

## **Social Purpose Formation and Evolution in Nonprofit Organizations**

### **FARAH KODEIH**

IESEG School of Management, Univ. Lille, CNRS, UMR 9221 - LEM- Lille Economie  
Management, F-59000 Lille, France

[f.kodeih@ieseg.fr](mailto:f.kodeih@ieseg.fr)

### **HENRI SCHILDT**

Department of Management Studies and Department of Industrial Engineering and  
Management, Aalto University, Espoo, Finland

[Henri.schildt@aalto.fi](mailto:Henri.schildt@aalto.fi)

### **EMMA SANDSTRÖM**

Department of Management Studies, Aalto University, Espoo, Finland  
[Emma.sandstrom@aalto.fi](mailto:Emma.sandstrom@aalto.fi)

### **DAVIDE RAVASI**

UCL School of Management, University College London, London, United Kingdom  
[d.ravasi@ucl.ac.uk](mailto:d.ravasi@ucl.ac.uk)

### **JUKKA-PEKKA HEIKKILÄ**

Department of Industrial Engineering and Management, Aalto University, Espoo,  
Finland  
[jpheik@gmail.com](mailto:jpheik@gmail.com)

**Keywords:** Organizational purpose, social purpose, non-profit organizations, meaningfulness

**Acknowledgements:** We would like to thank our editor Filippo Carlo Wezel and our anonymous reviewers for the excellent comments and advice throughout the editorial process. We are also grateful for the comments we received from participants at Aalto University and Bayes School of Business seminars as well as Academy of Management Meeting and EGOS. We thank the Research Council of Finland for the funding that enabled our data collection efforts. Finally, we want to warmly thank the case organization and all the organizational members for providing us with the access to understand their thinking and activities.

## **Social Purpose Formation and Evolution in Nonprofit Organizations**

### **Abstract**

Social purpose lies at the heart of nonprofit organizations, serving as a nexus that motivates support from volunteers, donors, and other stakeholders, driving collective efforts to address social issues, and anchoring everyday practices in moral imperatives that transcend organizational boundaries. While a compelling social purpose is seen as vital for the survival and growth of nonprofits, we know surprisingly little about how purpose develops in these organizations. Drawing on a triadic framework that conceptualizes social purpose as narratives, shared understandings, and enactment in practice, we investigate how purpose forms and evolves within a nonprofit organization. Our findings elaborate how discrepancies can emerge between founders' abstract, future-oriented visions and members' practices related to the organization's beneficiaries. These discrepancies may lead to conflicting or fragmented understandings of purpose, but they can also be generative, driving its evolution toward a resonant and achievable social impact. Whereas leaders are commonly seen as guarding organizational purpose from drift, our study shows how members in nonprofits protect purpose from irrelevance and inefficacy.

Nonprofit organizations (NPOs) are commonly founded with an explicit intent to pursue a social purpose, an aspiration to contribute positively to society by addressing specific social issues or problems (Grimes et al. 2019, Besharov and Mitzinneck 2023, Lashitew et al. 2024). A clear and resonant purpose is essential to securing stakeholder support and attracting volunteers who contribute their time, effort, and skills to causes they care about (Austin et al. 2006, Farny, Kibler, Hai, et al. 2019, Faletehan et al. 2021, Kouamé et al. 2022). Despite its importance for the long-term survival and growth of nonprofits, there has been little attention to how these organizations develop a viable social purpose. While some studies have explored the challenges leaders face in maintaining and reinforcing an organization's purpose over time (Jiang 2021, Kouamé et al. 2022), we know less about the dynamics that shape the formation and early evolution of social purpose in nascent NPOs.

The limited focus on purpose formation in nonprofits is striking given the renewed scholarly interest in organizational purpose—a foundational concept in organization theory (Follett 1940, Selznick 1957). Scholars have defined purpose as an organization's “reason for being” (Gartenberg and Serafeim 2023, p. 2) and the value it aims to provide to its stakeholders (George et al. 2023). Organizational purpose captures the relationship an organization has with the broader society and its stakeholders, justifying the organization's pursuits as worthwhile (Pratt and Hedden 2023), providing a central source of meaningfulness and motivation for organizational members (Rosso et al. 2010, Jasinenko and Steuber 2023), and securing legitimacy and support from external stakeholders (George et al. 2023).

Research on organizational purpose has largely focused on corporate settings (George et al. 2023, Ocasio et al. 2023, Chua et al. 2024), emphasizing either an “inside-out view” that focuses on leaders’ role in infusing organizations with purpose and guarding it, or an “outside-in view” that explores how stakeholder demands and institutionalized expectations shape corporate purpose (Almandoz 2023, Ocasio et al. 2023). The central role that social purpose plays in attracting resources and motivating members in nonprofit organizations, however, creates unique challenges that existing theoretical accounts do not adequately address. Nonprofits rely on passionate volunteers who are drawn to an organization because its purpose aligns with their deeply held personal values (Minkoff and Powell 2006, Farny, Kibler, Hai, et

al. 2019, Brandtner 2021). Through their direct engagement with beneficiaries, these volunteers develop an intimate understanding of needs and a sense of urgency to address them (Garner and Garner 2011, Alfes and Langner 2017, Shepherd and Patzelt 2025), yet they may easily depart if they see the organization diverging from their values (Garner and Garner 2011). At the same time, lacking commercial revenue sources, nonprofits are uniquely dependent on donors who often exert influence over which beneficiaries and issues receive priority (Minkoff and Powell 2006, Kim 2025).

The competing demands create distinctive challenges for nonprofit leaders, who can neither dictate a definite purpose (inside-out) nor simply respond to a coherent and stable set of institutionalized demands (outside-in). Understanding how social purpose forms in nonprofits therefore requires us to move beyond existing views toward a more processual and multi-actor approach that acknowledges the distinctive features of these organizations. We thus ask: what dynamics shape the formation and evolution of social purpose in nonprofit organizations?

To address our research question, we conducted a longitudinal case study in a new nonprofit organization using a combination of interviews, observations, and extensive internal archives. Our study spans a period of five years—from early reflections and discussions leading to the founding of the organization to the eventual stabilization of its activities around a new statement of purpose that realigned leaders and volunteers around an achievable social impact. Our grounded analysis was informed by a triadic conception of social purpose encompassing leaders' purpose narratives, members' understandings, and purpose enactment in organizational practices (George et al. 2023).

Our findings elaborate on how discrepancies emerge between leaders' efforts to maintain a consistent purpose narrative and members' understandings and enactment of social purpose shaped through their direct engagement with beneficiaries. We highlight and theorize how these discrepancies, when left unaddressed, can lead to organizational conflict and purpose fragmentation, while also driving the evolution of social purpose. The formation of social purpose in nascent nonprofits can create productive tensions as leaders strive to articulate abstract future-oriented narratives, while volunteers form more granular and meaningful understandings and experiment with impactful practices. Rather than signaling

dysfunction, these discrepancies serve as a generative force, enabling a nonprofit to gradually reorient its social purpose by adapting what the organization's desired social impact is, who its beneficiaries are, and how this impact will be pursued. In this process, NPO members play a pivotal role by helping reshape purpose towards greater alignment between narrative and practice through their sustained attention to beneficiaries' evolving needs and circumstances—even when their efforts directly challenge the leadership's vision. While leaders protect purpose against drift (Selznick, 1957), members protect it against irrelevance and inefficacy.

These findings contribute to existing research by uncovering the dynamic tensions between leaders' abstract, future-oriented vision and members' more concrete, impact-focused understandings that drive purpose formation and evolution in nonprofit organizations. In doing so, our study offers a conceptualization of purpose formation as emergent, dialectical, and co-constructed, which challenges existing assumptions foregrounding the "heroic" role of founders in shaping purpose (Dacin et al. 2011, Almandoz 2023) and the normative role of institutionalized expectations (George et al. 2023, Ocasio et al. 2023). By advancing the view of organizational purpose as dynamic, in flux, and far from uniform (Varendh-Mansson et al. 2020), we offer a valuable lens for understanding nonprofit organizations.

## THEORETICAL BACKGROUND

For nonprofit organizations, social purpose represents their *raison d'être*—a set of value-driven goals and aspirations that attract support from various stakeholders (Kouamé et al. 2022, George et al. 2023). A resonant and clear account of social purpose helps "rally, engage, and enroll workers, volunteers and donors" (Minkoff and Powell 2006, p. 591, Zahra et al. 2009, George et al. 2023), while also sustaining their motivation and goodwill (Austin et al. 2006, Farny, Kibler and Down 2019, Farny, Kibler, Hai, et al. 2019). In this section, we first distinguish organizational purpose from the related concept of organizational identity and then outline the distinctive characteristics of *social purpose* in nonprofit organizations. We conclude the section by introducing a triadic conception of social purpose, consisting of leader narratives, member understandings, and enactment in practice.

### **Distinguishing organizational purpose from organizational identity**

The concept of organizational purpose originates from the seminal works of Selznick (1957), Barnard (1938), and Follett (1940), who emphasized purpose as a shared direction that aligns and motivates organizational members. In recent decades, scholarly interest in purpose has been overshadowed by the broader concept of organizational identity (Albert and Whetten 1985), which captures members' beliefs about an organization's distinctive and enduring core characteristics (see also, Gioia et al. 2000, Ravasi and Schultz 2006). These two concepts address interconnected and complementary questions: organizational identity asks, more broadly, "who are we?" as an organization while purpose asks, more narrowly, "why do we exist?" (Pratt and Hedden 2023). In practice, the two often intertwine, with purpose serving as a key referent for identity claims and beliefs (Gioia et al. 2013, George et al. 2023), much like strategy (Ashforth and Mael 1996) or culture (Ravasi and Schultz 2006). This connection is particularly salient in nonprofit organizations, where purpose, often explicated in mission statements, represents a defining and enduring aspect of organizational identity (Cloutier and Ravasi 2020).

Despite their empirical overlap, organizational identity and purpose are distinct theoretical constructs. Organizational identity captures the claimed or assumed position of an organization within a social space (Whetten, 2006), a combination of the type of organization it claims to be and the characteristics that distinguish it from comparable organizations (Navis and Glynn 2011, Glynn and Navis 2013). Organizational purpose, often used interchangeably with 'mission', captures instead an organization's commitment to making a difference in the world—particularly for nonprofits pursuing social change (Brandtner 2021). While identity provides a source of enduring familiarity and distinctiveness (Whetten 2006), purpose is oriented toward goals and values that transcend the organization itself and serve as a source of meaningfulness for organizational members (Lepisto and Pratt 2017, Jiang 2021, Jasinenko and Steuber 2023).

Thus, existing accounts of organizational identity emergence offer, at best, a partial understanding of how organizational purpose forms and evolves (Gioia et al. 2010, 2013). Identity emergence is commonly seen as a leader-driven process that locates the organization within a social referent group (Gioia et al. 2010, Navis and Glynn 2011, Cloutier and Ravasi 2020) through a combination of characteristics that are

perceived as “unique [and] that they have in common with other members of their industry” (Clegg et al. 2007, p. 498). Identity is assumed to form through the choices founders make about organizational attributes (e.g. King et al. 2011) and the labels they use to describe and define the organization (e.g., Clegg et al. 2007, Glynn and Navis 2010). In contrast, the formation of purpose is more deeply rooted in common values or moral concerns, the search for emotional resonance (Kouamé et al. 2022), meaningfulness (Rosso et al. 2010), and a shared desire for social impact (Grant 2012, Jasinenko and Steuber 2023, Pratt and Hedden 2023).

The distinction between organizational identity and purpose can be illustrated in cases where the two diverge. For instance, an organization founded to address a specific crisis can maintain its identity even as the context shifts and the external issues grounding its purpose change or disappear (e.g., Florian et al. 2019). The central elements of organizational identity, such as the organization’s values and decision-making processes, can persist even when the purpose becomes blurred (Selznick 1953). While organizational identity can endure without a clear purpose, it is more difficult to imagine a strong and sustained purpose that is not embedded in, and reinforced by, an organization’s identity.

### **Social purpose in nonprofit organizations**

Nonprofit organizations represent an important vehicle for the pursuit of social purpose, as they tend to be founded with the explicit aim to address salient societal issues and create a positive social impact for defined beneficiary groups. Often referred to as “social mission,” social purpose transcends any particular organization, connecting to moral concerns that matter to stakeholders independently of the organization itself. Given the distinctive characteristics of nonprofits, existing accounts of organizational purpose, developed almost exclusively in the context of for-profit companies (Gartenberg and Serafeim 2023, George et al. 2023, Ocasio et al. 2023), may offer limited insight into how social purpose forms and evolves in nonprofit organizations. Even research on purpose in social enterprises (Smith and Besharov 2019, De Cuyper et al. 2020, Cornelissen et al. 2021) provides limited guidance for understanding NPOs. The focus of this literature is on how “hybrid organizations” (Battilana and Lee

2014) struggle to balance social and commercial imperatives, often requiring them to revisit and realign their social vision with market demands and a need for financial sustainability (Renko 2013).

The distinct challenges that nonprofit organizations face raise questions about the applicability of the dominant “inside-out” and “outside-in” perspectives in organizational purpose research (see Almundoz 2023). The “inside-out perspective” (Almundoz 2023, Ocasio et al. 2023) foregrounds the central role of organizational leaders in articulating a purpose and communicating it to employees (Ghoshal and Bartlett 1994, Besharov and Khurana 2015, Carton 2018). These studies often portray leaders as “architects of purpose” (Gartenberg and Serafeim 2023), sometimes implying a near “heroic” ability to define and implement purpose (Dacin et al. 2011). With a primary focus on internal stakeholders, this perspective views purpose as a means for leaders to create internal alignment and enhance meaningfulness for the organization’s members (Follett 1940, Selznick 1957, Gartenberg et al. 2019).

This leader-centric approach is particularly reinforced by hierarchical authority and formal employment relationships in for-profit firms, which allows leaders to prescribe a purpose that aligns with and supports commercial goals (Gulati 2022). In contrast, nonprofits operate under markedly different conditions that challenge this top-down purpose formation. They rely heavily on volunteers, who are not contractually bound, and on employees who often work for below-market salaries (Austin et al. 2006, Garner and Garner 2011, Hussain et al. 2024). These members are typically drawn to the organization by its social purpose and expect it to reflect their personal values and fundamentally guide the organization’s choices (Doherty et al. 2014, Farny, Kibler, Hai, et al. 2019). Moreover, they are often uniquely positioned to understand the needs of beneficiaries and how best to address them (Alfes and Langner 2017, Shepherd & Patzelt 2025). Nonprofit leaders may thus need to accommodate organizational members’ values and views to sustain their engagement (Florian et al. 2019, Taylor and Roth 2019, Faletehan et al. 2021), challenging traditional, leader-centric conceptions of purpose formation.

While the inside-out perspective emphasizes internal dynamics, the complementary “outside-in perspective” (Almundoz 2023, Ocasio et al. 2023) conceives organizational purpose as shaped by a historically contingent set of societal expectations and demands of powerful stakeholders. Developed

primarily in the context of large corporations, this line of research draws on the corporate social responsibility and citizenship literatures to explain how for-profit companies use purpose to maintain their legitimacy and ‘license to operate’ (e.g., Demuijnck and Fasterling 2016, Kaplan 2023). This approach reflects a broader cultural shift away from the relentless pursuit of shareholder value toward a greater emphasis on social and environmental goals (Bansal and Roth 2000, Besharov and Mitzinneck 2023)—a shift that now appears to be reversing (e.g. Temple-West et al. 2025).

For for-profit firms, social purpose is often complementary and secondary to commercial and corporate goals, with corporate leaders often conceiving societal pressures as contradicting or constraining their profit-making imperatives (Gulati 2022); in nonprofit organizations, however, social purpose is foundational to their existence. Institutionalized expectations around the pursuit of social good are not in tension with other stakeholders’ priorities but rather form the core around which they coalesce to deliver social impact. Yet, the heavy dependence on donors and public funding can make nonprofits even more beholden to influential resource-holders than their for-profit counterparts. As Minkoff and Powell (1996) note, external funding can form a binding “mandate” for a nonprofit that may directly conflict with the needs of target beneficiaries or the aspirations of volunteers.

In summary, the challenges that nonprofit organizations face and the context within which they operate complicate leaders’ efforts to articulate and enact social purpose in ways that prior research failed to appreciate, and dominant paradigms are unable to capture. The nascent literature on social purpose and mission tends to view purpose narrowly as the vision articulated by leaders and casts changes in purpose as “mission drift” (Bruder, 2025). As the formative processes of nonprofit organizations remain largely unexplored (Shepherd and Patzelt 2025), we still have a limited understanding of the dynamics that shape the formation and evolution of social purpose in these organizations.

### **A triadic conception of purpose**

To conceptualize and study social purpose, we draw on the broader organizational purpose literature to foreground three distinct yet interconnected dimensions. Prior research has variably emphasized distinct conceptions of purpose, as synthesized in the recent review by George et al. (2023). The authors draw

attention to leaders' purpose narratives that articulate their vision for the organization, members' shared understandings of the organization's purpose, and the enactment of purpose through organizational practices. All three dimensions are important for understanding social purpose in nonprofit organizations.

