issue relates to a new combination of phenomena arising from inherent features of BCs or analyse the mandatory non-financial reporting associated with hybrid organizations (and its economic and social aims). This aspect is very important because document in which non-financial information is reported (SIR) becomes the means through which organizations build own legitimacy; and for hybrid organizations, legitimacy is the most important element for their sustainable success and existence (Gulbrandsen, 2011; Rosser *et al.*, 2022a), and it is crucial also because the risk is that non-financial information is disseminated solely to comply with the law and not to meet the needs of stakeholders (Balluchi *et al.*, 2020). The possibility of assessing whether the actions (and the results) of organizations are consistent with the stated aims, values and principles (Calabrese *et al.*, 2016), and thus with the legitimation of the organization itself, is directly linked to the quality and the quantity of disclosure. Regulatory norms indicate the mandatory framework of the reports (quantity), and their quality deals with the identification of material information, significant and relevant contents to be reported to favouring the expectations and to satisfy the interests of a plurality of stakeholders. Materiality has long been regarded as a fundamental concept for financial documents (Edgley, 2014), and now it is also one of the most significant principles through which organizations disclose their non-financial information (Global Reporting Initiative (GBS), 2021). Two are the main legitimation strategies: substantive or symbolic activity. Where the former involves real, material change to organizational goals, structure and process while the latter does not involve real changes but attempts to portray corporate activities as compatible with societal norms and value. Society generally favours concrete substantive response (Savage *et al.*, 2000).

This study seeks to explore the phenomenon of Italian BC by examining their ability to enhance their legitimacy through the communication processes in their mandatory non-financial documents (SIRs), which showcase their sustainable activities. In this study is hypothesized that disclosure in SIR is part of corporate legitimation process, which is indicative of the degree of "fit" between social expectations and organizational activities (Savage *et al.*, 2000). In this sense, the paper focuses its attention on how BCs disseminate information through their SIRs and tries to understand if this report is used as a symbolic rather than substantive medium in organizations' legitimation process. As such, the study applies the theoretical framework proposed by Suchman (1995) in the wider context of organizational legitimacy and legitimation processes (Ashforth and Gibbs, 1990). We focused on symbolic and substantial approaches on legitimation strategies and their connection with the meaning and the quality of non-financial disclosure. The study is set on a sample of Italian BCs; Italy is chosen due to its pioneering role in Europe, since it is one of the first countries which introduced this legal form. After the identification of possible subdimensions of materiality for each BC's SIR, we performed a qualitative inductive content analysis, a method that offers an exploratory way to answer research questions when there is little existing literature on the topic.

This is an original contribution, considering the new interconnection between mandatory non-financial reporting and hybrid organizations. As result, the study contributes to literature on legitimacy theory, on hybrid organization and on the use of mandatory non-financial information for corporate legitimation. Moreover, the study aims to categorize the level of awareness of organizations with mandatory sustainability disclosure (in our case Italian BCs) and their ability to build and uphold legitimacy through substantive (material) non-financial disclosure. Additionally, it provides insights into the communication strategies employed by these organizations to demonstrate alignment with their declared objectives.

The results of this research could be useful for scholars, since they contribute to examine the issue of mandatory non-financial reporting in hybrid organizations and its effects in terms of legitimacy more deeply, but also for practitioners and hybrid organizations in understanding the importance of the materiality of disclosure.

The remainder of the paper is structured as follows: Section 2 proposes a background of the study while Section 3 introduces the theoretical framework of paper, literature review and research questions; Section 4 outlines the methodological approach and Section 5 presents the findings; Section 6 concludes and summarizes the main insights.

2. Background

The phenomenon of corporate hybridism has recently seen widespread growth, coinciding with the progressive rise of socio-environmental concerns and a growing interest in a more responsible economy. The term "hybrid" refers to all entrepreneurial models that combine a social mission with the pursuit of productive activities in their operations, (Billis, 2010; Secinaro *et al.*, 2019) and, especially, to entities that take on "social missions, like non-profit organizations, while at the same time generating income from commercial activities in order to pursue their mission, similar to for-profit enterprises" (Rago and Venturi, 2014). These organizations have the necessity to be correctly evaluated and assessed (Esposito *et al.*, 2021) and there has been changed the performance evaluation in order to reduce the accountability gap between the entity and various stakeholders (Grossi and Thomasson, 2015).

Italy has a history of hybrid organizations predating the introduction of benefit corporations[1], foreshadowing a fertile ground for new hybrid models of purpose-driven businesses (Segrestin *et al.*, 2016). The growing awareness of these themes prompted legislative action in Italy, with the introduction of social enterprise laws in 2006 (reformed in 2017). Additionally, explicit reference to value creation over the medium and long term were incorporated into Corporate Governance Code in 2015, following the considerations of sustainability in 2020.

It is not surprising, therefore, that Italy was the first European country, after the USA, to adopt the US benefit corporation model transplanted into its legal system, at the end of 2015, with Law no. 208/2015 (BC Law) (Marasà, 2019), confirming also the presence of state-level factors that make a state suitable for a social hybrid category (Rawhouser *et al.*, 2015). Before to describe the BC Law is

---

[1] We recall the Olivetti Group, led by Adriano Olivetti, that in 1943, implemented a strategy that positioned it as a company focused on stakeholders and social responsibility and Brunello Cucinelli's luxury fashion brand, that in 1978, embraced a humanistic approach to business.

important to distinguish between BC and certified B-Corps. These latter can be companies of any legal form which have obtained a specific certification by B Lab (an international organization) that assures compliance with the standard (B Impact Assessment or BIA). BC, on the other hand, is an institutional form with a unique legal structure, derived from a specific national law. Moreover, BC and certified B-Corp phenomenon can coexist or not: a certified B-Corp, for example, can have the legal status of BC (in countries where this form is regulated) or not; likewise, it is possible that a BC decides to rely on an independent third-party standard different from B Lab, thus not qualifying for being a certified B-Corp. The BC Law says that the BC qualification can be acquired by all profit-companies that include in their statute the will to reach environmental and social purposes (common benefit) in addition to the achievement of profit. Companies who choose to get this legal qualification may also use the word “Società benefit” or the acronym “SB” in all documents and communication to third parties. Moreover, the BC Law establishes that the BC are required to designate one or more persons who are responsible for the impact (Benefit Impact Manager) and must prepare a non-financial report containing the achieved results in terms of social impact (Social Impact Report or SIR), to evidence the organization’s capacity to positively impact on the environment and society.

The latter aspect must be evaluated using a Third-party standard and must concern four specific areas: governance, workers, other stakeholders, and environment (Annexes 4-5, BC Law); moreover, there has been a section containing ‘*the description of the new objectives which the BC intends to pursue in the following fiscal year’* (par. 382, lett. c), to underline the possible evolution of social purposes. The BC Law defines (Annex 4) also the main characteristics of the Third-party standard that can be freely chosen by BC among existing standards. The definition of these characteristics has the aim, on the one hand, to leave the organizations free to decide the structure they prefer to describe and measure the social impact and the common benefit, but, on the other, to ensure an adequate level of quality and reliability of the used standard (NIBR, 2019). Thus, for BC the sensitiveness towards sustainability is a fundamental characteristic of the entire activity and reporting these aspects is a mandatory tool for evaluating the results of the organization itself (Nigri *et al.*, 2017), as well as a fundamental element of accountability and legitimacy (Nigri and Del Baldo, 2018).

Since its establishment, the BC movement in Italy has continued to grow. The majority of BC are organized as a limited liability (società a responsabilità limitata), are small-medium, privately owned and are localized in Northern and Central Italy. BC mainly operates in three macro-sectors: whole-sale/retail trade, manufacturing and service sectors (Ventura, 2023).

Scholars have examined the innovation of Italian BCs in terms of their dual identity (lucrative and sustainable) in the expression of financial and sustainability performance (Mion *et al.*, 2023), in their interconnection (Gazzola *et al.*, 2019), and in terms of governance models (Nigri *et al.*, 2020): albeit from different points of view, all these studies evidenced the potential of this new way of managing business and sustainability and its capacity to better respond to new societal needs.

A significant stream of research about BCs is about accountability processes and the characteristics of sustainability reporting that constitutes a tool for evaluating and judging the results of the organization itself (Mion, 2020; Nigri *et al.*, 2017; Nigri and Del Baldo, 2018). Although the centrality of sustainability reporting in BCs experience, several studies underlined the substantial inadequacy of these accountability tools (Mion, 2020; Mion and Loza Adaui, 2020), also confirmed by descriptive analyses carried out on the contents of the reports (Cantele *et al.*, 2021; Mari and Picciaia, 2022). Some scholars (Cantele *et al.*, 2021) evaluated these criticalities within the risk of coherence among values, processes, and performances. It must be noted, however, that this phenomenon is at its early stage, and this could influence the awareness of the organizations on these issues and so the quality of sustainability outputs.

The Italian legal framework is coincident with the legal framework of other Countries that have adopted this new approach to entrepreneurship. Some scholars argued that the benefit corporation, by introducing a new obligation to take stakeholder interests into account, is presently the most effective tool for social entrepreneurs to ensure that their goals of combining social and financial value are both recognized and met (Esposito, 2013) and could influence the investors preferences (Cooper and Weber, 2021).

3. Theoretical framework

3.1 Legitimacy theory and legitimation strategies in reporting

The legitimacy theory focuses on the relationship between companies and their communities. It's one of the central theories to be applied to the analysis of non-financial reports (Chen and Roberts, 2010; Hahn and Kühnen, 2013). It is viewed as a '*symbolic resource, which organizations seek and attempt to control through a number of actions and strategies*' (Soobaroyen and Ntim, 2013, p. 93). Academic literature has provided different definitions of legitimacy. For instance, Suchman (1995) describes legitimacy as '*a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs and definitions*' (p. 574).

Essentially, legitimacy theory involves a social contract between company and community, where company is expected to contribute positively to the community wile adhering to shared values (Lindblom, 1994): this circumstance could ensure the survival of any organization (Dowling and Pfeffer, 1975; Lindblom, 1994).

