



IE UNIVERSITY

DOCTORAL DISSERTATION

**A NATURAL FIT:
EXPLORING BUSINESS-OWNING FAMILIES' ANTECEDENTS
AND APPROACHES TO IMPACT INVESTING AND
SOCIAL VENTURING**

*UN ENCAJE NATURAL:
EXPLORACIÓN DE LOS ANTECEDENTES Y ENFOQUES DE LAS
FAMILIAS EMPRESARIAS EN LA INVERSIÓN DE IMPACTO Y EL
EMPRENDIMIENTO SOCIAL*

JEANNE ROCHE

THESIS DIRECTOR: PR. RACHIDA JUSTO

SEGOVIA 2025

ABSTRACT

This dissertation examines the engagement of business-owning families and their members in the fields of impact investing and social venturing, and contributes to three key areas. First, it advances family business scholarship by extending the study of business-owning families beyond the boundaries of the family firm. It highlights their heterogeneous engagement in social endeavors, offering a nuanced understanding of how they balance a hybridity of objectives, both financial and non-financial, based on their unique frame of reference. Second, it contributes to entrepreneurship research by shedding light on how individuals construct entrepreneurial identities in nascent and ambiguous fields such as impact investing, and how they may use their family as a salient social referent to guide their identity construction. Third, it provides new insights into social entrepreneurship and cross-sector collaborations by examining the case of a social enterprise selling the majority of its shares to a large family group. The study identifies how both entities were integrated in ways that helped sustain social impact post-acquisition, informing both scholars and practitioners on structuring mission-driven partnerships. By integrating these perspectives, this dissertation deepens our understanding of business-owning families' social behaviors, the crafting of entrepreneurial identity in new fields, and the conditions under which social enterprises can maintain their purpose in cross-sector partnerships.

Esta tesis examina la participación de las familias empresarias y sus miembros en los ámbitos de la inversión de impacto y el emprendimiento social, y contribuye a tres áreas clave. En primer lugar, avanza en la investigación sobre empresas familiares al ampliar el estudio de las familias empresarias más allá de los límites de la empresa familiar. Destaca su participación heterogénea en iniciativas sociales, ofreciendo una comprensión matizada de cómo equilibran una hibridación de objetivos, tanto financieros como no financieros, en función de su marco de referencia único. En segundo lugar, contribuye a la investigación en emprendimiento al indagar sobre cómo los individuos construyen identidades emprendedoras en campos emergentes y ambiguos, como la inversión de impacto, y cómo pueden utilizar a su familia como un referente social relevante para orientar dicha construcción identitaria. En tercer lugar, proporciona nuevas perspectivas sobre el emprendimiento social y las colaboraciones intersectoriales al examinar el caso de una empresa social que vende la mayoría de sus acciones a un grupo empresarial familiar de gran tamaño. El estudio identifica decisiones y medidas clave que ayudan a sostener el impacto social tras la adquisición, proporcionando información tanto a académicos como a profesionales sobre la estructuración de asociaciones orientadas a la misión social. Al integrar estas perspectivas, esta tesis profundiza en la comprensión del comportamiento social de las familias empresarias, la construcción de la identidad emprendedora en nuevos campos y las condiciones bajo las cuales las empresas sociales pueden mantener su propósito en asociaciones intersectoriales.

ACKNOWLEDGEMENTS

“It takes a village,” as they say—and in my case, perhaps even a small city. When I started my dissertation, I never imagined the list of people who would help and support me over the years would grow so long—but it has, and I am sincerely grateful to each and every person mentioned below. First, I want to thank my advisor, **Rachida Justo**, for taking me under her wing. From the very beginning, you welcomed me with generosity, curiosity, and high expectations. You brought me into your projects and into thought-provoking conversations—always intellectually stimulating, often challenging, and never without passion. Thank you for the countless hours spent teaching me the art of academic thinking, for lifting me up when I was discouraged, and for trusting my judgment throughout the many projects we’ve worked on together over the years. Your mentorship has shaped me profoundly, both as a scholar and as a person. This dissertation also wouldn’t be what it is without the support of **Cristina Cruz**, who has been there from the very beginning of my academic journey. Cristina, thank you for opening the door to the world of family firms, a field I’ve grown to love thanks to your contagious enthusiasm and insight. To both of you—thank you for being there through the highs and lows of this PhD, for believing in me, and for standing by my side when things worked—and when they didn’t. I also want to thank my committee members. A very special thanks to **Sophie Bacq**, who holds a unique place in my heart. I first met Sophie as a Master’s student, and years later candidly wrote to her asking what I could do to become a social business teacher “just like her.” The rest is history. Over the years, I’ve relied on your expertise, kindness, and unwavering belief in the power of social entrepreneurship. Thanks also to **Rob Nason** and **Kai Hockerts** for your generous support during the final stage of this journey. Your curiosity and out-of-the-box thinking have deeply inspired me. To everyone at the **Entrepreneurship Department at IE—Julio, Henrik, Donato, Maya, Christina, José, Sodos, Dan, Bene, and Jeroen**—as well as **María and Laura** from the PhD office: Thank you for being there for me through every stage—from coursework and first presentations to academic conferences and navigating the job market. At every turn, I’ve counted on your support, good energy, and expertise to keep moving forward. A special thanks to Henrik for always cheering me up along the way! And thank you to all my **PhD colleagues at IE—Bengü, Reiju, Eduardo, Laura**, and many more I met during this journey. To my dear friends **Anastasia, Carmen, Marieshka, Ash**, and others: there has been laughter, and there have been tears, and you were there through it all. Finally, I want to thank my parents, **Bruno & Marianne**, who were the very first to introduce me to the world of social entrepreneurship and family firms. Long before it became a trend, you were already living and advocating for alternative, mutual, and healing economic models. You believed in these ideas when few others did. I am proud to walk in your footprints—footprints that I know were carved with sacrifice and deep conviction. And to **David**, my husband and love of my life—thank you for being my rock through it all. For lifting me up when I couldn’t see the light, and for never letting me forget that there is a horizon worth walking toward. Thank you for showing me that we are never alone on this earth, and that God walks with us every step of the way.

LIST OF CONTENT

INTRODUCTION	5
ESSAY 1 - ENGAGING IN A NEW FIELD: BUSINESS-OWNING FAMILIES' DIFFERENTIAL APPROACH TO IMPACT INVESTING	13
ESSAY 2 – CHARTING A NEW PATH BY LOOKING WITHIN: THE IDENTITY CONSTRUCTION OF ENREPRENEURS IN EMERGING FIELDS	25
ESSAY 3 - SELLING WITHOUT SELLING OUT? A SOCIAL ENTERPRISE OPENING ITS CAPITAL TO A COMMERCIAL FIRM	51
CONCLUDING REMARKS	71
REFERENCES	74
APPENDIX.....	90

LIST OF TABLES

TABLE I: Overview of the research framework	11
TABLE II: Typologies of business-owning families' engagement in impact investing.....	90
TABLE III: Description of data sources	91
TABLE IV: Overview of cases	92
TABLE V: Description of data sources	93
TABLE VI: Description of informants.....	94
TABLE VII: Data source per informant.....	98
TABLE VIII: Additional illustrative data.....	99
TABLE IX: Impact investors' approaches to impact investing	109
TABLE X: Profile of the informants	111

LIST OF FIGURES

FIGURE I: Data structure.....	95
FIGURE II: A model of entrepreneurial identity construction in emerging fields	96
FIGURE III: Data structure.....	97

INTRODUCTION

Throughout the literature, business-owning families have been described as a unique type of economic actors, guided by logics that often escape other types of business and capital owners. The literature defines them as a coalition of family members related by blood or marriage who together manage a shared patrimony either currently or historically tied to a firm (De Massis et al., 2021; Nason, Mazzelli, et al., 2019). Because they are constantly balancing between the needs of the business and the family, business-owning families are inherently equipped to manage a multiplicity of goals and priorities (Berrone et al., 2012; Diaz-Moriana et al., 2022; Gomez-Mejia et al., 2011; Gomez-Mejia et al., 2018).

Given this unique trait, scholars have studied family firms and business families to expand our understanding of various management and entrepreneurship topics including risk aversion (Gómez-Mejía et al., 2007), agency costs (Anderson & Reeb, 2004; Cruz et al., 2010; Schulze et al., 2001), and innovation (Duran et al., 2016). However, family firms and business families are also particularly adequate to study hybrid logics, hybrid processes and the coordination of diverse and potentially competing goals (Bacq & Lumpkin, 2014; Boers & Nordqvist, 2020; Randolph et al., 2022). While business-owning families mostly engage in hybrid practices within the family firm, they are also involved in hybrid activities beyond the family firm ecosystem (De Massis et al., 2021; Feliu & Botero, 2015; Ramírez-Pasillas et al., 2021). In recent years, scholars and practitioners have brought to attention the involvement of business families in the booming fields of impact investing and social entrepreneurship, two sectors that revolve around the management of hybrid goals and priorities (Randolph et al., 2022).

Impact investing refers to investing with the intention to generate a positive impact on society alongside a financial return or by applying principles of the financial sector to the funding of social-purpose organizations (EVPA, 2018; Hand et al., 2020). Because of these characteristics, it is a *de facto* hybrid endeavor, integrating principles from the social and the financial sector (Casasnovas & Chliova, 2020; Gautier et al., 2023b). Anecdotal evidence suggests that the term “impact investing” was coined at a gathering organized by the Rockefeller family to discuss the joint future of finance and philanthropy with experts from both sectors (Harji & Jackson, 2012; Moody, 2007). Impact investing has indeed been described as a “natural fit” for business families because of their affinity with the hybridity management at the core of impact investing (Drexler & Noble, 2014; Legler, 2019). Similarly, social enterprises, i.e., organizations that pursue a double objective of social impact and financial sustainability, are a specific type of hybrid organizations (Besharov & Smith, 2014; Santos et al., 2015) that show a natural correspondence with family business, here too, because of the management of hybrid goals and priorities (Bacq & Lumpkin, 2014; Lumpkin & Bacq, 2019; Randolph et al., 2022).

Impact investing and social entrepreneurship are important fields of research that blur the conceptual boundaries between the commercial and the social sectors previously considered incompatible (Battilana & Lee, 2014; Battilana et al., 2012). Research in this area is shedding light on the array of

organizational goals that are not directly tied to profit maximization but follow a different set of logics, e.g., a social impact logic (Doherty et al., 2014; Gümüşay et al., 2020; Haigh et al., 2015). Nevertheless, there remains a considerable scope for further exploration and study of these practices. On the one hand, because impact investing is in its early stages of development, it is still a contested concept characterized by competing interpretations and varying practices. Studying the deep motivations and corresponding practices of key players in the field, including business-owning families and their members (Ballard & Tornivaara, 2020; Cundy, 2020; Foley, 2016; Lawlor, 2017; Perryfrost & Schmidt, 2022) is therefore crucial to get a better grasp of the direction the sector, which is what we explore in the first essay of this dissertation. This context also offers a unique setting to understand how entrepreneurs navigate the ambiguities that are inevitable in new fields, and with what consequences for how they build their entrepreneurial identity (Crosina, 2024; Jiang et al., 2024; Radu-Lefebvre et al., 2021) and how they behave. We seek to address this question in the second essay of this dissertation. Social entrepreneurship, on the other hand is a scholarly field that has been thoroughly investigated as a typical case of hybrid organizing. As a result, how social enterprises manage competing goals has been a subject of scholarly interest for many years (Besharov et al., 2019; Mongelli et al., 2019; Pache & Santos, 2013; Santos et al., 2015; Smith & Besharov, 2017). Nevertheless, our understanding remains limited regarding how social enterprises sustain their social mission in specific situations—one of them being the sale of all or part of their shares to a commercial partner (Austin & Leonard, 2008; Sarason & Dean, 2019) and whether decisions made before, during and after the acquisition, influence the safeguard of the social enterprise's mission. In the third essay of this dissertation, we look at this question by following up the case of a social enterprise being acquired by a large family group.

In conclusion, in this dissertation, we look at the engagement of business-owning families and their members in impact investing and social venturing from a phenomenological perspective (essay 1) but also as a context to advance broader entrepreneurship questions such as entrepreneurial identity construction (essay 2) and social entrepreneurship questions related to cross-sector partnerships with commercial firms (essay 3).

In the first essay (published in 2021 in the *European Journal of Family Business*¹), we theorize on the motivations and forms of engagement in impact investing of different types of business families based on their unique frame of reference. To do so, we use the theoretical model developed by Nason, Mazzelli, et al. (2019) based on the socio-emotional framework i.e., the dominant paradigm to understand how business families apprehend financial and non-financial objectives (Gomez-Mejia et al., 2018; Kotlar et al., 2018). In this work, Nason and colleagues suggest that business-owning families can be categorized along two main dimensions based on the socialization with their peers (i.e., the capitalist class), making them internally or externally oriented, and the socialization of the next generation members, making them backward or forward-looking. We then argue that different types of families engage in impact investing for different

¹ Full reference: Cruz, C., Justo, R., & Roche, J. (2021). Engaging in a new field: business-owning families' differential approach to impact investing. *European Journal of Family Business*, 11(1).

reasons (mainstream adoption, continuing a tradition of doing good, and strategic innovation) and in different ways alongside four dimensions: objective of the investment, which corresponds to the degree of hybridity between financial and social objectives (finance first, impact first, or finance & impact), scale of impact generated (local vs. global), anchor for decision-making (needs-based vs. tools-based), and criteria for impact assessment (narratives vs. quantitative measures). Our primary contribution with this research is to the family firm literature as we answer calls for more research on family endeavors beyond the limits of the family firm (De Massis et al., 2021; Schickinger et al., 2021; Welsh et al., 2013), and on their heterogeneous social practices (Van Gils et al., 2014). We also contribute to the nascent literature on impact investing by theorizing on the antecedents and forms of engagement of key players in this sector.

In the second essay², we shift from a family to an individual level of analysis by looking at individuals within business-owning families who ventured in impact investing. Through this work, we contribute to a better understanding of the entrepreneurial identity construction of entrepreneurs in a new sector such as impact investing. In the absence of clear cues on how to become an entrepreneur in a nascent field, we find that entrepreneurs navigate this uncertainty by drawing on a salient social referent (in this case, their family) which serves as the foundation for their entrepreneurial identity, and influences whether they opt for conventional approaches inspired by adjacent fields (i.e., either the philanthropic sector or the financial sector), or more innovative strategies that redefine the boundaries of this emerging sector. By examining how entrepreneurial identities are formed in such uncertain environments, we contribute to the literature on entrepreneurial identity (Crosina, 2024; Jiang et al., 2024; Radu-Lefebvre et al., 2021), offering new insights into how entrepreneurs manage ambiguity by leveraging social referents. We also contribute to the field of impact investing by heeding calls for individual-level research on impact investing (Agrawal & Hockerts, 2021) and the influence of impact investors' characteristics on their investment behaviors (Islam, 2022; Schlütter et al., 2023).

In the third essay, we opt for an inter-organizational level of analysis to understand how social enterprises can safeguard their social mission once they have been acquired by a commercial firm. While the collaboration between social enterprises and commercial firms can provide resources (McDermott et al., 2018), scalability (Barraket & Loosemore, 2018; Sakarya et al., 2012), and legitimacy (Huybrechts & Nicholls, 2013; Huybrechts et al., 2017), they also pose risks, particularly the threat of mission drift when a social enterprise sells part or all of its shares to a corporate partner (Austin & Leonard, 2008; Sarason & Dean, 2019). We take a look at this question by analyzing the case of WaterSeed, a social enterprise acquired by a major family business group. Through this case study, we identify three sets of contrasting yet complementary safeguards that help maintain the social mission post-acquisition. First, despite the absence of direct commercial incentives, both parties aligned the social enterprise's activities with the acquirer's broader business objectives—safeguarding the organization's long-term viability within the acquiring company. Second, despite interpersonal

² The second essay is being prepared for re-submission (previously in R&R at the *Journal of Management Studies*)

and organizational trust, the social enterprise ensured that its core mission—allocating all dividends to social projects—was contractually protected, protecting the continuity of the concrete social projects that characterize WaterSeed’s mission. Additionally, although fully integrated into the acquiring firm’s operations, the social enterprise retained control over its brand and strategic identity, safeguarding its credibility and appeal in the eyes of external stakeholders. These measures illustrate how contractual and operational safeguards can help social enterprises navigate acquisitions without compromising their mission. By shedding light on these dynamics, this study contributes to the literature on cross-sector collaboration and offers insights into structuring partnerships that balance social impact with corporate objectives.

Table I summarizes the types of study, methods, level of analysis, research questions, main areas of contribution and findings for the studies included in this dissertation.

En la literatura, las familias empresarias han sido descritas como un tipo único de actores económicos que responden a lógicas que a menudo evaden a otros tipos de propietarios de empresas y capital. La literatura las define como una coalición de miembros de la familia unidos por lazos de sangre o matrimonio que gestionan en conjunto un patrimonio compartido, vinculado actualmente o en el pasado a una empresa (De Massis et al., 2021; Nason, Mazzelli, et al., 2019). Dado que constantemente equilibran las necesidades del negocio y de la familia, las familias empresarias están intrínsecamente preparadas para gestionar una variedad de objetivos y prioridades (Berrone et al., 2012; Diaz-Moriana et al., 2022; Gomez-Mejia et al., 2011; Gomez-Mejia et al., 2018).

Debido a este rasgo distintivo, los académicos han estudiado las empresas familiares y las familias empresarias para ampliar nuestra comprensión de diversos temas de gestión y emprendimiento, incluyendo la aversión al riesgo (Gómez-Mejía et al., 2007), los costos de agencia (Anderson & Reeb, 2004; Cruz et al., 2010; Schulze et al., 2001) y la innovación (Duran et al., 2016). No obstante, las empresas familiares y las familias empresarias también ofrecen un contexto particularmente adecuado para el estudio de lógicas híbridas, procesos híbridos y la coordinación de objetivos diversos y potencialmente antagónicos (Bacq & Lumpkin, 2014; Boers & Nordqvist, 2020; Randolph et al., 2022). Si bien las familias empresarias participan principalmente en prácticas híbridas dentro de la empresa familiar, también se involucran en actividades híbridas fuera del ecosistema de la empresa familiar (De Massis et al., 2021; Feliu & Botero, 2015; Ramírez-Pasillas et al., 2021). En los últimos años, tanto académicos como otros profesionales han puesto de relieve la participación de las familias empresarias en los campos crecientes de la inversión de impacto y el emprendimiento social, dos sectores que giran en torno a la gestión de objetivos y prioridades híbridas (Randolph et al., 2022).

La inversión de impacto se refiere a la inversión que se lleva a cabo con la intención de generar un impacto positivo en la sociedad junto con un retorno financiero, o a la aplicación de principios del sector financiero al financiamiento de organizaciones con fines sociales (EVPA, 2018; Hand et al., 2020). Debido a estas características, constituye de facto un esfuerzo híbrido, integrando principios tanto del sector social como el financiero (Casasnovas & Chliova,

2020; Gautier et al., 2023a). La evidencia anecdótica sugiere que el término "inversión de impacto" fue acuñado en un encuentro organizado por la familia Rockefeller para discutir el futuro conjunto de las finanzas y la filantropía con expertos de ambos sectores (Harji & Jackson, 2012; Moody, 2007). De hecho, la inversión de impacto ha sido descrita como una "un encaje natural" para las familias empresarias, debido a su afinidad con la gestión híbrida, que constituye el núcleo de la inversión de impacto (Drexler & Noble, 2014; Legler, 2019). De manera similar, las empresas sociales, es decir, organizaciones que persiguen un doble objetivo de impacto social y sostenibilidad financiera, representan un tipo específico de organización híbrida (Besharov & Smith, 2014; Santos et al., 2015) que muestra una correspondencia natural con las empresas familiares, también en este caso debido a la gestión de objetivos y prioridades híbridas (Bacq & Lumpkin, 2014; Lumpkin & Bacq, 2019; Randolph et al., 2022).