The first dimension consists of leaders' articulated claims that specify "what value [the organization] seeks to create" (George et al. 2023, p. 1847) or "why the work done by an organization is worth doing" (Kraatz et al. 2020, Pratt and Hedden 2023, p. 183). Purpose statements articulated by leaders can be understood as promises about the organization's future conduct that align organizational members around common goals and convey the organization's intentions and values to external stakeholders (Morrison and Mota 2023, Rindova and Martins 2023).

The second dimension consists of the shared understandings held by organizational members (Jasinenko and Steuber 2023). Follett (1940) already emphasized the centrality of shared understandings, urging leaders to embrace "a common purpose, born of the desires and the activities of the group" (p. 262). Some of the contemporary literature also conceives purpose as shared understandings regarding the organization's ultimate goals and role in society rather than mere statements of purpose (Gartenberg et al. 2019). A widely shared understanding of purpose can mitigate internal conflicts among various interest groups and strengthen members' identification with the organization (Besharov and Khurana 2015, Gartenberg and Serafeim 2023, Ocasio et al. 2023).

The third and final dimension is the enactment of purpose in organizational practices and structures (Selznick 1957, George et al. 2023). As Ocasio et al. (2023, p. 4) note, purpose "manifests itself in structures and the things that an organization actually does." Enactment is often considered the most challenging aspect of purpose in contrast to the relatively straightforward articulation of purpose narratives (Gartenberg et al. 2019, Lleo et al. 2021, Almandoz 2023). Follett (1940, p. 288) suggests that organizations should pursue "a purpose evolved by all the interweaving activities of the enterprise." Selznick (1957), however, highlights how the enactment of purpose is constantly at risk of being thwarted by technical requirements and administrative priorities that divert attention and resources from it. Enactment can also fail or produce ambiguous outcomes that influence how members and stakeholders

interpret the organization's purpose (Jay 2013). Enactment thus serves as an indicator that the organization is fulfilling its promise to "walk the talk" and can provide feedback on the feasibility and authenticity of its claimed ideals (Beer et al. 2022, Ocasio et al. 2023, p. 4).

This triadic conception informed our longitudinal analysis and enabled us to chronicle in a granular way the evolution of social purpose at our case organization, as it was narrated by leaders as well as understood and enacted over time by its members.

## METHODS

### **Research setting**

To improve our understanding of the formation of social purpose in nonprofit organizations, we conducted a longitudinal qualitative study of the early years of a Finnish organization we refer to as Inclusion (a pseudonym). The organization granted us an uncommon degree of access by openly sharing all the documents produced during the initial months of its existence, week by week. This access allowed us to closely examine the emergence of social purpose at a nascent stage. Our prolonged engagement with volunteers and board members also enabled us to track changes in real time and examine closely the social processes underpinning these changes. These particularly fortunate conditions provided us with a deep understanding of "how people understand the changes they are both instigating and dealing with, and how these meanings evolve" (Langley and Abdallah 2015, p. 15).

Inclusion was established on April 25<sup>th</sup>, 2016, following the two founders' disappointment with the government's response to the European refugee crisis in the summer of the previous year. In a preliminary document drafted weeks before its official founding, the founders stated that "the swelling immigration figures present not only a challenge, but rather a massive growth opportunity", and that skilled migrants could help meet the "growing demand from Finnish technology companies for new talent" (executive summary, 03/16). With backgrounds in entrepreneurship and nonprofit leadership, the founders saw an opportunity to provide migrants with necessary skills, experiences, mentorship, and

contacts to “empower as many of these individuals as possible to create and work for high growth companies” (executive summary, 03/16).

## **Data Collection**

Our data collection was organized in three rounds. The first round took place from March 2017—less than a year after the founding of the organization—to June 2017; the second from March 2018 to January 2019, and the third from May 2021 to June 2022. We collected three sources of data: semi-structured interviews, a comprehensive set of archival documents, and fieldnotes from observations (see Table 1 for details).

--- Table 1 about here ---

***Semi-structured Interviews.*** We conducted 54 semi-structured interviews using a combination of purposive and snowball sampling approaches (Patton 2014). Our informants included founders, board members, core members, volunteers, and participants. We began by interviewing founders and early members to gain a comprehensive understanding of the early days of Inclusion. We then secured access to other current members of the organization. As customary in qualitative research, the content of interviews changed over time and across types of informants, as our analysis led us to shift our focus from the initial ambitions of the founders and their implementation to how it came to be interpreted and pursued in practice over time (for a sample of our interview guides, see Appendix A). The interviews lasted between 30 and 90 minutes and were all recorded and transcribed with the informants’ consent.

To preserve anonymity, we refer to informants by codes consisting of a letter, corresponding to their primary role in the organization, and a running number. We used Fx for founders, one of whom also served as CEO for the first five years, Bx for board members, Cx for core members—a group that includes early full-time volunteers, employees, and interns—Vx for more general volunteers who only participated sporadically, Px for program participants, Rx for other stakeholders and NC for the new CEO (see Appendix B for further details on each informant’s and period of involvement).

**Archival Data.** Inclusion provided us with access to a large archival data set that included meeting memos, presentation material, event material, and executive summaries. Some of this material dated back to a few months prior to the founding, offering a contemporaneous account of the organization's very early days, prior to our interviews and observation. We also collected posts from Facebook, Instagram, and blogs, and used the Wayback Machine internet archive to track changes in the organization's website from its inception. This archival material was essential to corroborate retrospective accounts of informants, to construct a timeline of events, and to carefully track changes in how the founders and leaders described the social purpose of the venture through different communication channels. Multiple versions of presentation decks in the archive gave us a fine-grained view of how the purpose narrative evolved over time.

**Observation.** The observational records mainly provided context for the interviews, archival data and subsequent analysis. Two of the authors conducted non-participant observation, attending volunteer and core member meetings, board meetings, several events, and training programs (see Table 1). Two additional authors visited Inclusion's office premises, engaged in informal conversations with members of the organization, and kept notes of their interactions and experiences. Appendix C provides further details about these visits. These observations complemented the interviews and archival documents and helped us substantiate statements collected through these other data sources. For example, observations at community meetings helped track how new initiatives and activities were discussed and integrated into existing ones; we could also appreciate the increasing emphasis on communal activities and shared experiences, evident in the palpable sense of camaraderie within the 'lab', moments of collaborative cooking and shared laughter.

## **Data Analysis**

Although we describe our analysis sequentially, in reality it proceeded iteratively, moving back and forth between raw data, emerging themes, and relevant literature (Locke 2001), in multiple rounds of data collection and analysis. The initial purpose of our study was to examine the formation of organizational identity in a nonprofit organization. As the research progressed, however, we noticed that the central

tensions in the organization revolved more specifically around its social purpose, as discussions among the founders and members focused on the kind of social outcome the venture ought to pursue, and whether this outcome had been achieved or was achievable at all. We thus shifted the focus of our analysis towards the formation and evolution of social purpose.

In the *first step*, we created a detailed chronology of key events and decisions that marked the early years of Inclusion, including the launch of new initiatives, changes in the core managerial team, and other events informants identified as important, such as the opening of a physical headquarters. Figure 1 provides a summary of our detailed chronology. We also combined field notes and archival data to map the various services, initiatives, and day-to-day activities at Inclusion to track when and how they changed over time. This rich historical reconstruction formed an essential backdrop for our analysis. Combined with the next step, it helped us capture how the structures and practices through which Inclusion ostensibly pursued its social purpose evolved over time.

--- Figure 1 about here ---

In a *second step*, we open-coded archival data and interviews with organizational leaders to analyze changes in the articulation of the organization's social purpose over time. This analysis involved tracking statements made by leaders or spokespersons in formal communications, such as reports, presentations, and the organization's website, as well as during interviews (Ravasi and Schultz 2006). These communications were generally aimed at constituents, such as potential volunteers, beneficiaries, partners and supporters, beyond the inner circle of the founders and their close collaborators. Our interviews with the founders revealed how these narratives were aimed at outlining the social impact they envisioned. Despite the diversity of elements that constituted the sequential purpose narratives, there was a consistent emphasis on 'technology entrepreneurship' until the initial leader of the organization exited. We collectively refer to these statements as "social purpose narrative" to distinguish them from the understandings and interpretations held by organizational members other than the founders and leaders.

We first collated this text in a large working table detailing the statements, their medium, and dates. This table helped us track changes in how articulations changed over time, sometimes even on a week-

by-week basis. This fine-grained account complemented our chronology and helped us reconstruct whether and how changing conceptualizations of social purpose affected events and/or were affected by them. We then reorganized these statements into a separate table, collating statements that used the same or similar elements to describe Inclusion (Appendix D presents a condensed version of this table and selected evidence). This analysis helped us identify elements referenced in founders' purpose narratives and track their appearance over time and across multiple media. For example, we noticed that while refugees were prominently featured in the earliest documents, they became simply one in a list of many beneficiary groups after April 2016 and disappeared altogether after March 2017. Figure 2 summarizes the key elements referenced in social purpose narratives over time.

--- Figure 2 about here ---

In a *third step*, we coded interview transcripts and field notes to trace how founders' and other members' understandings of Inclusion's social purpose evolved over time, and how this purpose was enacted in organizational practices. Following established prescriptions for coding qualitative data (Strauss and Corbin 1990, Gioia et al. 2013), our analysis began with open coding. We coded statements that expressed informants' beliefs about the fundamental purpose of Inclusion, their motivations for joining or leaving Inclusion, and their views and sentiments about the services, initiatives and activities through which the venture purportedly pursued its social purpose. We tentatively labelled text fragments using descriptive codes that captured their content as closely as possible—often using '*in vivo*' labels, directly reflecting the words used by informants. We gradually organized these fragments into analytical tables, which allowed us to group similar pieces of data and move from preliminary, *in vivo* labels to more general—yet still descriptive—first-order codes that captured the shared meaning across interviews and field notes.

In a *fourth step*, we systematically grouped similar codes, exploring relationships among them, and clustering them under more abstract ('second-order') theoretical categories. Doing so helped us move from descriptive codes to a set of analytical categories that captured the fundamental processes and mechanisms that marked the emergence of social purpose at Inclusion (Appendix E provides additional

empirical evidence). As we did so, we turned to the literature on organizational purpose to ensure that our emerging categories aligned with more general theories and terminology while remaining receptive to distinctive features of our focal phenomenon.

As our second-order categories took shape, they highlighted persistent discrepancies between the purpose narrative articulated by organizational leaders (emerging from our analysis in step two), volunteers' evolving understandings of the purpose of the venture (captured in step three), and how this purpose was enacted with the beneficiaries the organization catered to, the content of the projects it initiated, and the day-to-day activities it carried out—in other words, its organizational practices (tracked in step one). Discrepancies manifested in three ways. First, interviewees frequently and explicitly referred to misunderstandings among volunteers, disagreements between them and the leaders, and/or inconsistencies in how the stated purpose was implemented. Second, later interviews indicated that several members had an understanding of the purpose of Inclusion that was only partially overlapping with the official purpose statements. Third, as we mapped the content of changing projects, initiatives, and activities against the official statements of purpose, we observed a gradual detachment between the two, until their eventual realignment at the end of the period covered by our study.

These discrepancies culminated in an open conflict between the polarized views of founders and core members at the end of phase one, while they remained latent at the end of phase two, manifesting instead as fragmentation among different views. Our study period was thus marked by two critical junctures, each related to leaders' efforts to revisit purpose narratives, induced by the realization of significant divergence between leaders' narratives, members' understandings, and organizational practices. This observation highlighted the pivotal role of (mis)alignment among these three dimensions in shaping the trajectory of Inclusion's social purpose over time. During the first juncture, two of three core members left the organization (see Appendix B for duration of involvement). The second juncture was marked by the leader's exit in 2020.

In the *fifth and final step*, we grouped our second-order categories into four aggregate dimensions that we used to build our grounded model (Figure 4): Founders' purpose narratives (outcome of step two),

Narrative-understandings discrepancies (step two), Narrative-enactment discrepancies (step one), and Outcomes of purpose discrepancies (step four). At this stage, we developed multiple tentative visual representations (Langley and Ravasi 2019) and carefully “theorized the arrows” connecting different constructs (Langley 1999) to support our development of an emerging grounded model. Concept-evidence tables (Cloutier and Ravasi 2021), produced during steps two, three, and four, helped us articulate clear definitions for each construct and ensure the grounding of our model in the data. The resulting data structure is presented in Figure 3.

--- Figure 3 about here ---

To ensure trustworthiness (Lincoln and Guba 1985), our analysis was conducted in parallel by different members of the group, working independently, first on the raw data and next on the emerging set of codes and categories. We periodically shared and discussed our coding to ensure gradual alignment before moving to the next phase. Using a common template to gather and organize evidence corresponding to tentative codes helped us structure our analysis to ensure easy comparability. Recoding, discussing, and relabeling helped us reconcile differences and reach a robust agreement on a set of codes and categories. Finally, we presented our findings to selected informants at Inclusion for feedback on our emerging interpretations.

## FINDINGS

Our analysis details how the formation and early evolution of social purpose at Inclusion unfolded in three phases: the initial articulation of the purpose narrative by the founders, their subsequent effort to reaffirm the purpose narrative amid discrepant understandings among volunteers and uncertainty about implementation in practice, and the eventual pragmatic alignment of the purpose narrative with existing practices that members found more impactful and meaningful. The process was shaped by persisting discrepancies among the founders’ aspirational narratives, members’ evolving understandings, and the on-the-ground enactment of social purpose.

### **Phase 1: Organizational founding**

Inclusion was formally founded in April 2016, following the onset of the European refugee crisis in Finland. As the organization sought to fulfill the founders' initial ambition to stimulate and support technology entrepreneurship among refugees, it encountered implementation challenges that highlighted discrepancies between the founders' and early members' conceptions of the organization's social purpose.

***Aspirational purpose narrative.*** The two founders saw the refugee crisis as an opportunity to provide much-needed talent to the growing startup ecosystem in Finland—a vibrant network connecting community organizations, incubators, accelerators, and investors—based on the assumption that many of these refugees would be talented, skilled, and entrepreneurial:

If you've travelled 4000 kilometers from your hometown and gone through hell, you probably have the attitude, you have the desire to improve your life and that of your family, and you have the entrepreneurial spirit. You might be lacking in skills or networks, but at least you have the attitude. (F2, 04/17)

Inclusion's initial communication, thus, was primarily focused on supporting refugees and asylum seekers. In outlining the purpose of the new venture to potential backers, the very first executive summary in January 2016, prior to the formal founding, underscored this focus noting that "over one million refugees have entered Europe since 2015. By 2020, 100,000 new people may settle in Finland, and Europe as a whole will receive millions of new residents." It described Inclusion's mission as "to empower as many of these individuals as possible to create and work for high-growth companies." Similarly, flyers and social media posts aimed at recruiting supporters described Inclusion's mission as "helping refugees." An early Facebook post announced, "If you are interested in social impact and want to help refugees create the next Finnish unicorns, come to hear more about [...] Inclusion" (01/16). At various events, Inclusion was presented as an organization supporting asylum seekers and offering new solutions to the refugee crisis. An informant noted, "The refugee crisis was clearly the main focus" (C3, 04/17). Another member later recalled:

The way [F1] pitched it was very much in the frame of asylum seekers coming in. It was all about recognizing the opportunity for Finnish society in this influx of newcomers, and, when I got involved, it was very focused on refugees and asylum seekers. (C4, 09/21)

Inclusion's founders presented technology entrepreneurship as their focal means to create social impact, as captured in their first slogan: "Integration through technology & entrepreneurship". Early presentations emphasized asylum seekers "creating or working for a high-growth company" as a path towards integration. The first executive summary mentioned "a propensity or curiosity for technology and entrepreneurship, and an inclination for creating and/or joining technology startups" as "the main criterion for participation" in the activities of Inclusion. On 26<sup>th</sup> March 2016—one month before the official founding—the newly launched website emphasized this criterion, inviting new members who were "curious about technology and entrepreneurship" to join:

Technology has no colour, no boundaries. We welcome anyone looking for a fresh start and wishing to integrate better into Finnish society and the startup community, using technology and entrepreneurship. If you are a refugee, an immigrant, a foreigner living in Finland, or a young person unsure of what to do next, we are really keen to see you join. Our services are open to all. The main criterion for participating is ATTITUDE: if you are curious about technology and entrepreneurship, you're welcome to Inclusion.

This purpose narrative enabled the organization to quickly recruit three full-time volunteers (C1, C2 and C3) and several part-time ones. Two of the former (C2 and C3) were primarily motivated by the opportunity to help asylum seekers integrate into Finnish society; the third one (C1) was sympathetic towards multicultural, marginalized young people, being himself an immigrant. We refer to these three full-time employees as 'core members' because of their central role in designing and implementing activities and programs for asylum seekers.