Legitimacy also plays a key role in shaping how stakeholders perceive company (Deegan, 2002; Hummel and Schlick, 2015; O'Donovan, 2002; Rothenhoefer, 2019), thus, it is important that an organization ensures its legitimation by identifying and managing its features (Lindblom, 1994): making sure that its activities and disclosing them as agreeing with societal expectations and perceptions. Scholars (Chen and Roberts, 2010; Lindblom, 1994; Patten, 1991) argue that demand for legitimacy drives the extent of non-financial disclosure and has been extensively employed to explain the motivation for voluntary reporting (Alrazi *et al.*, 2015; Aqueveque *et al.*, 2018; Dowling and Pfeffer, 1975; Lindblom, 1994; Nishitani *et al.*, 2021; Patten, 1991). In this context, disclosure serves as a dialogue between organizations and stakeholders (Balluchi *et al.*, 2020; Jung and Im, 2023) with the goal of acquiring or maintaining legitimacy being a major reason for disclosure (Hummel and Schlick, 2015; Montecchia *et al.*, 2016).Suchman (1995) contributes to explain how organizations gain legitimacy from stakeholders, categorizing it into three types: pragmatic, moral, and cognitive (see Table 1 for a summary). Pragmatic legitimacy involves direct exchanges between a company and its audience. In contrast, moral and cognitive legitimacy are linked to broader 'cultural rules', but, on the other hand, 'pragmatic and moral legitimacy rest on discursive evaluation, whereas cognitive legitimacy does not' (p. 585). This means that pragmatic and moral legitimacy 'are the most applicable in understanding social and environmental accounting practices' (Soobaroyen and Ntim, 2013, p. 94), responding to society's demands for more information (Deegan, 2002).

Legitimacy theory suggest that companies disclose non-financial information to respond to pressure from stakeholder. This disclosure can be either mandatory or voluntary. Both forms help companies to demonstrate their commitment to social responsibility and to build and maintain legitimacy among stakeholders. Recent studies, among those by Mio et al. (2020), indicate that legitimacy theory still explains why companies disclose non-financial information, even when such disclosure is required by law. Mandatory disclosure aims to improve transparency and accountability, ensuring that companies provide relevant information to stakeholders.

In the case of hybrid organizations, studies evidenced a sort of "ranking" in legitimacy process. Pragmatic legitimacy must be built before moral legitimacy and cognitive legitimacy, followed by an iterative process of mutual influence between the legitimacy forms (Rosser et al., 2022b), focusing on the centrality of this topic in these peculiar entities (Gauthier et al., 2024; Zollo et al., 2023).

European journal of volunteering and community-based projects Vol.1, No 3; 2024
ISSN: 2724-0592 E-ISSN: 2724-1947
Published by Odv Casa Arcobaleno

Table 1 – Suchman’s different types of legitimacy

<table>
<tr><td rowspan="9">Organizational legitimacy

(Congruency, appropriateness, and consistency among an entity, its activities, and a specific social system)</td><td rowspan="3">Pragmatic legitimacy

(When an entity and its activities meet the self-interests of the immediate audience)</td><td>Exchange legitimacy

(When there is an expected and explicit return)</td><td rowspan="3">Based on satisfaction of the expectation of organization’s most immediate audience</td><td rowspan="7">Relied on discursive evaluation</td></tr>
<tr><td>Influence legitimacy

(Organization is seen as being responsive to the audience’s wider interests)</td></tr>
<tr><td>Dispositional legitimacy

(When an entity is seen as an individual and possesses positive human attributes)</td></tr>
<tr><td rowspan="4">Moral legitimacy

(It reflects a positive judgement of an organization and its activities)</td><td>Consequential

Legitimacy

(Organization should be judged by what it accomplishes)</td><td rowspan="6">Based on larger cultural rules and expectations</td></tr>
<tr><td>Procedural Legitimacy

(When an organization embraces socially accepted techniques and procedures)</td></tr>
<tr><td>Structural Legitimacy

(Organization is valuable due to its structural characteristics located within a morally favoured taxonomy category)</td></tr>
<tr><td>Personal Legitimacy

(It rests on the charisma and personality of leaders in each organization)</td></tr>
<tr><td rowspan="2">Cognitive legitimacy

(When an organization is considered necessary or inevitable, due to some taken-for-granted cultural account)</td><td>Comprehensibility

in Legitimacy

(When an organization’s account meshes with both the prevailing belief systems and experienced realities of the audience's daily lives)</td><td rowspan="2">Related to unspoken orienting assumptions</td></tr>
<tr><td>Taken-for-granted

Legitimacy

(When an organization becomes unassailable by construction)</td></tr>
</table>

Source: Authors´ elaboration based on Suchman (1995)

From a sustainability perspective, companies must align their operations with the need of the environment and society. When there is a mismatch between their activities and social expectation a legitimacy gap arises (Lodhia *et al.*, 2022). Therefore, organization needs to address this potential gap to maintain its legitimacy (Deegan, 2002; O'Donovan, 2002). Social and environmental literature shows that companies strive to legitimize their existence by disclosing various social and environmental issues (Deegan, 2002).

Legitimation can be symbolic or substantive (Ashforth and Gibbs, 1990). Symbolic perspective focuses on managing perception rather than implementing meaningful changes. In this context, a company may appear to align with social values without making significant alteration to its practices. For example, as Ashforth and Gibbs (1990) noted, an entity might promote socially acceptable goals while withholding information about practices that could harm its legitimacy. It can also reinterpret its past action to fit current social values[2].

Conversely, substantive legitimation involves realistic and concrete change in an organization's goals, structure, processes and practices. This approach requires organizations to adapt genuinely '*simply to meet the performance expectations of those societal actors upon which it depends for critical resource*' (Ashforth & Gibbs, 1990: 178). Many studies applied symbolic and substantive approaches to analyse sustainability/environmental/voluntary disclosure, highlighting an emphasis on symbolic legitimation by organizations. For instance, these approaches may underscore legitimation strategies concerning disclosure (Lodhia *et al.*, 2020; Raimo *et al.*, 2021), mechanisms of legitimation within social and environmental accounting (Soobaroyen and Ntim, 2013), or the quality of disclosure in reporting practices (Michelon *et al.*, 2015).

Recent studies (Manes-Rossi and Nicolo', 2022) pointed out that, despite a growing attention of companies to enlarge the boundaries of their disclosure (in this case, through the implementation of UN Sustainable Development Goals), the symbolic approach still prevails, in most cases with the use of non-financial reports for real "SDG-washing practices"[3], using non-financial reports to create a misleading impression of their sustainability efforts.

---

[2] For example, some scholars, about symbolic legitimacy, analysed "dot.com" enterprises and evidenced that "in the late 1990s, adding "dot-com" can be seen as a managerial attempt to align the firm with investor values and thus secure legitimacy for the firm. The name served as a boundary marker, cleanly dividing web-based businesses from those that were not, thereby creating a new and distinct category of organizations" (Glynn and Marquis, 2004).

[3] The authors, analysing sustainability reports of 15 enterprises belonging to energy sector, evidenced that 'symbolic rather than substantial changes seem to prevail, considering that SDGs are just mentioned in most cases, sometimes supported by infographics to create the impression that the company is doing 'the right thing' and gain legitimacy' (p. 1800).

There is a strong interconnection between substantive or symbolic strategies in legitimation processes and non-financial reporting. According to Soobaroyen and Ntim (2013), an organization's compliance with general accepted models of social reporting can be an initial substantive approach since it reflects a decision to conform to an external standard of disclosure. Actually, non-financial reporting can constitute itself a medium of communication of concrete acts and changes to relevant public entities (Deegan, 2002; Lindblom, 1994) about pragmatic legitimacy (specific constituents), and/or moral legitimacy (congruence with social norms, values and beliefs). Alternatively, it can also be a method for managing perceptions, creating the appearance that a company's activities align with social expectations (Soobaroyen and Ntim, 2013), painting '*a rosy picture*' (García-Sánchez *et al.*, 2020, p. 1829) of organization's sustainability performance.

3.2 non-financial disclosure: quantity, quality, and materiality of information

The attention to "sustainability aspects" and the creation and maintenance of the approval of stakeholders have enlarged the boundaries of disclosure on sustainability issues in general and the environmental and social impact of corporate activities. This shift has contributed to the development of non-financial reporting (NFR) tools within organizations' communications processes. Studies evidenced that these reports significantly influence the cost of capital across diverse industries, improving access to financial resources (Tarulli *et al.*, 2023), in increasing reputation (Di Vaio *et al.*, 2022), and value creations (Fiandrino, 2023; Pizzi, 2018) also for SMEs (Ortiz-Martínez *et al.*, 2023) and public sector organizations (Manes-Rossi *et al.*, 2020).

NFR is a very wide concept, also known by various terminologies (for example, social reporting, sustainability reporting, impact reporting, Environmental, Social and Governance – ESG – reporting, CSR reporting, environmental reporting, integrated reporting) (Siew, 2015). NFR can be defined as '*disclosure provided to outsiders of the organizations on dimensions of performance other than the traditional assessment of financial performance* […] [that] *includes, but is not limited to, items related to social and environmental accounting, CSR, and intellectual capital disclosed outside the financial statements*' (Erkens *et al.*, 2015, p. 25). Albeit this wider term generated discrepancies in NFR managerial practices around the globe (Turzo *et al.*, 2022), we decided to use it to identify better the phenomenon under analysis, which shares characteristics with different types of reporting tools.

Having bear in mind that '*when disclosure changes from a voluntary to a mandatory framework, its role and the relevance attributed to some of its features change*' (Balluchi *et al.*, 2020, p. 2). In the case of mandatory NFR, regulative norms indicate the "quantity" of information ("how much the information has been disclosed"), and "quality" ("how the information has been disclosed"), focusing on the identification of material information that is to say significant and relevant contents to be reported in order to meet of stakeholders' expectations.