La inversión de impacto y el emprendimiento social son campos de investigación relevantes que difuminan las fronteras conceptuales entre los sectores comercial y social, previamente considerados incompatibles (Battilana & Lee, 2014; Battilana et al., 2012). La investigación en esta área está indagando la variedad de objetivos organizacionales que no están directamente ligados a la maximización de la utilidad financiera, sino que siguen una lógica diferente, por ejemplo, una lógica de impacto social (Doherty et al., 2014; Gümüşay et al., 2020; Haigh et al., 2015). No obstante, queda un amplio margen para seguir explorando y estudiando estas prácticas. Por un lado, dado que la inversión de impacto aún se encuentra en sus primeras etapas de desarrollo, sigue siendo un concepto en disputa, caracterizado por interpretaciones divergentes y prácticas variadas. Por ello, es crucial estudiar las motivaciones primordiales y las prácticas correspondientes de los actores clave en el campo, incluyendo a las familias empresarias y sus miembros (Ballard & Tornivaara, 2020; Cundy, 2020; Foley, 2016; Lawlor, 2017; Perryfrost & Schmidt, 2022), para comprender mejor la dirección que tomará el sector, lo cual exploramos en el primer ensayo de esta tesis. Este contexto también ofrece un entorno único para entender cómo los emprendedores navegan las ambigüedades inevitables en los nuevos campos y las consecuencias de ello en la construcción de su identidad emprendedora (Crosina, 2024; Jiang et al., 2024; Radu-Lefebvre et al., 2021) y en su comportamiento. Abordamos esta cuestión en el segundo ensayo de esta tesis.

Por otro lado, el emprendimiento social es un campo de estudio ampliamente investigado como un caso típico de organización híbrida. Por lo tanto, la manera en que las empresas sociales gestionan objetivos que compiten entre sí ha sido objeto de interés académico durante años (Besharov et al., 2019; Mongelli et al., 2019; Pache & Santos, 2013; Santos et al., 2015; Smith & Besharov, 2017). No obstante, aún tenemos un conocimiento limitado sobre cómo las empresas sociales pueden sostener su misión social en situaciones específicas, una de ellas siendo la venta total o parcial de sus acciones a un socio comercial (Austin & Leonard, 2008; Sarason & Dean, 2019) y si las decisiones tomadas antes, durante y después de la adquisición influyen en la protección de la misión social de la empresa. En el tercer ensayo de esta tesis, abordamos esta cuestión siguiendo el caso de una empresa social adquirida por un grupo empresarial familiar de gran tamaño.

En conclusión, en esta tesis analizamos la participación de las familias empresarias y sus miembros en la inversión de impacto y el emprendimiento social desde una perspectiva fenomenológica (ensayo 1), pero también como un contexto para avanzar en cuestiones más amplias de emprendimiento, como la construcción de identidad emprendedora (ensayo 2) y el emprendimiento social en asociaciones intersectoriales con empresas comerciales (ensayo 3).

En el primer ensayo, teorizamos sobre las motivaciones y formas de participación en la inversión de impacto de diferentes tipos de familias empresarias, basándonos en su marco de referencia único. En el segundo ensayo, pasamos de un nivel de análisis familiar a uno individual, examinando la construcción de la identidad emprendedora de individuos dentro de familias empresarias que incursionaron en la inversión de impacto. Finalmente, en el tercer ensayo, adoptamos un nivel de análisis interorganizacional para comprender cómo las empresas sociales pueden salvaguardar su misión social tras su adquisición por parte de una empresa comercial. Esta tesis, por tanto, amplía el conocimiento sobre el comportamiento social de las familias empresarias, la construcción de identidad en sectores emergentes y la estructuración de asociaciones intersectoriales con fines de impacto social.

En la Tabla 1 se resumen los tipos de estudio, método, nivel de análisis, pregunta de investigación, área principal de contribución y resultados de los estudios que componen esta tesis.

TABLE I: Overview of the research framework

Essays	Essay 1	Essay 2	Essay 3
	Engaging in a new field: Business-owning families' differential approach to impact investing	Charting a new path by looking within: The identity construction of entrepreneurs in emerging fields	Selling without selling out? A social enterprise opening its capital to a commercial firm
Methodology	Conceptual	Qualitative (multi-case study)	Qualitative (single-case study)
Research question	<i>How do business-owning families' motivations for engaging in impact investing and corresponding practices differ across family types?</i>	<i>How do entrepreneurs construct their identity in emerging fields and what are the implications for their entrepreneurial practices?</i>	<i>In what ways can the mission of a social enterprise be preserved following its acquisition by a commercial firm?</i>
Level of analysis	Family	Individual	Inter-organizational
Main area of contribution	Socio-emotional wealth	Entrepreneurial identity	Cross-sector partnerships in social entrepreneurship
Sample	<i>[Conceptual paper]</i>	Twelve impact investors (i.e., 12 cases) from a business family background	A dyad: a social enterprise – an acquiring commercial (family) firm
Data	<i>[Conceptual paper]</i>	<ul style="list-style-type: none"> • Primary data from semi-structured interviews with 12 impact investors (N=23; 268 pages) • Secondary data from direct and indirect informants sources (N= 172; 1135.5 pages) • Triangulation: semi-structured interviews with experts in impact investing and family office management and collaborators of our informants (N=15; 178 pages), corporate documents (N =76) , and social media posts (N = 1,204 posts). 	<p><i>[First wave of data collection]</i></p> <ul style="list-style-type: none"> • Primary data from semi-structured interviews with 14 key actors involved in the acquisition negotiation on both sides (N = 15; 349 pages of transcripts) • Archival data on the social enterprise (N = 162 documents; 220 pages of text and 284 minutes of audio) • Corporate documents from both the social enterprise and acquiring firm (N = 26 documents; 705 pages).

<p>Main findings</p>	<p>We develop a theoretical framework explaining why and how business-owning families engage in impact investing, using the family's frame of reference (backward vs. forward-looking and internally vs. externally oriented) as a relevant heterogeneity that triggers a unique driver for engaging in impact investing and a distinct set of practices to do so.</p>	<p>Our findings suggest that in the absence of predefined roles in a new field, entrepreneurs rely on salient social referents, such as family legacies, to navigate uncertainty and build their entrepreneurial identity. They do so by mirroring, reshaping, or departing from their family identity, leading to diverse paths of entrepreneurial identity construction. Surprisingly, we find that entrepreneurs who see their family legacy as relevant in the new field opt for conservative approaches, staying close to established sectors and familiar networks. In contrast, those who find their legacy as irrelevant pursue bold strategies, pushing boundaries through broad collaborations or independent trailblazing.</p>	<p>Our findings reveal three contrasting yet complementary mechanisms that help maintain the social mission post-acquisition by (i) protecting the long-term viability of the collaboration, (ii) the concrete projects that characterize the social enterprise's mission and (iii) its credibility and appeal to external stakeholders.</p>
-----------------------------	--	---	--

ESSAY 1 - ENGAGING IN A NEW FIELD: BUSINESS-OWNING FAMILIES' DIFFERENTIAL APPROACH TO IMPACT INVESTING ³

ABSTRACT

We develop a theoretical framework explaining why and how business-owning families engage in impact investing. Despite its exponential growth, the burgeoning field of impact investing is still subject to competing interpretations and varying practices. Building on the framework proposed by (Nason, Mazzelli, et al., 2019) we argue that a business-owning family's frame of reference (backward vs. forward-looking and internally vs. externally oriented) constitutes a relevant heterogeneity that triggers a unique driver for engaging in impact investing and a distinct set of practices to do so.

INTRODUCTION

The field of "impact investing", commonly understood as a financial practice aiming at generating a measurable social impact alongside a financial return (Hand et al., 2020) is in full expansion. In Europe only, impact investors and venture philanthropists allocated close to 4.9 billion euros to social purpose organizations in 2019 and the market is believed to pursue a steady growth in the years to come (EVPA, 2020). Despite this evolution, there is no strong consensus on the meaning of impact investing, as the field is still home for a series of competing ideas brought in by actors from adjacent sectors (financial markets, philanthropic sector, public sector, etc.) who are negotiating how impact investing ought to be done (Hehenberger et al., 2019).

Recent literature on the subject acknowledges the crucial role of diverse actors such as investment funds, high-net-worth-individuals, and policy makers in shaping the field of impact investing (Hannigan & Casasnovas, 2020; Hehenberger et al., 2019). In parallel, a thriving practitioner's literature highlight business-owning families as key actors in the development of the field (Drexler & Noble, 2014; Hand et al., 2020; UBS, 2019, 2020). The latter phenomenon, however, is currently absent from scholarly conversations about impact investing and family businesses.

The lack of scholarly attention to families' impact investing practices stands in stark contrast with the growing academic interest in the social behavior of business-owning families within the boundaries of their firms, by examining for example, family firms' corporate social responsibility (Cruz et al., 2014; Labelle et al., 2015) and corporate philanthropy (Campopiano & De Massis, 2014). Yet, the use of a firm level of analysis obscures the numerous vehicles that business-owning families, especially wealthy families, may have at their disposal to create social value (Feliu & Botero, 2015). In particular, impact investments are mainly channeled outside the family firm, usually by means of a family office or a family foundation (Lawlor, 2017).

³ This paper has been published in the European Journal of Family Business. Reference: Cruz, C., Justo, R., & Roche, J. (2021). Engaging in a new field: business-owning families' differential approach to impact investing. *European Journal of Family Business*, 11(1).

Business-owning families' prominent role in impact investing begs the question of what drives their engagement in this burgeoning field and what specific practices they leverage to do so. It also elicits the question of what makes them differ in these motivations and practices, as an ample academic research emphasizes the heterogeneity of social behaviors among family-owned businesses (Bingham et al., 2010; Cennamo et al., 2012; Déniz & Suárez, 2005; Marques et al., 2014; Niehm et al., 2008) and practitioners report that business-owning families vary greatly in their impact investments (Braak-Forstinger & Selian, 2020). Accordingly, the aim of this article is to provide some preliminary insights on the following research question: How do business-owning families' motivations for engaging in impact investing and corresponding practices differ across family types?

To do so, we build on the Socioemotional Wealth perspective (SEW) (Gomez-Mejia et al., 2011), the dominant paradigm used to explore family firms' social behaviors (Cennamo et al., 2012; Cruz et al., 2014; Kellermanns et al., 2012). The SEW approach's main premise, that the trade-off between financial and socioemotional goals is what makes business-owning families unique (Berrone et al., 2012), fits naturally with the impact investing field, with practitioners highlighting that balancing financial and nonfinancial goals is central to every impact investment decision (EVPA, 2020; Hand et al., 2020). This may explain why many family offices and family foundations have pioneered the integration of social goals within financial investment strategies, even before the term "impact investing" was coined. As expressed by Justin Rockefeller referring to the Rockefeller family impact investing behavior:

"My great-great grandfather spent the first half of his life making money, and the second half of his life, giving it away - and the family has continued strong tradition of both business and philanthropy. I see impact investing as a natural continuation of those themes and those family values." (The ImPact, n.d.)

While we consider the SEW perspective as a "natural fit" to explain how business-owning families practice impact investing, we also acknowledge its limitations as highlighted by the literature (Chua et al., 2015; Martínez-Romero & Rojo-Ramírez, 2016; Swab et al., 2020). Accordingly, we use the framework proposed by Nason, Mazzelli, et al. (2019) that addresses some of the issues posed by the SEW perspective, and proposes a typology of business-owning families based on how their reference points shift along a temporal (from backward to forward-looking) and a spatial (from internal to external orientation) dimension. We first argue that business families that engage in impact investing have either a forward-looking or an external reference point or a combination of the two. Next, building on the four typologies of families that emerge from Nason, Mazzelli, et al. (2019)'s framework (rentier, entrepreneurial, long-lived, and traditional families) we theorize how business-owning families differ in the way they engage with and practice impact investing.

This article contributes to the literature in several ways. First, we respond to recent calls to transcend the traditional SEW logic portraying business-owning families as mostly conservative and risk-averse (Chua et al., 2015; Nason,

Carney, et al., 2019; Zahra, 2018). Using Nason, Mazzelli, et al. (2019)'s theoretical framework, we argue that, guided by unique reference points, many of these families can in fact dare to engage in, and sometimes contribute to shape, the new field of impact investing. We also show that the different combinations of these reference points make the practice of impact investing idiosyncratic, responding to scholarly calls to further investigate the heterogeneity of business-owning families in their social practices (Van Gils et al., 2014). Further, by adopting a family level of analysis we contribute to broaden our perspective on the social value creation of business-owning families (Feliu & Botero, 2015) and better comprehend the range of operations they may conduct outside their firm (Schickinger et al., 2021; Welsh et al., 2013; Wessel et al., 2014).

Last, we contribute to the emergent literature on impact investing by examining an overlooked, yet key actor in shaping its development. In doing so, we shed light on the diversity of impact investors and on their idiosyncratic preferences, going beyond the usual duality between socially driven versus financially driven investors.

THEORETICAL BACKGROUND

The competing paths towards impact investing

As acknowledged by practitioners, “impact investing is a big tent” (Sullivan, 2021, p. 3) and there is still no consensus on how to define it (Bugg-Levine & Emerson, 2011; Hannigan & Casasnovas, 2020; Höchstädter & Scheck, 2014). The European Venture Philanthropy Association (EVPA) refers to “impact investing” as “investing for impact” and broadly defines it as “financial activities related to social and environmental causes”. This definition encompasses two views on the practice (Hehenberger, 2020). The first one refers to a financial practice that aims at “investing with the intention to generate positive, measurable social and environmental impact alongside a financial return” (Hand et al., 2020); the second one refers to “venture philanthropy”, an approach to philanthropy that borrows the logics of the venture capital sector (Frumkin, 2002) and where the accent is on providing tailored financing and highly engaged non-financial support to social purpose organizations. The broad definition proposed by the EVPA fits the purpose of our research as we aim to examine the vast range of approaches that different business-owning families use to practice impact investing, which in turn mirror the varying meanings given to this new field.

Indeed, the lack of agreement regarding what impact investing really means implies that the field is subject to competing interpretations. While there are many aspects on which actors in the field diverge, nascent academic and practitioner literature on the subject emphasizes four main dichotomies that underlie an idealized view of how impact investing ought to be:

The objective of the investment: Impact first versus Finance first. As a practice born at the intersection of the financial and the social sectors, impact investing may be primarily conducted from a financial perspective where the emphasis is on the potential of the investment to generate a market-competitive

financial return, settling for a moderate impact; or from a social impact perspective, where the investor seeks to maximize the social impact generated and be content with a limited financial return (Glänzel & Scheuerle, 2015; Harji & Jackson, 2012; Rangan et al., 2012). This dichotomy is arguably the most important aspect that allows to differentiate among impact investors and has often important implications on the type of social projects that are eligible for investment.

The scale of the impact generated: Localized versus Global solutions. Another key criteria for impact investors to select an investment is whether the solution is customized to address the idiosyncratic needs of local communities (e.g., selling dairy products that have been designed to meet the nutrient deficiencies of children in Bangladesh) or is standardized and may be applied on a broad scale and replicated in multiple contexts (e.g., treating a health issue that is spread worldwide, such as the cataract disease) (Ebrahim & Rangan, 2014; Hehenberger et al., 2019). The geographic scale of the investment will not only influence the pool of social projects that are eligible for investment, but also the profile of the impact investor that is most appropriate to support these projects (Phillips & Johnson, 2019). Indeed, a successful investment in a localized social project will require a relatively high-level of local knowledge and cultural embeddedness, as well as strong relationships with other actors in the projects' ecosystem. It will also have implications for the potential for scalability, an issue that is becoming increasingly salient in the impact investing space due to the development of funds operating at a global level with a strong emphasis on replicable solutions (Frumkin, 2002; Voss, 2021). In fact, many of these funds are heavily inspired by the venture capital notion of "going to scale" (Moody, 2007, p. 332).

The anchor for decision-making: Needs versus Tools. One for the most recent aspects on which impact investors might diverge relates to the rationale for decision making. On the one hand, need-first investors emphasize that social challenges are complex and require above all a deep understanding of the problem at hand and beneficiaries' needs (Burns et al., 2006; Chalmers, 2020). As such, the specific tools used to generate impact, and their degree of innovativeness, should come in second rank (Phills et al., 2008). On the other hand, tool-first investors tend to emphasize the catalyzing power of business to generate impact and, as such, focus primarily on applying innovative business and finance instruments as an effective solution to social problems (Cohen, 2012; Hwang & Powell, 2009).

The criteria for impact assessment: Narratives versus Quantitative measures. The different approaches to social impact measurement have been the subject of heated debate within the social entrepreneurship and third sector realms (Ebrahim & Rangan, 2014; Gibbon & Dey, 2011; Luke, 2016), and such arguments have also infused impact investing (Agrawal & Hockerts, 2019; Reisman & Olazabal, 2016). In essence, investors may choose to assess and communicate the impact of their investment leveraging two types of evaluation approaches. The first, and more conventional approach, often relies on

storytelling and qualitative disclosures from beneficiaries (Glasrud, 2001; Rossi et al., 2018) or on methods known as “theory-driven evaluation” (Chen & Rossi, 2016; Rogers & Weiss, 2007) which consist in explicitly articulating a model of how the program will cause the intended impact (Ebrahim et al., 2014). These types of evaluation are often idiosyncratic to each class of social intervention and allow to capture the often-intangible nature of social change. The second approach relies on collecting data that is more consistent and comparable across interventions, focusing on metrics that are quantitative and often monetized, i.e., expressed in a given currency (Nicholls et al., 2012). In recent years, the impact investing industry has developed a multitude of methodologies aimed at quantifying social performance (So & Staskevicius, 2015) such as the benefit-cost analysis and the social return on investment (SROI) (IRIS, 2019; Tuan, 2008; Weinstein & Bradburd, 2014).

The social behaviors of business-owning families from a SEW perspective

The notion that family owners attach socioemotional value to firm ownership and that SEW is a primary reference point for family firms have become a dominant paradigm in research on family firms (Gomez-Mejia et al., 2011). As a result, there is a fruitful literature comparing family firms and nonfamily firms in their social orientation using the SEW perspective as the main theoretical framework. According to the SEW approach, the desire to protect the family image and reputation (Dyer & Whetten, 2006; Berrone, Cruz, Gomez-Mejia, & Larraza-Kintana, 2010; Cruz et al., 2014; Zientara, 2017) and to bequeath the business to the next generation (Dou, Zhang, & Su, 2014), two key SEW dimensions (Berrone et al., 2012) may explain the prosocial behavior of family firms (Cennamo et al., 2012).

The SEW approach seems to be the ideal framework to explore why business-owning families embrace impact investing. Central to the SEW reasoning is the notion that business families’ decision-making entails a trade-off between gains and losses of financial and socioemotional wealth (Gomez-Mejia et al., 2014; Gomez-Mejia, Patel, & Zellweger, 2018). As mentioned earlier, the field of impact investing continues to debate whether impact investing does or does not achieve market-rate returns at the expense of social impact. Nevertheless, the SEW perspective poses certain limitations that may be consequential when studying how business-owning families engage and practice impact investing. First, it was originally intended to explain the organizational behaviors of family firm as influenced by the nonfinancial objectives of the owning family. Thus, it has a firm level of analysis. This is a severe limitation to understand the broad scope of social value creation of business-owning families, as much of their social endeavor, including impact investments, may be conducted beyond firm boundaries (Feliu & Botero, 2016; UBS, 2019, 2020). Second, the SEW perspective has often been described as a monolithic concept, that is homogeneous among business-owning families and static along the family’s life cycle (Martinez-Romero & Rojo-Ramirez, 2016; Swab et al., 2020). In contrast, ample evidence shows that these families may differ in their socioemotional wealth composition (Patel & Chrisman, 2014), including the emphasis they put on protecting their image and reputation (Berrone et al., 2012; Deephouse & Jaskiewicz, 2013; Zellweger, Nason, Nordqvist, & Brush, 2013)

and in their transgenerational intentions (Uhlener, van Goor-Balk, & Masurel, 2004; Lähdesmäki & Takala, 2012).

To overcome these limitations Nason, Mazzelli, et al. (2019) proposed to expand the SEW framework by a) broadening the socio-cognitive foundations of business-owning families from the firm to the family level of analysis and b) allowing families' reference points to vary in both a temporal and a spatial dimension. In the temporal dimension, families can shift from a backward-looking reference point, (formed by the “recall of past events”), to a forward-looking reference point (turned towards “what the future holds”). In the spatial dimension, families may go from an internally oriented reference point, formed by the building and monitoring of core internal competencies, to an externally oriented reference point, with an emphasis on “outflanking competitors, responding to stakeholders' claims, and accessing relevant resources outside of the firm or the family's direct reach.” (Nason, Mazzelli, et al., 2019, p. 849). According to Nason and colleagues, these reference points are not mutually exclusive. Indeed, the authors suggest the existence of four types of business-owning families (rentier families, long-lived families, entrepreneurial families, and traditional family firms) based on how the families position themselves along the two dimensions (temporal and spatial) of the reference points. We argue that modelling business-owning families' respective frames of reference in function of these two dimensions matter to understand not only their motivation for engaging in impact investing but also the type of practices they would favor. Therefore, in the following section we outline a series of arguments regarding which type of impact investing approach each typology of family is more likely to opt for and practice. How do business-owning families engage in and practice impact investing?