***Enactment challenges.*** Early volunteers were enthusiastic to enact the leaders' narrative and design activities that "involved asylum seekers with entrepreneurship and technology" (executive summary, 04/16). For example, board members, founders, and volunteers visited refugee reception centers to give "inspirational talks" and share their startup experiences. They sought to enroll asylum seekers in "clubs" and other entrepreneurship-related events, like the Business Ideation Weekend and the School of Startups program. A memo clarified that the purpose of these events was to "promote Inclusion and its mission, [and] congregate people who are interested in learning more about using entrepreneurship and technology" (memo, 03/16).

Soon, however, it became evident that turning the purpose narrative into a tangible reality was challenging. Participation in Inclusion's events dwindled as refugees' interest in these activities quickly waned. Inclusion's members lamented that events and activities were "ill-adapted to the asylum seekers' needs" (memo, 02/16). Regular weekly activities attracted fewer and fewer asylum seekers. The English club, for example, folded only six weeks after inception, and the "movie Night" club—where participants would watch inspirational talks by famous startup entrepreneurs—was a failure: "On Friday, Ali tried to organize the video night, 4-5 people joined, two didn't speak English" (memo, 03/16). The School of Startups, intended as the prime event, also disappointed the organizers: "150 people registered but only 68 joined, as the first wave of asylum seekers from Iraq and Afghanistan were getting rejected at the same time." (F1, 03/17).

Indeed, at the same time, the number of new asylum seekers began to decrease, and many of those already in the country were denied residency in Finland. As one of the founders recalled, the refugee crisis "was not that high on the agenda anymore, because [first] there was a huge influx, and then suddenly it dropped" (F2, 04/17). The founders also recognized that not many refugees were as "suitable for tech entrepreneurship" (F2, 06/18) as they had thought. As the founder CEO explained:

In the crowd of refugees, there were not many who were skilled, who spoke English, who could be involved in what we were doing as we thought there would be. The numbers were much smaller than expected. (F1, 03/17).

Many volunteers began questioning whether the practices promoted to support refugees were effective or appropriate. They viewed the current efforts as inadequate and began to urge the organization to focus on developing more impactful practices that better addressed the beneficiaries' needs. These concerns revealed and accentuated discrepancies between the founders' aspirational narrative and the members' understandings, as we highlight below.

***Divergent member understandings.*** The challenges in enacting the purpose narrative forced the founders to clarify their initially ambiguous vision, leading to growing divergence between the priorities of the founders and many of the volunteers. During the summer of 2016, it became clear that some

members' views regarding who the beneficiaries of the organization should be and what social impact it should pursue diverged considerably from the founders' intentions.

Consistent with their initial vision, the founders were eager to rapidly expand the range of beneficiaries targeted by the organization. An early board member explained:

[F2] already had a fairly clear idea of what he wanted to see happen and it was obvious that it wasn't just about asylum seekers or refugees, even in those early days. He saw it as something that would exist for decades. [...] not simply about that situation in time, but about "generalizing" the startup approach to [other] sectors of society. (B1, 05/17)

The lack of traction for early events and activities precipitated the founders' decision to target a broader and somewhat more privileged audience, including international students and expatriates' spouses, rather than adapting their practices to better serve refugees.

Not all volunteers, however, agreed (see Appendix E). Many of them had been attracted to the organization by its initial emphasis on integrating refugees into the Finnish society and economy, as a meaningful and worthy cause that aligned with their own ideals. Interviewees recalled their strong desire to "help refugees" (V5/17) and mentioned feeling "inspired" (C3/17) by the positive impact that the organization would have on the refugee community:

This insane movement is happening in Europe. And we're all watching it, and going: What can I do? And all of a sudden here it comes, this grassroots organization of people going: We're going to do something about this. And I think a lot of people really related to that. (C3, 04/17)

One core member noted how helping refugees was the part of the purpose narrative that "they wanted to hear" (C2, 05/17). Another core member explained:

[The refugee crisis] really resonated with people. Whether or not there was a slide somewhere that said it was not just refugees but other groups as well, that is what the focus was, and that is who the community was focused on. That is what people that were involved cared about. (C3, 04/17)

Volunteers' views regarding the ideal social impact the organization should pursue also evolved over time. Many volunteers understood the organization's purpose to be about "helping people". They believed that Inclusion should prioritize supporting refugees rather than supplying talent and skills to the startup ecosystem:

[...] what I thought originally: a socially-driven initiative. I thought, I'm going to help people who are in a bad situation as refugees to get a better job. We could go to refugee camps, we could inspire them to get further education and be positive members of society. This is how I saw it. (V2, 05/17)

Volunteers had envisioned the profound social impact that Inclusion could have on the lives of the beneficiaries they had come to know personally. One volunteer reflected on their experience at the reception center: "While at the reception centers, it was awesome. It was great vibes. We're gonna do it, we're going to make things happen" (V2, 05/17). They noted that many refugees aspired to set up more traditional businesses, which Inclusion's founders had ruled out of their scope as one core member commented:

It's strange to say we're helping people integrate through entrepreneurship, and then, if someone wants to open a café, we say we can't help you. Just 'put an app on it, and then we'll help you.' (C2, 05/17)

While members considered it meaningful to support traditional brick-and-mortar entrepreneurship or to place refugees in regular employment, the founders were unwilling to adapt their focus:

If you really want to create your own, I don't know, physiotherapy practice, [another organization] is for you. If you want to create something that is tech-enabled, a software company or something, Inclusion is for you. (F2, 04/17)

Volunteers grew disillusioned about the likelihood that a significant number of refugees would create successful high-tech startups or find employment in them. They believed that practices focused on technology entrepreneurship did not meet the specific needs of the beneficiaries or make a positive social impact. As one volunteer mentioned:

It felt like squaring a peg in a round hole. It didn't feel like the most appropriate way to help the people. Just inviting refugees to some events [...] doesn't work because it's not adapted to their needs. (V2, 04/17)

Another one expressed a similar sentiment, noting that founders did little to "get to know people ... [instead] they were just imposing practices that didn't really resonate" with volunteers and beneficiaries (C2, 05/17). Sharing this feeling, some members unsuccessfully attempted to convince the founders to develop activities more closely aligned with the refugees' needs:

[C2] was pushing us to do something that makes a difference. What's really going to make a difference in these people's lives? Shouldn't we be pairing them up with somebody who can help mentor them? And that mentoring does not need to be about startups. It does not need to be about tech.

It could be about how they network in Helsinki. Wouldn't that help them? I'm sure that is a really great idea and also in line with the mission of Inclusion. (C3, 04/17)

These discrepancies culminated in a widespread sentiment that Inclusion was prioritizing startups over refugees. A core member questioned whether startup events were rather aimed at "empowering startups more than people" (C1). Another core member recalled:

I always thought that we really were here to help the people, and I don't even know ... We're trying to help the startup community, which is already the best community in Finland. They have all the money. It's already super international. It's the most international ecosystem that we probably have in this country. Do they really need help? [laughs] and it got really ugly. (C2, 05/17)

***Conflict over purpose.*** Eventually, mutual frustration escalated into a confrontation between the founders and several of the early members and volunteers over the purpose of Inclusion. As frontline individuals tasked with interacting with beneficiaries and designing activities and events, core members felt they should have a say in shaping the purpose narratives—particularly given their deeper understanding of the community's needs. However, the founders remained resolute in their own vision for Inclusion, leaving members feeling unable "to influence [...] what we were doing, what we stood for" (C3, 04/17). As one core member pointed out:

[F1] took nothing in. She was just defending the whole thing. She was saying that you understood it wrong and it's your feeble mind that doesn't get the mission, and you were always wrong. She's been saying the same thing since the beginning, and we just understood it wrong. (C2, 05/17)

Similarly, a volunteer noted:

Inclusion is all about driving refugees into IT-related education and startups. And I told [F1] that not all of them have this ability or the background. She responded, "good, we're going educate them on that." Okay, but what if I want to be a hairdresser? What if I want to have an ethnic supermarket? This is entrepreneurship, but it's not what you're going for and you are excluding a good part of refugees if you don't make it 'entrepreneurship', not just tech entrepreneurship. But she said, "This is our vision." (V2, 05/17)

As conflicting priorities became apparent, members who had become emotionally invested in improving the lives of the refugee community felt deflated and questioned their participation in the venture. They saw the prioritization of technology entrepreneurship and the startup community over refugees as incompatible with their own values. As a core member explained:

I need to get rid of this, it's against what I am. It would be so weird to work with this because it's not at all about the things that I feel important, and—I don't know—I just didn't want to be a part of it. I left because [Inclusion] was basically not really helping people. (C2, 05/17)

Several people left at this stage “because the expectation when they started and the reality of what was happening didn’t match” (V4, 04/17). Some of those who stayed also felt dismayed at the sudden realization that Inclusion did not stand for what they thought it stood for. A board member lamented:

It was difficult to accept it on an emotional level because I have always been more interested in the kind of projects that target disenfranchised youth and the ones who are in the most terrible situation (B1, 05/17).

The loss of two out of three core members in the Summer of 2016 prompted the founders to contemplate changes in how they communicated their envisioned purpose of the venture.

### **Phase 2: Bolstering the foundational purpose**

The second phase was characterized by a continued focus of founders on technology entrepreneurship and efforts to broaden the range of beneficiaries served by the organization. Despite these efforts, members became increasingly skeptical of the social purpose narrative, which remained somewhat disconnected from organizational practices and demonstrated little tangible impact on intended beneficiaries.

***Reaffirmed purpose narrative.*** The founders acknowledged that the way they initially presented the venture had set expectations that they were unable or unwilling to meet. Instead of addressing members’ frustrations, they chose to downplay these concerns, attributing them to a lack of understanding among members of “what the organization is about.” As one founder reflected:

I understand that there have been some tensions and some debates about identity or what to do and what not to do. I think that it is partly probably the lack of communication, and partly because people have had wrong or different expectations. (F2, 04/17)

The founders sought to reiterate and clarify their commitments and aspirations for the venture, placing a strong emphasis on technology entrepreneurship and enabling diverse individuals to join the startup scene. This ongoing commitment also aligned with the expectations of the foundation that contributed to funding Inclusion’s activities. The head of the foundation noted that they expected the organization to be

“linked to supporting entrepreneurship in society” (R1, 03/18). In her communication, the CEO emphasized startups more consistently:

Even though we are about integrating people and it’s about society at large [...] in reality what we want is to turn these people into wanting to create a startup or work for one. [...] Trying to get them to think startups, and not business or entrepreneurship, is another inspiration and journey that they have to understand. We’re talking about scalable businesses. (F1, 03/17)

The emphasis on refugees gradually decreased in external communications, and starting from May 2016, presentations no longer made explicit references to refugees. The CEO later noted that Inclusion “had to really, purposefully change the way we were communicating so that people understood that it was bigger than what we had started with” (F1, 05/18). In September 2016, a redesigned website stated: “our events are open to everyone who wants to learn what startups and high-growth companies are and whether creating or working for one is matching his/her personal talents and aspirations”.

The founders also sought to attract members and volunteers with a solid understanding of the startup ecosystem and possessing an entrepreneurial mindset. They sought to attract people who “share the same values” (C5, 04/17) and understand this emphasis on technology entrepreneurship. As one board member noted, “if you don’t feel that technology is a way to solve the issues we have in society, then you’re probably not a fit for Inclusion” (B5, 04/18). The CEO shared a similar sentiment: “It is easier to make startup entrepreneurs want to help people than to make individuals who want to help people into startup entrepreneurs” (F1, email correspondence, 03/17).

To increase the resonance of the venture’s social purpose among potential new members and supporters, the team started to deliberately refer to “inclusivity”, “diversity”, and “community” (see Appendix D). The revised mission in November 2016 reflects these changes:

Our mission is to inspire and empower people from diverse backgrounds to join the startup ecosystem. We actively work towards lowering the barrier of participation. By extending the funnel to be more **inclusive** [*bold red in the original*], we will contribute to optimizing under-utilized skills and creating more high-growth companies.

From October 2016 onwards, the organization claimed to focus on helping people from “diverse backgrounds”, sometimes spelled out more explicitly as “foreigners and multicultural people trying to integrate into Finnish society” (presentation, 10/16).

From April 2017 onwards, external communications presented Inclusion as “a community-driven organization.” A few months later, an updated mission included goals to “inspire and empower our community through gatherings, workshops, trainings and programs that help them explore ideas, share knowledge and develop skills [...] in the startup life” (website, 08/17). The communal side of Inclusion was further reinforced by the acquisition of a physical space in the basement of an entrepreneurship accelerator at the end of summer 2017. This space, called the Lab, would allow “people to come in and really feel welcome and part of a community” (C4, 06/17).

***Enactment challenges.*** Although the revised purpose narrative resonated with some members, many others were increasingly critical about the organization’s ability to effectively translate the narrative into tangible impact, because of insufficient expertise in technology entrepreneurship, and a lack of resonance of entrepreneurship-related activities among beneficiaries.

Despite their efforts to implement the founders’ stated purpose, many of our informants saw the venture as incapable of effectively promoting technology entrepreneurship:

There were a few cases, last year, where people came to us and then started businesses. Maybe five. There are a few cases of people doing our programs and, through that, getting jobs with startups, but we haven’t seen exactly measurable success in those areas so far. (C4, 03/18)

Furthermore, members perceived enactment to be hampered by the lack of required “tech expertise” (C4). As one core member noted:

Our qualifications are still very humanistic, like we do not have anybody in the staff or the volunteers who is a software architect, for example, or anything like that. (C8, 01/19)

With limited domain knowledge and expertise, Inclusion’s entrepreneurship programs also lacked coherence. During the School of Startups program in 2018, for instance, an observer noted:

The workshops are fun and intense and provide a lot of interesting information. However, this doesn’t feel like a regular training program on how to create a startup or move from A to B. It’s more like bits and pieces. (field notes, 03/18)

Finally, it was becoming evident that technology entrepreneurship did not resonate well with the targeted beneficiaries. In November 2017, for instance, Inclusion launched a Social Impact Bond program with the focus on helping highly skilled unemployed immigrants find work in a startup or launch

their own ventures. An assessment report for the program, however, concluded that most beneficiaries displayed “low interest towards entrepreneurship” and far higher interest in “getting a job” (SIB report, 04/18). The report, based on interviews with participants in the program, further stated:

The program participants have not applied to the program with the intention of starting their own venture, and they do not identify themselves as having an entrepreneurial mindset. Additionally, the program has not been able to spark an interest towards entrepreneurship in them. In this respect, Inclusion has not been successful in meeting its intended outcome: inspiring and activating the participants towards a career in entrepreneurship or the startup ecosystem. (SIB assessment report, 04/2018)

**Members' doubts over the purpose narrative.** The challenges in enacting the purpose narrative intensified doubts about the organization’s direction. Members grew increasingly concerned that the organization had failed to create a tangible impact and questioned its ability to do so:

I think they should disclose what kind of impact they made in order to gain more credibility in the market. If it’s a startup they should disclose how many people they have coming in, how many of them have found jobs or they created their own jobs. (V2, 05/17)

One board member shared similar frustration regarding the organization’s elusive social impact:

It’s very hard to grasp … Like, [...] What’s the concrete outcome of this? [...] what are we creating? Are we building up an idea, and getting enthusiastic about what you said [...] and what he said and she said… We doubt actually anything concrete happening. (B3, 05/18)

Furthermore, several informants lamented that while the purpose of the organization might be clear for the founders themselves, it remained ambiguous for internal and external stakeholders. One volunteer observed a need to “see more focus, a clearer message about what Inclusion is about and some continuity” (V8, 04/17). Similarly, a former core member noted that “currently I don’t really understand what they’re doing” (C1, 05/17).

Continued doubts and confusion over the social purpose narrative prevented members from forming a shared and meaningful understanding of what the organization was going to accomplish. This lack of a shared understanding was particularly evident as members struggled to articulate the organization’s purpose in their external communication:

I don’t think I ever fully understood exactly how Inclusion differs from the various other organizations that seem[ed] a lot more focused. So, as a result, I’ve had a bit of a hard time explaining what Inclusion is when pitching it to others. (V8, 04/17)

***Emergent meaningful practices.*** Challenges in enactment and doubts over the purpose narrative led members to shift their focus toward activities that they found more meaningful and rewarding. As efforts aimed at technology entrepreneurship failed to gain traction, members focused on communal activities and social interactions such as “lottery lunches”, “community gatherings” and other “get-to-know-each-other activities”:

The community gatherings were good because that’s where everyone comes together in a very informal atmosphere. Basically, the team and volunteer gatherings are where we cook together, so it’s really relaxed, and anyone can join at any point—whether it’s the cooking, the eating, or the games. I think these gatherings are important events that Inclusion should continue to hold in the future. (M11, 04/17)

For some members, these social interactions had a “very tangible” impact “on the micro-level” (M21, 03/18), which they saw reflected in the “spark in some people’s eyes” (V2, 05/17) and the “glimpse of hope” (V9, 04/17) they seemed to bring:

From the feedback I got so far, one big value is inspiration and motivation. People feel really inspired by the environment, by all the information they get, to be looking for new opportunities, where they can reinvent themselves, try out new areas. (C11, 04/18)

Others redirected their focus to initiatives aimed at supporting the employability of immigrants through activities like “matchmaking” (C11, 04/18) that facilitated connections between beneficiaries and employers to help the former “find jobs” (V12, 04/18; C4, 06/17). As a core member reported:

I had experience in doing different workshops for people interested in finding a job in general. And I wanted to bring that here to Inclusion (C8, 01/19).