Materiality has long been regarded as a fundamental concept for financial documents (Clark, 2021; Edgley, 2014), and has become increasingly significant (Global Reporting Initiative (GBS), 2021). The concept of materiality can vary depending on the context in which it develops (legal and/or professional) (Brennan and Gray, 2005) and diverse roles, in relation to the report (financial or non-financial) for which it is applied (Torelli *et al.*, 2019). In the field of NFR there are some accepted definitions of materiality. International institutions, such as AccountAbility and GRI, provide accepted definitions of materiality. According to AccountAbility, materiality is '*relates to identifying and prioritising the most relevant sustainability topics, taking into account the effect each topic has on an organisation and its stakeholders. A material topic is a topic that will substantively influence and impact the assessments, decisions, actions and performance of an organization and/or its stakeholders in the short, medium and/or long term*.' To this sense, there is the necessity to determine what topics are material through a so-called materiality determination process '*which evaluates both the actual and likely impact of an organisation's strategy, governance and activities*' (AccountAbility, 2018: 20).).

In the latest version of The Global Reporting Initiative (GRI) standards, the most widely used standards worldwide for the preparation and presentation of sustainability reports, materiality is a crucial requirement, and it is related to information on the reporting company's impact on the economy, environment and people for the benefit of multiple stakeholders, such as investors, employees, customers, suppliers and local communities (impact materiality). Relevant (material) topics are defined as topics that represent an organization's most significant impacts on the economy, environment, and people, including impacts on their human rights (Global Reporting Initiative (GBS), 2021), also identifying a specific standard (GRI 3 – Material Topics) for the assessment of these elements.

It is also to be underlined the recent European Directive on mandatory sustainability report (UE Directive 2023/2464 – Corporate Sustainability Reporting Directive, CSRD). This intervention requires to provide a series of social, environmental and governance disclosures. Studies evidenced its role in terms of impact on quality of information (Brescia and Campra, 2023; Venturelli *et al.*, 2019). In modifying a previous legislative intervention, the Directive indicates the concept of "double materiality", that is the result of the contemporary consideration of "financial materiality" and "impact materiality". The starting point is linked to the awareness that, in carrying out its production processes,

European journal of volunteering and community-based projects Vol.1, No 3; 2024
ISSN: 2724-0592 E-ISSN: 2724-1947
Published by Odv Casa Arcobaleno

the company influences and alters the environment; in turn, it is subject to the socio-environmental context in which it operates, which can affect its financial and operational stability. These two perspectives are interconnected and jointly define the threshold of materiality, beyond which information is considered relevant and must be included in the sustainability report (Mari and Picciaia, 2024). But, since financial materiality is related to information on economic value creation at the level of the reporting company for the benefit of investors (shareholders), for the aims of this study, we decided to not include this approach.

Table 2 summarizes the definitions and the details of materiality, evidencing some differences also in their operating aspects. What is clear is that it constitutes a driver '*through which companies can identify and select issues to be included and treated [...], thus favouring the expectations and needs of all stakeholders*' (Torelli *et al.*, 2019: 470), and the structure of a transparent and credible communication process (Borga *et al.*, 2009; Schmeltz, 2014).

Table 2 – Definitions and details of materiality

ORGANIZATION	DEFINITION OF MATERIALITY	GUIDANCE TO MATERIALITY	DETAILS
ACCOUNTABILITY	*Materiality relates to identifying and prioritising the most relevant sustainability topics, taking into account the effect each topic has on an organisation and its stakeholders.*	- A material topic is a topic that will substantively influence and impact the assessments, decisions, actions and performance of an organization and/or its stakeholders in the short, medium and/or long term. - To determine what topics are material, it is necessary to use a materiality determination process	- The materiality determination process should be designed to ensure that comprehensive and balanced information is considered and analyzed - An organization needs input from all relevant sources and stakeholders. Such inputs include (in addition to financial information and drivers): stakeholder profiles, stakeholder concerns and suggestions, societal and peer-based norms, sustainability context, macroeconomic and geopolitical factors, and appropriate policy, reporting and regulatory frameworks.
THE GLOBAL REPORTING INITIATIVE (GRI)	*The materiality principle identifies material topics based on the dimensions of the significance of the organization's economic, environmental, and social impacts, and their substantive influence on the assessments and decisions of stakeholders*	Material topics represent an organization's most significant impacts on the economy, environment, and people, including impacts on their human rights	- Four steps for determining organization's material topics: understand the organization's context; identify actual and potential impacts; assess the significance of the impacts; prioritize the most significant impacts for reporting - During the four steps, the organization identifies and assesses its impacts regularly, as part of its day-to-day activities, and while engaging with relevant stakeholders and experts. These ongoing steps allow the organization to actively identify

and manage its impacts as they evolve and as new ones arise.

-The first three steps are conducted independently of the sustainability reporting process, but they inform the last step.

Source: Our elaboration

It has to be noted, as Fasan and Mio (2017) pointed out, that identifying whether an information is material is more challenging in non-financial context. Unlike financial metrics, non-financial objects cannot be easily "priced" in a market and there is a '*broader line-up of subjects'* (p. 290) to whom address the report.

Several studies have explored the role of materiality within NFR processes, including its determinants and measurement. Determining whether an issue should be included raises questions about who decides its significance (Unerman and Zappettini, 2014). Some studies focused on the necessity of stakeholders' engagement processes (Reimsbach *et al.*, 2020; Torelli *et al.*, 2019) and on the role of assurors (Edgley *et al.*, 2015). Other research examined the operational process more deeply, introducing a practical and structured approach for performing materiality analysis (Calabrese *et al.*, 2016, 2019; Hsu *et al.*, 2013; Wu *et al.*, 2018), while, on the other hand, some scholars claim for more precise indications on what sustainability issues are material (Eccles *et al.*, 2012).

Therefore, following the call for more studies on mandatory NFR in hybrid organizations, the paper adopts a legitimacy perspective and the concept of materiality of information to analyse Italian BCs' SIRs. In doing so, the paper intends to examine the ability of BCs to enhance their legitimacy through the communication process in their mandatory non-financial reporting. In this sense we focus attention on how BCs disseminate information through their SIRs and tries to understand if this report is used as a symbolic rather than substantive medium in organizations' legitimation process. These aspects are synthesized in these following research questions:

1) How does a hybrid organization (Italian BC) with a mandatory non-financial reporting (SIR) disseminate its information? Is this information material?
2) Is the SIR used as a symbolic rather than a substantive medium in BCs legitimation process?

4. Research methodology

4.1 Sampling process

European journal of volunteering and community-based projects Vol.1, No 3; 2024
ISSN: 2724-0592 E-ISSN: 2724-1947
Published by Odv Casa Arcobaleno

The study analyses the Sustainability Impact reports of Italian BCs for the year 2020. To identify the sample, we used the ORBIS database, one of the world's most comprehensive data resources on private companies, containing information on over 400 million entities. We began by conducting an initial search using the keyword "società benefit", which returned 160 companies. A second search using the abbreviation "SB" was conducted to capture companies that have opted for the use of only the abbreviation, resulting in additional 160 companies. This provided a total of 320 companies. Next, we refined this list by removing companies that did not have the legal status of "società benefit" and eliminating duplicates, leaving 178 organizations representing our universe. From this set, we excluded:

- 106 organizations that obtained the legal status of "società benefit" during 2021, as they could not have published SIR for 2020;
- 16 organizations, including 4 BCs that did not have a website (which is the condition for communicating the SIR to third parties), and 12 for which no clear evidence or data was available regarding their transition to BC status.

This process left us with a final sample of 56 organizations, all of which had acquired the legal status of "Società Benefit" before 2020, and form which we expected to find their SIR for 2020 on their website. Table 3 outlines the steps involved in identifying the sample.

Table 3 – Selection of the sample of BCs

ACTION	**No. of organizations**
Search for organization with label in the denomination of "Società benefit"	160
Search for organization with label in the denomination of "SB"	160
TOTAL	**320**
Elimination of organizations without "Società benefit" qualification and duplicates	(142)
(OUR) UNIVERSE	**178**
Elimination of organizations established or transformed during 2021	(106)
Elimination of organization without website/of which it was impossible to find SIR	(16)
FINAL SAMPLE	**56**

Source: Our elaboration

Qualitative content analysis and coding process

A qualitative approach to content analysis was undertaken. Content analysis, '*a research technique for making replicable and valid inference from data according to their context*' (Krippendorff, 1980, p. 21), was applied in this study to the select SIRs to address the identified research questions for two main reasons. Firstly, content analysis is one of the most popular and reliable methods used in the social and environmental accounting literature to examine non-financial reports and derives useful patterns and insights from the classification of qualitative and quantitative information according to predefined criteria or recurring themes (Aribi *et al.*, 2018; Manes-Rossi and Nicolo', 2022; Michelon and Parbonetti, 2012). Secondly, this technique is appropriate, such as in our situation, when the '*theory or prior research exists about a phenomenon that is incomplete or would benefit from further description'* (Hsieh and Shannon, 2005, p. 1281; Mion *et al.*, 2023) allowing the researcher to "categorize" the contents of the documents. In other word, this technique fits with the research with inductive (exploratory) nature, as does our study.

We have employed three steps to make sure the reliability and validity of the content analysis process consistently with literature, following a research plan (Guthrie and Abeysekera, 2006) which, once identified the sample (in our case Italian BCs) and the object of study (SIRs of the year 2020), specifies the categories of analysis, then the enumeration system (i.e. the registration methods on the basis of which the characteristics of the document are identified).

In identifying the categories for SIR's content analysis, in the legitimation approach, we considered that a non-financial report must contain information that is quantitatively complete (how much the information is disclosed) and qualitatively adequate (how the information is disclosed) (Borga *et al.*, 2009; Casali, 2020; Schmeltz, 2014) to respond to relevant publics' expectations within broader legitimation strategies (Ashforth and Gibbs, 1990). This is strictly related to the materiality criterion that deals with the satisfaction of societal expectation (Global Reporting Initiative (GBS), 2021) about the actual and, likely, impacts of organization's strategy, governance and activity (AccountAbility, 2018). In case of Italian BCs, the law indicates that activities must be carried out in a 'responsible, sustainable and transparent manner' (Law 208/2015, par. 376) and the common benefit must be pursued in relation to four area such as *governance, workers, other stakeholders, and environment* (Annexes 4-5, BC Law) during economic activity. To this purpose, it is plausible that expectations of stakeholders could be satisfied if BCs are capable of represents, with the use of appropriate quali-quantitative indicators, the achievement of common benefit in relation to the four areas and using an appropriate Third-party evaluation standard.