Rentier families: Families with a backward-looking and an externally oriented reference point. Depicted as “passive owners who are focused on deriving income from investments rather than salary”, these families are deeply embedded into the capitalist class (Nason, Carney, et al., 2019, p. 860), commonly considered an elite and wealthy social category (Palmer & Barber, 2001). As such, they face public pressure to justify their privileged economic position (Graffin et al., 2013) and are therefore more prone to develop an externally oriented reference point, being highly concerned with institutional pressures and paying a great attention to stakeholder claims. According to (Nason, Mazzelli, et al., 2019, p. 856), such an orientation prompts a commitment towards “salient collective goals and societal themes”. We extend this reasoning to explain rentier families' engagement in impact investing. These families would be highly responsive to the growing trend of responsible and sustainable investments as recently illustrated by the head of a family office:

“We don't have a mandate for ESG, but it's not rocket science to look at the change in consumer demand and the political and social environment [...] it's important now in the public eye and in the consumer's eye. It's something that we can't just brush over because people are only going to pay more and more attention to it, and governments are only going to pay more and more attention to it. - Chief investment officer of a European family office.” (UBS, 2020, p. 25)

This motivation, known as “mainstream adoption” referring to the need to embark on a movement that is becoming mainstream, is a common driver for investors new to the impact investing field (Mudaliar et al., 2016).

Rentier families are also characterized by a backward-looking reference point prompting them to be mostly focused on preserving what the family already has. In fact, Nason and colleagues suggest that these families have often sold their firm and do not have an immediate family successor, which makes them conceive the remains of their business operations in “instrumental terms” (p. 860). Such instrumental focus combined with their high visibility should be reflected in an impact investing strategy that is strongly driven towards extracting a financial return while preserving the family’s reputation. Specifically, the emphasis on profitability and on the social salience of the family’s good deeds will push the rentier families to adopt a “finance first” scheme, favoring a form of impact investing that contributes to the family’s reputation, while emphasizing the potential for financial return and the low risk profile of the investments. Practically speaking, rentier families may turn towards “ESG-compliant” funds where financially profitable companies (often listed) are selected for their good standing on environmental, social and governance considerations (UBS, 2019, 2020) but whose actual impact does not necessarily come under a high level of scrutiny. According to the principal of a European single-family office: “We are not willing to take a lower return just because it has social impact. If you do it the right way, you can achieve a return set to market.” (UBS, 2019, p. 35).

Accordingly, we argue that rentier families will likely target global social issues that have a broad institutional appeal (e.g., education, climate change, gender inequality, etc.) rather than the more idiosyncratic needs of less visible local communities (Hand et al., 2020). They will also tend to give relatively less importance to the type of impact measurement approach adopted. In fact, these passive investors will likely be indifferent to the rationale used to substantiate the impact generated, if the investment’s instrumental objective is achieved. As such, they might invest in projects that exhibit influential narratives of social impact as well as more quantitative impact indicators, provided the effort involved in collecting these indicators does not compromise the investment’s profitability, as social impact measurement may be time and resource-intensive (Maas & Liket, 2011; Rawhouser et al., 2019). In fact, rigorous impact measurement and reporting are often cited as providing evidence of the investor’s strong commitment to social purpose (Findlay & Moran, 2019).

Finally, we argue that rentier families will be more prone to adopt a tools-based approach, as the entailed solutions usually require a lower involvement and understanding of the social problem at hand, an approach that may be perceived as less risky for these business owners who might prefer to rely on tried-and-true business models that are familiar to the capitalist class. In a nutshell, rentier families will align with the prototype of finance-first investors, who “want less focus on impact measurement and more on building credibility to invest at scale and achieve (near) market returns” (Findlay & Moran, 2019, p. 856).

Long-lived families: Families with a forward-looking and internally oriented reference point. These business-owning families present a frame of

reference that is heavily oriented towards the future. Their forward-looking reference point prompts them to actively involve the next generation of business owners in the family's decision-making, which fosters vitality and an innovative culture to ensure the longevity of their business. We argue that this forward-looking orientation is their main driver to engage in impact investing. As in the case of rentier families, we also suggest that the particular configuration of reference points (forward-looking and internally oriented) of long-lived families implies a unique way of practicing impact investing.

According to Nason, Mazzelli, et al. (2019, p. 860), long-lived families tend to be embedded in their local communities and show a more "localized identification". Because they attribute part of their financial success to these communities, they are eager to give back (Peake et al., 2017), often earning an image of "local heroes" (Breeze, 2009). Hence, for long-lived families, impact investing may be seen as a direct continuation of their philanthropic commitment towards the communities in which they are embedded. This translates into an impact investing practice that follows an impact-first scheme and that is focused on supporting projects that are customized to the needs of local communities the family feels close to. Quoted by Sullivan (2015), the chief executive of a family foundation involved in impact investing illustrates this local attachment: "As with many families, place matters to them. It's where this business is from. The kinds of impact they can enact — they can see and touch it".

At the same time, their forward-looking reference point and the involvement of the next generation will make them open to experiment with a tools-driven approach which is also cherished by younger generations as it allows them to exploit their innovative and entrepreneurial drive to catalyze change and create social impact. However, these families' deep embeddedness into the local fabric will also heighten their awareness about the complexity of social problems and the need to partly adapt existing tools to the specificities of targeted beneficiaries. As such, long-lived families are uniquely positioned to combine, in the ways they consider the most effective, an innovative tools-based approach with a needs-based one. This approach will be paired with quantifiable metrics of the impact generated as a way to substantiate the effectiveness of their investment strategy. In an article published in the *New York Times*, an expert on the field declared:

"Sophisticated families are being just as rigorous in their local philanthropy as those who cast their net wider [...] Many are engaging in the same type of impact investing — meaning that they measure what their dollars accomplish — that is at the heart of much global giving. And thinking in those terms, even using that phrase, is keeping younger family members engaged - Frederic J. Marx, lawyer." (Sullivan, 2015)

Practically speaking, as "hard-nosed social investors" (Frumkin, 2002, p. 8), these families may engage in venture philanthropy funds, where donations are treated as investment and where the fund's managers "draw on the analytical rigor of the for-profit world to assess the nonprofit organizations they support" (Voss, 2021, p. 1).

Entrepreneurial families: Families with a forward-looking and externally oriented reference point. These business-owning families are characterized by a

frame of reference that is both oriented towards external stakeholders and towards the future, a combination that is particularly suited for the family to take audacious strategic moves. Because they are very conscious of their visibility, these families also show a great concern for stakeholders' claims and are attentive to market trends. However, they are also very much future-oriented and manage their business and social activities in an innovative and forward-looking way. Accordingly, and compared to rentier families, entrepreneurial ones will go beyond mere mainstream adoption and engage in impact investing also as tool for strategic innovation.

In the impact investing realm, the combination of future and external oriented reference points would crystallize into an impact investing practice that solves the trade-off between a "finance first" and an "impact first" approach, but rather strives to reach an optimal balance between both. To use the terms of Liesel Pritzker Simmons from the Pritzker family: "We are taking a total portfolio approach. We think about this investing very rigorously and pay a lot of attention to our risk-adjusted returns because this is not our play money, this is everything." (Foley, 2016). For these entrepreneurial families, embracing an impact investing strategy is a must to stay relevant in the eyes of external stakeholders, but most importantly it is an opportunity to shape the economy and the society of tomorrow and ensure the longevity of their activities. As such, we suggest that entrepreneurial families will support ambitious impact investments, that target global social issues while favoring programs and organizations that show the highest potential for social impact.

We further suggest that they will tend to actively measure the impact generated through recent methodologies that track social impact while also monetizing it to better inform their investment decision-making. As a member of the Pritzker family declared: "We want to know what the return is and what are the top three impact key performance indicators. One extra dimension we look at with a catalytic investment is: Did it do what it said it was going to do, and did it scale?" - Liesel Pritzker Simmons (Sullivan, 2021). Practically speaking, it is not rare to find entrepreneurial families at the head of their own funds, as the case of The ImPact, an impact fund entirely owned by business families (including the Rockefeller and the Pritzker family) (Foley, 2016). Oftentimes, these funds are run by next generation family owners. This is the case of Impact Finance, a leading impact investing fund in Europe co-founded by Cedric Lombard from the Lombard Odier banking family and Benjamin Firmenich, whose family is at the head of the world's largest privately owned fragrance company (Finnigan, 2016; Richterich, 2018).

For Nason and colleagues, these families are "outliers occupying a small but powerful fragment of the broad family business landscape" (Nason, Mazzelli, et al., 2019, p. 861). While further research will be required, we also identify this particular type of families as the ones that have pioneered the field since its emergence at the turn of the century.

Traditional business families: Families with a backward-looking and internally oriented reference point. These families are referred to as "the primary domain of SEW research" (Nason, Mazzelli, et al., 2019, p. 860) and usually depict families whose main frame of reference is to maintain control and influence

over their assets and who have little perspective for a dynastic succession. Such a combination is characteristic of highly conservative and risk averse business-owning families. The absence of a strong institutional pressure to embrace the new trend of impact investing as well as the lack of involvement of the next generation imply that these families stay closer to a traditional perspective of philanthropic grant-making and therefore will be less likely to engage into impact investing. This view was best illustrated during the interview of a member of a Singaporean business-owning family:

“I’m not a millennial that needs to feel good about making money; let’s be pragmatic about it. If you’re here to change the world, just use the [philanthropic] foundation where there’s no need to make a return. That’s the right approach for me, though I know I’m in the minority.” (UBS, 2020, p. 24).

Table II summarizes the motivations and practices for engaging in impact investing of the three typologies of business-owning families.

 Insert Table II about here

DISCUSSION & CONCLUSION

In this paper, we propose a theoretical framework to explain how business-owning families engage in the nascent field of impact investing. We draw on Nason, Mazzelli, et al. (2019)’s framework to argue that depending on their particular frame of reference, business-owning families will differ in their engagement with and practice of this new form of asset class. Our theorizing suggests that rentier, long-lived and entrepreneurial business-owning families are more likely to embrace impact investing than traditional family firms. This is because they have either a forward-looking reference point (long-lived families), an externally oriented reference point (rentier families), or a combination of the two (entrepreneurial families).

We also theorize that the unique combination of reference points will crystallize into different types of business-owning families exhibiting a unique motivation for engaging in impact investing, as well a distinctive approach to practicing this activity. Specifically, we argue that rentier families will adopt a finance and tools-first impact investing approach, favoring scalable solutions. Long-lived families, in turn, will focus primarily on impact-first localized investment where impact is thoroughly quantified. Finally, entrepreneurial families, going beyond the finance-impact dilemma, will mainly choose investments based on their scalability and measurability through quantitative metrics, leveraging a tools-first approach.

While our theorizing focuses on dichotomies situated at the extremes of the impact investing field and take business-owning families categories as static, both are best understood in continuous rather than categorical terms. In fact, Nason, Mazzelli, et al. (2019) acknowledge that business-owning families may

adopt a frame of reference that is more or less turned towards the outside and towards the future, and that the categories identified are theoretical in nature. Similarly, practitioners in the field of impact investing recognize that the different approaches to impact investing are part of a spectrum (e.g., the “impact ecosystem spectrum” of EVPA, 2018). As such, the opposing views identified in this article should be treated as endpoints along a continuum. What is more, while we theoretically argue that each frame of reference will determine how families position themselves on the extremes of impact investing on a given dimension, we also suggest that some business-owning families may side-line the dispute by embracing an integrative approach of some of these dichotomies. Specifically, we posit that entrepreneurial families may be more likely than other types of families to free themselves from the “finance first” vs. “impact first” dilemma and combine these two approaches to “align their assets with their values” (The ImPact, n.d.). Similarly, we suggest that rentier families may be agnostic to how the impact generated should be measured, as their primary focus is on the profitability of the investments and the perceived attainment of the intended impact.

Through this theoretical development, we contribute to the literature on the social behaviors of business-owning families by broadening our perspective on the range of social actions undertaken by these families beyond the boundaries of their firm, and the richness of their motivation to do so. Moreover, we contribute to the literature on impact investing by providing a finer-grained analysis of the heterogeneous group of impact investors that populate this growing field, with their respective viewpoints, expectations, and motivations. As highlighted by Gutterman (2021, p. 13), “impact investors enter the marketplace from a number of different paths and each come with their own unique set of motivations and goals”. However, until now, the literature has failed to provide a framework to explain and substantiate this diversity. With this work, we shed light on the motivations of business-owning families, as a unique group of impact investors, and on how different types of families will approach the dichotomies that are still subject to debate in the field. We also build on recent research on the cognitive processes underlying impact investing decisions. Specifically scholars suggest that prompted by “categorical cognitions” or “prior beliefs”, investors are likely to struggle to reconcile the notion that a particular fund may generate both a social impact and a financial return resulting in outcomes inefficiencies (Lee et al., 2019, p. 88). In this paper, we theoretically propose the existence of a class of impact investors (i.e., the entrepreneurial families) who transcend the dilemma impact first vs. finance first, therefore contributing to the field through a more efficient allocation of resources both in social and financial terms.

Future research should extend our conceptual work exploring whether there are other factors that may affect the way in which business-owning families approach these impact investing dichotomies. Conversely, some of the identified dichotomies may not be relevant to certain types of families, who may be facing others not yet reported in the academic and practitioner literature on impact investing. More importantly, future research would benefit from examining whether and how adopting a mid-range approach to impact investing, the way some business-owning families do, influences the social and financial performance of these investments. Indeed, we have a limited understanding of

the actual impact investors make through impact investing (Kölbel et al., 2020). While recent research suggests that impact investors who demand less rigorous impact metrics (whether these are more qualitative or quantitative in nature) are less likely to produce significant social change (Findlay & Moran, 2019), little is known as to whether adopting a variety of needs-first and tools-first strategies yields differential impact over time. We propose that further research explores these interrogations through grounded theory.

Finally, our theory suggests that the adoption of some particular reference points (forward-looking and externally oriented) may prompt certain business-owning families to go beyond the goal of preserving family control and lead them to engage in an innovative way of creating social impact. This contributes to recent calls on reconciling the SEW approach with the observed entrepreneurial behavior of many business-owning families (Zahra, 2018). Nevertheless, entrepreneurial, rentier and long-lived families may also be influenced by SEW preservation motives that may bias their impact investment decisions. Future research should investigate how SEW motives influence the impact investment behaviors of business-owning families compared to other key actors in the field such as institutional investors, for example.

This current work also has important implications for practice. Business-owning families who are contemplating the possibility of engaging in the impact investing space may want to first consider the different approaches available for doing so and the extent to which they align with their own frame of reference and idiosyncratic objectives. Similarly, family advisors and fund managers might want to do a thorough due diligence of business-owning family profiles before offering them a specific type of impact investment strategy. A better understanding of the families' triggers for engaging in impact investing could help family advisors to provide valuable advice, by warning rentier families for example of the risks of being subject to charges of "purpose-washing" that are increasingly affecting the reputation and legitimacy of some impact investors (Findlay & Moran, 2019).

In conclusion, our theoretical development opens promising avenues for future research and practice regarding the engagement of business-owning families in the nascent field of impact investing. We portray business-owning families as a unique but also heterogeneous group of investors interpreting and practicing impact investments in ways that correspond to their respective frames of reference.

ESSAY 2 – CHARTING A NEW PATH BY LOOKING WITHIN: THE IDENTITY CONSTRUCTION OF ENTREPRENEURS IN EMERGING FIELDS⁴

ABSTRACT

Through an in-depth multi-case study of twelve founders of leading impact investing funds in Europe, we explore how entrepreneurs construct their identities in emerging fields, characterized by ambiguity and a lack of established norms. We uncover three paths of entrepreneurial identity construction associated with three distinct types of entrepreneurs: the perpetuators, the reshapers, and the pathbreakers. In the absence of clear cue on how to become an entrepreneur in a nascent field, we find that entrepreneurs navigate this ambiguity by relying on a salient social referent that serves as the basis for the formation of their entrepreneurial identity. This identity work directly influences their entrepreneurial practices, with perpetuators staying close to conventional approaches reminiscent of adjacent fields, while reshapers and pathbreakers opt for more innovative practices that push the boundaries of this emerging sector. By unpacking how entrepreneurial identities are constructed in such nascent environments, we contribute to the literature on entrepreneurial identity, providing new insights into how entrepreneurs navigate ambiguity by leveraging social referents. We also contribute to the field of impact investing by heeding calls for individual-level research on impact investing and the influence of impact investors' characteristics on their investment behaviors.

INTRODUCTION

“The purpose of our lives is to be someone and not to do something. Identity comes before activity.”(Maria, impact investor).

We live in a world of constant change where industries evolve and new sectors emerge every day. These fields are, by definition, ambiguous, ill-defined, and lack preset expectations regarding organizational design, logics, and behaviors (Gao & McDonald, 2022; Khaire, 2014; Rindova & Petkova, 2007). This leaves entrepreneurs—the ultimate creators of these industries (Santos & Eisenhardt, 2009)—with little guidance on how to define the meaning of their work and what practices to implement to lead their ventures.

Research suggests that when entrepreneurs launch a new venture, they often engage in identity work (Brown, 2022; Snow & Anderson, 1987), a process through which they try to give meaning to what they do (O’Neil et al., 2022), reduce ambiguity (Crosina, 2024) and ultimately define who they are in this new role. Specifically, they turn to the meaning ascribed to being an entrepreneur in their particular field to find cues, and social referents, for how to construct their entrepreneurial identity (Jiang et al., 2024; Murnieks et al., 2020; Newbery et al., 2018). Overall, this literature suggests that identity is important because it

⁴ The second essay is being prepared for re-submission (previously in R&R at the *Journal of Management Studies*)

determines several key aspects of the business including opportunity recognition and development (Wry & York, 2017), strategic decision-making (Fauchart & Gruber, 2011), strategic response to adversity (Powell & Baker, 2014), or pivoting of ideas (Grimes, 2018).

Yet, questions remain about how entrepreneurial identity develops in an emerging field, characterized by high ambiguity, no predefined meaning, no preexisting cues, and no immediately relevant referents. While a few studies examine identity within nascent industries, most consider such identity as a given, focusing instead on exploring how it explains motivations for venturing in these emerging fields (York et al., 2016), the likelihood to become flexible or inertial (Zuzul & Tripsas, 2019), or focusing on the identity tensions that engaging in a new field can trigger (Smith et al., 2022; Wagenschwanz & Grimes, 2021; Wry & York, 2017). They are therefore mostly oblivious to the process leading to such identity formation, that is how such identity gets constructed in the first place. In fact, Zuzul and Tripsas (2019) acknowledge the need to adopt a more fluid perspective where identity is “the outcome of identity work” (p.30) and a construct of interest to explore in future studies on entrepreneurship.

Given the long-standing recognition that entrepreneurial identity is a primary driver of entrepreneurial activity (Mmbaga et al., 2020; Radu-Lefebvre et al., 2021; Wagenschwanz, 2021) and that entrepreneurs’ visions can significantly influence the development of a field, shaping for example its dominant logic over time (Hehenberger et al., 2019), understanding the meaning they ascribe to these field is important. Thus, in this article we ask: How do entrepreneurs construct their identity in emerging fields and what are the implications for their entrepreneurial practices?

We focus on impact investing, a field characterized by its emerging nature (Casasnovas & Ferraro, 2022; Logue & Grimes, 2022) and its social and economic relevance (Kölbel et al., 2020). Described by Peter Harrison, the CEO of FTSE 100 fund, a major investment management company, as “the biggest trend in our sector over the next two decades” (Smith, 2019), impact investing is experiencing a notable growth globally at a rate of 18% in assets under management in the last 5 years (GIIN, 2023), with the entry of entrepreneurs, but is at the same time still affected by blurred and contested meanings (Agrawal & Hockerts, 2021; Hannigan & Casasnovas, 2020; Hehenberger et al., 2019). Specifically, the field has been described as a “lightning rod” sparking raging debates about the extent to which impact investors should balance or give priority to financial returns over social or environmental ones (Chowdhry, 2023; Weatherly-White, 2019), ultimately resulting in “definitional ambiguities” of what it means to be an impact investor (Agrawal & Hockerts, 2021, p. 155).