Although these impromptu efforts initially seemed to lack direction, members came to recognize the positive social impact of these practices and their value in helping beneficiaries in their search for employment (SIB report, 2018).

***Purpose fragmentation.*** The latent discrepancies between the founders’ narrative, members’ understandings of the organization’s goals, and the efforts to realize a positive social impact remained unresolved from early 2017 through to the beginning of the pandemic in 2020. While the organization exhibited no open conflict or outright dysfunction, the continued discrepancies in social purpose and the

inability of members to foresee a meaningful impact from the founders' purpose narrative led them to ignore and even deviate from the founders' aspirations.

Community building came to overshadow technology entrepreneurship as volunteers found meaning and fulfilment in activities that fostered human connection. They valued helping people connect with "like-minded" others (V1, 05/17), who were "facing the same challenges" (C11, 04/18), and who offered "support that you are not alone" (V1, 05/17). Many began to see Inclusion primarily as a place where people could walk in, connect, share ideas, and "create something together" (V5, 04/17). As one informant explained:

Community (...) is about people having a place, a point to connect to. [Inclusion] is somewhere where they feel like they belong, where they're curious, where they meet people who stimulate and motivate them. (C4, 03/18)

"You don't even have to have a business idea, or you don't even want to join the startup ecosystem", another mentioned, "You just join us to share your own stories and chat with the others" (C5, 05/17). This statement seemingly contradicted the official purpose, as founders had always seen community as a means to foster entrepreneurialism. As one founder emphasized:

We call ourselves a grassroots community-run organization [...] On the community side...it's all about inspiring and empowering people first. It's about them discovering and exploring whether Inclusion or startups and technologies are for them. (F1, 05/18).

This divergence in emphasis between the leaders' narratives and the members' understandings was exemplified by a promotional video created by a group of interns and detailing the activities of the organization. A core member observed the striking omission of technology entrepreneurship: "Never once are the words 'tech and entrepreneurship' mentioned in the video. So, it's beautiful [...] but maybe we have become a little distracted." (C4, 06/17)

Further, while the leadership still expected the organization to develop activities around technology entrepreneurship, volunteers failed to see this articulated purpose as credible, let alone commit to it. Instead, they experienced the employability-related practices that had evolved through bottom-up initiatives to be far more impactful, with several informants highlighting the importance of "creating job

opportunities for people who arrived in Finland and are looking for jobs" (V5, 04/17). As one of them explained:

Inclusion's mission is to bring together immigrants and foreign students, asylum-seekers, and everybody who is skilled and talented, but has nothing to do. [It is about] supporting them mentally, but also [enabling them to] develop their skills. Then afterwards, they can apply to find a job or even have their own business. (C6, 04/17)

The views of members, however, were far from uniform, with no shared understanding of the organization's purpose emerging. During our discussions with informants in 2018, for instance, a core member of the team still maintained emphasis on entrepreneurship:

It's good [getting people hired], but that's not our mission. At least not at the moment. [...] Because our goal is to get them in startups, that's where we are strong. (C9, 04/18)

Few other members explicitly referenced the founders' stated social purpose. As a former board member observed: "You could notice how [tech and entrepreneurship] disappeared in that sense the community moved in front of entrepreneurship." (B2, 07/21) Even board members themselves had developed a fragmented understanding of the organization's purpose, as one explained: "[Inclusion] is about integration and employment opportunities, finding your place, and building your professionalism in a foreign environment" (B3, 05/18).

A report from November 2019, the last one published before the onset of the pandemic, illustrates the fragmented nature of the organization's purpose by referencing both elements of the foundational purpose narrative, such as technology and high-growth entrepreneurship, as well as elements that members really valued, such as community, belonging and access to employment:

Inclusion Impact goals:

- We build opportunities for employment and mobility in tech community
- We activate new entrepreneurs with can-do attitude to build confidence and adopt a high-growth mindset
- We enable people to find sense of empowerment and belonging
- We encourage new startups to emerge and help companies find the talent they need
- We reverse integration failure
- We accelerate employment bringing systemic economic benefits to Finland
- We test new models for societal impact

(Abridged Slide from White Paper on Diversity & Inclusion in the Tech industry, November 2019)

As one member mused, reflecting back on this period:

I think we didn't really know who we were, and where our space in this part was [...] We did lots of cool-looking stuff, and we tried to do things that didn't work. So, in a way, it was ... very lively and lots of happening, but deep down it was not really focused. And I think many times we tried to be something that we were not. (C13, 06/21)

Amid this fragmentation, however, the original founders remained committed to their initial aspirations and continued their emphasis on technology entrepreneurship in their communication. During a third interview with the CEO in 2018, she noted:

Inclusion does exactly the same thing as at the beginning. We are integrating people using technology and entrepreneurship [...] We want more people from diverse backgrounds to create startups or work for one, so our goal is to lower the barrier of participation for more people to consider startups or technology as one way of redefining their career (F1, 05/18)

It was only after the founding CEO stepped down and a new CEO took over in November 2020 that Inclusion found an alignment between the official purpose narrative, members' understandings, and organizational practices.

### **Phase 3: Pragmatic alignment**

The hiring of a new CEO from outside the organization in November 2020 marked a new phase in Inclusion's journey. Lacking the personal and social commitments that bound the old leadership, the newly appointed CEO sought to address the persisting misalignments between the stated and enacted purpose of the venture as well as the incoherence in its activities, as the new CEO observed:

When I got there, I realized very quickly that it wasn't clear to the team what we did. It wasn't clear to the external stakeholders. It wasn't even clear to the community. (NC, 05/21)

***Impact-driven purpose narrative.*** The new CEO set out to articulate a credible purpose narrative rooted in the organization's emergent practices and observable impact. In her new role, the CEO worked closely with the team to conduct a thorough assessment of the current state of the organization: "We spent the first three months just doing a proper analysis (...) We looked at that data and we were able to see who are we serving, what types of profiles, where are they from." This analysis revealed a misalignment between the articulated social purpose, established practices, and tangible outcomes. The continued emphasis on startups and technology entrepreneurship in external and internal communication did not reflect the activities or impact of the organization. The new CEO shared her reflections:

There was a very strong expectation that we would explore and grow the entrepreneurship side of our business because historically this was where we are rooted, and this is also where we see the future path of the industry. It is a very critical point and something we were actually putting a lot of focus on. But when you look at our community, that's not what they want or need. It was really taking an intentional and really hard look at where can we add the most value. (NC, 05/21)

The analysis indicated that Inclusion's practices were "30% entrepreneurship and 70% employment" (NC, 05/21). In terms of both impact and external funding, the focus on employability was even more significant. Another informant noted that while "the employability part" had clearer results, "the entrepreneurship part was quite vague" (C13, 06/21). Both the new CEO and the employees emphasized the willingness and openness to change:

The beautiful thing was that when I joined, [the new CEO] said, 'hey, you can shape this however you want to in some sense, and because there is not that heavy legacy, there's quite a lot of freedom to be part of that transition and shape it in a way that we feel is suitable for our community'. (C15, 5/22)

During our last round of interviews, the new leadership shared with us reflections that eventually manifested in the new mission statement, slogan, and accompanying descriptions they published on their website in July 2021 (see Appendix D and E for some excerpts). These reflections, as the new CEO explained, were based on what Inclusion was demonstrably able to accomplish:

Where are our strengths and weaknesses? What are the products and projects that have the most impact and best success and position us to do more? We did that full analysis. About maybe two months ago, we started then enacting the plans to shift from where we were to where the data says we should be. (NC, 05/21)

The stated purpose of Inclusion was thus revisited to reflect the shifting emphasis on "career transformation" and helping people integrate socially and professionally. The organization adopted a new slogan, "We put you in the game", and updated its website accordingly:

Inclusion is the place for meaningful professional integration and career transformation in Finland. We are an impact-driven non-profit organization that bridges the gap between job seekers and companies in Finland by providing in-demand training and fostering a growth mindset in the community where educated individuals can upskill and build a meaningful career. (website, 07/21)

***Aligned purpose.*** These changes resulted in an alignment of the purpose narrative with the organization's practices and related social impact. The aligned social purpose appeared to strengthen members' sense of commitment, as highlighted by one core member:

I think it's the mission [that is inspiring the team]. We are all, or most of us are ourselves immigrants here, and I think we all feel this very strong need to support people like us...and I think that's like very inspiring to see... that we can help. (C14, 05/22)

The organization focused on practices and activities designed to “either get people employed or start their own business” (C15, 05/22), such as career coaching and assistance for jobseekers. The only residual practices related to “technology entrepreneurship” were technology skills certifications and practical training sessions on setting up small businesses. References to startups and high-growth firms were removed from communications, reflecting the new CEO’s belief that “there’s a lot of value in having sort of brick-and-mortar entrepreneurship.” (05/21) Entrepreneurship thus became one of many pathways for professional integration, as the new website stated:

Reach your professional goals with us—*no matter if you're looking for a job or want to start your own business*. We offer events, coaching, and training to help you create a meaningful career (website, 07/21, italics added)

These changes were supported by the new CEO’s strong commitment to “doing the right things with the most impact.” (NC, 5/21). One member confirmed that the organization no longer had “events just for the sake of having them” but instead sought “to make sure that each event serves several groups, [to be] more focused and bring more value.” (C14, 05/22) Likewise, another member emphasized that prioritizing beneficiaries’ actual needs and considering the potential impact of practices are important initial considerations when planning new events or programs:

...there used to be a time where it was, like, ‘oh, here’s this cool new startup topic, and let’s do an event around it’. We had events around pet tech or food tech or, you know, these kinds of things. And now it’s more like, ‘OK, what helps our community actually with integration and getting a job?’. So now we look at each event that we do and we ask, ‘will this actually have an impact for the community?’ (C15, 05/22)

Reflecting on Inclusion’s purpose and observable impact, one member noted: “I think one of the keywords [...] is professional integration, even though it’s a little bit clunky, not the nicest word for marketing [laughs]. But that is what we do here, we do professional integration.” (C15, 05/22). Another respondent similarly stated:

I think professional integration [is the keyword], and we always talk about helping people find a meaningful career, whatever that means to you. So, for someone, it’s finding a job, and not just any job but some job that is fulfilling for them. (C14, 05/22)

The team felt confident and at ease with how the organization was developing. As one member noted, “there are always things that we can improve, but I think we’re in a pretty good spot right now (...) [the new CEO] has been integral to the development of the organization and the team.” (C16, 5/22). Another team member highlighted the organization’s ability to create impact:

I can see that we have really the right ingredients to make real change. So, if we could scale some of these products to even bigger, we can be a meaningful contributor to helping internationals find jobs but also to solve lack of talent in Finland. (C17, 6/22)

Taken together, aligning the purpose narrative with practices and impact both clarified the organization’s reason for being as well as fostered a sense of contribution and meaningfulness among the members.

### **GROUNDED MODEL: THE FORMATION AND EVOLUTION OF SOCIAL PURPOSE IN NONPROFIT ORGANIZATIONS**

Our grounded model, depicted in Figure 4, builds on our empirical observations to illuminate the processes through which social purpose forms and evolves in a nascent nonprofit organization through the interplay among the purpose narratives articulated by the founders, members’ understandings of purpose, and enactment of purpose in practice. The model explains how discrepancies among these three dimensions arise and, when left unresolved, lead to either outright conflict over purpose or its fragmentation, and how these dynamics shape the evolution of social purpose in nonprofits.

--- Figure 4 about here ---

Social purpose formation begins when founders of a new organization craft an *aspirational purpose narrative* that outlines the organization’s desired social impact and how it will be pursued. For nascent nonprofit organizations heavily dependent on the goodwill of volunteers and donors, founders often intentionally craft ambiguous narratives that incorporate diverse elements to secure support from a broad stakeholder base. In our case, this initial narrative included helping refugees, fostering technology entrepreneurship, and supporting the start-up community. Research has shown that such ambiguous

strategic goals enable the accommodation of multiple interests (Sillince et al. 2012), while “incomplete” narratives invite start-up employees to project career ambitions into the venture (Bort 2025). In nonprofit contexts, our findings suggest that an ambiguous purpose narrative allows an organization to appeal to constituents’ personal values and concerns.

Over time, an organization must turn aspirational purpose narratives into concrete practices. Yet, implementing ambiguous plans is fraught with uncertainty, often resulting in *enactment challenges* when efforts to create impact fall short of shared expectations. In our case, enactment was hampered by both unrealistic expectations, such as the founders’ assumption that a significant proportion of refugees would be interested in and capable of working for high-tech startups, as well as unforeseen shifts in the external environment, such as the unexpected decrease in refugee inflow to Finland that further challenged the founders’ initial plans. Addressing such challenges may require founders to revise their assumptions and adapt the venture’s activities accordingly (Grimes 2018), for example by redefining the scope of beneficiaries and/or the services offered as illustrated in our case.

The ability of a nascent nonprofit to realize its aspirational purpose narrative can be further constrained by *divergent understandings* among organizational members. Our findings reveal that early members selectively prioritized specific social issues (what), focused on a particular subset of intended beneficiaries (who), and developed their own understanding of appropriate means (how), often diverging from leaders’ priorities. Because volunteers are typically motivated by a strong desire to help others and contribute positively to society through nonprofit work (Garner and Garner 2011, Brandtner 2021, Faletehan et al. 2021), they may be especially drawn to problems and solutions that resonate with their personal values. In our case, members developed a strong commitment to helping refugees, whom they viewed as facing the most urgent needs, despite leaders’ broader vision. They also believed that the organization should prioritize traditional entrepreneurship and access to employment over the intended focus on technology entrepreneurship. In short, our case shows how members may construct their own interpretations of ambiguous narratives, amplifying aspects that feel particularly meaningful to them while disregarding others.

To address enactment challenges, leaders may be forced to make difficult decisions about the type of beneficiaries it serves, the types of needs it seeks to address, and the means through which to do so—which, in our case, resulted in the prioritization of supplying talent to the start-up community over helping refugees secure employment. While these choices may resolve ambiguities in the purpose narrative by prioritizing some elements over others, they may accentuate the divergence between members' understandings and leaders' aspirations, potentially causing early members to question whether the organization has abandoned the core purpose that originally motivated their involvement.

Discrepancies between leader narratives, member understandings, and the tentative enactment of purpose can precipitate *conflict over purpose*. The organization's inability to meet beneficiaries' needs can frustrate members whose expectations and priorities—shaped and reinforced through everyday interactions with beneficiaries—diverge from the founders' vision. These members may interpret the founders' adaptive choices as evidence of a “mission drift” away from what they perceive as the organization's ‘real’ purpose (Grimes et al. 2019), or even as a signal that founders do not see these beneficiaries as worthy of support (Shepherd and Patzelt 2025). At the same time, members' sense of ownership over the practices they develop to address beneficiary needs (Alfes and Langner 2017) can further reinforce divergent understandings and fuel conflict, as disagreement turns into open contestation.

In principle, leaders could resolve the conflict over purpose by adjusting their purpose narratives to better align with members' understandings and expectations. However, founders might instead choose to *reaffirm the purpose narrative*, often because they remain deeply invested in it, either for its personal resonance (Zuzul and Tripsas 2020) or due to commitments to important stakeholders (Garud et al. 2014). Reaffirming the core elements of the original narrative can help reduce ambiguity and enable more consistent implementation, while maintaining the broad appeal needed at this early stage. Yet, leaders' reluctance or inability to accommodate members' concerns and priorities can ultimately lead to the departure of early supporters who are unwilling to compromise on the purpose ideals that inspired their involvement.

Open contestation and the loss of early supporters create an imperative for founders to further strengthen their reaffirmed purpose narrative by incorporating new elements that enhance its appeal and help attract new members (see also Kouamé et al. 2022, Mittermaier et al. 2022). At Inclusion, the founders enriched their original vision by incorporating “diversity”, “inclusivity” and “community” more prominently in their communications. Reaffirming thus involves both reiterating commitment to the founding purpose to preserve crucial stakeholder support—as illustrated by the continued support of a key foundation in our case—and strengthening it to enhance its appeal.

However, merely reaffirming the original purpose may be insufficient to resolve discrepancies. As our case shows, new organizations often struggle to develop the necessary practices to realize ambitious visions of social impact, leading to persistent *enactment challenges*. This struggle can be reflected in the lack of convincing evidence that the venture can achieve its stated goals. In the absence of tangible social impact, members may begin to cast *doubts* over the feasibility of the organization’s official purpose. While aspirational visions can generate initial goodwill in newly founded organizations, as stakeholders rarely expect immediate impact from organizations without the required structures and practices, they may grow increasingly impatient and begin to expect tangible results as time passes.