Starting from the characteristics of materiality, as previously indicated, we identified for our analysis 23 items articulated in two levels: quantity and quality. Quantity's items are related to the mandatory content indicated by law and the specific categories of information in relation to the different stakeholders to be satisfied. On the other side, quality's items are related to the capacity of information itself to satisfy general expectations, so it could be related to the presence of explicit Third-party evaluation standard, of an eventual BIA certification, the use of other non-financial report scheme, the presence of qualitative descriptions, presence of KPIs for any category, the identification of Benefit Impact Manager. Our content analysis is at a sentence level.

All material items, for the aim of the study, have the same importance. On this basis, therefore, we have chosen a dichotomous enumeration system for which the specific material item of SIR value of "1" if disclosed and "0" otherwise, and the approach to scoring is detective and equally weighted. The coding frame serves as a conceptual lens for assessing the comprehensiveness of the SIR disclosure. As a result, it provides an empirical tool for evaluating the substantiveness of SIR disclosure and can be used to determine whether such disclosure is based on symbolic or substantive legitimacy, ensuring that the data collection and analysis approach for this study is consistent with the chosen theoretical approach.

Quantity and quality evaluation

Coherently with Coy (1995) could be used a disclosure index to assess, compare and explain the differences in the disclosure. Disclosure index is a research instrument comprising a series of preselected item which, when scored, provide a measure that indicates a level of disclosure in the specific contest for which index was devised. Considering that SIR is meaningful if all (our) relevant information has been reported, a meaningful SIR disclosure index could be obtained an overall score of material information of SIRs considering quantity and quality score.

Given the exploratory nature of the study, it was decided to go ahead with a manual analysis, using an enumeration system based on the absence/presence of each category of analysis in the SIR of the sample. To ensure systematicity, objectivity, and generalizability of analysis to other researchers, we prioritize content analysis of the manifest (surface) rather than delving into the latent (deeper) meaning of the text (Vourvachis, 2007). To mitigate the possible more easily occurring errors when coding by hand, all researchers involved read all SIRs (autonomously) and applied the enumeration system placing each BC in one of the four categories (autonomously). Then, the results were discussed in a team context and in the case of discrepancies, there was a new application of the enumeration system (jointly) and a comparison on the interpretative differences that emerged.

In line with qualitative research, the content analysis approach for this study does not seek statistical significance, rather the emphasis is on theoretical and naturalistic generalization (Lodhia, 2019; Lodhia *et al.*, 2022; Parker and Northcott, 2016).

Table 4 – Content Analysis items

AREA	ITEMS	Weight
	QUANTITY	
Governance (Transparency and liability in pursuing of the aims of common benefit)	1. Corporate purpose 2. Description of involvement of the stakeholders 3. Description of policies and practices adopted by the corporation	25%
Workers (Relationships with employees and collaborators)	4. Salaries and benefits 5. Training and opportunities of personal growth 6. Quality of the working environment 7. Internal communication 8. Flexibility and job security	25%
Community (Relationships between corporation and its entire community)	9. Local environment and local community 10. Voluntary activities 11. Donations and the cultural and social activities 12. Any other actions aimed at supporting the local development and the development of its own supply chain	25%
Environment (Impact on environment, for evaluating the overall performance of the corporation)	13. Life cycle of goods and service 14. Exploitation of resources 15. Use of energy, commodities, production, logistics and distribution processes 16. Utilization and consumption of life end	25%
QUANTITY SCORE (QTS)		**Minimum 0%** **Maximum 100%**
QUALITY		
	17. Explication of a third-party standard which respect characteristics described by law 18. Presence of BIA certification 19. Use of other non-financial reports 20. Qualitative indicators 21. Quantitative indicators 22. Explicit description of the presence of the Benefit Officer 23. Description of new objectives for the following fiscal year	100%
	QUALITY SCORE (QLS)	**Minimum 0%** **Maximum 100%**

Source: Our elaboration from Annex 5, L. no. 208/2015

5. Findings

In this section, we present the results of analysis of SIR. The analysis aims to depict how Italian BCs use SIR to communicate with their stakeholder and how these reports enhance corporate legitimation.

We focus on how Italian BCs disclose non-financial information through SIRs, the materiality of the information and whether SIRs serve as symbolic or substantive tools of legitimation. This also helps to assess the maturity and awareness of Italian BCs regarding non-financial and their efforts to promote legitimacy with relevant stakeholders.

4.1 How does a hybrid organization (Italian BC) with a mandatory non-financial reporting (SIR) disseminate its information? Is this information material?

Our first level finding reveals significant challenges in locating SIRs, despite them being a mandatory document that must be attached to annual Financial Statements and to be published on the company's website. This difficulty aligns with previous studies on Italian BCs and their lack of awareness in the accountability processes (Mion, 2020). It also highlights "grey spaces" in the regulation (Mari and Picciaia, 2022), as the law does not clearly specify a deadline for SIR publication.

Bearing in mind that the choice to acquire the legal status of BC is, *per se*, an attempt to compliance with social expectations (Ashforth and Gibbs, 1990; Lindblom, 1994), concerning the sensitiveness towards sustainability and social and environmental impact (Hiller, 2013; Nigri *et al.*, 2020), the aim of the analysis is verifying if and how Italian BCs use SIRs as a tool of legitimacy.

From our analysis, we identified two groups based on quantity (QTS) and quality (QLS) items, splits a dataset into two equal halves using a cut-off lines the median. This method is common especially when assessing legitimacy or compliance (Ashforth and Gibbs, 1990; Lindblom, 1994; Michelon and Parbonetti, 2012; Mion, 2020). We further divided organizations into those with a low level of QTS (QTS↓) and a high level of QTS (QTS↑). A low QTS↓ (below 50% of the 16 predetermined items, i.e. compliance with 7 or fewer items) may indicate two possibilities:

- The organization does not comply with legal obligations, which require the publication of the SIR on the company website;
- The organization does not fully meet legal standards but addresses topic using appropriate methodologies and standards aligned with reporting purpose.

Organization with a high QTS (above 50%, i-e- compliance with 8 or more items) may either:

- present a complete SIR in terms of content with vague, unverifiable or non-compliant information;
- fully meet regulatory requirements in terms of both content and information quality.

Similarly, analysis of items related to quality items (QLS) allowed us to identify organizations whit low (QLS↓) or a high (QLS↑) quality level. Allow QLS (compliance with 4 or fewer of the 8 predetermined items) occurs when:

- The SIRS is either unavailable
- The SIR is available but lacks sufficient development.

A high QLS (compliance with 5 or more items) occurs when:

- the organization's communication covers the areas of interest, but it is difficult to verify the information contained
- the communication is adequate and demonstrates awareness of the issues.

By combining these QTS and QLS scores, we identified four types of organization that we named: 1) nominal; 2) immature; 3) symbolic and 4) conscious.

The collocation of BC in one of this group derive by their low or high capacity to express their sustainability activity through SIR, in detail in the group of:

1) "nominal" BCs: low QTS (QTS↓) and low QLS (QLS↓). In terms of legitimacy, these organizations do not use SIR as a strategic tool since its absence on the company website. They adhere "nominally" to the legal qualification of BCs due to the impossibility to verify (through the analysis of SIR) the achievement of their dual purposes;

2) "immature" BCs: low QTS (QTS↓) and high QLS (QLS↑). Albeit the organizations in this cluster do not fully respond to the requirements of the law, they use appropriate methodologies and standards, highlighting an ongoing (but not fully complete and mature) process in the use of SIR as a strategic legitimacy tool;

3) "symbolic" BCs: High QTS (QTS↑) and low QLS (QLS↓). These BCs present a complete and formally structured SIR in terms of content (quantity), but they do not present qualitatively adequate information. Their SIRs, symbolize a tool of legitimation;

4) "conscious" BCs: high QTS (QTS↑) and high QLS (QLS↑). These organizations present complete SIRs both in terms of quantitative and qualitative level. There is a conscious use of SIR as a strategic tool of legitimacy.

Table 5 summarises the four types of organizations identified based on the results of content analysis.

Table 5 – Results of content analysis

Category of BC	QTS	QLS	No. of companies
Nominal BCs	<50%	<50%	17

European journal of volunteering and community-based projects Vol.1, No 3; 2024
ISSN: 2724-0592 E-ISSN: 2724-1947
Published by Odv Casa Arcobaleno

Immature BCs	≤50%	≥ 50%	18
Symbolic BCs	≥ 50%	≤ 50%	12
Conscious BCs	≥ 50%	≥ 50%	9
TOTAL			56

Source: Our elaboration

The first cluster, consisting of nominal BCs (QTS↓ - QLS↓) represent 30.36% (17 out of 56) of the sample and is essentially composed of two types of companies. The first are BC that have not published their SIR on the website, even if their transformation took place prior to 2019 (4 out of 16). The second types are BCs that, at the date of completion of the survey (January 2022), had not yet prepared (or better to say, published) the SIR for the year 2020. The decision to include these companies in this category stems from the importance of making the document promptly available to stakeholders, to evaluate, in a timely manner, the effectiveness of the initiatives put in place to achieve the common benefit. The situation is exacerbated by the fact that 25% of this cluster has not published their SIR for at least two years, leading to the conclusion that, for these organizations, materiality "there is not all".