We conducted an inductive, multi-case study of a dozen founders of leading impact investing funds that were considered as key influencers shaping the field in Europe. As we began our investigation, we were surprised to discover that many of these founders were actually members of prominent business families, which are known to provide a strong sense of identity for their members (Bettinelli et al., 2022; Wielsma & Brunninge, 2019). This pattern prompted us to focus specifically on these informants, ultimately selecting twelve for our study. We later found, through our data analysis, that this identity was also particularly salient, i.e., easily brought to mind (Stryker, 1968), in the context of impact

investing as informants worked to construct their entrepreneurial identity. However, when digging into this aspect, we further discovered that while family identity was an important referent for all of them, it was distinctly leveraged to give meaning to their work, leading to three types of impact investors: the perpetuators, the reshapers, and the pathbreakers.

Our analysis suggests that a key difference associated with the divergent paths of identity construction for each type of informant was the relevance of their family identity to navigate the ambiguity in this emerging field. Crucially, we uncovered that the role of family impact legacy—how informants’ families approached the integration of social and environmental goals within their business—was central to their identity work. Depending on the relevance of this family impact legacy we found that perpetuators, reshapers, and pathbreakers respectively, mirrored, reappropriated or departed from their family identity when constructing their own identity as impact investors.

Additionally, our data revealed a correspondence between the three identified types of impact investors and their impact investing practices, confirming the importance of understanding the identity construction process of entrepreneurs to explain their subsequent practices. In our context, this was reflected by perpetuators opting for forms of impact investing that are reminiscent of the adjacent fields of philanthropy and traditional finance (impact-first and finance-first) and to work with familiar partners. In other words, they navigated the ambiguity of this field by going for a “business as usual” approach. In contrast, the reshapers and the pathbreakers appeared more likely to adopt forms of impact investing that push away the boundaries of the field. They also tended to work with both familiar and unfamiliar partners (reshapers) or work in solo – trailblazing by themselves (pathbreakers).

By unpacking how entrepreneurs construct their identities in an emerging and ambiguous field like impact investing, and by tying these identity construction processes to the perceived relevance of their family impact legacy, we make contributions to research on entrepreneurial identity (Baker & Powell, 2020; Radu-Lefebvre et al., 2021) and to the growing literature on identity work in organizations (Ashforth & Schinoff, 2016; Brown, 2022). Our study emphasizes that identity work is especially critical in these contexts, where entrepreneurs cannot rely on clear cues from the field but must instead draw on social referents to navigate the ambiguity.

Finally, we contribute to the impact investing literature by showing how impact investors navigate the field’s definitional challenges (Casasnovas & Ferraro, 2022). The typology we identify highlights distinct identity pathways through which investors engage with the field’s ambiguity, balancing financial returns and social goals. Further, by linking these pathways to practical approaches, we offer new insights into how entrepreneurial behavior both shapes and is shaped by the contested meanings of this emerging field.

THEORETICAL BACKGROUND

Navigating the ambiguity in emerging fields

Emerging fields are evolving areas of business where the norms, rules, and roles are not yet fully established (Gao & McDonald, 2022; Khaire, 2014;

Rindova & Petkova, 2007). These fields can span multiple industries or sectors, often driven by new knowledge, regulatory changes, shifts in mindsets, and evolving consumer demands that reshape traditional business practices (Navis & Glynn, 2010; Santos & Eisenhardt, 2009). This dynamic nature makes them highly ambiguous and fluid environments (Benner & Tripsas, 2012).

As these fields develop, stakeholders engage in negotiations to define the field's focus and scope, success criteria and the underlying principles that will guide decision-making. These negotiations can be particularly complex in emerging fields characterized by competing logics (Mair & Hehenberger, 2014; Nicholls, 2010),—where multiple perspectives, priorities, and expectations clash. Examples of this can be found in fields like impact investing, where this study is contextualized, where different stakeholders have varying visions for the future (Hehenberger et al., 2019; Weatherly-White, 2019).

Entrepreneurs play a pivotal role in these fields, not only by creating ventures but by actively defining the norms and rules that will govern the field (Maguire et al., 2004). However, the process of shaping the field is not merely a strategic or business effort—it is also deeply personal, and intertwined with the self-meanings that entrepreneurs assign to their role. Therefore, how entrepreneurs define their role and the meanings they attach to their work are foundational to the influence they exert on the field (Radu-Lefebvre et al., 2021). Such meanings determine how they seize opportunities, tackle challenges, and overall, make decisions as they deal with ambiguity. This raises critical questions about how entrepreneurs make sense of their role and how they give meaning to their work in such fluid environments. As we will argue in next section, entrepreneurial identity literature provides a valuable lens with which to examine this process.

Entrepreneurial identity construction

Entrepreneurial identity comprises the meanings that founders attach to who they are as entrepreneurs (Ajay et al., 2023; Crosina, 2024; Powell & Baker, 2014), i.e., “the individual sets of meanings and behaviors that define those individuals when enacting an entrepreneurial role” (Murnieks et al., 2014, p. 1589). A key insight from the entrepreneurial identity literature, particularly in established industries, is that entrepreneurs vary in how they interpret their roles (Anderson & Starnawska, 2008). This research relies on the perspective that people have indeed agency in how they build their identity (Knapp et al., 2013; Sveningsson & Alvensson, 2003). In that sense, entrepreneurial identities, are built with a lot of freedom (Hsu et al., 2021). In fact, some scholars suggest that “in many ways, entrepreneurship is a process of identity construction (Ireland & Webb, 2007, p. 916) and that entrepreneurs are “deliberate identity crafters” (Mmbaga et al., 2020, p. 11). This process, known as “identity work” (Brown, 2022; Caza et al., 2018; Grimes et al., 2018), is defined as the ongoing effort to “create, present, and sustain” identities (Snow & Anderson, 1987, p. 1348) and revise one’s self-concept in order to maintain a coherent and distinctive sense of self (Sveningsson & Alvensson, 2003). The literature suggests that “while identity can be thought of as one’s understanding of oneself, identity work turns our attention to processes through which this understanding is formed, maintained, or changed over time” (Vough et al., 2020, p. 3).

Because the entrepreneurial context is inherently fraught with uncertainty and ambiguity, research further suggests that in constructing this self-concept, entrepreneurs will rely on “identity referents”, oftentimes represented by the social groups and other roles that founders consider as self-defining (Pratt, 2000). The extent to which a particular referent will become self-defining for entrepreneurs will depend among others, on the extent to which the former represents a salient identity, i.e., one that is easily brought to mind (Stryker, 1968), when engaging in entrepreneurial activities. For example, entrepreneurs who are also convinced patriots might invoke this identity when deciding whether to keep production domestic or outsource it abroad during times of crisis (Powell & Baker, 2014). Similarly, community-oriented entrepreneurs may prioritize customers in need over those who can pay more, based on this salient identity (Fauchart & Gruber, 2011). Other research shows that being religious can become a salient identity for some entrepreneurs, shaping their entrepreneurial identity (Delichte et al., 2024) and influencing their decision-making process (Smith et al., 2022). Based on this referent, entrepreneurs may engage in what is called “cognitive identity work”, i.e., “mental efforts to subjectively construe, interpret, understand, and evaluate an identity” (Caza et al., 2018, p. 891).

However, the extent to which an entrepreneur relies on a particular referent to construct her identity depends on whether it is useful in meeting her specific needs (Ashforth & Schinoff, 2016). While this might be straightforward in established fields, we know surprisingly little about whether and how this plays out in emerging fields where ambiguity can challenge the very identification of what these needs represent. This gap invites further exploration of how identity work unfolds in such contexts, and how the unique challenges of these fields influence the development of entrepreneurial identity. Uncovering these processes is important as we know that variations in identity referents will influence corresponding paths for entrepreneurial identity construction, with implications for entrepreneurial activity (Alsos et al., 2019; Fauchart & Gruber, 2011; Pan et al., 2018; Simms & Robinson, 2009).

METHODS

Research setting: Impact investors born into prominent business-owning families

Impact investing is an emerging field characterized by investments aimed at generating positive social impact alongside financial returns or by applying financial sector principles to social projects (Hehenberger et al., 2019; Logue & Grimes, 2022; Schlütter et al., 2023). This field spans a continuum between traditional philanthropy and conventional finance, representing the two adjacent areas within which impact investing operates (Schlütter et al., 2023). Impact investors may choose a more conservative approach, aligning closely with traditional finance by investing in conventional businesses with strong ESG performance—often termed “finance-first” impact investing (Marti et al., 2023; Sandberg et al., 2009)—or with traditional philanthropy by supporting philanthropic projects using financial mechanisms, such as interest-free loans—called “impact-first” impact investing (Bildner et al., 2020; Di Lorenzo & Scarlata, 2018; Mair & Hehenberger, 2014). Alternatively, they may pursue a more

ambitious, novel approach, striving to balance financial returns with social impact equally in their investments (Foroughi, 2022). This approach is often more complex, as it requires identifying ventures capable of achieving both significant social impact and strong financial performance and supporting them in growing while maintaining this often-difficult balance.

Like any other entrepreneurs, the actions of impact investors are shaped by salient identities, which are relevant to their work. Interestingly, a group of impact investors who have acted as pioneers and served as “role models in an ongoing global transition towards impact investing” (Wilk, 2022, p. 1) are reportedly tied to some of the most prominent business families in the world (Bannick & Goldman, 2017; Foley, 2016; Murray, 2019; Temple-West, 2022), a connection that undoubtedly provides a strong sense of identity for its members that carries significant emotional and value implications (Basly & Saunier, 2019). This sense of identity persists even when family members are not actively involved in the business or when the firm no longer exists as members grow up hearing stories and often encounter “family firm related identity cues” in their day-to-day life (Deephouse & Jaskiewicz, 2013, p. 341). Hence, not only are business-owning family members aware of their group membership but they are also emotionally invested in it (Bettinelli et al., 2022), two necessary conditions for a strong identification with a social group (Ashforth et al., 2008; Tajfel, 1972). Moreover, this identity may be particularly salient in impact investing, as business-owning families, like impact investors, are known for their skillful balance of financial and non-financial objectives (Bingham et al., 2010; Cruz et al., 2012; Gomez-Mejia et al., 2018) and “to pursue the welfare of those who surround them, even if there are no obvious transactional economic gains in doing so” (Berrone et al., 2012, p. 263). Families may address these concerns separate from the firm operations, through for instance charity work or community sponsorships (Uhlener, 2006), or integrate them into the firm’s strategy (Sezgi & Mair, 2021)—an approach that aligns with the core principles of impact investing (Cruz et al., 2021). It is therefore arguable that impact investors from these collectives will draw upon this social identity when navigating the ambiguity of this emerging field, making it a useful context for examining how their identity influences the construction of their entrepreneurial identities.

Data collection

Following the principle of theoretical sampling, we selected cases in which the focal phenomenon was evident, and where similarities and differences between cases would likely improve theory building (Eisenhardt, 1989; Murphy et al., 2017). In terms of similarities, we selected twelve impact investors from the elite circle of Europe’s most renowned and prominent business-owning families. Following previous work on identity and entrepreneurship (Ahsan et al., 2018; Baker and Powell, 2020; Cardon et al., 2009; Powell and Baker, 2014), we focused on single-founder impact funds as a way to get greater clarity on the “connections between a founder’s identities and what happens in their venture” (Baker and Powell, 2020, p. 11). Furthermore, by focusing on Europe, we address potential co-founding factors, as scholars acknowledge structural differences between the European impact-investing ecosystem and corresponding systems in other regions (Buckland et al., 2013; Hehenberger, 2020; Hehenberger et al.,

2019). In terms of differences, we selected cases with significant variance in terms of gender, age, the original sector of the family firm, the status of the family firm (sold, partly or fully owned by the family, etc.), the vehicle used for impact investing, etc. In total, these twelve cases constitute a rare dataset, representing the 1 percent of the population composed of high-net-worth individuals (Shorrocks et al., 2022) and participating in a sector that, while steadily growing, is still invested in by a small number of individuals (Hand et al., 2022). The rationale for focusing on this population lies in the fact that, as previously mentioned, these impact investors have a highly salient social identity. This characteristic enhances the transparency of the mechanisms in our model, making them more “transparently observable” (Eisenhardt, 1989, p. 537). To mitigate the challenges of access and power disparities associated with interviewing high-net-worth individuals (Ma et al., 2021; Solarino & Aguinis, 2021), one of the co-authors served as an insider (Gioia et al., 2010; Smith et al., 2022). His position as the academic director of an impact-investing fund allowed us to identify and access prominent impact investors in Europe. Finally, when possible, we used snowball sampling in which we asked informants to refer us to other impact investors from business families in their networks.

Archival data. We started by collecting individual-level data from archival sources (N= 172 from 2001 to 2024; total of 1135.5 pages). Following recent work on entrepreneurial identity (Zuzul & Tripsas, 2019), we used these data to collect unprompted identity statements generated by professional interviewers, rather than being directly guided by our research question. This also reinforced the consistency of our findings, as we were able to gather similar identity statements from different sources and at different points in time. These individual-level data belong to two types of sources: (i) direct informant sources: third-party interviews, podcasts, autobiographical and co-authored books, TED Talks, about me sections of personal websites, presentations, panel interventions, personal documents and personal communication with the informant (N= 64 pieces of data); (ii) indirect informant sources containing isolated quotes from our informants: newspaper articles, blog posts, and reports about the informants’ impact investing journey (N = 108 pieces of data).

Semi-structured interviews. Second, we conducted semi-structured interviews with each of these twelve Informants between June 2021 and September 2024 (N=23; total of 268 pages). The interviews lasted 30 to 80 minutes, with an average of 57 minutes. During our first round of interviews, in order to avoid guiding responses, we did not disclose our final research question to Informants nor did we use the term “identity” after the concept started emerging (Carollo & Guerci, 2018). Instead, we tackled these topics indirectly by asking questions about the Informants’ primary motivations for their impact investments and about their relationships with their families. We then conducted a second round of 8 semi-structured interviews between June and October 2024 with selected informants from each of the three types we identified. We used these interviews to conduct member checks (Lincoln, 1985) and to deepen our understanding of the mechanisms between some parts of our model.

Triangulation. Finally, to triangulate these data, (i) we conducted semi-structured interviews with experts in family wealth management and/or impact investing including three close collaborators of our informants (N=15; total of 178 pages). We shared our research question with them and asked for their insights based on their experience in the field. (ii) We also collected firm-level data using the websites of the informant's impact funds and corporate documents they provided to us (N=76 pieces of data) and (iii) LinkedIn and Twitter posts (N=1,204) as recognized sources of data for studying individual-level constructs (Jiang et al., 2018; Lyons & Zhang, 2018; Nambisan, 2017; Obschonka et al., 2017).

Whenever possible, interviews were conducted in the interviewee's native language, provided at least two co-authors spoke it; otherwise, they were conducted in English. All interviews were recorded and transcribed verbatim, except for two with experts, where we took extensive notes. Some archival data was in languages not spoken by the first author; as a result, we used AI-powered translators to convert these data into English. To mitigate potential meaning loss, we (i) discussed ambiguous translations among co-authors and compared different dictionary definitions of ambiguous words in order to choose the right one within our context, and (ii) cross-referenced the information by checking if the interviewee expressed similar views or shared the same story in media that we understood..

In the findings section, we label quotes from our own interviews as "interview" and refer to an index (available on request) for quotes from archival data. We annotated "T." next to quotes that required translation into English. Tables III reports our data sources, and Table IV provides an overview of each impact investor (under an alias).

 Insert Tables III and IV about here

Data analysis

After creating write-ups for each informant, detailing their journey toward impact investing, their family's history, and any pertinent information about them (Miles & Huberman, 1994), the first author used QSR NVivo, a qualitative data analysis software, and proceeded to open code both the archival and interview data, a step that resulted in the generation of 207 codes. The first author then discussed the codes with two other authors, a step that revealed the identity patterns, and a working typology of three types of impact investors. From that point, the iteration between data collection, data coding, and the literature became more frequent (Galunic & Eisenhardt, 1996; Murphy et al., 2017). Following guidelines in qualitative research (Gioia et al., 2013), we selected 15 codes from the initial code list that were the most relevant for our model and that constitute the second-order themes in our data structure (cf. Figure I). We kept the first-order categories as close as possible to the informant terms.

When coding our data, we first used within-case analysis (Eisenhardt, 1989) to identify “preliminary concepts” within each case on why and how this impact investor decided to venture into impact investing. We then proceeded to a between-case analysis in which we compared cases—paying particular attention to categories such as gender, age, generational stage of the family firm, status and sector of the family firm—until a set of constructs emerged around identity. Surprisingly, the identity patterns emerged independently of these categories, which are evenly represented throughout our typology (cf. Table II). Finally, we moved from our between-case analysis of individual impact investors to a between-case analysis across our typology. When new evidence no longer appeared and when we started seeing a repetition of information and confirmation of existing categories—an indication of theoretical saturation (Murphy et al., 2017; Murphy et al., 2019), we paused our data collection.

 Insert Figure I about here

FINDINGS

Our data broadly revealed that informants’ family identity—particularly how they perceived their family impact legacy, defined as their families’ approach to social and environmental responsibility within business activities—was foundational to the construction of their identities as entrepreneurs in the field of impact investing. The meanings that our informants ascribed to both impact investing and their family impact legacy were closely related. However, the construction of these identities followed a complex pattern: some impact investors fully embraced their family legacies, others accepted only portions of them, and some reported their legacies as unembraceable. Based on these variations, we uncovered three distinct types of impact investors, each associated with different identity construction processes: perpetuators, reshapers, and pathbreakers.

We begin our analysis by describing how family identity was a salient point of reference for our informants, with particular attention to how the family legacy was brought to mind when considering becoming impact investors. We then illustrate the variance in how they perceived its relevance of their family impact legacy with respect to their impact investing endeavors. Drawing on this assessment, we discuss the three identity types that we identified. Finally, we analyze the link between the constructed identity and impact investors’ decisions in terms of (i) type of entrepreneurial practices and (ii) breadth of collaboration.

Salient social identity in the context of the emerging field

Our informants consistently highlighted their family identity—i.e., their identity as members of influential business families—as salient or “easily brought to mind” during their impact investing activities. This was evident in their frequent use of “we” when describing how their family performed their role as business owners and contributors to society. Across all categories, informants referred to their family legacy, encompassing shared values, traditions, business culture and past initiatives, as central to their motivations and approach in the impact

investing field. Specifically, they emphasized what we term “family impact legacy”, referring to how they perceived their families approached social and environmental in relation to their business activities. For example, Emilia, a perpetuator, argued that: “What happens is that we have in our DNA this culture that it is important that companies do the right thing”. (T.) (Emilia, interview2). She also frames this idea of sustainable entrepreneurship as a trait passed down through generations:

“I do believe that when you have entrepreneurship in your veins, you [...] understand [social entrepreneurship] much better from a business perspective, because then [the impact] is scalable and remains even when you're not there.” (T.) (Emilia, interview2).

The reshapers also highlighted their family impact legacy as a central element in shaping their journey toward impact investing. Like the perpetuators, they defined themselves strongly in terms of their family identity, often drawing connections between their present entrepreneurial work and the actions of earlier generations. For instance, when asked why he chose this path, Daniel, born into a centuries-old Swiss banking family, explained that growing up in Geneva, he had always observed an “interesting mix” of finance and humanism—a defining feature of impact investing. He connected this mix to his family’s legacy, noting how his decision to pursue impact investing was deeply rooted in this heritage:

“We are Protestant bankers – and in the end, Geneva is a small village, or a very small town, that happens to manage a lot of private money. And there is somehow this spirit, because they have been able to attract Société des Nations, and then the UN, so there is an interesting mix. [...] It was a question of roots.” (Daniel, interview1).

Sophia, another reshaper, also referred to her family heritage when asked how her impact investing journey started, mentioning the initiatives of her great-great-grandfather who was one of the few industrials of his time promoting social welfare for his employees.

“Our great-grandfather created this social city around where the textile was produced. He had a very strong social take on employment, developing housing, etc. He was not alone in his time, but he was definitely a pioneer and a visionary. [...] And I was like, look, we come from this. How would this translate today? What can we do today?” (Sophia interview1).

Family identity even played a role in the entrepreneurial journey of the pathbreakers. For instance, Maria discussed how her family firm’s business model had an implicit “impact angle” although it was not a conscious driver of the business.

“[Our family firm] also does a lot of refurbishing and repurpose of the parts. That has always been our business model. So, from that perspective, there

has always been an impact angle or a positive angle to our business, not knowing as this was not the driver per se.” (Maria, interview1).