Enactment challenges and doubts over the feasibility and relevance of the purpose narrative can push members to turn to their interactions with beneficiaries and communal activities to find justification for their continued involvement with the venture. These front-line engagements offer opportunities to develop a deeper understanding of beneficiaries’ conditions and concerns, and experiment with *emergent practices*. Although these practices may diverge from the organization’s founding vision, they can generate tangible impact for the beneficiaries and feel *meaningful* for members, hence worth doing (Wrzesniewski and Dutton 2001, Pratt and Ashforth 2003).

As the official purpose narrative gradually loses credibility, members begin to develop their own understandings of the venture’s purpose by drawing on personal interactions, emergent practices they engage in, and concrete manifestations of impact they observe “on the ground”. In the absence of a purpose narrative that recognizes and articulates these emerging understandings, the organization risks

*purpose fragmentation*, with each member developing their own understanding of purpose based on their idiosyncratic personal experiences and interactions.

Eventually, persistent fragmentation can undermine the organization's ability to deliver its intended impact by preventing the coordination of resources and efforts around coherent activities and goals. While leaders may continue to push for the enactment of their initial vision, they risk a growing erosion of member commitment, enthusiasm and support. At Inclusion, the founders remained steadfastly committed to their initial purpose narrative until the departure of the leader who had articulated the original vision and the recruitment of a new leader. Unburdened by personal ties and public commitment to the founding purpose, an outsider can open space for reevaluation and realignment of the organization's purpose narratives and practices. A break from the original vision allows an organization to acknowledge the limitations of its past efforts and craft a new purpose narrative that better reflects existing practices and members' understandings.

The divergent understandings and emergent practices that contributed to purpose fragmentation in the previous phase can provide the leadership with a new foundation for articulating an *impact-driven purpose narrative*—one that is grounded in current practices and their observable impact. Unlike the initial aspirational narrative that was forward-looking, or the reaffirmed narrative that attempted to preserve founding commitments while accommodating new elements, this impact-driven narrative is constructed from practices that have already demonstrated their tangible value. Doing so helps repair purpose fragmentation by restoring a mutually reinforcing alignment between members' everyday experiences and practices and the official narrative, anchored in meaningful and demonstrable prosocial impact.

## DISCUSSION

Our study expands research on organizational purpose by moving beyond the recent emphasis on for-profit corporations and social enterprises (Hollensbe et al. 2014, George et al. 2023, Morrison and Mota 2023, Ocasio et al. 2023, Chua et al. 2024) to examine in more depth challenges and dynamics associated

with the formation of purpose in nonprofit organizations. Doing so helps shed light on purpose as a “powerful but intangible phenomenon” (Ocasio et al. 2023, p. 124) that manifests differently across different organizational forms and contexts. Building on the grounded model presented in the previous section, we elaborate on how leader-member dynamics shape the evolution of social purpose in NPOs, highlight the value of purpose as a conceptual lens for studying nonprofit organizations, and outline the boundary conditions and future research avenues of our study.

### **Leader-Member Dynamics in the Evolution of Social Purpose**

Prior research on organizational purpose has commonly taken either an inside-out perspective—where leaders are seen as central architects of an organization’s idiosyncratic purpose—or an outside-in perspective—viewing purpose as conforming with societal expectations and stakeholder demands (Almandoz 2023, Lucas and Park 2023, Ocasio et al. 2023, Rindova and Martins 2023). Our study offers an alternative view of social purpose as dynamically co-constructed by leaders and members through shifting alignments among narratives, understandings, and practices. Following Selznick (1957), research on purpose has often emphasized the role of leaders in defining and safeguarding purpose as an embodiment of organizational values. We complement this view by drawing attention to the parallel role of organizational members in steering purpose through their tangible practices. In nonprofit contexts, this view foregrounds the pivotal role of volunteers and other front-line members who engage directly with beneficiaries as a counterforce to leaders’ long-term vision.

Our perspective highlights three key differences in how leaders and frontline members relate to social purpose: their abstract versus concrete understandings of social purpose, their distinct commitments (to foundational ideas and influential donors vs. beneficiaries), and their different temporal orientations, which together create generative tensions driving the formation and evolution of purpose.

***Abstraction versus concreteness.*** Our study highlights the contrasting tendency of leaders and other members of nonprofit organizations to formulate and pursue relatively more abstract versus more concrete understandings of purpose. By abstractness and concreteness, we refer to the varying levels of

granularity with which core aspects of purpose—such as the target beneficiary groups, intended impact, and means through which it is pursued—are articulated and understood (Baek et al. 2023). Our findings suggest that these differences can be explained by the distinct concerns and social interactions, with leaders promoting their vision for the organization to diverse stakeholders and members' views reflecting their routine, direct engagement with beneficiaries.

In nascent nonprofits, founders often begin with an abstract vision of the organization's intended social impact, its primary beneficiaries, and the provisional means through which these beneficiaries will be served. They craft broad narratives designed to resonate with a diverse array of stakeholders—narratives that invite others to “fill in the blanks” and imagine themselves as key actors in the organization's growth and success (Garud et al. 2014, Bort 2025). These early visions cohere around desired organizational values (Selznick, 1957) and typically rest on untested assumptions that remain abstract until challenged by implementation. Because abstraction enhances narrative coherence, persuasiveness and motivates action, leaders may hesitate to make their purpose narratives more concrete (Martens et al. 2007, Abdallah and Langley 2014). Since these visions are oriented towards the yet-to-exist future, they are neither true nor false, but aspire for ‘narrative verisimilitude’, the sense of internal coherence and resonance with audiences' expectations (Ricoeur 1984).

Other members, and particularly front-line volunteers, are often drawn to nonprofits by a desire to create positive social impact (Garner and Garner 2011, Brandtner 2021, Faletehan et al. 2021). While they may initially be attracted by the abstract ideals articulated by its founders, their understanding of social purpose often evolves as they begin to work directly with beneficiaries and experience the tangible impact of their actions, which makes their engagement feel more meaningful (Wrzesniewski and Dutton 2001, Pratt and Ashforth 2003, Rosso et al. 2010). Our findings show that such engagement can lead members to develop more concrete and focused understandings of the organization's social purpose than those outlined in leaders' narratives. Over time, sustained interactions with beneficiaries offer a strong sense of ‘realized meaningfulness’ and may even instill a sense of duty towards them (Lepisto and Pratt 2017, Jasinenko and Steuber 2023). These hands-on experiences provide members with a more

immediate and compelling “justification regarding why their work is worthy or valuable” (Lepisto and Pratt 2017, p. 106) than the abstract visions articulated by leaders.

Highlighting this difference does not imply that the founders’ more abstract purpose narratives are any less valuable, meaningful, or consequential than the more concrete understandings developed by other members. Rather, our case illustrates how both leaders and members contribute in complementary ways to the formation and evolution of social purpose. Founders’ abstract visions offer shared aspirations that inspire members and other stakeholders, while members’ concrete experiences justify their continued involvement as the founding vision encounters unexpected challenges. While an idealistic and abstract representation of purpose can be crucial for generating early enthusiasm, the development of more grounded understandings may be equally important for ensuring long-term stability and enabling the organization to adapt its activities to realize social impact. Our study thus suggests that purpose formation in nonprofit organizations involves an ongoing tension between abstraction and concreteness as the organization pursues resonance, meaningfulness, and viability.

***Distinct commitments.*** Our findings also reveal an important difference in how leaders and frontline members commit to organizational purpose. While leaders anchor their commitment in an outward-facing purpose narrative—reflecting their original ambitions and aimed at securing key stakeholders—members’ commitment is more strongly rooted in the beneficiaries they serve and the social issues they confront daily. These different social and emotional commitments help explain the distinct willingness of leaders and members to drive or resist changes to the organization’s social purpose.

Broader entrepreneurship research has shown that leaders are often deeply invested in the purpose narratives they articulate and promote, both because they express their own identities and personal values (O’Neil and Ucbasaran 2016, Zuzul and Tripsas 2020) and because they represent commitments that matter to stakeholders (Garud et al. 2014). Our study shows how leaders in a nonprofit organization can remain similarly attached to the founding narrative as a long-term vision that they communicated to influential stakeholders and find it difficult to change without breaching implicit promises (see also Morrison and Mota 2023). Social purpose narratives are, in a sense, the very “products” nonprofit

organizations “sell” to their stakeholders (Minkoff and Powell 2006). As such, changes to these narratives can threaten credibility and undermine stakeholder support.

Our case shows that members tend to form commitments to the underlying social issues that motivated their engagement and the beneficiaries whose needs they perceive as worth addressing. Direct interaction with beneficiaries deepens these commitments as members come to understand the beneficiaries, their needs, and how to best serve them. As our findings suggest, these experiences, in turn, reshape members’ understandings of the organization’s purpose. Thus, while it is not uncommon for nascent ventures to adapt their narratives and actions in response to emergent challenges (e.g. Grimes 2018, Shepherd and Gruber 2021), such adaptations can be problematic for nonprofit organizations, where purpose is closely tied to members’ lived experiences and moral commitments.

The pressures to adapt the organization’s social purpose can surface tensions between these distinct commitments. Leaders may be reluctant to accommodate diverging understandings that conflict with their broad vision or their commitments to influential stakeholders. For committed members, growing misalignment between their evolving understandings and the leaders’ ambitions can push some to eventually leave, feeling unable to fulfil their social and moral commitments—as exemplified by the end of Phase 1 in our study. Others may see an opportunity to sustain their commitments “on the ground”, leveraging the relative autonomy that volunteers and employees typically enjoy in nonprofits to pursue bottom-up efforts and influence the organization’s direction, as illustrated by phase 2.

***Different temporal orientations.*** Leaders and other members of nonprofits differ in their temporal orientation towards the pursuit of social purpose. Leaders in nascent organizations commonly articulate and promote future-oriented aspirational visions (Roundy 2014, Suddaby et al. 2023). In nonprofits, leaders articulate an ambitious vision of social impact and a desirable future that inspires the imagination of members and other stakeholders and secures their support (Gümüşay and Reinecke 2022, 2024, Kouamé et al. 2022). In our case, the founders’ purpose narrative remained anchored in the future even when the organization faced challenges in its implementation. In contrast, front-line members, and particularly those working closely with beneficiaries, may develop a more present-oriented focus that

connects to more immediate activities and their tangible impact. At Inclusion, while many volunteers were initially drawn by the bold vision of technology entrepreneurship to address the refugee crisis, they soon shifted their focus to meeting the immediate needs of the people they worked with daily and set aside the more distant goal of launching careers in high tech.

These diverging temporal orientations are a potent source of tension. Members who initially buy into aspirational narratives may grow increasingly impatient when future-oriented visions fail to materialize, turning to immediate and tangible results. Leaders in nonprofits may thus need to navigate a shift in temporal focus—from early aspirational narratives that attract stakeholder support and foster experimentation to more grounded narratives that better capture the organization’s tangible impact. As our case shows, failing to manage this transition can lead to growing fragmentation and a persistent misalignment between the organization’s aspirational vision and its actual outcomes.

***Co-construction of purpose.*** While the above tensions may appear as signs of dysfunction, our study suggests that they can constitute a generative dialectic in young nonprofit organizations. The ongoing push and pull between leaders’ abstract, long-term aspirations and members’ hands-on, present-oriented efforts can eventually lead to a purpose that is both resonant and more viable. This dynamic is particularly salient in nonprofit contexts, where members often enjoy unusual autonomy, seldom found in firms, and are deeply committed to prosocial goals.

Yet, this generative dialectic is not without its risks. We observed how discrepancies in purpose can escalate into open conflict over purpose or lead to purpose fragmentation. Conflict over purpose emerges when members develop a strong and shared commitment to beneficiaries that collides with the leadership’s broader vision. Purpose fragmentation, in turn, describes a drift when leaders’ vision no longer resonates with members, who then actively pursue alternative sources of meaningfulness and forms of social impact. Both purpose conflict and fragmentation become generative when they create conditions for a distributed search process through which leaders and members, more or less deliberately, explore alternative conceptions of what the organization could and should be. This process helps

reconcile differing views on social impact (“what” the organization does), intended beneficiaries (“who” it serves), and its practices (“how” it serves them).

By foregrounding frontline members in nonprofits, our study challenges the problematic focus on heroic founders in addressing complex social issues (Dacin et al. 2011, Nicholls 2013). By the end of the study, Inclusion’s purpose had come to reflect more closely its members’ practices and ideals than the founders’ original aspirations: integrating beneficiaries into the labor market became central, while technology entrepreneurship slipped to the margins. Yet, it was the founders’ future-oriented vision that created space for members’ experimentation, enabling the emergence of a more sustainable purpose grounded in meaningful activities. The coalescence of narratives, understandings, and practices around a new social purpose was not a result of a top-down teleological process, but a dialectical process between founding ambitions and members’ everyday experiences (Van de Ven and Poole 1995).

Although prior work has noted the freedom volunteers often have to experiment (Alfes & Langner, 2017), we show that their emergent practices and ideals can redirect the organization’s very purpose. These bottom-up member-led pressures on the leader’s purpose can help nonprofits accomplish resonance with external stakeholders backed by credible impact on the ground. By doing so, we illuminate how social purpose in nascent nonprofit organizations is not only dynamic (Clegg et al. 2021) and plural (Varendh-Mansson et al. 2020), but continuously shaped through leader-member dynamics. Our account thus contrasts with and complements George et al.’s (2023) characterization of the interconnected, relatively linear, and elite-driven processes of “framing”, “formalizing”, and “realizing” that underpin the formation of purpose in a corporate context. Our findings suggest instead that the committed pursuit of purpose can be a more fragmented and emergent process than previously assumed; leaders’ ability to engage in the top-down formalization of a purpose narrative might decrease as members’ concern for real-world impact increases, along with experimental efforts to learn more about what needs can be realistically addressed and how. Under these conditions, organizations may be better served by weaving an emergent purpose narrative around realized impact rather than relentlessly pushing for the realization of their visionary foundational narrative.

## Avenues for future research and boundary conditions

***Social purpose in different contexts.*** Our study highlights the value of social purpose as a key construct for studying nonprofit organizations and the dynamics involved in their formation and leadership. A deeper dialogue between studies of organizational purpose in corporate, social enterprise, and nonprofit contexts can enrich our understanding of the phenomenon. Because empirical and theoretical work on purpose has been mostly conducted in corporate contexts, it has often been seen as largely symbolic (Bromley and Powell 2012) and primarily serving to *limit* what corporations do. In this context, shareholders often conceive organizational purpose in terms of broad institutionalized themes, such as diversity, equity, and inclusion (George et al. 2023). The centrality of social purpose to a nonprofit's very existence provides a contrasting view of what an organization with a "strong" or "deep" purpose may look like (see also Gulati, 2022).

The more central and meaningful an organization's purpose is to its leaders and members, the harder it becomes to change or abandon it. Existing literature has noted that corporations can be quick to abandon their purpose narratives when the firm changes its strategic direction or leadership team (Davis and White 2015, Kaplan 2023), as illustrated by the rapid retreat from DEI initiatives in the U.S. in early 2025. For nonprofits, however, maintaining a consistent social purpose narrative represents an existential imperative. At the same time, Beveridge and Höllerer (2023) recently suggested that companies can become committed to a group of beneficiaries who face salient and intense hardships, often triggered by unexpected events that elicit empathic concern and a sense of duty towards them. Building on these insights, future research should examine corporations and social enterprises where purpose narratives are not merely ancillary differentiating factors of products or services but foundational for stakeholder relationships and thus critical to organizational viability.

***Future research on purpose in nonprofits.*** As our study highlighted both the challenges and benefits created by purpose discrepancies, future research could further examine the dynamics of purpose alignment and misalignment. Paradoxically, prematurely settling on an aligned social purpose might be detrimental for a nonprofit: if the goal of purpose is not only to attract stakeholder support but also to

connect organizational practices to pressing societal issues, then a more ambitious, evolving and at times contested purpose may ultimately create greater impact. This suggests that pressure to quickly adopt a viable, actionable purpose can stifle the generative search for social impact, leading to “mission deflation” rather than mission drift. Relatedly, this argument suggests that too firm an alignment between purpose narratives, member understandings, and organizational practices can lead to blindness to the evolving needs of the beneficiaries—a comfortable and stable social purpose that fails to serve. Future research could adopt a comparative research design to explore these risks and assess how the evolving alignment and misalignment of purpose shapes important organizational outcomes, such as perceived legitimacy and authenticity of nonprofits as well as their ability to attract resources and create positive social impact.

Further, our research setting illuminates the growing prevalence of entrepreneurial ideology in nonprofit contexts (Winner 2018, Eberhart et al. 2022, Weiss et al. 2023). This ideology helps explain why a purpose narrative can sometimes take precedence over practices that address the needs of intended beneficiaries. Once entrepreneurial ideology takes hold, leaders may feel compelled to maintain their narrative and seek practices that align with it, rather than adapting the narrative to better address beneficiary needs. The echo chamber of start-up discourse can lead to hubris and “solutionism”, as in Chalmers’ (2021, p. 1367) warning against “confident and charismatic social entrepreneurs who have adopted a particular cause célèbre”. Our tripartite approach to social purpose can guide future research in examining ideological inertia and the effects of “solutionism” across nonprofits and social enterprises.