The second cluster consists of immature BCs and represent over 32% (18 out of 56) of the entire sample. These organizations have produced an SIR that does not fully meet legal requirement (quantity items <= 50% or QTS↓), despite employing appropriate methodologies and standards (quality items >50% or QLS↑). This indicates that their communication process has not yet been fully developed. Notably, most of these entities (9 out of 17) have acquired Benefit Corporation certification (BIA), often achieving high scores, which demonstrates a significant focus on social issues and the implementation of concrete actions aimed at achieving the common benefit. In fact, these companies considered the obligation imposed by national law to be fulfilled with the simple repetition, in the SIR, of the score achieved with the BIA certification. Thus, they may be regarded as "potentially" socially conscious companies: while they have obtained BIA certification (or utilized the BIA assessment to describe their social impact), it appears the use SIRSs merely for formal compliance rather than as a strategic factor (Mion, 2020). In this cluster, materiality seems to be related primarily to quality features, resulting in SIR information lacking in developed significance.

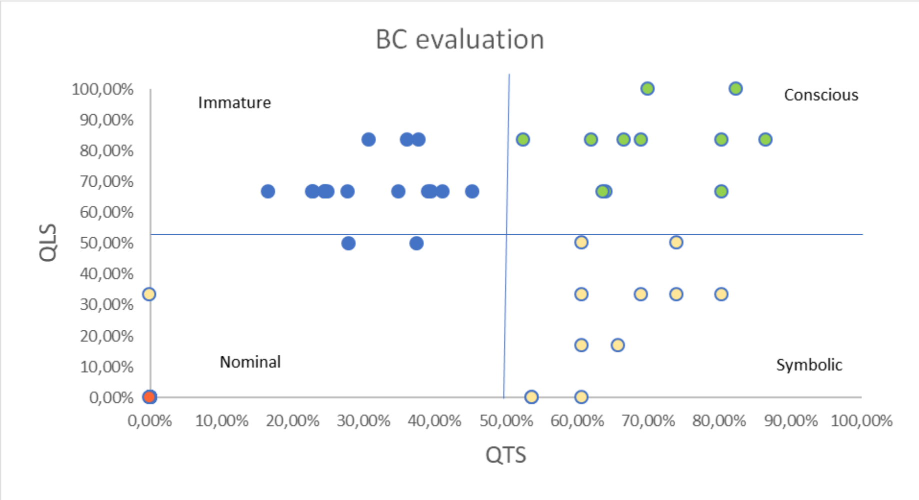
The third cluster encompassing symbolic BCs, constitutes 21.4% of the sample (12 out of 56) and is the most heterogeneous regarding the behaviours of individual companies. This category includes all organizations that provide substantial content in their SIRs (quantity items near or equal to

European journal of volunteering and community-based projects Vol.1, No 3; 2024
ISSN: 2724-0592 E-ISSN: 2724-1947
Published by Odv Casa Arcobaleno
100% or QTS↑), but where the information is vague and/or not fully verifiable and/or not in line with what is requested, often also using inadequate non-financial reporting tools (quality items <= 50% or QLS↓). For these organizations, while communication covers the relevant areas, the information is difficult to verify. They present sustainability reports that, in addition to their own social goals, often reference broader objectives (such as those relating to the UN 2030 Agenda), yet they lack essential elements. In one instance, impact assessment was included in a broader Integrated report which tends to confuse readers as the wider context complicates the discernment of information related to common benefit. Furthermore, sections on the description and on the assessment of the common benefit are particularly limited compared to the entire document, thus relegating them to a secondary role. In these broader social documents, often there are presented only information relating to BIA, concerning the total score and those in the different areas. The companies in this cluster represented and developed information over a considerable number of pages, enriched by photos, diagrams and quantitative data. However, this "abundance" of information does not follow the guidelines of national legislation and is provided without a precise logic. In this cluster, it is not possible to distinguish relevant (material) topics and significant information.

The final cluster concerns conscious BCs, which represent the smallest percentage, 16% (9 out of 56), of the total sample. A correlation can be observed between awareness of the importance of providing complete and transparent communication and the organizational size of these companies, almost all of which have more than 20 employees (some exceeding 250). The contents of the SIRs, despite varying graphic presentations and differing aspects aligned with each company' mission, largely conforms to current legislative requirement. A significant portion is dedicated to the values guiding their entrepreneurial actions, presenting a broader and more advanced business idea, aimed not only at achieving a fair profit, but at resolving social and environmental problems. All issues are adequately explained both in the statutory provisions and in the documents presented: all BCs illustrated, through qualitative descriptions and quantitative indicators, the 4 areas required by law, they indicated (if present) the BIA certification and the Benefit Impact Manager. The SIR is structured using an explicit Third-party standard having the requirement indicated by law. In this last cluster, organizations seem to have understood the fundamental role of a material communication, using SIR also as a strategic tool for their activity.

The scatter graph (Figure 1) illustrates the overall results of SIRs content analysis, positioning the various companies within one of the clusters (nominal, symbolic, immature or conscious). Notably, nominal BCs are all positioned at the origin of Cartesian axes due to the absence of SIRs available for analysis.

Fig. 1 Overall results of SIRs content analysis



4.2 Is SIR used as a symbolic rather than a substantive medium in BCs legitimation process?

To ascertain the symbolism versus substantiveness of disclosure of SIR we can use the four categories of Italian BCs (nominal, immature, symbolic and conscious). These, in fact, allow us also to appreciate the awareness on legitimation processes and the use of non-financial report as a substantive or symbolic tool for legitimation processes. At the outset, it is expected that substantive disclosure would encompass an emphasis on all two dimensions of SIR (quantitative and qualitative) analysed.

Our finding reveals, in detail, that in BCs' SIR, a symbolic rather than substantial approach to legitimacy prevails (84% of analysed SIR). This seems to shade a use of communication through SIR as rhetorical instruments that symbolically respond to compliance at law and at emerging stakeholders' pressures, thus influencing their perceptions (Deegan, 2002; Hummel and Schlick, 2015; O'Donovan, 2002; Rothenhoefer, 2019). In our sample, companies implement CSR initiatives to fulfil a social need rather than pursuing them strategically. Particularly, for each category of BC it is possible to underline a different "shade" in legitimation processes.

In nominal BCs, organizations in which the SIR is absent or, however, not available, although their formal commitment to social aims and common benefit with the decision to acquire this legal form, it seems to be an absence (or disinterest) of legitimation processes. In this case, there is just a "nominal" belonging to the phenomenon of BC, being impossible for the stakeholders to assess the achievement of dual purposes.

Immature BCs, evidencing SIRs with an adequate qualitative level but a not full response to the requirements of the law, lead to symbolic legitimation processes since it lacks a complete procedural legitimacy, which is to say the respect of accepted techniques and procedures. The communication is not fully developed, but the condition for a change is that they must be able to understand how complete, adequate and prompt communication an undoubted advantage for the image and the legitimation of the company can be.

The cluster related to symbolic BCs clearly evidenced what Ashforth and Gibbs (1990) identifies as management of perceptions. SIRs seem to underline the idea to appear consistent with social values and expectations, so a symbolic approach to legitimation strategies. The abundance of information and the difficulty to distinguish relevant topics and significant information, do not favour the expectations and needs of stakeholders (Brammer and Pavelin, 2008; Torelli *et al.*, 2020). Particularly, managing impressions and symbols, it seems that BCs symbolically used structured legitimacy (Suchman, 1995), exploiting their structural characteristics located within a morally favoured taxonomy category.

The last category (conscious BCs) seems to be understood the centrality of SIR for satisfying the relevant publics' expectations: SIRs respect quality and quantity features, so becoming a substantive strategy for legitimation processes. These organizations adequately describe their achievement of dual purposes, and correctly share this information to their stakeholders, meeting their performance expectations. In these organizations SIR anticipates benefit from this action, which might include reputation enhancement or the use of SIR to recruit and retain highly quality workers (Waldman and Siegel, 2008). The following table (Table 6) summarizes the results of analysis in terms of symbolic and substantive legitimacy.

Table 6: Symbolic and substantive legittimacy in Italian BCs

Symbolic legitimacy	*Nominal BCs* (absence of any legitimation processes)	47 BCs
	Immature BCs (lack of complete procedural legitimacy)	
	Symbolic BCs (apparent use of structured legitimacy)	
Substantive legitimacy	*Conscious BCs* (correct approach to legitimation processes)	9 BCs

In line with previous studies on Italian BCs and their reporting tools, there confirmed a substantial inadequacy (Mion, 2020; Mion and Loza Adaui, 2020) and a general criticality on coherence among value, processes, and performance (Cantele *et al.*, 2021; Mari and Picciaia, 2022), in other words a difference between BC essence and BC representation.

6. Concluding remarks

Hybrid organizations are the most important and significant phenomenon in recent awareness-raising processes for sustainable decisions. The Italian Società Benefit, the most recent example of this hybridism, are in a phase of great evolution and significant growth, since 106 organizations of 178 (our universe) have chosen to acquire this legal status only in the year before the analysis. The Italian BC Law indicates the duality of purpose of these organizations that also concerns accountability and communication processes, with the preparation of a non-financial report (the Impact Report) to be attached to the annual Financial Statements. Thus, here we find a new combination of phenomena, which is to say mandatory NFR and hybrid organizations. In this sense, legitimation becomes not simply a result of disclosure but also a sort of evaluation element, related to the capacity to create (and communicate) social impact. Legitimacy theory is the lens of our analysis which aims to examine the phenomenon of Italian BCs more deeply in relation to their capacity to express their sustainable activity *via* their SIRs. Using a qualitative content analysis on SIRs of a sample of Italian BC, we define the materiality of information. Then, four categories were identified: nominal, immature, symbolic and conscious BCs. The results of the analysis revealed an imbalance towards realities who have not yet fully understood the importance of accountability and communication processes in terms of legitimation. In line with previous studies (Cantele *et al.*, 2021; Mion, 2020; Mion and Loza Adaui, 2020), a tendential difficulty (and, in some cases, a real absence) in presenting complete, useful, and, so, material documents is confirmed. This lack of awareness and maturity leads to some reflections, which are set out below.