Perceived relevance of the legacy

While all our informants acknowledged the salience of their family identity in their impact investing journey, they differed in how they perceived its relevance to their impact investing endeavors. This relevance, or lack thereof, hinged on how intentionally and deeply they perceive their families to have integrated impact considerations into the firm’s operations and strategy—an element closely tied to the defining principles of impact investing. These differences lead to variations in their assessment of the family’s impact legacy, with some perceiving a relevant legacy, an irrelevant legacy, and others navigating an ambiguous legacy.

Relevant legacy. We find that perpetuators distinctly perceive their family as having proactively integrated social concerns into their business operations, viewing these values as deeply embedded in the very foundation of their entrepreneurial identity. For the perpetuators, this connection is explicit, and they see their family’s impact legacy as not only salient but also relevant in helping them navigate the ambiguous field of impact investing. For them, their families having proactively integrated or even “ingrained” (Sara, interview1) social impact within their business operations, and at the very “roots of the business” (Sara, interview 2) to a much greater extent than peer companies operating within the same sector. “Every firm has great values. Enron had great values. But this is about behavior” (Adrian, interview1). Other perpetuators shared similar reflections, as exemplified in the following quotes:

“My grandfather used to say: we need to do the right thing, not only because this is the ethical thing to do, but also because it is profitable.” (T.) (Emilia, interview2).

“Our great grandfather did amazing things in terms of social impact. [...] He had embedded in his business model the well-being of his employees.” (Philip, interview2).

Ambivalent legacy. In contrast, the reshapers have a more ambivalent perspective on their family impact legacy. They tend to oscillate between pride in their family’s historical social values and uncertainty about whether those values were consistently upheld inside their business operations over generations. For instance, Joseph reflected on his early exposure to his family’s business but expressing lingering doubt about how truly intentional their social impact was:

“When I was 15, [...] [my uncle convinced me] that what we were doing—providing quality products at the lowest price—was also a social mission. [...]. Then I could accept it! Maybe I'm proud now? [pensive]” (Joseph, interview1).

Similarly, Sophia wrestled with the sense that her family’s commitment to social responsibility had been lost over time:

“Our great-grandfather had a very strong social take on employment, housing development, etcetera. [...] My feeling is that we totally lost that with the following generations.” (Sophia, interview1).

Irrelevant legacy. For pathbreakers, the family impact legacy is largely irrelevant in navigating the ambiguous field of impact investing. They perceive a clear separation between the social and business roles within their families, with little to no intentional integration of social concerns into the firm’s strategy. Gabriel, for example, noted that while members of his family engaged in civic and charitable activities—“they could be politicians, running voluntary organizations, etc.” (Gabriel, TextInterview9) —these activities kept entirely separate from the business.

“As a family, we used to internalize our values. They were good, old-fashioned types of values, like honesty, dedication and loyalty. But they weren’t something that drove the business.” (Gabriel, TextInterview9).

Similarly, Maria expressed that while her family’s business practices may have unintentionally generated positive social outcomes, these were never a central driver of the business:

“For instance, do we look at our supply chain? Do we look at where do we buy from? Do we know if these people there are treated well? Those are the things that the family business never looked at.” (Maria, interview1).

Overall, pathbreakers recognize that their family’s priority has been the firm’s financial viability, and that the social logic was not integrated with the commercial logic and within their business operations but was rather kept separate. As shared by Niels, “in my family, everything revolved around the business and if they would have philanthropic activities on the side, nobody would know”. (T.) (Niels, interview1).

Reaction vis-à-vis the perceived relevance of the family impact legacy

Our data reveals that in giving meaning to their work, impact investors reflected on how relevant the family impact legacy was to define who they were in the emergent field of impact investing. This process of meaning-making differed based on whether they viewed their family’s legacy as relevant, irrelevant or ambiguous.

Continuing the legacy (“this is what we do”). Informants with a perceived relevant legacy positioned themselves as guardians of their family legacy, reinforcing the connection between such legacy and their role as impact investors through a “this is what we do” discourse. In other words, for perpetuators, impact investing is simply a continuation of their family’s longstanding practice of creating social value through their business.

“[Impact investing] was a different way to continue what the family had done for a hundred years, which was to build the business, and create value and jobs.” (Adrian, interview1).

“Strictly speaking, our social impact journey goes all the way back to the 19th century when our great-great grandfather made big efforts to modernize textile production and improve social welfare for employees.” (Philip, TextInterview20).

One interesting insight shared by the perpetuators is that the specific labels associated with impact investing were not particularly significant to them. Many shared that they had engaged in impact investing activities before the term itself was formally coined, thus rendering the label less relevant in their practice. As Emilia noted, when she started her impact investing fund many years ago, “that label didn’t exist.” She further added: “saying that a fund was ‘ESG’ was not a concept back then” (T.) (Emilia, interview2). “We never thought we were impact investors” said Adrian (Adrian, interview1). He elaborated further, stating, “family entrepreneurship, or family capitalism, is better for the world than financial capitalism”. “We could even argue”, he said “that if there were only family capitalism, maybe we would not need impact investments, at least to some degree” (Adrian, interview1). Some also mentioned their discomfort regarding the “emotional, political wave” (Adrian, interview1) and the frenzy surrounding the emergence of these new “sexy” concepts (Emilia, interview2)— with which they could not relate and which they saw as a new way of referring to something with which they had always been familiar.

Seeking Alignment with the legacy (“this is what we should do”). For reshapers, the ambiguous legacy presented a different challenge. They did not automatically see a clear alignment between their family impact legacy and impact investing. As a result, they strived to reconnect with such legacy, often driven by a desire to do what they believe their family should be doing. For example, Joseph shared:

“It has been my dream that my family would follow me and say, [...] What is [Joseph] doing? He’s taking higher risks [for social impact]; we should all do it with the family’. I would be the happiest man in the world.” (Joseph, interview1).

“We” could also refer to the group of wealthy families. Joseph shared, “If someone has to do it in the world, it’s up to us, rich families to take higher risks. (Joseph, interview1). To reconcile their heritage as business family members with their role as impact investors, reshapers often acted as bridges between their families, other wealthy individuals, and the world of impact investing.

“My brother is more extreme. He wants to fight the family business and get out by selling his shares. In his view, change only comes by leaving. But my approach is to make compromises. Some might say I don’t have the

guts to take a firm stance, always trying to be in the middle, but it's a deliberate choice—trying to influence from within.” (Joseph, interview2).

Breaking free from the legacy (“this is what I can do”). In contrast, pathbreakers perceive their family legacy as largely irrelevant to their impact investing work, as their family has not intentionally integrated social concerns into their business practices. These informants adopt a “this is what I can do” discourse, focusing on their personal agency, and their ability to make a difference independent of their family’s impact legacy. For example, Maria talked about how she sees herself as coming from a very privileged position where she can “really do something.” “I’d rather impact a billion people, than be a billionaire.” (Maria, interview1). Similarly, Gabriel explained how he came to realize that he could make a meaningful impact from his position, and that there were organizations out there in need of precisely the skills he excelled at.

“[Impact investing] is us really trying to use our commercial astuteness to make social impact. Our fund’s vision is: “we shall create enduring value values and leave clear footprints.” (Gabriel, TextInterview9).

Constructing the entrepreneurial identity vis-à-vis the salient identity

Our data also revealed how impact investors not only make sense of their family identity—through an assessment of the relevance of their family impact legacy—but also actively construct their entrepreneurial identity in response to it by mirroring it, reshaping and going beyond it or departing from it.

Mirroring the salient identity. For perpetrators, constructing their impact investing identity is about continuing the family impact legacy. It is a way to walk in the “footprints of previous generations” (Adrian, interview1).

“Our values [as an impact fund] are, I would say, very much in line, in continuity with what we’ve been taught as human beings, as sons and daughters. [Impact investing] is a natural evolution of ... there's nothing disruptive in what we're doing. [...] we unlock a new way of implementing those values (Philip, interview1). [...] It would be very flattering for me to consider that I'm continuing on that path [our family path]. That's an objective for me.” (Philip, interview2).

For some, mirroring their family identity also involved embracing this idea, likely passed down through generations, that business is one of the most powerful motors of social value creation.

“What was clear to me, coming from a family business, is that ultimately, business is the primary mechanism for generating wealth in the world, and, furthermore, sustainable wealth. So, I wanted this “business” theme and wealth generation, in general, to somehow be a part of what the foundation would become—without knowing exactly how. Then, by turning the topic over and over, we logically ventured into impact investing.” (T.) (Eduardo, interview2).

Reshaping and going beyond the salient identity. We find that reshapers use impact investing to reshape and go beyond their family identity. This was the case for Daniel for example who viewed impact investing as a means for him to reshape his banking heritage. “We are trying to bring the role of the banker back to what it was originally, namely supporting the entrepreneur” (T.) (Daniel, NewsArticle5) and “to give new meaning to the financial act” (T.) (Daniel, NewsArticle6). For him, becoming an impact investor meant reshaping but also going beyond his familial identity.

“It was banking but it was a different type of banking. Somehow it enabled me to reshape the genes or [...] the banking heritage (Daniel, interview1).

Going toward the others; it’s not about renouncing your roots, but about transcending them and giving them the opportunity to exist more strongly.” (T.) (Daniel, PersonalDoc2).

Sophia further shared how impact investing gives meaning to her inheritance. “Impact investing became my way to take ownership of my wealth and create value beyond financial value” (Sophia, Textinterview7) “not forgetting”, she added, that “I’m building a future that is not disconnected from the legacy of my family” (Sophia, VideoInterview9). In another interview, she shared: “Build-in what’s already there and build-on what has been. Family is about the long term and legacy. [...] You need to recognise and accept that you are not starting from a blank slate. (Sophia, TextInterview7).

Similarly, Joseph shared how he didn’t want to choose between his “loyalty toward his family” (T.) (Joseph, Book2) and his work as an impact investor. “I didn’t want to choose between my heart and my family, between my past and my future” (T.) (Joseph, TEDTalk1).

“Interviewer: Who are you—who is Joseph without [his family name]?”

Joseph: That question has occupied me for fifty years. I’ve spent a long time searching for my role and identity. Discovering social entrepreneurship ten years ago gave me a clear sense of purpose. It combines my family’s entrepreneurial spirit with my deep commitment to social causes. I believe these two can be harmoniously blended.” (Joseph, VideoInterview6).

However, in contrast to perpetuators, while reshapers expressed their desire to reshape their family identity rather than breaking away from it, they frequently spoke of having to reach a point where they had to go beyond it. As expressed by Sophia, “I think there are points of continuity and points of breaking. And the points of continuity are values and the points of breaking are actions and vision” (Sophia, interview2). This sentiment was echoed by Daniel, who acknowledged the tension between being drawn back to his origins and the perception he has from his family that he is a traitor, ultimately recognizing a point of divergence between himself and his family. “There’s a force that pulls me back, but the real difference lies at the breaking point. [...] because in the end, what I

perceive from the family narrative is that I'm a traitor—I left" (T.) (Daniel, interview2).

Likewise, when speaking about the social entrepreneurs he invests in, Joseph mentioned that he sees himself as one of them—an *indignado*, outraged with social injustice and committed to challenging the status quo. "I am someone who is disgruntled by what is going wrong". (Joseph, AboutMe7).

Departing from the salient identity. Pathbreakers, however, follow a different path. Because they consider that their family impact legacy is irrelevant to their role as impact investors, they actively construct their entrepreneurial identity by distancing themselves from their family identity and use impact investing, not to continue a legacy or to reshape it, but to forge their own legacy. Maria, for example, explained the importance to "be the architect of their own life" (Maria, Book1).

"My life has three distinct phases. The first 20 years were about growing and learning. The next 20 were about building a family, career and creating wealth. Now, this is the phase I want to dedicate to creating a legacy." (Maria, Book1).

"Working for the family firm was a path that I took. These were the shoes that were put in front of me, that my dad put there. I chose to step into those shoes. [...] but as I took off those shoes, I was like, "Where do I really want to go?" I wanted to wear my shoes—the ones I wanted to buy. Today, I feel that this [impact fund] is 100% my journey. When the answers became clear to me, I felt like I was finally walking in my shoes. I was finally going to do what I was meant to do." (Maria, interview1).

"I call it impact investing, call it my inner journey, my search to who am I." (Maria, interview1).

Gabriel also explained how for him, impact investing was a way to do something new, to embrace a form of responsible capitalism where social impact and profitability are intimately integrated and not separated as he saw it in his family.

"Of course, there is a legacy, all the stuff [the family] has done. But let's look at what we [Gabriel's company] are going to do. That is the best way of having a legacy." (Gabriel, Textinterview9).

"The sale of the [family firm] opened doors. We [Gabriel's company] were going to become something else. We took sustainability seriously, we thought completely new thoughts and started with blank slates." (T.) (Gabriel, NewsArticle45).

Similarly, Gabriel shared that after selling the family firm to create his impact fund, many suggested naming the fund after the family, a proposal he firmly rejected.

“I’ve been trying to not have a family investment company as such. When we moved to impact investing, many wanted to call the fund after my family name. I said: no.” (Gabriel, interview 1).

Likewise, after working for many years in the family firm, Paul described impact investing as “an excellent opportunity for me to do something completely new”. (T.) (Paul, Textinterview19).

Entrepreneurial approaches in the emerging field: Type of entrepreneurial practices

Interestingly, we find that informants who perceive their family identity as a useful referent for them in their impact investing activity tend to favor more conservative practices, sticking closer to conventional finance and philanthropy. In contrast, those who sense a misalignment between their family identity and their impact investing role often adopt more novel practices, pushing the boundaries of the field with riskier investments.

Conservative practices. Perpetuators appeared to opt for impact-investing practices that give preference to either financial returns or social impact, positioning themselves near the poles of the impact-investing spectrum—that is, toward finance first (e.g., ESG investing) or impact first (e.g., venture philanthropy) practices. On the one end of the spectrum we find Emilia, who manages Article 8 funds, which the Sustainable Finance Disclosure Regulation (SFDR⁵) indicates are typical of finance-first impact investing (Eurosif, 2021; Sassoli & Tuppurainien, 2019). When talking about a social entrepreneur she recently invested in, she said:

“People would call him a social entrepreneur. To me, he is a businessman with a tremendous social concern [...], talking about [his project] with a completely free-market, capitalist speech.” (T.) (Emilia, interview2).

“Impact investing to me is to seek a business solution to a social problem and to launch a business initiative, either as part of your existing company or as a new venture, because you can’t stay indifferent to a particular social problem.” (T.) (Emilia, interview2).

Philip and Adrian described their impact-investing approach in a similar way, emphasizing the financial aspects of their investments.

⁵ The Sustainable Finance Disclosure Regulation (SFDR) defines an Article 8 fund as “a fund which promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices”. On the impact-investing spectrum, this is more typical of a finance-first strategy rather than, for example, Article 9 funds, which should not only promote ESG considerations in investments but also generate a positive impact and have a non-financial objective at the core of their activities, thereby moving them toward more of a balance between impact and financial considerations.

“A recent investment that typifies our investment approach is a UK-based company that helps children who have experienced trauma or abuse to get physical and mental rehabilitation. It is a very solid business with strong cashflows and partnerships with the UK government. We believe we can return two to three times net capital, with a buyout risk profile. So even a traditional, non-impact investor would want to invest.” (Philip, Textinterview20).

Sara is at the other end of the spectrum, as she practices venture philanthropy or entrepreneurial philanthropy through the family foundation that she leads. She employs financial principles to donate wealth dividends that come into the family office every year to venture philanthropy projects.

“It’s a purely grant making foundation with no endowment. So the deal we have with the family office is that it’s a percentage of wealth dividends that comes into the family office every year, that just goes out into the foundation.” (Sara, interview1).

Likewise, Eduardo uses debt to invest his foundation’s endowment into socially oriented enterprises with an impact-first approach and channels the returns on those investments towards philanthropic endeavors. Overall, he prioritizes the social impact of his investments, as he would in a traditional philanthropic approach.

“I always say that it’s better to enter a project that generates an impact, even if it is a little impact, than to have the money sleeping in the bank. It is better to have the money working and that it be working in impact projects. Therefore, we do not say, ‘We will not invest for less than 3%.’ No, we don’t work like that. Our main criterion is the impact.” (T.) (Eduardo, interview2).

In acting this way, perpetrators effectively opt for practices that are closer to the adjacent fields of traditional philanthropy or traditional wealth management. They do so by integrating some principles of the financial sector in the funding of social impact (through venture philanthropy including interest-free loans, for example) or by integrating some social considerations in traditional investments (through ESG investing for examples). Many of them also expressed their desire to engage in impact investing in a way that would not seem “too extreme”:

“We know it is a process and we want to remain relevant to other family offices in order to lead by example. If we go too far on the spectrum of capital [i.e., towards a higher integration between social and financial considerations], we would be seen as an exotic animal, which we do not want.” (Philip, interview1).

A perpetrator, Emilia, who tried – and failed- to move beyond her Article 8 funds (which are more aligned with a finance-first approach) by launching an Article 9 fund, shared the challenges she faced. She remarked:

“It was incredibly difficult... [...]. It was really challenging for them to grasp, and I was extremely worried about ensuring that everything went smoothly. [...] It turned out to be much harder than I expected.” (T.) (Emilia, interview1).

Finally, some perpetrators also call themselves philanthropists (Eduardo’s case) or entrepreneurs (Emilia’s case) more naturally than impact investors.

“I’d indeed say this current model of impact investing aligns well with my philosophy as a philanthropist [...] Interviewer: Would you call yourself a philanthropist? Eduardo: Well [thinking] given that we sold our company and sat up a foundation, which is a non-profit and has been funded to support various activities, I guess that does make me a philanthropist.” (T.) (Eduardo, interview2).

“I consider myself a businesswoman. [Name of impact funds] has been a business activity, I created a company.” (T.) (Emilia, interview2).

Novel practices. Although reshapers and pathbreakers perceive that their families did not strategically embed social concerns into business strategy, they opted for forms of impact investing that strongly integrate social and commercial objectives.

For the reshapers, this can first translate into investing in projects that assign similar or equal weights to financial returns and social impact, i.e., investments that “support the growth of those ventures that put at the heart of their business, the UN Sustainable Development Goals ” (Sophia, Videointerview1), and “that provide a fair return, coupling accountability and sustainability in the investment approach and the generosity and altruism of the donation” (Daniel, TextInterview4). This can also mean investing in finance-first and impact-first projects in parallel. “It’s not about choosing impact-first or finance-first. No! We should co-create and collaborate more.” (Joseph, PanelIntervention4). To that end, Joseph invests in organizations in which “the social mission is central and the financial aspect is important but secondary” and in organizations in which “profit is essential, and also necessary to amplify the social impact” (T.) (Joseph, TEDTalk1). “Many people see it really as two different paradigms – you are making money or you’re doing good. We want everyone to realize it is possible to combine both” (Joseph, NewsArticle48).

Pathbreakers also appeared to opt for more integrated forms of impact investing in which they assign equivalent weights to financial and social impact. Niels, for example, is a firm believer that you can “invest in impact in a profitable way” (T.) (Niels, interview1). Similarly, Paul invests in for-profit organizations that meet three equally important criteria: “They must have a stable business model that allows them to generate returns. They must have a social aspect and they must be scalable.” (Paul, TextInterview17). Paul elaborated “Of course it’s about the good cause, but I also expect a return on my investment. I think my “hard money” will take this company further than the “weak money” of donations (T.) (Paul, NewsArticle84).

Other times, pathbreakers undertook both types of investments in parallel. For example, Maria invests in finance-first projects that “support a mission that is larger than financial returns alone,” and in impact-first organization that are primarily “mission driven and impact generating.” (Maria, PersonalDoc3). Similarly, Gabriel invests in a mix of projects, some generating a joint financial and social impact, and some being either impact-first or finance-first but overall following a hybrid strategy: “We have two quantitative goals: one is to create impact and the other is to create a good financial return” (collaborator of Gabriel, interview). In opting for these types of impact investing, reshapers and pathbreakers choose the “hard way”, moving further away from the shores of traditional philanthropy and traditional finance. “High risks, but right risks”, as Joseph said (Joseph, Book2). More integrated forms of impact investing were indeed described by our Informants and our experts as the most challenging, risky, and time-consuming type.

“I could have taken the easy road, but I had courage and took the more challenging road. My main drivers were that I wanted to do my own thing, be independent and prove myself. [...] I chose the unconventional roads so I could be my own person and do the things I wanted to do. [...] Because it was so hard and I accomplished it, the feeling afterwards was priceless. Easy wins don’t give me satisfaction; tough wins do.” (Maria, Book1).