**Boundary conditions.** Our arguments apply most strongly to nascent nonprofits with novel aspirations, where volunteers directly engage with beneficiaries. They may not apply equally to organizations that are content with mimicking an unambiguous and generic social purpose from existing organizations. Organizations that replicate existing models—such as homeless shelters adopting standardized service protocols—may experience fewer discrepancies than Inclusion, sidestepping many of the tensions we observed. When organizational members are essentially implementing well-proven approaches rather than experimenting with new ones, the dynamics co-construction we identified may be

less visible. Similarly, nonprofits focused on advocacy work, where members and volunteers do not regularly engage with beneficiaries, may generate fewer grounded, experience-based inputs like the ones we observed in our study.

Conversely, it seems plausible that employees in idealistic start-ups may develop a genuine commitment to purpose and even exert pressure to ensure that purpose narratives and practices remain closely aligned with perceived customer needs. Like nonprofit volunteers in our study, start-up employees derive a sense of meaningfulness and motivation, in part, from developing new and creative solutions to complex problems (Bort, 2025). Unlike nonprofit volunteers, however, they may not develop a strong sense of duty or moral responsibility toward beneficiaries, making strategic pivots more feasible and less morally contested.

In this respect, comparative studies examining purpose dynamics across different types of nonprofits, as well as between nonprofits and start-ups, could provide valuable insights into how organizational nascent shapes the co-construction of social purpose. Such research could help clarify when and why the generative tensions we observed emerge, and how various organizations develop different mechanisms for maintaining member engagement and stakeholder commitment.

Second, our model of purpose formation assumes a significant degree of continuity in purpose narratives over time, stemming either from leaders' commitment to their initial ideas or demands imposed by key stakeholders, such as the entrepreneurship foundation in our study. A broader sample of nonprofit organizations could help unpack the dynamics that unfold in contexts of change and disruption—for example the discontinuation of USAID funding may impose significant shifts across a wide range of nonprofits worldwide.

## **Conclusion**

Research on social purpose provides a distinctive lens on how organizations engage with the world, answering the fundamental question of “how do we make a positive difference?”. By doing so, the concept complements the inward-looking questions of organizational identity, “who we are”, and organizational purpose, “why we exist”. Social purpose is not just a “cognitive bridge” between an

organization's identity and its actions (as suggested by Grimes et al. 2019), but rather a nexus that fosters a deep and meaningful connection among the organization, its members, and the social issues faced by the beneficiaries. Our findings show that the pursuit of a social purpose can create split loyalties in a nonprofit; when organizational members embrace a purpose, they may become more committed to creating a tangible social impact than to meeting the foundational aspirations and expectations of their organization's leaders. Social purpose can thus act as an "invisible leader" (Follett, 1940), instilling organizational members with passionate morality that is beyond the full control of the organization's human leaders. While discrepancies between the leaders' vision and members' efforts can lead to conflict and fragmentation, they can also be a generative force that helps the organization find a more meaningful and impactful purpose.

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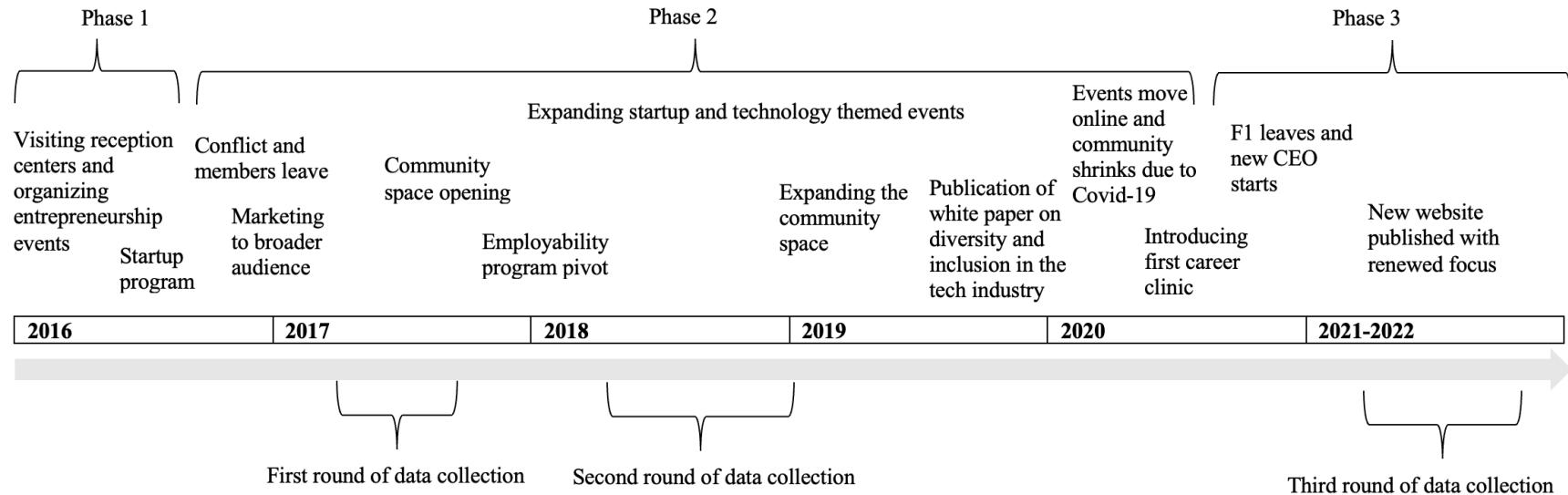
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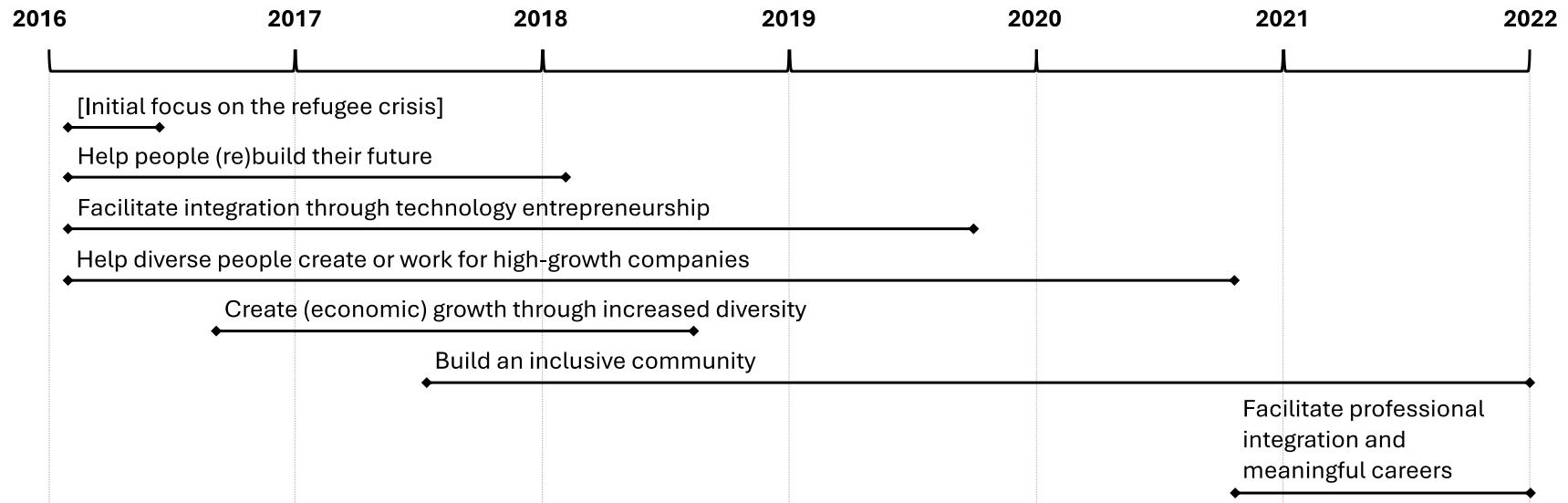
**TABLE 1. Data inventory**

<b>Data type</b>	<b>Data source</b>	<b>Quantity</b>	<b>Description</b>	<b>Use in analysis</b>
Interviews		54 interviews (including 9 follow-up interviews)	Interviews with volunteers, interns, employees, participants, founders, board members and new CEO	-Understanding perceptions of Inclusion's purpose and its implementation. -Understanding central tensions in the organization.
Archival data	Social media	~ 200 posts	Stories published on Facebook, Twitter and Instagram	-Understanding how purpose narrative statements evolved over time.
	Yearbook	~20 pages	Yearbook summarizing the events, programs and developments from 2016-2017	-Creating a chronology of key events.
	Inclusion white paper	~11 pages	White paper on inclusion and diversity in the tech industry (November 2019)	
	5-year report	~49 pages	A five-year retrospective report of highlights from 2016-2020	
	Executive summaries	4 summaries	Executive summaries from 2016, 2017, 2018 and 2019	
	Event material	~ 62 pages	Marketing material, flyers, lists and feedback forms	
	Secondary data	~ 71 pages	Feedback interviews with Inclusion's program participants (14). The interviews were done as part of university coursework and shared with Inclusion and the research team.	-Understanding participants' perceptions of Inclusion's programs.
Observation	Meetings	9 meetings	Content creating, volunteer, and board meetings	-Provide context, and triangulate interpretations from interviews.
	Events	7 events	Workshops, parties, and presentations	
	Other office visits	2 days	Observing the space and interactions at the open office	
	<i>Total days of observation: 22</i>			

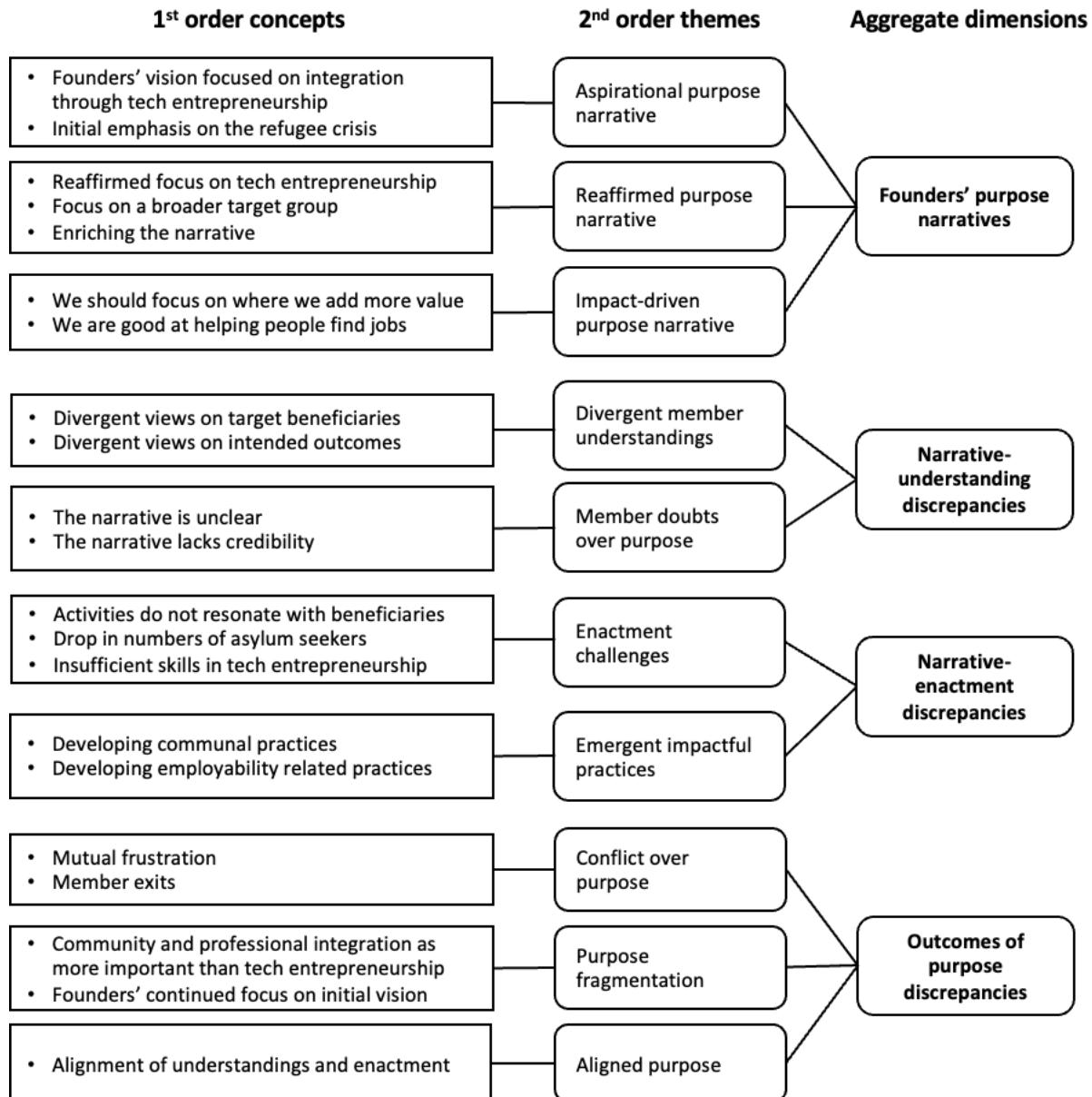
**FIGURE 1. Timeline of the study**



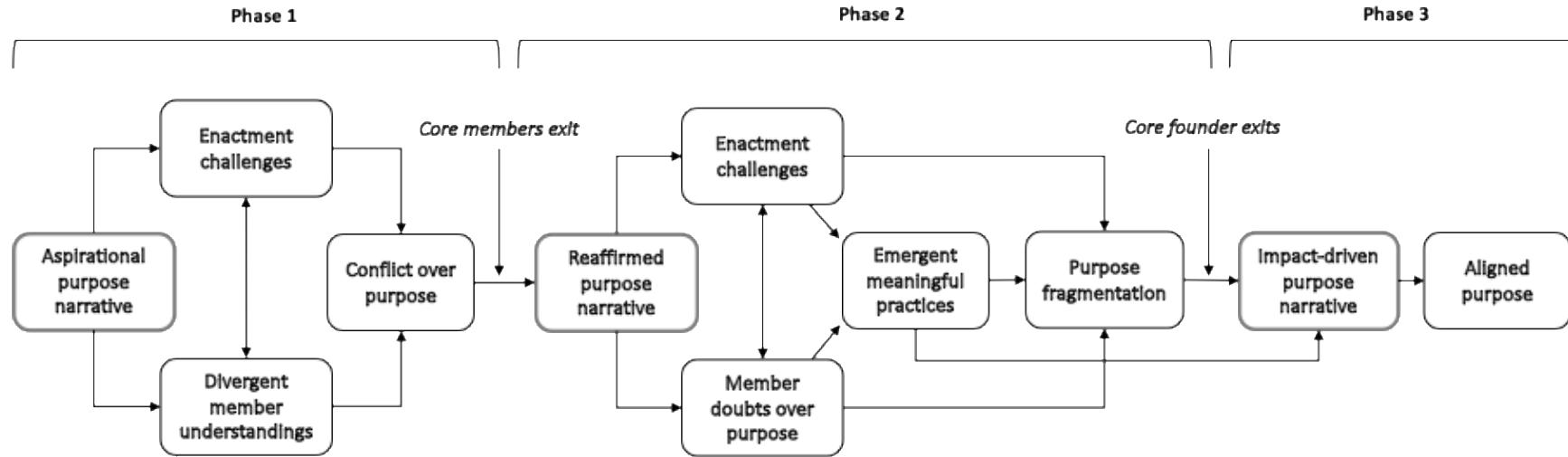
**FIGURE 2. Timeline of key elements referenced in Inclusion's social purpose narrative**



**FIGURE 3. Data structure**



**FIGURE 4. Grounded model**



## **Appendix A. Interview Protocols**

### **Interview Guide 2017 (Founders)**

Purpose of the interview: to understand the evolution of the organization and the interviewee's involvement

- Explain the purpose of the interview.
- Ensure confidentiality and consent for recording.

#### **Background information**

- Name and professional background of the interviewee.
- Current role in the organization.

#### **Organizational background information -how it started**

- Explain how the idea for the organization developed
- How did you receive the initial funding to get started?
- Detail the first steps, what were the first events, who were the first members?
- Could you describe what the defining moments in the organization's history have been so far?

#### **Organizational focus**

- How would you define your organization? How would you describe the mission?
- How much emphasize was there on startups initially?
- Did you scout the field/benchmark with other organizations before starting? Were there similar organizations that already existed and how are you different?
- What was your role in laying out the initial mission and strategy? Could you describe the group involved in strategic decisions in the organization?

#### **Beneficiaries**

- How would you describe the main target audience of the organization?
- What has been the role of refugees as your target audience?
- What particularly draws the participants to your organization?

#### **Activities**

- What have been the main activities of the organization thus far?
- Are you using tested practices or experimenting with new ones?
- How do you go about when designing the activities (do you involve the participants themselves?)