First, it must be noted, especially in the case of nominal BC, that not publishing (communicating) SIR is, firstly, a *contra legem* (illegal) action, as the document is a periodic obligation[4]. Certainly, the absence, in the law, of a deadline within which publishing SIR causes a non-marginal criticality, but timely information is a central characteristic for evaluating the work of an organization and

[4] If a BC does not comply with the law (such as it does not publish its SIR), this behavior represents a deceptive commercial practice. In this sense, the supervisory authority is the "Autorità Garante per la Concorrenza e per il Mercato" (AGCom - Competition and Market Guarantor Authority).

adequately responding to the information expectations of stakeholders. Secondly, what seems to be clear is that BCs don't consider SIRs as a legitimacy tool. If, on the one hand, this could be related to the novelty of the phenomenon (so probably to the immaturity of organizations towards these new disclosure documents), on the other, the presence of inadequate non-financial information generates critical issues that come to undermine the trust of the stakeholders (customers, lenders, suppliers, investors) who have preferred these particular companies precisely because of their declared sustainability-oriented activity. Moreover, the exploitation of this qualification, which is essentially a sort of reward on the competitive side, also harms competitors (whether they are other BCs or traditional lucrative realities) and, in general, could compromise trust in the entire system.

The study has some practical implications. First, organizations could use our findings to enhance their non-financial reporting practices considering that understanding which information is perceived as material by different stakeholder can help to make reports more relevant and useful. Second, the finding may encourage organizations to involve stakeholders more in the materiality determination process: a greater engagement can lead to more transparent communication and a better understanding of stakeholder expectations. Third, organizations might reconsider their legitimation strategies assessing whether their reporting is more symbolic or substantive: if it is primarily symbolic organizations could rethink their practices to ensure a genuine commitment to sustainability. Finally, the results of this research could be useful for researchers, since they contribute to an examination of the issue of mandatory non-financial reporting in hybrid organizations and its effects in terms of legitimacy, but also for practitioners and hybrid organizations in understanding the importance of materiality of disclosure and in structuring material reporting.

The exploratory nature of the survey presented sheds light on a new phenomenon and in a phase of great evolution, but it brings with it some limitations that should be highlighted.

Two are the main limitations of this study: the size of the sample, certainly smaller than the overall number of Italian BCs, and the method used for the analysis of SIRs. Future research could address these limitations by incorporating a larger number of BCs and working alongside the content analysis, apply however as scrupulously as possible in this study, also quantitative method. The limitation of content analysis lies in its inherent lack of replicability due to the subjective evaluation of certain elements, potentially introducing distortions. Future research could be involved in a qualitative and in a quantitative view. In a qualitative perspective, future research could establish a framework for SIRs, beginning with an analysis of conscious clusters to identify drivers of excellence and contribute to the advancement of these sustainability documents. Additionally, it would be intriguing to examine not only the influence of external stakeholders, like the local community and environmental groups, advocating for disclosure, but also the involvement of internal stakeholders in the substantive or symbolic disclosure of SIRs. In quantitative view could be interesting analysing and defining how to make possible the dialogue with qualitative and quantitative profiles: on the one hand, the use of KPIs to "evaluate with numbers" the impact of the activity, but, on the other, the necessity to describe, as precisely as possible, the distinctive elements of common benefit and to clarify the "sustainable business idea" behind (and beyond) all activities. Moreover, in the quantitative approach, the analysis could be extended considering the QSIR, such expression of engaging symbolic or substantive approach, in the quantitative model to define the impact with performance measures or market value.

References

AccountAbility. (2018), "AA1000 Principi di accountability".

Alrazi, B., de Villiers, C. and van Staden, C.J. (2015), "A comprehensive literature review on, and the construction of a framework for, environmental legitimacy, accountability and proactivity", Journal of Cleaner Production, Vol. 102, pp. 44–57, doi: 10.1016/j.jclepro.2015.05.022.

Aqueveque, C., Rodrigo, P. and Duran, I.J. (2018), "Be bad but (still) look good: Can controversial industries enhance corporate reputation through CSR initiatives?", Business Ethics: A European Review, Vol. 27 No. 3, pp. 222–237, doi: 10.1111/beer.12183.

Aribi, Z.A., Alqatamin, R.M. and Arun, T. (2018), "Gender diversity on boards and forward-looking information disclosure: evidence from Jordan", Journal of Accounting in Emerging Economies, Vol. 8 No. 2, pp. 205–222, doi: 10.1108/JAEE-05-2016-0039.

Ashforth, B.E. and Gibbs, B.W. (1990), "The Double-Edge of Organizational Legitimation", Organization Science, Vol. 1 No. 2, pp. 177–194, doi: 10.1287/orsc.1.2.177.

Baker, M. and Schaltegger, S. (2015), "Pragmatism and new directions in social and environmental accountability research", Accounting, Auditing & Accountability Journal, Vol. 28 No. 2, pp.

263–294, doi: 10.1108/AAAJ-08-2012-01079.

Balluchi, F., Lazzini, A. and Torelli, R. (2020), "CSR and Greenwashing: A Matter of Perception in the Search of Legitimacy", in Del Baldo, M., Dillard, J., Baldarelli, M.-G. and Ciambotti, M. (Eds.), Accounting, Accountability and Society, Springer International Publishing, Cham, pp. 151–166, doi: 10.1007/978-3-030-41142-8_8.

Bandini, F., Boni, L., Fia, M. and Toschi, L. (2022), "Mission, governance, and accountability of benefit corporations: Toward a commitment device for achieving commercial and social goals", European Management Review, p. emre.12547, doi: 10.1111/emre.12547.

Bansal, P. and Roth, K. (2000), "Why companies go green: a model of ecological responsiveness", Academy of Management Journal, Vol. 43 No. 4, pp. 717–736, doi: 10.2307/1556363.

Billis, D. (Ed.). (2010), Hybrid Organizations and the Third Sector: Challenges for Practice, Theory and Policy, Palgrave Macmillan, Basingstoke, Hampshire; New York.

Borga, F., Citterio, A., Noci, G. and Pizzurno, E. (2009), "Sustainability report in small enterprises: case studies in Italian furniture companies", Business Strategy and the Environment, Vol. 18 No. 3, pp. 162–176, doi: 10.1002/bse.561.

Brammer, S. and Pavelin, S. (2008), "Factors influencing the quality of corporate environmental disclosure", Business Strategy and the Environment, Vol. 17 No. 2, pp. 120–136, doi: 10.1002/bse.506.

Brennan, N. and Gray, S. (2005), "The Impact of Materiality: Accounting's Best Kept Secret".

Brescia, V. and Campra, M. (2023), "Non-Financial Information: quali prospettive di ricerca e ricadute sulla Dichiarazione di carattere non finanziario in Italia.", Economia Aziendale Online -, Economia Aziendale Online -, Vol. Vol 14, pp. 1253-1278 Pages, doi: 10.13132/2038-

5498/14.4.1253-1278.

Calabrese, A., Costa, R., Levialdi Ghiron, N. and Menichini, T. (2019), "Materiality analysis in sustainability reporting: a tool for directing corporate sustainability towards emerging economic, environmental and social opportunities", Technological and Economic Development of Economy, Vol. 25 No. 5, pp. 1016–1038, doi: 10.3846/tede.2019.10550.

Calabrese, A., Costa, R., Levialdi, N. and Menichini, T. (2016), "A fuzzy analytic hierarchy process method to support materiality assessment in sustainability reporting", Journal of Cleaner Production, Vol. 121, pp. 248–264, doi: 10.1016/j.jclepro.2015.12.005.

Campbell, J.L. (2007), "Why would corporations behave in socially responsible ways? An institutional theory of corporate social responsibility.", The Academy of Management Review, Vol. 32 No. 3, pp. 946–967, doi: https://doi.org/10.2307/20159343.

Cantele, S., Troisi, G. and Campedelli, B. (2021), "Le società Benefit in Italia: un'analisi sulla diffusione e sulle prassi di rendicontazione", MANAGEMENT CONTROL, No. 2, pp. 107–126, doi: 10.3280/MACO2021-002006.

Casali, R. (2020), "Management E Cultura Aziendale In Tempo Di Sostenibilità", Caruso R., Bellavite Pellegrini, C. (Eds), Società Benefit, Profili Giuridici Ed Economico-Aziendali, Egea, Milano, pp. 101–114.

Chen, J.C. and Roberts, R.W. (2010), "Toward a More Coherent Understanding of the Organization–Society Relationship: A Theoretical Consideration for Social and Environmental Accounting Research", Journal of Business Ethics, Vol. 97 No. 4, pp. 651–665, doi: 10.1007/s10551-010-0531-0.

Clark, C.E. (2021), "How do standard setters define materiality and why does it matter?", Business

Ethics, the Environment & Responsibility, Vol. 30 No. 3, pp. 378–391, doi: 10.1111/beer.12351.

Cooper, L.A. and Weber, J. (2021), "Does Benefit Corporation Status Matter to Investors? An Exploratory Study of Investor Perceptions and Decisions", Business & Society, Vol. 60 No. 4, pp. 979–1008, doi: 10.1177/0007650319898462.

Coy, D.V. (1995), "A public accountability index for annual reporting by NZ universities", Unpublished PhD thesis, Unpublished PhD thesis, Uniersity of Waikato, Hamilton, New Zeland.

Deegan, C. (2002), "Introduction: The legitimising effect of social and environmental disclosures – a theoretical foundation", Accounting, Auditing & Accountability Journal, Vol. 15 No. 3, pp. 282–311, doi: 10.1108/09513570210435852.

Di Vaio, A., Varriale, L., Di Gregorio, A. and Adomako, S. (2022), "Corporate social performance and non-financial reporting in the cruise industry: Paving the way towards UN Agenda 2030", Corporate Social Responsibility and Environmental Management, Vol. 29 No. 6, pp. 1931–1953, doi: 10.1002/csr.2292.

Dowling, J. and Pfeffer, J. (1975), "Organizational legitimacy: Social values and organizational behavior", Pacific Sociological Review, Sage Publications Sage CA: Los Angeles, CA, Vol. 18 No. 1, pp. 122–136.