Niels realized that to pursue impact investing in this way, he would need to fully dedicate himself, leaving behind other side-projects. As he put it: “I’m going to fully commit myself 100% to the impact world” (Niels, interview1). This was a sentiment echoed by other reshapers and reshapers. These forms of impact investing, which are more integrated, are often regarded as being at the forefront of the field, with reshapers and pathbreakers sometimes referred to as “the new wave of impact investors” (Joseph, NewsArticle49).

“Well, everyone knows that I’m a bit ahead in this and that I’m doing other interesting stuff. And many of my cousins like what I’m doing, but [...] they are not taking these risks.” (Joseph, interview1)

“I’ve been told every single time I’ve created businesses, I’ve created three, that they were too early. And we know that with [our impact fund], we were too early, maybe 5 years too early. And somehow now we are paying that cost.” (Daniel, interview1).

Interestingly, our informants also presented this form of impact investing as the one where investors can make the most impact on society.

“Generating a social impact through stock market investments is difficult [...] especially with investments that merely trade shares [more typical of finance first impact investing]” (G.T.) (Joseph, PodcastInterview5).

“And on the side, and that also goes back to Luxembourg I started getting involved in hands-on projects, which goes back to the idea of

entrepreneurship because I thought, you know, impact is not done on the listed equity market [more typical of finance-first impact investing]. And I started doing direct deals, early stage, seed capital investing.” (Sophia, interview1).

Their sentiments were echoed by one of the experts we interviewed, who managed impact investments for private clients:

“By investing passively in equities, you're not having a positive or negative impact, normally. You're just invested in a company that might be doing well or that might be doing poorly. But if you really want to have an impact, you have to engage with that company that you're invested in and engage and basically push them towards the changes that you'd like to see for a better future. It's much more complicated to do.”

Entrepreneurial approaches in the emerging field: Breadth of collaboration

Collaboration with familiar partners. Our results indicate that perpetuators predominantly engage in a familiar framework characterized by close-knit relationships and tend to collaborate in the confines of their family and business families from their network.

“I come from a culture and an education where everything you do, you do it for the family [...]. People might find it strange that I did not do it [impact investing initiative] for myself, but I have this culture where someone who starts an initiative does it for the family—the same way others have started other initiatives.” (T.) (Emilia, interview1).

Sara also co-founded an organization to assist other families in their impact journey:

“The idea was to create a community [...] by getting families together, thinking about co-funding opportunities, and looking at big-picture problems and about whether they could work together.” (Sara, interview1).

Collaboration with both familiar and unfamiliar partners. In terms of collaborative behavior, reshapers showed a marked preference for a more extensive network of collaborators, demonstrating their enthusiasm for engaging with external investors and build up a movement. “I created that fund that I opened to other investors. This was the first private impact funds in the country” (T.) (Joseph, PodcastInterview2). Daniel collaborates with any investor who want to invest “in a meaningful and sustainable way with full transparency” (Daniel, TextInterview4). In doing so, they also sought to include their family, which they saw as a potential way to multiply their impact.

“If this family, which is very well known, and one of the most financially successful stories in [the country]. If this family says, okay, we, together

decide to go for impact maximization, that would be nice. That's the ultimate dream that I have." (Joseph, interview1).

"It was the possibility of greater impact together that moved me away from the idea of simply taking my share and managing it independently. Greater impact not just because I could influence other family members, but because we could potentially influence other family offices too. So, after spending a year in the field studying impact investing, I started "evangelizing" as some people in my family used to call it." (Sophia, Videointerview9).

That said, reshapers did not necessarily favor family members as their partners. They were open to working with their own families and other families from their network, but also with any actors aligned with their vision and were more likely than the two other groups to broaden their horizons. For these investors, "the more, the merrier" when it comes to impact investing.

"For too long impact investing has remained a niche. [...] We want to start a movement We only used to work with a small group of convinced investors. Now we want to go bigger. The ambition is to also get bigger players on board." (T.) (Joseph, NewsArticle67).

Reshapers also acted more deliberately, opening up new territories for other investors, including their family, to explore.

"Sometimes, when my investments go well, it happens that [my family holding] invests in these projects I have been pioneering in. [...]. So that became my role, being a bit ahead of the curve, and trying to find those new things and sometimes it works and they are interested, sometimes it doesn't work and then they are not interested." (Joseph, interview2).

In the process of persuading their families to join them in their impact-investing activities, reshapers often faced reluctance and had to use their own funds to showcase the viability of the practice to their families, which also speaks of the difficult path that reshapers took when engaging in impact investing.

"At the end of my presentation [on the concept of impact investing] there were some eyebrows raised [...] [and] people said, 'Okay, you go and do it.' [...] One year later, I went back to the family and said, 'This is my portfolio, I have these startups, I have this position in the market. And things are going fine.' [...] That was my foot in the door." (Sophia, interview1).

Solo endeavor/trailblazing: Finally, pathbreakers exhibited a higher degree of autonomy and leadership in their impact-investing pursuits, they did not necessarily seek collaboration with their family or other investors and acted more as lone trailblazers.

“Taking my family on this impact journey is more about inspiration—inspiring them to do something with their own family. But for me, it is very important that this is my journey. [...] There is something about family businesses. It’s complex, working with your father, your sister, etcetera. You choose your friends. You don’t choose your family.” (Maria, interview1).

“I don’t manage money for others. I don’t attract other people’s funds. I invest in funds myself. [This initiative] is very personal to me. Obviously, my brothers know what I’m doing and I have a brother who does something similar, so we often talk about my portfolio, his portfolio, etcetera. But he does his own thing.” (Paul, interview1).

“[Impact investing] is not a family initiative. [...] At some point, I realized that all of my concerns—what I was passionate about [in relation to nature preservation]—was going to be outside the family business. If there was a possibility to go alone, I preferred to go alone”. (T.) (Niels, interview1).

To conclude, each impact investor followed a unique path of identity formation that leveraged their legacy in different ways and lead to different impact investing practices.

DISCUSSION

The entrepreneurial identity literature suggests that individuals draw on identity referents—typically a salient and self-defining social group—when making sense of their role as entrepreneurs (Alsos et al., 2019; Fauchart & Gruber, 2011; Pan et al., 2018; Simms & Robinson, 2009). Our study extends this body of work by developing a theoretical model that explains how entrepreneurs construct their identities in emerging and ambiguous fields where predefined roles and established organizational templates are notably absent.

The model identifies three identity construction types, each associated with distinct meanings assigned to their entrepreneurial activities: perpetuators, reshapers, and pathbreakers. It begins by illustrating the role of a salient social identity, which entrepreneurs use as a reference point when entering this emerging field. It also reveals that, despite the salience of this identity, the legacy associated with it is not always perceived as relevant for shaping their entrepreneurial identity in the new context. Such perceived relevance leads to our three types of entrepreneurs, whereby perpetuators, reshapers or pathbreakers opt respectively to either continue, seek alignment, or breaking free from the legacy. In doing so, they build their entrepreneurial identity in the emerging field, mirroring, reshaping, or departing from their salient identity. These paths, we argue, have concrete implications for the entrepreneurial practices they adopt and the scope of their collaborations.

In explaining these findings, our research makes primary contributions to scholarship on entrepreneurial identity and identity work and secondary contributions to research on impact investing.

Insert Figure II about here

Contribution to the literature on entrepreneurial identity

Our research advances the understanding of entrepreneurial identity by examining the identity work entrepreneurs undertake in emerging fields, where predefined roles and organizational templates are absent. We find that in such contexts, entrepreneurs rely heavily on existing social referents, particularly salient social identities, to navigate the ambiguity of the field. These identities provide a foundation for meaning-making, with legacies attached to them offering cues for identity construction.

However, our findings reveal that this process is far from straightforward. Rather than a linear translation of these legacies into the new identity, we uncover a more complex and dynamic pattern. We show that the extent to which legacies become integral to entrepreneurial identity depends on how relevant entrepreneurs perceive them to be for their ventures in the emerging field. Thus, entrepreneurs do not simply adopt social referents; instead, they engage in a process of reflection, evaluating whether these legacies serve their needs in the new context. This reflection leads to the activation, reshaping, or even rejection of these referents. These findings align with recent scholarship highlighting that entrepreneurial identity is not a fixed input into venture creation, but an ongoing process influenced by the founder's local context and social referents (Ajay et al., 2018; Crosina et al., 2024). Our results suggest that this evolving nature of entrepreneurial identity is even more complex in ambiguous fields, where identity construction involves continual adaptation and negotiation to address ambiguity and guide entrepreneurial behavior.

Our data also uniquely point to the equivocal meanings associated with being an entrepreneur, particularly for first-time founders (Crosina, 2024; Crosina et al., 2024; O'Neil et al., 2022), by identifying that entrepreneurs follow diverse paths in their identity construction. Perpetuators integrate legacy identities as stabilizing or even as "catalyzers of identities" (Radu-Lefebvre et al., 2024, p. 18), deeply influencing their ventures. Reshapers incorporate these legacies more peripherally, creating a blended identity, while Pathbreakers discard them altogether, crafting their own unique entrepreneurial identity. By showcasing these diverse identity trajectories, we contribute to the entrepreneurial identity literature, demonstrating how salient social identities are not simply transferred but actively reconstructed to fit the ambiguous and contested nature of emerging fields. These varied paths have significant implications for the type of ventures entrepreneurs create, influencing whether they adopt conservative or innovative approaches, and ultimately shaping the trajectory of the emerging field itself. This reinforces the critical link between entrepreneurial identity and entrepreneurial action, as previously highlighted in the literature (Fauchart & Gruber, 2011; Grimes, 2018; Powell & Baker, 2014, 2017; Wry & York, 2017).

Future research should explore additional factors that may further shed light on the process of entrepreneurial identity construction in ambiguous fields, particularly the type of social referent involved. One promising perspective is identity centrality, which examines how central an identity is to the entrepreneur's

self-concept compared to other identities (Collewaert et al., 2016; Stryker & Burke, 2000) and the degree of social identification, which suggests that not all individuals belonging to the same social group identify equally with it (Mael & Ashforth, 1992). These frameworks could help explain why individuals with seemingly similar social referents, such as members of prominent business-owning families taking on the same entrepreneurial role in an emerging field, may differ in how they construct their entrepreneurial identity.

Additionally, our study's informants could not easily alter or discard their family identity (Bataille & Vough, 2022), raising the question of whether these dynamics hold when the legacies derived from salient social identities are more easily mutable. In cases where social identities and their associated legacies can be more readily modified or rejected, the identity construction process may follow different patterns. Future research could explore how entrepreneurs manage these legacies in contexts where the social identity is less entrenched, allowing for greater flexibility in shaping entrepreneurial identity and action.

Contribution to impact investing literature

Our study contributes to the literature on impact investing by deepening the understanding of the micro-level dynamics that influence decision-making within this evolving sector (Gautier et al., 2023a; Lee et al., 2019; Smith et al., 2022). Given the nascent nature of impact investing, where both formal and informal norms are still emerging, much of the decision-making is left to the discretion of individual investors (Hehenberger et al., 2019; Islam, 2022). In this context, the typology of impact investors we identify reveals distinct pathways for identity construction, shedding light on why different investors may navigate the field's ambiguity—i.e., how they choose to balance financial returns and social impact—differently.

Our findings provide insight into why certain investors are driven to pursue more innovative, “visionary” approaches to impact investing (Brandstetter & Lehner, 2015, p. 89), while others prefer to remain closer to adjacent fields, such as traditional finance or philanthropy. This distinction is critical, as it underscores the role of identity in shaping how investors engage with impact investing, ultimately influencing the development of the sector itself. As entrepreneurs are key creators of industries (Santos & Eisenhardt, 2009; Zuzul & Tripsas, 2019), their identity-driven choices bear significant implications for the trajectory of impact investing, affecting whether the field takes a more progressive or conservative direction.

Additionally, by illustrating how identity dynamics inform the practical strategies and approaches that investors adopt, we contribute to a more nuanced understanding of the interplay between entrepreneurial behavior and the contested meanings within this emerging field (Hockerts et al., 2022) (Hockerts et al., 2022).

Future research could further explore the role of other social referents in impact investing, such as different occupational groups—like financial bankers or foundation managers—and how they influence investors' approaches. As the number of impact investors from prominent families continues to rise, exemplified by the creation of new fellowship organizations targeting this demographic (e.g., NEXUS, The ImPact, and Toniic), this newly formed collective is also likely to

develop its own unique sense of self. Understanding this distinct identity holds the promise of more valuable insights into the influence of social referents on behaviors within the impact investing community.

CONCLUSION

This research explores the identity construction of entrepreneurs operating in new, ambiguous, and ill-defined fields. Through a multi-case study of twelve European impact investors, we examine how entrepreneurs turn to social referents in the absence of clear cues on how to become entrepreneur in this particular context. We show how the identity associated with this social referent becomes salient, i.e., easily brought to mind in this new context, but is not necessarily perceived as relevant and directly actionable. On this basis, we identify three paths of identity construction with implications for how the entrepreneurs navigate the ambiguities of the emerging field. Our model suggests that entrepreneurs who view their salient identity as relevant in the emerging field tend to manage ambiguity by gravitating toward more conservative approaches, aligning closely with established sectors— adjacent to the nascent industry—and partnering with familiar networks. In contrast, we find that entrepreneurs who perceive their salient identity as irrelevant, either in whole or in part, are more likely to adopt bold strategies, pushing the boundaries of the field with riskier and more complex practices—and opting for broader collaboration network or assuming a role as solo trailblazers. This research sheds light on how founders construct their entrepreneurial identity amidst the uncertainty of an emerging field, and the consequences this has for their approaches within the industry.

ESSAY 3 - SELLING WITHOUT SELLING OUT? A SOCIAL ENTERPRISE OPENING ITS CAPITAL TO A COMMERCIAL FIRM

ABSTRACT

Cross-sector partnerships between social enterprises and commercial firms present unique opportunities and challenges. While these collaborations can provide resources, scalability, and legitimacy, they also pose risks, particularly the threat of mission drift when a social enterprise sells part or all of its shares to a corporate partner. In this study, we examine the case of WaterSeed, a social enterprise that was partially acquired by a major European family firm. We explore how both organizations have been navigating the acquisition and integration process for a successful collaboration. Drawing on in-depth interviews, archival data, corporate documents, and observational data, we identify three seemingly contrasting yet effective mechanisms that help maintain the social mission post-acquisition, as well as some residual challenges. First, despite a lack of direct commercial incentives, both parties found ways to align WaterSeed's activities with the acquirer's broader business objectives, safeguarding the firm's long-term viability within the acquiring company. Second, while inter-personal and inter-organizational trust is at the heart of the collaboration, the leverage of WaterSeed's social mission—allocating all dividends to social projects—was contractually protected, ensuring the continuity of the concrete social projects that characterize WaterSeed's mission. Finally, although fully integrated into the acquiring firm's operations, WaterSeed retained control over its brand and identity. Despite some residual tensions, this autonomy has helped safeguard the social enterprise's credibility and preserve its appeal in the eyes of external stakeholders. We show how contrasting yet complementary contractual and operational safeguards can help social enterprises navigate acquisitions without compromising their mission. By shedding light on these dynamics, this study contributes to the literature on cross-sector collaboration and offers insights into structuring partnerships that balance social impact with corporate objectives.

INTRODUCTION

Cross-sector partnerships, defined as “relatively intensive, long-term interactions between organizations from at least two sectors” (Clarke & Crane, 2018, p. 303), have been a subject of great interest in management literature (Le Ber & Branzei, 2010; Sharma & Bansal, 2017; Shumate et al., 2018; Yin & Jamali, 2021). Among these partnerships, collaborations involving social enterprises—organizations that leverage economic principles to pursue a social purpose (Battilana & Lee, 2014; Mair & Martí, 2006)—have garnered particular interest, especially those with commercial firms (Bruder & Sydow, 2024; Di Domenico et al., 2020; Huybrechts et al., 2017; Kosmynin, 2021). Partnerships between social and commercial ventures are indeed especially rich in insights for both academics and practitioners, as each party enters the relationship with differing expectations of what value creation means (Austin et al., 2006; Dees, 1998). Existing research

highlights the need for social enterprises to form alliances to access resources (McDermott et al., 2018), scale up their impact (Barraket & Loosemore, 2018; Sakarya et al., 2012), and gain legitimacy—both for their organization (Huybrechts & Nicholls, 2013; Weidner et al., 2019) and for the broader field of social entrepreneurship (Dufays & Huybrechts, 2017). However, these partnerships, especially those with commercial firms, are not without challenges, as the social enterprise's *raison d'être* is notably at odds with the firm's profit-driven objectives. Scholars have documented tensions arising from these collaborations, including the risk of subordination to the corporate partner (Huybrechts & Nicholls, 2013) and the risk of mission drift (Barinaga, 2020; Kwong et al., 2017; Savarese et al., 2021), which occurs when a social enterprise begins to prioritize financial success over its social mission, gradually shifting away from its original purpose (Cornforth, 2014; Ebrahim et al., 2014; Grimes et al., 2020).

However, most studies in this literature focus on collaborations where social enterprises retain autonomy and the option to exit. In contrast, little is known about how integration unfolds in tightly bound, high-stakes partnerships that involve deeper entanglement and limited flexibility. One notable example is when a social enterprise sells part or all of its equity to a commercial partner (Austin & Leonard, 2008; Sarason & Dean, 2019)—a setting characterized by strong contractual ties, high level of integration, and power asymmetries. In such setting, both entities must take concrete steps to ensure the social enterprise's mission remains intact post-acquisition. Media coverage is rife with examples of social enterprises—such as Ben & Jerry's, The Body Shop, and Honest Tea—acquired by corporate giants such as Unilever, L'Oréal, and Coca-Cola, only to be diluted into niche brands disconnected from their original social purpose (Belli, 2007; Edmondson, 2014; Teather, 2006). While a couple of studies look at this particular phenomenon (Austin & Leonard, 2008; Sarason & Dean, 2019), they don't delve into the details of how integration unfold in such settings and into the concrete actions that can safeguard against mission drift in such a setting. Addressing this question holds potential to shed light on the most complex and constraining forms of cross-sector collaboration.

This study explores this question through the case of WaterSeed (a pseudonym), a social enterprise based on a buy-one-give-one model (Marquis & Park, 2014), selling premium water bottles in Europe to provide water infrastructure in developing countries, which sold a majority stake to a major European beverage company, called BeverageCO (a pseudonym). Based on interview data completed with archival data, corporate documents, and observational data, we identified a series of contrasting measures that incorporate the social enterprise's mission both contractually and operationally within the corporation, as well as some residual challenges. First, while the acquisition is not driven by a direct commercial rationale, both ventures did find different ways for the corporation to generate a revenue and to contribute to the acquiring company's commercial objectives. Second, while the social enterprise team recognizes the need to remain flexible and learn from their new partner, the core mechanism that brings WaterSeed's social mission to life — allocating a hundred percent of its dividends to social projects through a buy-one-give-one model — is contractually safeguarded. Finally, although the social enterprise is

fully incorporated into the corporation's commercial operations, its team retained control over its brand and identity, a situation that has generated a certain amount of questions and tensions between the two entities.

These contrasting measures, we argue, form the foundation of an equilibrist act, on the basis of which the social enterprise's mission can survive and even expand amid acquisition by a commercially driven partner. With this study, we aim to contribute to the cross-sector collaboration literature and to shed light on "how are rules that create predictability, reduce conflict, and facilitate cooperation between various actors interested in solving a specific social problem formulated, used, and enforced" (Shepherd & Patzelt, 2022, p. 264).

THEORETICAL BACKGROUND

Cross-sector collaboration in Social Entrepreneurship

Because "no organization is an island" (Parmigiani & Rivera-Santos, 2011, p. 1109), enterprises are often brought together to exchange resources in order to operate and grow in their industry). Social enterprises, in particular, tend to be collaborative in nature and are especially prone to seek partnerships with other organizations (McDermott et al., 2018; Montgomery et al., 2012). The literature suggests that social enterprises inherently operate from this "collaborative mentality" (Tasavori et al., 2018) and "view their markets as ripe for friendships that they can use to improve social value creation" (Tasavori et al., 2018, p. 338). As a result, the literature documents many cases of social enterprises collaborating with a variety of stakeholders, including actors from the social sector (Pret & Carter, 2017), the public sector (Barinaga, 2020; Gillett et al., 2019; Kwong et al., 2017), and the private sector (Di Domenico et al., 2020; Savarese et al., 2021). In the latter context, corporate partners may act as suppliers (Bruder & Sydow, 2024), retailers (Huybrechts & Nicholls, 2013; Huybrechts et al., 2017; Nicholls & Huybrechts, 2016), clients (Furneaux & Barraket, 2014), collaborators in social value creation (Sakarya et al., 2012), or acquirers (Austin & Leonard, 2008; Sarason & Dean, 2019).