#### **Challenges**

- Can you describe the main challenges (if any) you have encountered?
- Were there any challenges involved in widening the target group?

#### **Outcomes**

- What kind of impact are you aiming for and hope to see in the future? Are you aiming to measure impact?
- What kind of organizations are you hoping the participants would establish?

#### **Conclusion**

- Is there anything else you would like to share about your experience and the evolution of the organization?
- Thank the interviewee for their time and insights.
- Explain the next steps

### **Interview Guide 2017 (Members)**

Purpose of the interview: to understand the evolution of the organization and the interviewee's involvement

- Explain the purpose of the interview.
- Ensure confidentiality and consent for recording.

#### **Background information**

- Name and professional background of the interviewee.

- Current role in the organization.

### **Involve ment and initial impression**

- When did you get involved with the organization?
- What was your first impression of the organization?
- What were the main elements that attracted you? (Startup community, helping refugees etc.)

### **Beneficiaries**

- How would you describe the main target audience of the organization?
- Has the target audience changed?

### **Roles and responsibilities**

- What was your initial role in the organization?
- Did your role change over time? (specify any titles you have held)
- Can you describe the roles of other key members of the organization (e.g., founders, board members, etc.)?

### **Activities**

- What kind of activities did you plan or organize?
- What were the different target groups for these activities?
- Did you model any activities after those in existing organizations?

### **Challenges, environment and personal reflections**

- Is there anything you would have done differently in terms of strategy or events?
- Can you describe any points of tension within the organization?
- How would you describe the organization's relationship with other organizations in the field?

### **Conclusion**

- Is there anything else you would like to share about your experience and the evolution of the organization?
- Thank the interviewee for their time and insights.
- Explain the next steps

### **Interview guide 2018 (members)**

- Introduction, ask if it is okay to record and use the interview for research purposes, ensure anonymity.

-Short personal background? Previous career etc.

-When did you join Inclusion?

- What was your impression of the organization before joining?

-Relationship with the organization, and why were you interested in it?

-For you, what was Inclusion about?

- What was the initial mission when you started working for Inclusion?

- How would you describe Inclusions current mission?

-Did the mission change over time?

-In your own terms, could you describe what the organization is about.

- Could you describe any defining moments in the organization's history?

-Could you describe the main challenges and successes?

- Could you describe your own role in the organization and the roles of those you work with.

-How would you describe the interactions?

-How are decisions made in the organization?

- How would you develop the organization?

-Can you give examples of practices that have worked well, and practices you have discontinued?

- What is the potential impact that Inclusion creates for the society, individual and organizations?

-Is impact part of the day-to-day discussions at Inclusion?

-Do you measure impact, has it been realized?

### **Interview guide 2021 (all informants)**

- Introduction, ask if it is okay to record and use the interview for research purposes, ensure anonymity

-Short personal background?

-Relationship with the organization & why were you interested in it?

- What did you think about the organization before joining?

-What was your impression?

-For you, what was Inclusion about?

- What was your initial mission when you started working for Inclusion?

-What was the mandate given to you?

-What was it like for you to start working in this organization?

-Can you give an example of something you particularly noticed or something that surprised you?

- What is your impression of the main changes the organization has gone through during the last years?

-How about the time before joining / the time as a member?

- How would you describe the identity of the organization?

-Has the top management worked on identity or image of the organization, is it something you are okay with or want to maintain?

-What are the main elements and what do you want to communicate?

-Ask to elaborate on the slogan on the website “accelerating talent through tech startups & high growth companies.”

-Can you describe/elaborate on the values of the organization (on website: *inclusivity, impact driven, community, hungry attitude for growth, help individuals reach their full potential*)

-Is the initial focus on refugees and asylum seekers still part of the mission.

- How would you characterize the organization’s culture?

-What would you hope a person who visits the organization for the first time would see and feel when they step into the space/joins an event?

-What is the dominant mood?

-What does a typical day look like for you?

-Could you describe the organizational structure -who do you work with?

-What is the atmosphere or mood at Inclusion now (given the pandemic?)

- The employees/volunteers?

-Who are the main people working Inclusion today? What kind of background do they have? (Startup, NGO etc.)

-Who is the ideal Inclusion employee / volunteer? What are the characteristics you are looking for when you hire someone? What should be that person’s mindset?

- What motivates the people to participate? What is the role of the social mission and culture in energizing the employees and volunteers?

-Where do people find emotional energy to do this work?

- How would you characterize Inclusion’s impact?

-Who would you say are the main beneficiaries?

-What do you think they are mainly getting out of their experience?

- What is the organization’s vision for the future?

-What do you see the organization doing in 2 or 5 years?

-Main challenges when going forward?

-Strengthen what already is established vs. new directions?

- To get a full picture of where the organization is at now, what would be the most important thing (for the interviewer) to understand?

- Is there something you would like to add?

## Appendix B. Overview of informants

Informant	Relationship with organization	Interviewed	Entry and exit	Phases active
F1	Founder, board member, CEO until November 2020.	March 2017, April 2017, May 2018	01/2016- still involved	P1, P2, P3
F2	Founder, board member	April 2017, June 2018	01/2016-05/2023	P1, P2, P3
NC	CEO since November 2020	May 2021	11/2020-5/2021	P3
B1	Board member	May 2017	01/2016-12/2017	P1, P2
B2	Board member	May 2017, June 2018, June 2021, July 2021	01/2016-01/2021	P1, P2, P3
B3	Board member	May 2018	02/2018-12/2019	P2
B4	Board member	April 2018	11/2017-12/2020	P2
B5	Board member	April 2018	02/2018-12/2019	P2
C1	Core member (volunteer)	May 2017	04/2016-07/2016	P1
C2	Core member (volunteer)	May 2017	04/2016-07/2016	P1
C3	Core member (volunteer)	April 2017	04/2016-05/2017	P1, P2
C4	Core member (volunteer)	June 2017, March 2018, September 2021	02/2017-04/2018	P2
C5	Core member (volunteer, later employee)	April 2017	10/2016-02/2018	P2
C6	Core member (intern)	April 2017	01/2017-07/2017	P2
C7	Core member (intern)	April 2017	01/2017-07/2017	P2
C8	Core member (volunteer, later employee)	March 2018, January 2019	09/2016-06/2020	P2
C9	Core member (volunteer)	April 2018	10/2017-09/2018	P2
C10	Core member (intern, later employee)	April 2018	09/2017-08/2018	P2
C11	Core member (intern)	April 2018	08/2017-05/2020	P2

C12	Core member (employee)	June 2021	01/2020-08/2021	P2, P3
C13	Core member (intern, later employee)	June 2021	03/2019-12/2022	P2, P3
C14	Core member (employee)	May 2022	05/2021-12/2022	P3
C15	Core member (employee)	May 2022	08/2021-09/2023	P3
C16	Core member (employee)	May 2022	08/2021-09/2023	P3
C17	Core member (employee)	June 2022	08/2021-08/2022	P3
V1	Volunteer	May 2017	12/2016-07/2017	P2
V2	Volunteer	May 2017	02/2016-05/2017	P1, P2
V3	Participant, later volunteer	June 2017	04/2016-09/2016	P1
V4	Volunteer	April 2017	03/2016-05/2017	P1, P2
V5	Volunteer	April 2017	09/2016-01/2017	P2
V6	Participant, later volunteer	July 2017	04/2016-09/2016	P1
V7	Volunteer	April 2017	01/2016-12/2017	P1, P2
V8	Volunteer	April 2017	01/2016-06/2017	P1, P2
V9	Volunteer	April 2017	11/2016-10/2017	P2
V10	Volunteer	April 2017	08/2016-10/2017	P2
V11	Volunteer	March 2018	06/2016-04/2018	P1, P2
V12	Participant, later volunteer	April 2018	01/2018-02/2021	P2, P3
P1	Participant	May 2017	04/2016-09/2016	P1
P2	Participant	May 2017	04/2016-09/2016	P1

P3	Participant	May 2017	04/2016-09/2016	P1
P4	Participant	April 2018	03/2018	P2
P5	Participant	April 2018	03/2018	P2
P6	Participant	May 2018	04/2018-05/2018	P2
P7	Participant	May 2018	04/2018-05/2018	P2
R1	CEO of controlling foundation	March 2018	External stakeholder	P1, P2

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## Appendix C. Table of observations

Date	Event	Unit of observation	Key observations/notes
<b>03/2016</b>	Visit to the reception center and a talk	Observing the atmosphere at the reception center and understanding who the initial beneficiaries are.	-The author delivered a talk to the asylum seekers and engaged in informal conversations with them. -Start-ups may not be suitable for everyone.
<b>10/2016</b>	Talk by expert on technology related topic	Gaining a better understanding of Inclusions events (atmosphere, type of event and participants)	use) engaged crowd of beneficiaries (many international students). Inclusion seems to have a lot of traction. The event space was full, and the participants asked a lot of questions.
<b>12/2016</b>	Christmas party	Organizational narrative	-The founders discussed what Inclusion was about
<b>02/2017</b>	Core-member group meeting	Where is inclusion heading, planning and type of future activities.	-The core members revisited roles and tasks for the forthcoming education module in the sustainable entrepreneurship course.
<b>03/2017</b>	Community meeting	Observing general planning, and planning of future activities	-The focus was on the type of activities that they were going to co-create -Discussing who does what (roles)
<b>05/2017</b>	Meeting with Board member	Discussion related to research involvement	-Meeting at a Startup center. -Discussing what level of involvement would be appropriate.
<b>05/2017</b>	Meeting with Co-founder and Board member	Founder narrative	-Co-founder highlights the importance of new members have the right expectations when getting involved and only hiring people whose values are aligned with the organization
<b>06/2017</b>	Meeting with Core-member	Understanding type of member involvement. Observing their day-to-day tasks	-Discussing a “volunteer involvement path.” Inclusion is working actively on how to grow the organization.

<b>06/2017</b>	Meeting with Core-member	Understanding type of member involvement. Observing their day-to-day tasks	-Working on the volunteer handbook. Discussing type of activities organized (workshops and Java Script Club)
<b>08/2017</b>	Volunteer meeting	Construction of Inclusions narrative for opening the new space	<p>-Discussing “what Inclusion should feel like” at the opening event.</p> <p>-“The party will set the tone”, “we will try to convey who we are”</p> <p>-“The office space should feel like a welcoming place. A place that is open for everyone, a place where you can try out things, fail, experiment and try again because Inclusion has your back.”</p>
<b>09/2017</b>	Office space opening party	Interactions, speeches and the atmosphere	-Good event for community building: a few speeches, cooking activities. Generally positive and warm atmosphere. Many of the volunteers seem to be good friends.
<b>02/2018</b>	Meeting with government officials	Observing negotiations between Inclusion and the city representatives	Relationship building with city officials and discussion of education modules which would be available for unemployed immigrants.
<b>03/2018</b>	Entrepreneurship training program, 3 days	Workshops, speeches, interactions between participants, organizers and keynote speakers	<p>-Interesting workshops, friendly atmosphere.</p> <p>-Lack of structure in the training program.</p>
<b>05/2018</b>	Python workshop	Observed the space and event.	Pilot of Python coding program starts. Fully booked course has been planned for a while with a lot of expectations.
<b>01/2019</b>	Visit at the office	Observed the space	<p>-Cooking activities ongoing</p> <p>-New organizational chart posted on the wall</p>
<b>09/2019</b>	Board meeting	Discussion between board members on budgeting and planned collaborations.	-Discussions around salaries and funding possibilities. New project openings with companies are introduced and discussed.

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<b>11/2019</b>	Volunteer appraisal party	Observed the atmosphere and interactions	Team spirit seems to be high despite recent team member departures and program cancellations.
<b>05/2022</b>	Visit at the office	Observed the space and atmosphere	<ul style="list-style-type: none"><li>-Relatively silent day at the office. Friendly atmosphere.</li><li>-More structured than previously.</li><li>-Less open to the public than before.</li></ul>

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## Appendix D. Social purpose narrative at Inclusion (2016-2021)\*

Elements of social purpose narrative	Selected evidence
<b>To facilitate integration through technology entrepreneurship (02/2016-11/2019)</b>	<p>Integrating and scaling up human capital through tech and entrepreneurship. (02/2016, presentation)</p> <p>We welcome anyone looking for a fresh start and wishing to integrate better into Finnish society and the start-up community, using technology and entrepreneurship. If you are a refugee, an immigrant, a foreigner living in Finland, or a young person unsure of what to do next, we're really keen to see you join. Our services are open to all. (03/2016 website)</p> <p>Our vision: in three years' time, Inclusion will be an established player in Finland and recognized internationally as an innovative force in integration and diversity, through the use of technology and entrepreneurship. (03/2017, presentation)</p> <p>We look forward to another year of growing our global vision, making our relationships with our partners stronger and ultimately helping more people integrate through tech and entrepreneurship. (06/2018, yearbook)</p> <p>Accelerating people's integration through tech startups &amp; high-growth companies (11/2019, presentation to the media)</p>
<b>To help people (re)build their future (02/2016-02/2018)</b>	<p>Mission: To inspire and empower people to take an active part in (re)building their own future, leveraging their skills by creating and working with globally scalable businesses and high growth tech startups (02/2016, presentation)</p> <p>What has been missing is a welcoming, inclusive set of services which encourages people from different walks of life to consider tech entrepreneurship as a way of (re)building their lives and gives them practical tools to do it. (03/2017, executive summary)</p> <p>Our Mission: We offer a welcoming, inclusive set of services, which inspire and empower people from diverse background to consider tech entrepreneurship as a way of (re)building their future (02/2018, board meeting presentation)</p>
<b>To help diverse people create or work for high-growth companies (02/2016-11/2020)</b>	<p>We want more people from diverse backgrounds to consider creating or working for a startup to best utilize their skills and aspirations (04/2017, website)</p> <p>We support our members and the startup community by connecting diverse talents to access job opportunities in startups or create their own. (08/2017, website)</p> <p>Our Manifesto. For you who are willing to change, want to acquire new skills, are looking to find your place in society, want to reach your full potential, want to add value to the community. We lead you through a journey that empowers and inspires new people to join the startup community. (09/2017, website)</p> <p>We help integrate spouses and families of foreign talents and help get them employed in high-growth companies. (06/2018, yearbook)</p> <p>We want more people to consider creating or working for a startup to best utilize their skills and aspirations. (11/2019, presentation)</p>
<b>To create (economic*) growth</b>	Diversity as an engine for economic growth (09/2016, website)

<b>through increased diversity (09/2016-06/2018)</b> <small>*economic was dropped in early 2017</small>	<p>Join a vibrant and growing movement which believes that diversity is an engine for growth. (07/2017, website)</p> <p>We welcome and cherish diversity as an engine for growth. (09/2017, website)</p> <p>We welcome and cherish diversity as engine for growth (06/2018, yearbook)</p>
<b>To build an inclusive community (04/2017-)</b>	<p>We are an inclusive community, focused by the most diverse and highly motivated individuals in Helsinki (<i>Inclusion. A retrospect. 2016-2020 report</i>)</p> <p><b>WE ARE INCLUSION.</b> Inclusion is a community-driven organization that promotes diversity as an engine for growth. (04/2017, website)</p> <p>What makes Inclusion unique is its community. Being a grassroots movement means things are created by and for the community. We listen to community needs and initiatives and we also encourage the curious to make them happen. (06/2018, yearbook)</p> <p>Inclusion extends essential parts of the community to those not automatically feeling included in the tech startup ecosystem or those who had never considered tech and startups as a career path (04/2020, white paper on diversity in tech)</p> <p>Welcome to Our Community! There is no Inclusion without the community! The reason we create events, design trainings, negotiate partnership deals, etc. is because we want the best for our community and those who will benefit from joining it. There are many ways for you to become a part of this supportive, creative, and driven community! (07/2021, website).</p>
<b>To facilitate professional integration and meaningful careers (07/2021-)</b>	<p>Inclusion. The place for social and professional integration in Finland. (07/2021, website)</p> <p>Our vision is to solve <i>professional integration</i> challenges to ensure we are more competitive and that we keep mobile labor in Finland (12/2021, website)</p> <p>Inclusion is an impact-driven non-profit organization dedicated to career transformation. We bridge the gap between job seekers and companies in Finland by providing in-demand training and fostering a growth mindset in the community, where educated individuals can upskill and build a meaningful career (12/2021, website)</p> <p>We equip our community with insights and skills to build meaningful careers and integrate professionally (12/2021, website)</p>

\* For the sake of clarity, we present these elements separately although some of them frequently co-occurred.