Eccles, R.G., Krzus, M.P., Rogers, J. and Serafeim, G. (2012), "The Need for Sector-Specific Materiality and Sustainability Reporting Standards", Journal of Applied Corporate Finance, Vol. 24 No. 2, pp. 65–71, doi: 10.1111/j.1745-6622.2012.00380.x.

Edgley, C. (2014), "A genealogy of accounting materiality", Critical Perspectives on Accounting, Vol. 25 No. 3, pp. 255–271, doi: 10.1016/j.cpa.2013.06.001.

Edgley, C., Jones, M.J. and Atkins, J. (2015), "The adoption of the materiality concept in social and environmental reporting assurance: A field study approach", The British Accounting Review, Vol. 47 No. 1, pp. 1–18, doi: 10.1016/j.bar.2014.11.001.

Erkens, M., Paugam, L. and Stolowy, H. (2015), "Non-financial information: State of the art and research perspectives based on a bibliometric study":, Comptabilité Contrôle Audit, Vol. Tome 21 No. 3, pp. 15–92, doi: 10.3917/cca.213.0015.

Esposito, P., Brescia, V., Fantauzzi, C. and Frondizi, R. (2021), "Understanding Social Impact and Value Creation in Hybrid Organizations: The Case of Italian Civil Service", Sustainability, Vol. 13 No. 7, p. 4058, doi: 10.3390/su13074058.

Esposito, R.T. (2013), "The social enterprise revolution in corporate law: A primer on emerging corporate entities in Europe and the United States and the case for the benefit corporation", Wm. & Mary Bus. L. Rev., HeinOnline, Vol. 4, p. 639.

Fasan, M. and Mio, C. (2017), "Fostering Stakeholder Engagement: The Role of Materiality Disclosure in Integrated Reporting: Materiality Disclosure in Integrated Reporting", Business Strategy and the Environment, Vol. 26 No. 3, pp. 288–305, doi: 10.1002/bse.1917.

Fiandrino, S. (2023), La Sostenibilità Aziendale in Ottica Sistemica-Relazionale. Evoluzione Concettuale e Analisi Di Casi Aziendali, Giappichelli, Torino.

García-Sánchez, I., Hussain, N., Khan, S.A. and Martínez-Ferrero, J. (2020), "Managerial entrenchment, corporate social responsibility, and earnings management", Corporate Social Responsibility and Environmental Management, Vol. 27 No. 4, pp. 1818–1833, doi: 10.1002/csr.1928.

Gauthier, J., Kappen, J.A. and Zhang, J.Z. (2024), "To be more different or just the same? Means versus ends in hybrid organizational legitimacy", Society and Business Review, Vol. 19 No. 1, pp. 97–112, doi: 10.1108/SBR-03-2022-0080.

Gazzola, P., Grechi, D., Ossola, P. and Pavione, E. (2019), "Certified Benefit Corporations as a new way to make sustainable business: The Italian example", Corporate Social Responsibility and Environmental Management, p. csr.1758, doi: 10.1002/csr.1758.

Global Reporting Initiative (GBS). (2021), GRI 1: Principi Fondamentali 2021.

Glynn, M.A. and Marquis, C. (2004), "When good namens go bad: Symbolic illegitimacy in organizations", Research in the Sociology of Organizations, Vol. 22, Emerald (MCB UP), Bingley, pp. 147–170, doi: 10.1016/S0733-558X(04)22005-5.

Grossi, G. and Thomasson, A. (2015), "Bridging the accountability gap in hybrid organizations: the case of Copenhagen Malmö Port", International Review of Administrative Sciences, Vol. 81 No. 3, pp. 604–620, doi: 10.1177/0020852314548151.

Gulbrandsen, M. (2011), "Research institutes as hybrid organizations: central challenges to their legitimacy", Policy Sciences, Vol. 44 No. 3, pp. 215–230, doi: 10.1007/s11077-011-9128-4.

Guthrie, J. and Abeysekera, I. (2006), "Content analysis of social, environmental reporting: what is new?", Journal of Human Resource Costing & Accounting, Vol. 10 No. 2, pp. 114–126, doi: 10.1108/14013380610703120.

Hahn, R. and Kühnen, M. (2013), "Determinants of sustainability reporting: a review of results, trends, theory, and opportunities in an expanding field of research", Journal of Cleaner Production, Vol. 59, pp. 5–21, doi: 10.1016/j.jclepro.2013.07.005.

Hiller, J.S. (2013), "The Benefit Corporation and Corporate Social Responsibility", Journal of Business Ethics, Vol. 118 No. 2, pp. 287–301, doi: 10.1007/s10551-012-1580-3.

Hsieh, H.-F. and Shannon, S.E. (2005), "Three Approaches to Qualitative Content Analysis", Qualitative Health Research, Vol. 15 No. 9, pp. 1277–1288, doi: 10.1177/1049732305276687.

Hsu, C.-W., Lee, W.-H. and Chao, W.-C. (2013), “Materiality analysis model in sustainability reporting: a case study at Lite-On Technology Corporation”, Journal of Cleaner Production, Vol. 57, pp. 142–151, doi: 10.1016/j.jclepro.2013.05.040.

Hummel, K. and Schlick, C. (2015), “The Relationship between Sustainability Performance and Sustainability Disclosure Quality Hard Numbers Beat Smooth Talk”, SSRN Electronic Journal, doi: 10.2139/ssrn.2595045.

Jung, J.C. and Im, J. (2023), “How does social trust affect corporate financial performance? The mediating role of corporate social responsibility”, Business Ethics, the Environment & Responsibility, Vol. 32 No. 1, pp. 236–255, doi: 10.1111/beer.12481.

Krippendorff, K. (1980), Content Analysis: An Introduction to Its Methodology, Sage Publications, Beverly Hills.

Lindblom, C.K. (1994), “The implications of organizational legitimacy for corporate social performance and disclosure”, Critical Perspectives on Accounting Conference, New York, 1994.

Lodhia, S. (2019), “What about your qualitative cousins? Adapting the pitching template to qualitative research”, edited by Smith, T.Accounting & Finance, Vol. 59 No. 1, pp. 309–329, doi: 10.1111/acfi.12266.

Lodhia, S., Kaur, A. and Kuruppu, S.C. (2022), “The disclosure of sustainable development goals (SDGs) by the top 50 Australian companies: substantive or symbolic legitimation?”, Meditari Accountancy Research, doi: 10.1108/MEDAR-05-2021-1297.

Lodhia, S., Kaur, A. and Stone, G. (2020), “The use of social media as a legitimation tool for sustainability reporting: A study of the top 50 Australian Stock Exchange (ASX) listed companies", Meditari Accountancy Research, Vol. 28 No. 4, pp. 613–632, doi: 10.1108/MEDAR-09-2019-0566.

Manes-Rossi, F. and Nicolo', G. (2022), "Exploring sustainable development goals reporting practices: From symbolic to substantive approaches—Evidence from the energy sector", Corporate Social Responsibility and Environmental Management, Vol. 29 No. 5, pp. 1799–1815, doi: 10.1002/csr.2328.

Manes-Rossi, F., Nicolò, G. and Argento, D. (2020), "Non-financial reporting formats in public sector organizations: a structured literature review", Journal of Public Budgeting, Accounting & Financial Management, Emerald Publishing Limited, Vol. 32 No. 4, pp. 639–669.

Marasà, G. (2019), Imprese sociali, altri enti del terzo settore, società benefit, G. Giappichelli, Torino.

Marchini, P.L., Tibiletti, V., Fellegara, A.M. and Mazza, T. (2022), "Pursuing a strategy of 'common benefit' in business: The adoption of the benefit corporation model in Italy", Business Strategy and the Environment, p. bse.3200, doi: 10.1002/bse.3200.

Mari, L.M. and Picciaia, F. (2022), "La rendicontazione non finanziaria nelle organizzazioni ibride: una analisi delle relazioni di impatto nelle società benefit italiane", RIVISTA ITALIANA DI RAGIONERIA E DI ECONOMIA AZIENDALE, No. 3, pp. 5–26, doi: 10.17408/RIREALMMFP010203042022.

Mari, L.M. and Picciaia, F. (2024), "Il principio di materialità (rilevanza) nei processi di rendicontazione aziendale", in AA.VV. (Ed.), Scritti in Onore Di Umberto Bertini, Vol. II, Franco Angeli, Milano.

Matten, D. and Moon, J. (2008), "'Implicit' and 'Explicit' CSR: A Conceptual Framework for a Comparative Understanding of Corporate Social Responsibility", Academy of Management

Review, Vol. 33 No. 2, pp. 404–424, doi: 10.5465/amr.2008.31193458.

Michelon, G. and Parbonetti, A. (2012), “The effect of corporate governance on sustainability disclosure”, Journal of Management & Governance, Vol. 16 No. 3, pp. 477–509, doi: 10.1007/s10997-010-9160-3.

Michelon, G., Pilonato, S. and Ricceri, F. (2015), “CSR reporting practices and the quality of disclosure: An empirical analysis”, Critical Perspectives on Accounting, Vol. 33, pp. 59–78, doi: 10.1016/j.cpa.2014.10.003.

Mio C., Fasan, M., Marcon, C. and Panfilo S. (2020), "The predictive ability of legitimacy and agency theory after the implementation of the EU directive on non-financial information", Corporate Social Responsibility and Environmental Management, 27(6), pp. 2465-2476.

Mion, G. (2020), “Organizations with Impact? A Study on Italian Benefit Corporations Reporting Practices and Reporting Quality”, Sustainability, Vol. 12 No. 21, p. 9038, doi: 10.3390/su12219038.

Mion, G. and Loza Adaui, C.R. (2020), “Understanding the purpose of benefit corporations: an empirical study on the Italian case”, International Journal of Corporate Social Responsibility, Vol. 5 No. 1, p. 4, doi: 10.1186/s40991-020-00050-6.