Social enterprises collaborate with cross-sector partners for a multitude of reasons. The first one often mentioned in the literature is to get access to resources. Indeed, a long tradition in social entrepreneurship scholarship suggests that because social enterprises are concerned with generating a net positive value for society, they are more likely than their commercial counterparts to face issues of resource scarcities because as they seek to generate a net positive impact, they don't appropriate all the value that they generate (Lazzarini, 2020; Santos, 2012; Zahra et al., 2014) and because they often operate in markets marked by resource scarcity (Seelos & Mair, 2005; Sutter et al., 2019). As a result, collaboration, especially with organizations from different sectors, are crucial for social enterprises to get resources they may not have otherwise access to. For example, McDermott et al. (2018) propose a model of how social enterprises may use collaboration with different stakeholders, from the private, the public and the social sectors, to acquire resources at little or no cost, i.e., without the expectation of money reciprocity. Other studies report the case of social enterprises collaborating with investment funds (Bhatt & Altinay, 2013) or other commercial firms (Sakarya et al., 2012) to raise funds for their projects or

even joint ventures. Relatedly, these resources allow social enterprises to survive but also to scale up their impact and reach more beneficiaries than they would have otherwise. Finally, these collaborations, especially with more powerful and established organizations allow social enterprises to gain legitimacy. Huybrechts & Nicholls (2013) also document the collaborative efforts of fair trade organizations with other types of organizations, and how the organization has leveraged their pragmatic and moral legitimacy to convince corporations to enter into collaboration with them and in return gain legitimacy from their more powerful and established partners (Huybrechts & Nicholls, 2013). Other studies also develop this point and look at the link between transfer of resources between social enterprises and other types of organizations and legitimacy (Weidner et al., 2019).

However, while presenting a lot of benefits, these collaborations are not always free of tensions. Power asymmetries often emerge as social enterprises engage with organizations that have fundamentally different objectives—profit maximization on one side and social impact generation on the other (Jamali & Keshishian, 2009). While social enterprises may under certain conditions win the corporate partners to their cause (Bruder & Sydow, 2024), these power imbalances may also heighten the risk of mission drift (Barinaga, 2020; Kwong et al., 2017). Mission drift, a term usually targeting social enterprises or non-profits, is defined as a “process of organizational change, where an organisation diverges from its main purpose or mission” (Cornforth, 2014, p. 4), which often translates in the organization giving priority to its financial sustainability rather than its social mission (Ebrahim et al., 2014; Grimes et al., 2020)

Huybrechts and Nicholls (2013) found that in its partnership with a large corporate retailer, a Fairtrade organization encountered tensions that ultimately led to its subordination to the corporate partner. Similarly, Kwong et al. (2017) suggest that partnerships characterized by power imbalances and high corporate involvement are more likely to result in mission drift. In contrast, collaborations that are more complementary or structured around mutual cooperation tend to mitigate this risk. In highly involved partnerships, the social enterprise has less autonomy and must engage in frequent negotiations, as both parties work together to co-create social impact. On the other hand, research indicates that collaborations involving two-way transfers of knowledge, resources, and value creation—are more likely to “tend to reproduce the balance between the hybrid organization’s [i.e., the social enterprise] logics” (Savarese et al., 2021), thereby reducing the risk of mission drift.

These studies have largely focused on contexts in which the social enterprise retains a reasonable degree of autonomy and the ability to exit the partnership if necessary. In contrast, the dynamics of integration in highly contractual partnerships—such as those involving capital participation—remain understudied. These arrangements are characterized by a deeper level of organizational entanglement, where terminating the collaboration becomes a particularly complex and costly endeavor. Unlike looser, more flexible forms of collaboration, capital participation often entails reduced autonomy for the social enterprise, while simultaneously heightening tensions around mission alignment, power asymmetries, and value appropriation. Thus, understanding how social enterprises navigate and sustain their social mission within such embedded,

high-stakes partnerships—where corporate partners exert significant influence—is particularly relevant.

Highly contractual collaborations between social enterprises and commercial firms

A couple of academic papers and practitioner-oriented studies (Austin & Leonard, 2008; Sarason & Dean, 2019) have examined such scenarios, drawing on real-world cases of social enterprises opening their capital to commercial firms. These studies acknowledge the challenges that can emerge—and the strategies that may be employed to mitigate tensions—when a large corporation integrates with a smaller organizational structure (Korshunova et al., 2021; Stahl & Voigt, 2008). However, they also highlight the added complexity faced by social enterprises in such settings, particularly in preserving their social mission within a host organization whose primary orientation is toward profit maximization. Drawing on publicly available data from high-profile cases covered in the press (e.g., Ben & Jerry's, Honest Tea) and supplementing them with interviews with their founders, Sarason & Dean (2019) and Austin & Leonard (2008) review the factors that either hinder the social enterprise's mission after acquisition or facilitate its integration within the corporation. Their findings highlight the importance of legal safeguards that ensure the enterprise remains an independent entity, continuity of leadership to uphold its mission and values, product certifications and labels that embed the impact within the product and cannot be easily removed, and the acquiring firm's genuine interest in learning new approaches or reaching new customer segments.

Nevertheless, as these studies primarily rely on secondary data, they do not delve into the details of how this integration unfolds in practice to create a network of guardrails that maintain the social enterprise's mission in place. This is a critical gap, as a more fine-grained understanding is needed to determine exactly how a social enterprise's mission may be safeguarded, and both entities properly integrated.

METHODS

Research context

WaterSeed (a pseudonym) is a European-based social enterprise whose purpose is to tackle the lack of access to safely managed drinking water services, which is affecting approximately 2 billion people worldwide. This represents about 26% of the global population (World Health Organization, 2023). Experts report that between two and three billion people experience water shortages for at least one month per year, which poses severe risks to livelihoods, particularly in terms of food security and access to electricity (UNESCO, 2023). The World Bank provides additional context, stating that around 2 billion people do not have safely managed drinking water services, while 3.6 billion people lack safely managed sanitation services (World Bank Group, 2023). These figures highlight the scale of the global water crisis and its impact on a significant portion of the world's population.

The heart of WaterSeed was born in Africa, where one of its founders volunteered in rural areas severely affected by a lack of potable water. In such places, he experienced first-hand how the scarcity of water impacts populations

by damaging their health, contributing to the proliferation of diseases, and consuming most of people's time, primarily women's, in seeking limited quantities of safe drinking water. Women and girls spend an estimated 200 million hours carrying water every day, often walking 6 kilometers (about 3.7 miles) to haul 40 pounds of water (World Vision, 2024). This firsthand experience in Africa provided the founder with a deep understanding of the global water crisis and its far-reaching consequences on health, education, and economic development in affected communities.

WaterSeed founder observed the fragility of the non-profit sector in the aftermath of the 2008-2010 financial crisis, witnessing how NGOs and charities struggled as funds and donations to philanthropic organizations dwindled. Concurrently, he noted the rise of social entrepreneurship as a novel approach to addressing pressing social challenges. Inspired by buy-one-give-one models (Marquis & Park, 2014), like TOMS shoes, which was gaining in popularity in the West, he co-founded WaterSeed in 2015 with two associates based on a similar model for water: selling premium water bottles in the West and channel 100% of the company dividend to build water infrastructures (wells, water storage tanks, sanitation facilities, agricultural water projects, etc.) in developing countries. WaterSeed was a pioneer in Europe in opting for 100% recycled PET (rPET) to manufacture their bottles, giving a second life to existing plastic waste and ensuring it can be converted into new bottles again. By 2016, WaterSeed had become a thriving national start-up, receiving equity funding from individual impact business angels while the founders retained majority ownership. The company broke even in 2018, generating €1 million in sales. They initiated a distribution agreement with a large beverage company and began seeking a commercial partner for capital investment. This led to discussions with BeverageCO, another large beverage company, which was interested in entering in participation with WaterSeed and adding a premium water brand to its portfolio. BeverageCO is a fifth-generation, family-owned brewery and beverage company with nearly 2,000 employees. Present in 95 countries, it has managed to maintain its reputation for exceptional beer quality—an achievement rooted in its strong local presence, even as it expands globally.

In 2020, at the outburst of the COVID-19 pandemic, WaterSeed faced significant challenges as 90% of their sales relied on the hospitality, restaurant, and catering (Horeca) sector, bringing them to the brink of bankruptcy. Despite this setback, conversations with BeverageCO continued as WaterSeed slowly recovered its previous sales levels after securing loans. In 2022, BeverageCO acquired a majority stake in WaterSeed (51% of its shares) and became its exclusive distributor. WaterSeed diversified its product range in subsequent years, launching a new line of fruit juices and other drink variations. In 2024, the company further expanded its packaging options to include water in cans.

Since its collaboration with BeverageCO, WaterSeed has made significant strides in addressing the global water crisis. As of February 2025, the social enterprise has completed 219 active water access infrastructure projects across 26 countries, benefiting almost 150,000 individuals. WaterSeed has expanded its reach to new countries, including Colombia, Nicaragua, Peru, and Mexico. In 2024 alone, the company implemented 67 new infrastructure projects, adding

40,431 new beneficiaries and generating more than 200,000,000 liters of potable water.

Data collection

This study is part of a long-standing collaboration between the research team and WaterSeed, with one of the co-authors having followed the organization since its incubation in 2017. As WaterSeed began exploring partnerships with commercial firms—eventually entering a capital participation agreement with BeverageCO—we approached both organizations to propose a study examining the dynamics of their integration. In early 2024, we held two meetings with the founding team of WaterSeed and top management at BeverageCO to present our research question and assess the relevance and feasibility of developing an academic paper focused on their collaboration. We conducted a first round of data collection between May and December 2024. During this phase, we gathered information on different phases of the acquisition: (1) the pre-acquisition phase (including the preliminary discussions), (2) the negotiation phase—both of which occurred before we started our data collection, and (3) the post-acquisition phase, which we were partly able to observe in real time. At the time we started our data collection, the organizations had been in participation with BeverageCO for 24 months (since May 2022). By the end of our first wave of data collection, the collaboration had been ongoing for 31 months. Unlike previous studies on the acquisition of social enterprises, we interviewed not only the founders and executives in each organization but also relevant employees and department heads who worked to integrate both entities after the deal. We outline below the different data sources we leveraged.

Primary data - We conducted 15 in-depth interviews with 14 individuals who were key players in the negotiation. On the social enterprise's side, these included the three co-founders, the impact director, the director of social projects, and the former general director. On the commercial firm's side, we had a chance to interview the director of inorganic growth, the positive impact and strategy senior lead, the director of water brands, and the national off-trade director. We were also able to interview three previous employees of WaterSeed who later joined BeverageCO: the former marketing director, former sales director, and former graphic designer of WaterSeed. These interviews were particularly instrumental to reveal unique aspects of the integration between both entities. The interviews averaged 66 minutes in length (ranging from a minimum of 29 minutes to a maximum of 117 minutes), amounting to a total of 16.6 hours and 349 pages of single-spaced text. Following the recommendations on the translation of qualitative data (Temple & Young, 2004; Van Nes et al., 2010), these interviews were transcribed verbatim, and analyzed in their original language, which both co-authors were either native or fully fluent in. Only relevant quotes were translated into English (Pradies, 2023).

Secondary data - We supplemented these interviews with archival data from publicly accessible sources (162 documents totaling 220 pages of text and 284 minutes of audio) as well as corporate documents (26 documents totaling 705 pages).

Observation - We also conducted approximately 50 hours of observation both at WaterSeed and BeverageCO and attended social innovation events where both organizations were present.

In Table V, we report our different data sources and how we use them in the analysis. We also report information about our informants in Table VI.

 Insert Tables V and VI about here

Data analysis

The first author used Atlas.ti, a qualitative data analysis software, and proceeded to code the interview data, a step that resulted in the generation of 74 codes. Both co-authors then discussed the codes and from that point, the iteration between data collection, data coding, and the literature became more frequent (Galunic & Eisenhardt, 1996; Murphy et al., 2017). Following guidelines in qualitative research (Gioia et al., 2013), we selected 13 codes from the initial code list that were the most relevant for our research question and that constitute the first-order themes in our data structure (cf. Figure III). Following recommendations of qualitative data analysis, we kept the first-order categories as close as possible to the informants' terms.

During that time, we began to notice a pattern in our data, revealing the presence of contrasting yet complementary concepts. For example, we observed a commercial objective from the acquiring firm, which, although not the primary reason for the acquisition, still played a role. We also saw a contrast between the trust both parties professed toward one another and the legal safeguards surrounding WaterSeed's social mission. Additionally, informants from WaterSeed were very transparent about the dilemmas they faced regarding the integration of the company into BeverageCO's operations, particularly concerning the full integration of the company from a commercial standpoint, as well as lessons learned from integrating its marketing department.

 Insert Figure III about here

FINDINGS

Our data suggest that a set of contrasting measures and decisions were made before, during or after the acquisition, that safeguarded the heart of the social enterprise's social mission, as well as some residual challenges. First, the acquisition is not driven by a direct commercial rationale but answers to other rationale including the sustainability reputation of the firm and the learning of new skills. At the same time, both ventures did find different ways for the corporation to generate a revenue and to contribute to the acquiring company's commercial objectives. Second, while a great part of the deal lies on interpersonal trust, the main leverage of WaterSeed's social mission is contractually locked in. Finally, although the social enterprise is fully incorporated into the corporation's commercial operations, its team retained control over its brand and identity. Below we develop each of these points.

Not a directly commercial decision, yet a commercial objective

The first aspect of that collaboration that surprised us was that as we were exchanging with WaterSeed and BeverageCO, it became quickly clear that the reason to acquire a majority stake in WaterSeed was not backed up by rationales that were directly commercial. The director of the water department at BeverageCO shared with us: “If we talk about WaterSeed as a business, in terms of revenue and profitability, this was of no interest for us [...] At the end of the day WaterSeed was a company with a lot of debts” (BV7). WaterSeed’s ex-director general corroborated this statement: “At the end of the day, if you apply a pure financial lens, WaterSeed is a drag for BeverageCO” (WS6). The question was further complicated by the fact that even if WaterSeed were to grow its revenue and profitability numbers, the company’s shareholder agreement stipulates that 100% of the company’s dividends every year must be distributed to social projects, limiting the financial returns that BeverageCO could hope from the company, a point that used to drive away other potential suitors for WaterSeed, as explained by its CEO and co-founder.

“With the other[s] [potential buyers], [...] once they realized that it was a non-profit company and that the business angles had to fit within the logic of not distributing dividends and committing profits to projects —then the conversation would sometimes shift to the profit question and let’s see if we can make this work. At that point, the conversation lost all interest for us.” (WS2)

This aspect, he added, which was the stumbling stone for most potential acquirers was not where the conversations with BeverageCO were headed. “With BeverageCO, however, it was really the opposite. Interviewer: they already knew about it? WaterSeed CEO: Yes, they knew”, WaterSeed’s CEO shared (WS2). Later on, he added that “conversations about our business model, dividend distribution, and so on never really happened” (WS2).

Nevertheless, although the commercial potential of WaterSeed was not the first reason for BeverageCO to enter into participation, a series of other objectives were at play, which, interestingly, served as safeguards for WaterSeed’s social mission:

Enhancing the acquiring company’s sustainability reputation - During a field visit to BeverageCO’s headquarters, located in the region where the family originally founded the company, we observed first-hand the deep territorial embeddedness of BeverageCO. This was exemplified by the presence of a company museum, which traces the firm’s origins at the beginning of the 20th century and illustrates how it has evolved in parallel with the region—leveraging local resources while actively contributing to its economic development. Additionally, one of the co-authors spent several days in the region’s capital, and through interactions with local businesspeople and academics, was able to observe the company’s historical influence on the city. It was widely recognized as the one of the most innovative, successful, and internationalized company in the region, and served as a source of pride for its citizens due to its strong

attachment to local culture. This strong territorial attachment also reflects a broader commitment to the long-term sustainability of both the business and its regional reputation—particularly noteworthy in a sector frequently criticized for consumerism and environmentally unsustainable practices. As articulated in BeverageCO’s Code of Values: “The key to our business group’s success lies in the relentless pursuit of excellence, with a clear priority on sustaining our project over the medium and long term, rather than seeking immediate financial gain.”

This orientation appeared to translate into a broader internal tradition of sustainability. As shared by the ex- general sales director of WaterSeed who later joined the salesforce of BeverageCO, “they are committed to quality, to do things locally, to aim for the ‘kilometer zero’ whenever possible—and everything they do reflects that” (WSB13). This is a feature often observed in family firms whose identities are closely tied to those of their founding families. As BeverageCO’s CEO and fourth-generation owner noted during a sustainability event: “I think that family firms are, by nature, more sustainable... [thinking] They last longer.” This orientation also led BeverageCO to talk about “positive impact,” a term they prefer over “sustainability,” which they associate with compliance. As explained by the lead for social impact within the strategy department, the company seeks to go beyond basic obligations by integrating positive impact into its core business strategy.

“We don’t like the word sustainability, nor ESG. We talk about positive impact because we see ‘sustainability’ as something more compliance-driven—like, ‘I do what I have to do and that’s it.’ We prefer to call it ‘positive impact’ because we like to go beyond that, and we aim to have it fully integrated into the business. For us, it’s not something separate; we always look for how positive impact can add value to our business strategy. In fact, that’s why Positive Impact is managed by the Strategy Department.” (BV10).

Around this approach is also a strong concern for the company’s reputation, among others on sustainability matters. “Their positioning is based on reputation, and this reputation also allows them to justify a premium price compared to other mainstream brands.” (WS2). This focus is also reflected in BeverageCO’s corporate documents: “the image and reputation of the Corporation is one of its most valuable assets.” (BeverageCO, code of values) and “the purpose of this code of values is to remind us that it’s not just important what we do, but also how we do it” (BeverageCO, code of values). Acquiring WaterSeed represented a strategic move for BeverageCO that arguably further reinforced their reputation, in their commitments not only toward the planet, but more social concerns as well. “[Now] [BeverageCO] has the authority to say that it also has a social commitment because WaterSeed is part of its strategy” (WS6). “WaterSeed doesn’t only speak of WaterSeed, but also of who incorporates WaterSeed” (WSB13). Notably, in 2024, two years after the acquisition, BeverageCO achieved B Corp certification following a successful BIA assessment (B Lab, 2022), signaling its commitment to sustainability. This reputational concern serves as a safeguard for WaterSeed’s social mission, as the risk of reputational backlash seems to be a significant driver of caution for

BeverageCO— for which, as it is the case for many family firms, reputation is closely tied to the identity and legacy of the founding family. As WaterSeed’s impact director explained: “The margin for error [...] is zero. Because the moment something goes wrong, your credibility will immediately be called into question, and the entire model is absolutely based on that credibility” (WS1). This high standard is now intrinsically linked to BeverageCO’s image. WaterSeed’s CEO reinforced this point:

“Think from BeverageCO’s point of view—if they do poorly with WaterSeed, the reputational impact for them is ... [shaking his head]. And not just in terms of business, lost opportunity, or dedicated resources. [...] It’s also very much a question of reputation” (WS2)

Improving the acquiring firm’s differentiation (giving a soul to a soul-less product) — Another key reason for BeverageCO’s partnership with WaterSeed was the opportunity to bring purpose and emotional resonance to an otherwise “soul-less” product like water. “Water is tasteless; there’s no debate about flavor”, said WaterSeed’s CFO (WS3), a statement that was corroborated by WaterSeeds’ ex-general director: “Water doesn’t have a value; what has value is the brand, the bottle, the cap, and so on. But the product itself, water, has no inherent value, and differentiation is very challenging” (WS6). WaterSeed’s brand adds depth and purpose to the product, offering consumers a reason to pay a premium for bottled water. BeverageCO arguably recognized this value when acquiring part of the social enterprise, as recalled by WaterSeed’s director of the social projects. “Well, in theory, they primarily bought WaterSeed for its fundamentals and vision. That’s the main reason, I believe, for the acquisition. Remember, they already have [another water brand], which is very powerful.” (WS5). As such, WaterSeed plays a pivotal role in BeverageCO’s portfolio—not just as a water business but as a social enterprise. This integration is also a potential safeguard against mission drift since the brand’s social impact, and not its commercial potential directly, is at the core of the acquisition rationale, as explained by BeverageCO’s director of strategy and inorganic growth.

“We didn’t see it so much as a water business—though it is that too—but we saw it more for what it represents. And what it represents is social impact [...] And we didn’t have something like that in our portfolio” (BV8).