## Appendix E. Additional empirical evidence

### Phase 1. Organizational founding (January 2016-September 2016)

2 <sup>nd</sup> order categories	1 <sup>st</sup> order codes and selected evidence
<b>Aspirational purpose narrative</b>	<p><b><i>Founders' vision</i></b></p> <p>The Inclusion idea came out of a refugee crisis initially, but then also very much had that flair of how other multicultural foreign-born person in this country to integrate in the economy, in society, in creating businesses and so on. (F1, 03/17)</p> <p>[Our mission is] to inspire and empower people to take an active part in (re)building their own future, leveraging their skills by creating and working with globally scalable businesses and high growth tech startups (02/2016, presentation)</p> <p><b><i>Initial emphasis on helping refugees</i></b></p> <p>The first target group was to go to asylum seekers and refugees because they were the ones who were in the biggest need at that time. (F1, 05/18)</p> <p>When I got involved it was very focused on refugees and asylum seekers. (C4, 09/21)</p> <p>When I approached Inclusion, it was because [F1] posted something on her Facebook, saying like, if you have a computer [you would like to donate] we are helping refugees learning to code, and I was like, OK, cool, then I ask, like, what is this about, and she told me, but there was a very, very strong focus on refugees at that moment. (C8, 01/19)</p>
<b>Enactment challenges</b>	<p><b><i>Inclusion's activities and events did not resonate with the refugee community</i></b></p> <p>They saw this target group - international students, asylum seekers, the immigrants, the refugees, all generations all the same. The same thoughts, the same feelings, the same, the same, the same, the same, the same. When they got advice, they didn't take it from asylum seekers. They got it from either old immigrants or second generation and this totally different. You have to understand your customer, because you have to like we can do now an event for multicultural music or integration through music. But is there any asylum seeker who will come to listen to the music or will integrate through the music? For sure not. (V3, 05/2017).</p> <p>They [the participants] were broken into different groups and then they had different coaches that they rotated around...Some of [the business models] were great. But the people belonging to the teams they didn't know each other, so they didn't trust each other. But okay, so if I had my brilliant idea and I'm sorry...we have this conspiracy theory that you're gonna steal my idea. So why should I disclose it, and we don't do that. (V1, 05/2017)</p>

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They tried to organize a movie night where they showcased presentations of startups, including videos of Steve Jobs on stage, thinking it would inspire us. They referred to it as the movie night club, where they showed us various videos from YouTube and other sources. The idea was that we would find inspiration from these videos [...] They wanted just the asylum seekers to buy their ideas without adaptation. (P1, 05/2017).

***Not many refugees are as skilled and entrepreneurial as we thought***

I think that was always intentional, that people could come here to get sort of sparked (...) but yes, I think it's very safe to say that the average person who is thinking about coming to Inclusion, probably is thinking more about finding work than they are about starting their own company. (C4, 05/17)

It's also very important to emphasize that people should not have illusions that this is for everyone. It is open and available for everyone, but not everyone will survive and succeed as a startup entrepreneur. And not everyone even wants to work for a startup because they can't deal with the uncertainty, for instance, or the risks in the world. (F2, 04/17)

***Not as many refugees as expected***

I kept telling her, listen: those refugee centers, they can be closed down one day or the other. (...) Some of the refugees will gain residency and some will leave. Then what happens to Inclusion? We should talk immigrants. And then I was happy to see that she just abruptly changed direction, because I think the market was going away from her. (V2, 05/17)

We realized that asylum seekers are not going to get residency in such a massive amount in Finland and therefore not be our biggest target group. (F1, 03/2017).

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**Divergent member understandings**

***The refugee audience is what resonated with early members***

The part that resonated the most [with me] was the refugee audience. (...) I mean, that is what inspired me. Also, this sentence: Technology, Entrepreneurship, Refugee crisis. I was like: Yes! (C3, 04/17)

I heard, yeah. Refugees, integration through work. (...) New business, I think. Entrepreneurship. That's maybe what I heard the most. (C2, 05/17)

A community for helping refugees who came to Finland. That's what caught my interest in the beginning, because I like helping those individuals who arrive in foreign countries. (V5, 04/17)

It was all about recognizing the opportunity for Finnish society and in this influx of newcomer and when I got involved it was very focused on refugees and asylum seekers. (C4, 09/21)

The community was focused on [refugees], that is what people cared about. (C3, 04/17).

***For founders, refugees were just the initial target group***

I don't know if it's a milestone because I don't know if you can really put a specific point in time, but it's clearly kind of a milestone when we realize it's not just these asylum seekers or refugees who we should be catering to, but it's actually much larger group of people (F2, 06/18)

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The first target group was to go to asylum seekers and refugees because they were the ones who were in the biggest need at that time of integration. (F1, 05/18)

The original narrative was that this year there - year one there were 30 000 people, then it's going to be a hundred thousand, and I mean - we were projecting a much larger influx much faster. When that didn't happen, the narrative had to be adapted for a new world order, whatever you might call it... you come up with a plan and then you start executing it because you have to adapt all the time, depending on where the world going. (F2, 04/17)

#### ***Members want to help refugees***

We have to be more on the point that what are we promising to them ... Because I thought that, if all of them actually need a job, and all of them need actual help, then isn't that the thing that we should also then try to do? (C2, 05/17)

The reason why C2 was there is basically to help people so basically he was always questioning is this the best way to help people. (C1, 05/17)

Are any of these people really gonna create their own startups? I don't know. I mean, even people that have the best opportunities, the most privileged people in society, are gonna try and fail (...) And you're now dealing with somebody who has everything stacked up against them, and how much is it going to break them to fail as well (C3, 04/17)

What the hell are we doing? Are we helping the people or are we helping us? And if we're telling the people that we're helping them, then what is the actual concrete help? Can we promise that if we're not doing that? And I was always assured that no, no, it's okay, it's okay; we're doing the thing that you think that we're doing. (C2, 05/17)

#### ***Founders want to help beneficiaries create start-ups***

we realized that we don't have anything to give to hairdressers and restaurants and mini micro businesses because that's not what the start-up ecosystem is pushing for [...] we are ultimately looking at a different impact. (F1, 03/17).

We are ultimately looking at a different impact. [another organization] wants people to have a better life in the [reception] centers. They want to improve how refugee centers are run and multiply the way their model's working. And that's fine; it's not our area. because our target group is not just about asylum seeker. It's about start-up. We came from the point of start-up. (F1, 04/17).

They started to suddenly twist it and said that it's not about helping people: it's about broadening the startup phase; it's about democratizing the startup community [...] Really, if you go into why we did this, I'm sure that, like, 99% are going say that [it was] because I wanted to help the people. And if you still, after that, say that, no, it's about the startup ecosystem, you have to be insane. Like, what the h\*\*l? (C2, 05/17)

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There was a moment when I was thinking: Why the hell should I be involved, if it's about these people who are gonna be alright anyway, one way or another? (B1, 05/17)

[F1] took nothing in. She was just defending the whole thing. She was saying that you understood it wrong and it's your feeble mind that doesn't get the mission, and you were always wrong. She's been saying the same thing since the beginning, and we just understood it wrong. (C2, 05/17)

Things blew up with C2 and C1. This tech-startup focus was a big issue especially for C2. He was like, "Who cares?" I think what really resonated with him was the refugees, and actually helping them, and actually doing something. He saw the tech or startup thing as just so crazy... such [an unrealistic] dream (C3, 04/17)

#### ***Member exit***

Those that are disappointed about what we do and what we represent, or what we felt we represented but we're not... I mean, everybody's entitled to their opinions and once something is not for you anymore, you just move on, so that's also very okay. (F1, 03/17)

The whole point is to democratize, and again, I heard this instead of like helping people. And then I said that you know what, then it means that I should leave. (C2, 05/17).

There was a moment when I was thinking: Why the hell should I be involved, if it's about these people who are gonna be alright anyway, one way or another? (B1, 05/17)

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## **Phase 2. Bolstering the foundational purpose (September 2016-November 2020)**

<b>2<sup>nd</sup> order categories</b>	<b>1<sup>st</sup> order codes and selected evidence</b>
<b>Reaffirmed purpose narrative</b>	<p><b><i>We are continuing in the same direction</i></b></p> <p>It was in the plan altogether in the beginning. It was maybe a pivot for you from your perspective and also because publicly people saw us from one angle when it was never about that angle only, but we had to really purposely change the way we were communicating so that people understood that it was bigger than what we had started with. (F1, 05/2018)</p> <p>Inclusion wasn't just a random group of people coming together and starting to think - what should we do and how should we work. There was a very clear path, and the playbook was very much let's do what [a university-based entrepreneurship network] did, and just replicate that. ...there was a very clear playbook. (F2, 04/2017)</p>
	<p><b><i>We should change communication to avoid misperceptions</i></b></p> <p>We had to focus on the other target groups faster than expected; change our communication strategy, be careful with the wording we used. I am happy we</p>

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didn't get so public about what we were doing, or people would have misconstrued our raison d'être. (F1, email correspondence, 03/17)

We added in explanatory sentences instead, for example, in the way we described our target groups: primary target groups, secondary target groups. [...] It wasn't really about cutting out, it was about clarifying [...] After that [...] it became more and more focused, and more and more clear. And we started expressing what Inclusion is all about much clearer [sic] (B1, 05/17)

***We should attract new members who share the same values***

I think this is one challenge that we have encountered, is that... How can we attract the similar... It's not really similar... It's: How can we attract the people who share the same values? (C5, 04/17)

One needs to find people who are motivated for the right reason, who understand the value of what you do. (F1, 03/17)

***We should emphasize diversity because it resonates with people***

So, we'd be trying different things and, seeing [Diversity] really works, this really makes sense, it fits [we said:] Yeah. So, a ton of that. (C2, 04/17)

Discussing diversity more than integration, for example, is a major shift in terms of language. (B1, 05/17)

***Community is the way to develop further***

Inclusion is a community-based organization, so we have to have this big community base to get things forward and growing it, so it becomes a movement of sorts... You can get community events that are self-started... Growing the community is a big thing to develop Inclusion further. (V9, 04/17)

The idea of the conference was to generate community... more community-driven events at Inclusion. (C4, 03/18)

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**Enactment challenges**

***Perceived lack of expertise in technology and entrepreneurship***

I think we are still very much on the social side and, most of the interns we brought on board, most of the people who come into staff roles (...) Frankly, I don't care that much. I like the idea of tech as a tool for good, but are you gonna find me on my Saturdays like taking code academy courses? No... However, as we are trying to build up this job, like, showcasing programs to get job seekers into jobs, the start-ups want people who are passionate about tech (C4, 06/2017)

When Inclusion grows I think you need more people with [hard skills] in the future. Then communication skills, somebody who could build the channels and the presence and so forth... So I'd say all the hard skills you need to run a business and then some more. I know that they've been looking for people who have pretty good coding skills and so forth so. (B4, 04/18)

***Entrepreneurship does not resonate with our community***

We claim that the underlying cause for many frictions in the program is the low interest towards entrepreneurship as expressed by the trainees. Therefore, we suggest that Inclusion reassesses the role of entrepreneurship in the program. Currently, the role of entrepreneurship in the program is too ambiguous and the trainees do not find it valuable. (SIB assessment report, 04/2018)

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I'm not interested in being an entrepreneur myself, building an own company.  
(Participant in the SIB program, SIB assessment report, 04/2018)

[the speeches] are inspiring, even though my dream is not to have an own company. (Participant in the SIB program, SIB assessment report, 04/2018)

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**Member doubts  
over purpose  
narrative**

***The narrative is unclear***

The volunteers need more support, more attention and more clarification of what their role is, what Inclusion's mission is, because I think some people, if you ask randomly, do you know what Inclusion does, some people could be saying different things. (C6, 04/17)

So... it's very, kind of very energetic and lively. But not very focused [laughs]. (C13, 06/21)

I took a bit during my internship to fully understand. I think it's still a process of especially understanding [the CEOs] vision. I couldn't pin it down to a day, but I would say that it became more and more clear and maybe some things that I didn't understand even in the end of the fall or the beginning of the Winter are clearer to me now (C11, 04/18)

***The narrative lacks credibility – What is our impact?***

We will have to have some regularity in terms of events or things that are happening. Otherwise, besides an expensive space being empty, it's really wasting people's talents, because time is a big asset, and we're just losing it, if we're not doing anything kind of useful (V9, 04/17)

So many things have been done, but it's not yet clear what has been achieved. As impact. (...) I know there is so much going on, but what are the more permanent, or long-range, or longer time period...? What are really the impacts? And I find that as a challenging question. (V10, 04/17)

I think we need to figure out exactly what our impact is... I think we still... haven't defined exactly what our impact is and how we're measuring and tracking it. (C4, 03/18)

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**Emergent  
meaningful  
practices**

***Focus on communal activities***

That's what Inclusion also offers, basically, you get connected to other people who might be interested in what you're working on or who might have the skills to help you out with certain things. (V5, 04/17)

I think that's the key thing: it has given hope to a lot of people [...] made it possible for them to consider a different lifestyle from what they had imagined for themselves. (B1, 05/17)

***Development of employment-related practices***

For our interns, last spring, working on projects with Inclusion was a really good way to get jobs, you know: four interns last spring, two of them are active job seekers, they both had jobs at the end of their internships. So, we consider that sort of like 100% success rate. (C4, 03/18)

Inclusion had been until that point, doing a lot of match-making in terms of jobs organically. A lot happened with just [F1] or somebody else talking to people, connecting them to potential employers, and that worked out in some cases

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really well. So, we were thinking [about] how to more intentionally build a program around that (C11, 04/18)

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**Purpose fragmentation**

***Community as more important than tech entrepreneurship***

I think that this kind of social community is important, and it's for the integration, it's very important. ... But, where we kind of see that this should be also much about creation of new companies and preparing people to take the step to the professional life, so I kind of see that this sort of business orientation should also play a part. (B3, 05/18)

And maybe it is very right that we didn't focus on shifting our image to tech and entrepreneurship in the last year, because we had to build the community. I mean, and the words that people use, ..., everyone says like home belonging, experimentation..., people use the word home a lot. (C4, 03/2018)

[The biggest benefit we deliver is] finding like-minded people. Same passion, same ambitions. Finding like-minded people actually gives them the support that you're not alone. That together we're stronger than trying to go out by ourselves. (V1, 05/17)

I think, for those who are involved with Inclusion, and more closely involved, [those] who are actually running the events for Inclusion, who have been in discussions with creating the community space... I think for those, it has a great impact on their individual lives, because they have found something that they can rely on. (V5, 04/17)

***Professional integration as more important than tech entrepreneurship***

We are thinking a lot about jobs, so less about the entrepreneurship, I'm more about how to connect people to jobs [...] I think it's very safe to say that you know the average person who is thinking about coming to Inclusion, probably is thinking more about finding work than they are about starting their own company. (C4, 03/18).

[Inclusion] grew from only being community platform to also creating space and events for people who want to acquire more skills in certain areas, for example, coding or business-related fields like marketing, sales, and... yeah. So, it was more focused on actually creating these job opportunities for people who had arrived in Finland and are looking for jobs (V5, 04/17).

***Founders' ongoing commitment to tech entrepreneurship***

We are the only ones with a [connection] to the tech start-up community. We are the only ones who engage in high growth companies. We are not talking entrepreneurship at large here. Of course, if people come here and they decide to create their own studio, graphic design and what not, we are very happy about it but what we are ultimately looking for is talent that can work for high growth companies. It's the gaming, the health care, the Fintech, the whatnots that are undertake, when we say start-up again it's everybody's using that word, but we mean high growth companies and these high growth companies are growing too fast, and they need talents that they can't find (F1, 05/18)

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### Phase 3. Pragmatic alignment (November 2020-May 2022)

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2 <sup>nd</sup> order categories	1 <sup>st</sup> order codes and selected evidence
<b>Impact-driven purpose narrative</b>	<p><b><i>We should focus on where we add more value</i></b></p> <p>When you look at our community, most of the folks in our community are unemployed. They're vulnerable in some way, shape or form. Entrepreneurship by its nature is high risk. If you have very vulnerable people looking at taking more high risk, it doesn't really match... The reality is when you're a foreigner and unemployed, entrepreneurship isn't your first choice. It is for some, but it is a quite small niche. We're trying to be realistic about that. It was really [about] taking an intentional and really hard look at where can we add the most value... (NC, 05/2021)</p> <p>We looked at that data and we were able to see who we are serving, what types of profiles, where are they from, are they male or female or other, what are the industries they're working. (NC, 05/2021).</p> <p>We used to say that we are like a talent accelerator and all these things, but I think, deep down, we helped people to find meaningful careers. (C13, 06/21)</p> <p><b><i>What we are really good at is helping people finding jobs</i></b></p> <p>We do a lot of naturally re-skilling, but our re-skilling is very practical. As we're teaching you about digital marketing, we are actually at the same time teaching you how to navigate the Finnish job market and how to make sure that you understand the nuances. (NC, 05/2021)</p> <p>I think the foundational premise was that these people have everything they need already to succeed but what Inclusion could do is just help people slightly reorient themselves so that they could market themselves specifically for the Finnish job market. (C4, 09/21)</p>
<b>Aligned social purpose</b>	<p>The keywords are that we are a great place for meaningful professional integration, which I think is really important. That we're not trying to just, like, put immigrants to jobs, we're trying to help people find something that they actually want to do and that they're passionate about and that's meaningful to them (C16, 05/2022)</p> <p>The mission is just taking the people that are already here, upscaling them a bit, and then pushing them into the companies that need them. (C12, 06/21)</p>

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