Mion, G., Loza Adaui, C.R. and Bonfanti, A. (2021), “Characterizing the mission statements of benefit corporations: Empirical evidence from Italy”, Business Strategy and the Environment, Vol. 30 No. 4, pp. 2160–2172, doi: 10.1002/bse.2738.

Mion, G., Loza Adaui, C.R., Bonfanti, A. and De Crescenzo, V. (2023), “Mission statements and financial and sustainability performance: An exploratory study of Benefit Corporations certified as B Corps”, Journal of Business Research, Vol. 157, p. 113585, doi:

10.1016/j.jbusres.2022.113585.

Montecchia, A., Giordano, F. and Grieco, C. (2016), “Communicating CSR: integrated approach or Selfie ? Evidence from the Milan Stock Exchange”, Journal of Cleaner Production, Vol. 136, pp. 42–52, doi: 10.1016/j.jclepro.2016.01.099.

NIBR. (2019), “Reporting guidelines for Benefit Companies”.

Nigri, G. and Del Baldo, M. (2018), “Sustainability Reporting and Performance Measurement Systems: How do Small- and Medium-Sized Benefit Corporations Manage Integration?”, Sustainability, Vol. 10 No. 12, p. 4499, doi: 10.3390/su10124499.

Nigri, G., Del Baldo, M. and Agulini, A. (2020), “Governance and accountability models in Italian certified benefit corporations”, Corporate Social Responsibility and Environmental Management, Vol. 27 No. 5, pp. 2368–2380, doi: 10.1002/csr.1949.

Nigri, G., Michelini, L. and Grieco, C. (2017), “Social impact and online comunication in B-Corps”, Journal of Business Research, Vol. 3, pp. 87–104.

Nishitani, K., Unerman, J. and Kokubu, K. (2021), “Motivations for voluntary corporate adoption of integrated reporting: A novel context for comparing voluntary disclosure and legitimacy theory”, Journal of Cleaner Production, Vol. 322, p. 129027, doi: 10.1016/j.jclepro.2021.129027.

O’Donovan, G. (2002), “Environmental disclosures in the annual report: Extending the applicability and predictive power of legitimacy theory”, Accounting, Auditing & Accountability Journal, Vol. 15 No. 3, pp. 344–371, doi: 10.1108/09513570210435870.

Ortiz-Martínez, E., Marín-Hernández, S. and Santos-Jaén, J.-M. (2023), “Sustainability, corporate social responsibility, non-financial reporting and company performance: Relationships and mediating effects in Spanish small and medium sized enterprises”, Sustainable Production and

Consumption, Vol. 35, pp. 349–364, doi: 10.1016/j.spc.2022.11.015.

Parker, L.D. and Northcott, D. (2016), "Qualitative generalising in accounting research: concepts and strategies", Accounting, Auditing & Accountability Journal, Vol. 29 No. 6, pp. 1100–1131, doi: 10.1108/AAAJ-04-2015-2026.

Patten, D.M. (1991), "Exposure, legitimacy, and social disclosure", Journal of Accounting and Public Policy, Vol. 10 No. 4, pp. 297–308, doi: 10.1016/0278-4254(91)90003-3.

Pizzi, S. (2018), "The Relationship between Non-financial Reporting, Environmental Strategies and Financial Performance. Empirical Evidence from Milano Stock Exchange", Administrative Sciences, Vol. 8 No. 4, p. 76, doi: 10.3390/admsci8040076.

Preghenella, N. and Battistella, C. (2021), "Exploring business models for sustainability: A bibliographic investigation of the literature and future research directions", Business Strategy and the Environment, Vol. 30 No. 5, pp. 2505–2522, doi: 10.1002/bse.2760.

Rago, S. and Venturi, P. (2014), "Ibridazione come innovazione sistemica: Percorsi di sviluppo dell'impresa sociale italiana", VIII Colloquio Scientifico Sull'Impresa Sociale, pp. 23–34.

Raimo, N., Vitolla, F., Nicolò, G. and Tartaglia Polcini, P. (2021), "CSR disclosure as a legitimation strategy: evidence from the football industry", Measuring Business Excellence, Vol. 25 No. 4, pp. 493–508, doi: 10.1108/MBE-11-2020-0149.

Rawhouser, H., Cummings, M. and Crane, A. (2015), "Benefit Corporation Legislation and the Emergence of a Social Hybrid Category", California Management Review, Vol. 57 No. 3, pp. 13–35, doi: 10.1525/cmr.2015.57.3.13.

Reimsbach, D., Schiemann, F., Hahn, R. and Schmiedchen, E. (2020), "In the Eyes of the Beholder:

Experimental Evidence on the Contested Nature of Materiality in Sustainability Reporting", Organization & Environment, Vol. 33 No. 4, pp. 624–651, doi: 10.1177/1086026619875436.

Rosser, C., Ilgenstein, S.A. and Sager, F. (2022a), "The Iterative Process of Legitimacy-Building in Hybrid Organizations", Administration & Society, Vol. 54 No. 6, pp. 1117–1147, doi: 10.1177/00953997211055102.

Rosser, C., Ilgenstein, S.A. and Sager, F. (2022b), "The Iterative Process of Legitimacy-Building in Hybrid Organizations", Administration & Society, Vol. 54 No. 6, pp. 1117–1147, doi: 10.1177/00953997211055102.

Rothenhoefer, L.M. (2019), "The impact of CSR on corporate reputation perceptions of the public-A configurational multi-time, multi-source perspective: XXXX", Business Ethics: A European Review, Vol. 28 No. 2, pp. 141–155, doi: 10.1111/beer.12207.

Savage, A., Cataldo, A.J. and Rowlands, J. (2000), "A multi-case investigation of environmental legitimation in annual reports", Advances in Environmental Accounting & Management, Emerald Group Publishing Limited, pp. 45–81.

Schmeltz, L. (2014), "Identical or Just Compatible? The Utility of Corporate Identity Values in Communicating Corporate Social Responsibility", International Journal of Business Communication, Vol. 51 No. 3, pp. 234–258, doi: 10.1177/2329488414525439.

Secinaro, S., Corvo, L., Brescia, V. and Iannaci, D. (2019), "Hybrid organizations: A Systematic Review of the Current Literature", International Business Research, Vol. 12 No. 11, p. 1, doi: 10.5539/ibr.v12n11p1.

Segrestin, B., Levillain, K. and Hatchuel, A. (2016), "Purpose-driven corporations: how corporate law reorders the field of corporate governance", N European Academy of Management Conference (EURAM 2016).

Siew, R.Y.J. (2015), "A review of corporate sustainability reporting tools (SRTs)", Journal of Environmental Management, Vol. 164, pp. 180–195, doi: 10.1016/j.jenvman.2015.09.010.

Soobaroyen, T. and Ntim, C. (2013), "Social and environmental accounting as symbolic and substantive means of legitimation: The case of HIV/AIDS reporting in South Africa", Vol. 37 No. 2, pp. 92–109.

Suchman, M.C. (1995), "Managing Legitimacy: Strategic and Institutional Approaches", The Academy of Management Review, Vol. 20 No. 3, p. 571, doi: 10.2307/258788.

Tarulli, A., Morrone, D., Conte, D., Bussoli, C. and Russo, A. (2023), "The relevance of non-financial disclosure in influencing the cost of capital: Empirical evidence from the agri-food sector", Business Strategy and the Environment, Vol. 32 No. 4, pp. 1739–1751, doi: 10.1002/bse.3215.

Torelli, R., Balluchi, F. and Furlotti, K. (2020), "The materiality assessment and stakeholder engagement: A content analysis of sustainability reports", Corporate Social Responsibility and Environmental Management, Vol. 27 No. 2, pp. 470–484, doi: 10.1002/csr.1813.

Torelli, R., Balluchi, F. and Lazzini, A. (2019), "Greenwashing and Environmental Communication: Effects on Stakeholders' Perceptions", SSRN Electronic Journal, doi: 10.2139/ssrn.3470659.

Turzo, T., Marzi, G., Favino, C. and Terzani, S. (2022), "Non-financial reporting research and practice: Lessons from the last decade", Journal of Cleaner Production, Vol. 345, p. 131154, doi: 10.1016/j.jclepro.2022.131154.

Unerman, J. and Zappettini, F. (2014), "Incorporating Materiality Considerations into Analyses of Absence from Sustainability Reporting", Social and Environmental Accountability Journal, Vol. 34 No. 3, pp. 172–186, doi: 10.1080/0969160X.2014.965262.

Ventura, L. (2023), “Social Enterprises and Benefit Corporations in Italy”, in Peter, H., Vargas Vasserot, C. and Alcalde Silva, J. (Eds.), The International Handbook of Social Enterprise Law : Benefit Corporations and Other Purpose-Driven Companies, Springer International Publishing, Cham, pp. 651–674, doi: 10.1007/978-3-031-14216-1_31.

Venturelli, A., Caputo, F., Leopizzi, R. and Pizzi, S. (2019), “The state of art of corporate social disclosure before the introduction of non-financial reporting directive: a cross country analysis”, Social Responsibility Journal, Vol. 15 No. 4, pp. 409–423, doi: 10.1108/SRJ-12-2017-0275.

Vourvachis, P. (2007), “On the use of content analysis (CA) in corporate social reporting (CSR): Revisiting the debate on the units of analysis and the ways to define them”.

Waldman, D.A. and Siegel, D. (2008), “Defining the socially responsible leader”, The Leadership Quarterly, Vol. 19 No. 1, pp. 117–131, doi: 10.1016/j.leaqua.2007.12.008.

Wu, S., Shao, C. and Chen, J. (2018), “Approaches on the Screening Methods for Materiality in Sustainability Reporting”, Sustainability, Vol. 10 No. 9, p. 3233, doi: 10.3390/su10093233.

Zollo, L., Pellegrini, M.M., Faldetta, G. and Rialti, R. (2023), “How to combine multiple identities and gaining stakeholders legitimacy in hybrid organizations? An organizational design response”, Journal of Management and Governance, Vol. 27 No. 4, pp. 1189–1222, doi: 10.1007/s10997-022-09644-7.