Gaining new capabilities — BeverageCO also sought to acquire new capabilities through this partnership. As the director of the water department at BeverageCO shared: “If we’re talking about business—about WaterSeed as a business—in terms of revenue or profitability, we’re not interested at all. If we’re talking about it as a model to bring to the company a different way of thinking, a different team that can shake things up, a way of thinking with a purpose behind it—that does interest us” (BV7). Seeking alliance with partners like WaterSeed allows them to develop an expertise in a specific area. “Seeking allies doesn’t always mean finding big ones like us, but rather small ones that we can help and who can contribute to us in some specific area.” (BV8). They shared, for example, how they had previously acquired smaller craft beer companies, which they said

gave them a “craft DNA” (BV8). In the case of WaterSeed, they highlighted the company’s intrinsic purpose as a key differentiator for the product. They also emphasized WaterSeed’s pioneering role in commercializing bottles made from 100% recycled PET.

“When we met WaterSeed, they [...] were pioneers in [the country] and, I don’t know, maybe even in Europe. [...] We were already considering incorporating this technology at the time we met them. Maybe meeting them gave us an extra push” (BV8).

While this motivation was not directly tied to a commercial objective but rather a learning opportunity, it also served to safeguard WaterSeed’s social mission—the core of the collaboration.

Capturing distribution revenues — Although not the primary driver of the acquisition, both teams identified commercial synergies at the distribution level. Due to WaterSeed’s shareholder agreement prohibiting financial returns from dividends, BeverageCO instead generates margins through distribution revenues. WaterSeed sells its products to BeverageCO at one stage in the supply chain; BeverageCO then sells these products to end consumers while earning profit margins on these transactions: “WaterSeed, as a company, sells to us. And we, in our commercial activity, make a profit margin on this” (BV8). Additionally, future plans include bottling WaterSeed products using BeverageCO’s own springs, creating additional margins for the corporation: “This means that in addition to the commercial margin, there will also be an industrial margin” (BV8). These commercial synergies also play a central role in safeguarding WaterSeed’s social mission via two mechanisms. (1) Because the commercial viability of WaterSeed within BeverageCO’s operations also ties back to BeverageCO’s reputation. “If this brand doesn’t establish itself as a brand and doesn’t sell—if consumers don’t buy it—it’s fake” (BV8). (2) And second, because it ensures that WaterSeed is not seen as a side project or a CSR initiative which may more easily be discarded or abandoned when the first financial difficulties show up. WaterSeed’s CFO shared how they had to fight for this idea, even with earlier distributors who wanted to distribute their water for free, because they wanted to support WaterSeed’s mission, which the company refused. “We are a company; we have to be financially sustainable. Nothing is for free! everything has to be paid for. It all has to be business-like [...] because if not, I’m not a company. It doesn’t make sense” (WS3).

In summary, while financial returns were not central to this acquisition due to WaterSeed’s financial situation and structural limitations like dividend restrictions, BeverageCO leveraged other benefits—enhanced sustainability reputation, purposeful branding through WaterSeed’s “soul,” new capabilities within their group structure—and identified ways to achieve commercial synergies through distribution and bottling operations. Through different mechanisms this structure also reinforced the social mission of WaterSeed within BeverageCO’s operations.

Inter-personal trust, yet a contractually locked social mission

Second, another equilibrist act we identified is the coexistence of two parallel yet non-mutually exclusive dynamics that contributed to safeguarding WaterSeed's social mission: interpersonal trust on one side and formal contracts and clauses on the other.

Inter-personal trust — The first dynamic is rooted in the inter-personal connections and trust between the key players in this agreement. WaterSeed had been actively seeking a commercial partner for several years, yet struggled to identify one that aligned with its values and scaling objectives. When we asked both companies about what they think make their encounter successful, they talked about the immediate connection that sparked between the founding members of WaterSeed and the CEO and family owner of BeverageCO. “In the end, you’re talking to people. [...] the company is made of people, and it’s about people [...]” (WS2). WaterSeed’s CEO described his first meeting with BeverageCO’s CEO:

“He’s an incredibly down-to-earth guy [...] He doesn’t try to make himself seem important, doesn’t sugarcoat things, and doesn’t speak in an overly polished or calculated way. He’s very natural, very straightforward. I think he has this charisma and personality that immediately earns your trust” (WS2)

BeverageCO’s side also emphasized the trust underpinning the relationship. BeverageCO’s director of strategy & inorganic growth shared:

“I met [WaterSeed’s CEO], and you already know him, he’s the kind of person you fall in love with, meaning you meet him, and a minute later, you want to give him a hug because he’s so delightful [...] so there has been a lot of analysis on this case but also a lot of feeling. A lot of it” (BV8).

The fact that WaterSeed’s founders did not seek a personal financial return from the deal also increased this feeling of trust.

“They said: ‘I don’t want money. I don’t want any cash in my pocket’. They could have also said, ‘I’m going to take a little share,’ but they didn’t. Interviewer - And did that influence your decision? [Director of strategy & inorganic growth] - A lot. Yes.” (BV8)

This trust between people was complemented by a trust between organizations. WaterSeed’s impact director shared, “It was a test of trust [...] part of the story was that they fell in love with the brand.” (WS1) This feeling was further corroborated by WaterSeed’s former general director, who highlighted the importance of BeverageCO’s identity as a family business rather than a multinational corporation to protect WaterSeed’s mission:

“In a family firm, there’s a personal element of belief in the project that provides greater protection than in a multinational corporation. This is the

culture that I believe safeguards WaterSeed, because this project emanates from the company's ownership, specifically from [BeverageCO's CEO and family owner]." (WS3)

This connection developed despite WaterSeed's skepticism toward large corporations, in the early days of the organization. As its CEO explained, "[We are] social entrepreneurs with an activist mindset, we've always been cautious about large corporations. These big companies have actually given us a tough time through the years" (WS2). This trust also fostered flexibility as WaterSeed was progressively integrated into BeverageCO's operations. As WaterSeed's CEO shared, "Sometimes, an idealist's purism leads you to chase not the greatest achievable good, but the absolute good—which is sometimes impossible" (WS2). He then shared how him and his team are learning to be flexible in their new collaboration.

"There are things where we've said, 'Hey, we wouldn't have done it this way,' but in terms of the company's mission, they've ended up being good. [...] So, well, it's one of those things where at first you see it with your very niche and extreme perspective, but later you say, 'Well, this is a success.' And we give them credit." (WS2)

He further connected this adaptability to the trust between the people and organizations involved:

"So, it's a learning process where we would have done some things differently and others not. This is like a human relationship. You're not going to connect with someone who thinks exactly the same as you or with whom you agree on everything. But I think the strength of relationships lies in being able to have dialogue, listen, and reach common ground." (WS2)

The high level of trust between WaterSeed and BeverageCO played a key role in protecting WaterSeed's social mission because both parties were deeply invested in making the collaboration work. Failure would not just mean breaking a contract—it would jeopardize the entire WaterSeed project and the relationships built around it.

"Interviewer: But then, the infatuation must have been very strong, right? Because if you knew from the start that entering into this relationship carried the risk of your baby dying... WaterSeed's CEO: Well, it was a marriage in the old-fashioned way—'until death do us part.' [...] The conclusion we've all come to is that this is a marriage for life. The day it ends, the brand will be finished, because it simply won't make sense anymore." (WS2)

Contractual agreements around the social mission — However, while interpersonal trust was crucial, the second dynamic—formal contractual agreements—was equally crucial for the agreement to succeed. WaterSeed's mission was legally safeguarded through explicit contractual clauses, and the

founding team was very firm in maintaining its integrity. As its previous COO stated, “I believe you shouldn’t back down. In other words, it’s one thing to give in on more market-related issues and have trust [...] but on the social aspect, you can’t yield even a millimeter” (WS4). “The social mission is sacred” (WS3) added WaterSeed’s CFO. This protection was built into the acquisition agreement in multiple ways. A key element was that WaterSeed’s co-founders signed a shareholder agreement stipulating that 100% of its dividends must be allocated to funding water infrastructure—an absolute red line in negotiations. BeverageCO’s director of inorganic growth and strategy confirmed this: “Interviewer: 100% of the dividends? At one point, was this negotiated? Could you decide on 90%, 95%? Informant: It was not negotiated [...] That’s where [WaterSeed’s CEO] was very firm” (BV8). Another contractually binding decision is that WaterSeed negotiated, in agreement with BeverageCO, a minimum annual reinvestment in WaterSeed’s social projects, regardless of the company’s financial performance.

“Well, there’s a minimum threshold. If another COVID-like crisis were to happen, what has been agreed upon in the shareholder agreement is that WaterSeed’s minimum operating budget is guaranteed—imagine a scenario where another COVID hits, and we sell nothing. Even in that case, BeverageCO, without making a profit, will still provide WaterSeed with at least 50,000 euros to fund social impact projects. No matter what happens—a hurricane, a crisis—our mission remains firm and serious.” (BV7).

This also ensures the sustainability of WaterSeed’s mission, further strengthening the safeguards around its reputation that we mentioned earlier. In fact, if WaterSeed fails to invest in social projects—even if this is due to a lack of available dividends—it could gradually erode its public image and risk losing crucial support from clients and other stakeholders.

There are also a series of clauses surrounding the acquisition, such as buyback rights. If the collaboration does not yield positive results within five years, the company has certain buyback rights. “If the business plan is not met within the next five years, there are specific windows during which we can bring in a third party and take [WaterSeed] with us, at pre-agreed prices” (WS2). Thus, although both parties express a long-term commitment to the partnership—often describing it as a “marriage for life”—they acknowledged that the negotiation process included provisions for a potential separation, with clearly defined exit mechanisms. These clauses also stipulate that the co-founding members of WaterSeed remain on the board of the company. As shared by WaterSeed’s CFO and co-founder “I am completely dispensable, you know? But not on the Board. Being there to advocate for WaterSeed daily as a shareholder, fighting for WaterSeed, and pursuing new opportunities is what conveys this movement and commitment from everybody” (WS3).

In conclusion, the dual dynamics of interpersonal trust and contractual safeguards play an essential role in safeguarding WaterSeed’s social mission post-acquisition. The interpersonal trust between WaterSeed and BeverageCO’s key players provided a foundation of mutual understanding and commitment,

enabling flexibility and adaptability while ensuring that the mission remained central to their collaboration. At the same time, the legally binding clauses embedded in the acquisition agreement provide an additional layer of protection for WaterSeed's social mission, guaranteeing the reinvestment of dividends and a minimum operating budget, even in times of financial hardship. These formal safeguards help secure the sustainability of WaterSeed's mission and reinforce its reputation, ensuring that the company's social impact remains intact regardless of external pressures.

Full commercial integration, yet autonomy over the social enterprise's brand and identity

Each one their expertise — Both teams emphasize the importance of each company focusing on what they do best: commercial development for BeverageCO and social impact projects for WaterSeed. “To make it very simple, they are the experts in social impact and we are the experts in business” (BV8). Since day one, WaterSeed's commercial operations have been fully integrated into BeverageCO's water department. Practically speaking, this means there is no separate sales team for WaterSeed. As mentioned previously, this integration strengthens WaterSeed's position within BeverageCO, not just as a CSR project, but as a part of the company.

“The problem with a brand like [WaterSeed] is that when it enters a portfolio of brands with salespeople and you're out selling on the street, there's a risk that the salesperson might consider this brand as a kind of separate 'little egg' of an NGO.” (WS2)

The fact that WaterSeed is an integral part of BeverageCO's portfolio is important because it is then viewed by the commercial team as just another product. As shared by WaterSeed's ex-COO, for a distributor to “pay attention to us,” they have to “feel this product as their own” (WS4-12). In other words, if the distributor also owns WaterSeed, “the sales teams will be more committed” (BV8). During fieldwork at BeverageCO's HQ, this integration became clear when the director of the corporate museum, which tells the company's history since its early 20th-century beginnings, was asked what WaterSeed was to him. His response was simple: “a product of the company” (Director of the museum).

On the other hand, despite this commercial integration, WaterSeed retains full control over the social projects it is involved in. “I believe that WaterSeed [...] did one good thing which is to have a dedicated resource for the social. There is a specific department for the development of social projects [...] and that is very important” (WS6). The director of social projects added:

“BeverageCO hasn't gotten involved at all. They haven't interfered. When it comes to the projects, nothing. Interviewer – And is that a good thing or a bad thing? [Director of social projects] – Well, so far, it's been a very good thing. Honestly, I don't mind. I think it's great to have such a large budget and for them to stay out of it” (WS5).

A grey area around WaterSeed’s brand and identity — Dividing responsibilities based on each entity’s area of expertise has not been as straightforward. As WaterSeed’s CFO explained: “The key is to know who you are, what the other brings to you, and divide the responsibilities in a clear way. And then there is a grey area where you have to share, which is where marketing is, which also gets into the social aspect—in other words, everything is mixed up!” (WS3). Speaking about that grey zone, WaterSeed’s ex-general director added, “In the end, WaterSeed’s social impact is an integral part of the brand identity [...] You can’t just surgically divide, one part here, and one part there” (WS6). When asked how these “shared responsibilities” were managed, particularly regarding WaterSeed’s brand and identity, WaterSeed’s team shared that, until recently, marketing had been integrated within BeverageCO as the rest of the brands, and with an outsourcing agency in charge of it. This created some challenges for the brand, as emphasized by WaterSeed’s former marketing director, who had joined BeverageCO to oversee marketing for its water brands before resigning shortly thereafter.

“We thought that, since, BeverageCO probably has the best marketing department in all of [the country], they would be able to handle a brand like WaterSeed—but no. They are extremely good at product marketing, at highlighting the virtues and qualities of a product, its organoleptic properties, quality, and so on. But they are not very used to telling stories beyond the product” (WSB12).

WaterSeed’s ex-COO and co-founder also shared that for him, they were much better at handling the marketing of WaterSeed than BeverageCO. “Two years later, we still think the same,” he said (WS4). The director of social projects shared some of the mishaps that occurred while WaterSeed’s marketing was managed externally. She recalled a conversation with BeverageCO’s marketing team: “He said to me: in reality, in terms of communication, there is no difference between WaterSeed and an NGO. I told him: Don’t get mistaken! NGOs ask for donations; we sell a product.” She added that the agency, being too removed from the social projects, could not share the excitement of the work, which led several people to stop following the company because the messages were “boring” (WS5). “The last few times they [the agency] sent me things, I was shocked because they had nothing to do with reality. For example, there were photos of Malawi that were actually from Benin, you know?” (WS5). Another tension came around the type of marketing WaterSeed does, which is intentionally not based on pity and guilt. As WaterSeed’s former Marketing Director—who later led marketing for BeverageCO’s water brands—explained:

“There is a guiding principle we’ve always followed at WaterSeed: never making the consumer feel guilty in order to sell our water. In other words, you will never see—or should never see—photos of children with flies on their faces or bloated stomachs, whether on social media or in our sales pitch. Of course, you do encounter many of those realities on the ground, but that’s not the way to engage people. I don’t want to sell something

through guilt; I want to explain the problem, but also tell you about the good we can achieve together. That kind of emotional blackmail has always been a red line in our communication strategy—one I've consistently upheld and never allowed to be crossed." (WSB12).

This principle was echoed by WaterSeed's former graphic designer—now the only WaterSeed employee who remains at BeverageCO, working within its marketing team.

"There's a big difference between using an optimistic tone and one that induces guilt, or between a photo of a child taken from above wearing a torn shirt versus one taken from below, with the child smiling and wearing a colorful shirt. In the end, how the brand is perceived often depends on the three seconds the consumer spends looking at your product. The feeling or tone you transmit in that moment can shape how they engage with it—whether they're drawn to it or not." (WSB14)

However, while BeverageCO's sales team generally respects WaterSeed's communication principles, there appears to be some divergence in perspective regarding their effectiveness. Although they acknowledge the stance taken by WaterSeed, some team members question whether avoiding emotionally charged imagery all together may limit the persuasive power of their messaging. As the national coordinator for off-trade at BeverageCO noted:

"WaterSeed is quite firm on this—they don't want to... and sorry for what I'm going to say, but the typical image of a little black child, for example. They don't want to rely on pity or that emotional angle, right? But it's also true that, hey, at the end of the day, you lay that on the table and it's there. It's a reality, right?" (BV11)

At the time the paper was written, however, key decisions had already been made: WaterSeed would once again manage its own website and social media channels. The challenge now, as one interviewee put it, for WaterSeed to "recover [its] soul" (WS5). As a result, the key lies in achieving full commercial integration of WaterSeed while ensuring that the company maintains autonomy over its brand and identity, so it is not "diluted" (WS6) among BeverageCO's other brands. During a sustainability event, BeverageCO's CEO and family owner emphasized that, although the company acquired a portion of WaterSeed's shares, the original team retained the remaining ownership—a condition he described as essential: "This soul has to remain, otherwise it doesn't shine". This balance is therefore crucial to maintain WaterSeed's mission.

"WaterSeed needs to maintain a level of independence and unique thinking. However, it's not a bad idea that it is included in a larger platform that provides scale, allowing it to reach places it couldn't access on its own. The key is to maintain this independence, which is fundamental" (WS6).

In conclusion, the integration of WaterSeed within BeverageCO represents a delicate balance between leveraging the commercial strength of the parent company and preserving the autonomy and social mission of the social enterprise. While WaterSeed benefits from being part of a larger platform that provides scale and reach, it is crucial that the brand and identity remain distinct and true to its core social mission.

DISCUSSION & CONCLUSION

Cross-sector partnerships between social enterprises and commercial firms present both unique opportunities and significant challenges. While these collaborations can provide access to resources, scalability, and legitimacy, they also risk undermining the social enterprise's mission—especially when the partnership involves strong contractual ties and deep engagement from the commercial firm, as is the case in equity participation. This study explores how social enterprises can safeguard their mission in such settings by analyzing the case of WaterSeed, a social enterprise acquired by BeverageCO, a major European family-owned firm in the beverage sector. Our findings reveal three seemingly contrasting yet complementary mechanisms that help preserve the social mission post-acquisition. First, although the acquisition was not driven by immediate commercial gain, it aligned with the acquiring firm's strategic goals related to sustainability reputation, market differentiation, and capability-building. Both parties actively sought ways to integrate WaterSeed's activities into BeverageCO's broader business model through distribution exclusivity, commercial synergies, and industrial margins. This approach ensured that while WaterSeed was not pressured for direct profitability, it still played a valuable role within the company's portfolio. These contrasting measures, we argue, safeguard WaterSeed's long-term viability within the acquiring company.

Second, while interpersonal and inter-organizational trust formed the foundation of the collaboration, WaterSeed's core mission was contractually safeguarded. The acquisition agreement included explicit clauses protecting its social purpose, and a shareholder agreement mandated that 100% of its dividends be allocated to social projects. These contrasting measures ultimately protected the integrity of the social projects that are at the heart of WaterSeed's social mission using both relational ties and legal safeguards. We argue that these legal safeguards ensure WaterSeed's quantity of social project remain similar, regardless of financial or strategic shifts within the acquiring firm. Moreover, the relational ties and trust surrounding them brought a human touch to the deal. Questions remain, of course, not only regarding the quantity but also the quality of the social impact. While WaterSeed can now rely on a minimum level of funding for its social projects, questions remain about which projects are selected and which impact metrics are prioritized. For example, is the company aiming to optimize the number of beneficiaries served at the lowest cost, or is it focused on improving the quality of life for a smaller number of vulnerable individuals? These decisions could be influenced by the acquiring company. The choice of projects might also be impacted, especially in terms of whether the company focuses on traditional water infrastructure or continues its efforts to

bring sanitation infrastructure to these populations—a type of project that may not always be easy to sell to external stakeholders.

Finally, despite being fully integrated into the acquiring firm's operations, WaterSeed retained control over its brand and strategic identity. This autonomy allowed the social enterprise to leverage the commercial strength of BeverageCO while maintaining its distinct identity, preventing it from being “diluted” among the firm's other brands—a concern expressed by some informants. These complementary measures help preserve WaterSeed's credibility and appeal to external stakeholders by ensuring the brand remains visible to the public through the commercial strength of the acquiring company while safeguarding its integrity as a social enterprise. By retaining control over how its mission and identity are communicated, WaterSeed reinforces its distinct social purpose while benefiting from the broader reach of its corporate partner.

These three points are also interconnected. For instance, the previously discussed point about legally safeguarding WaterSeed's social mission—ensuring, among other things, that 100% of its dividends continue to fund social projects—also contributes to preserving the company's integrity in the eyes of external stakeholders. Likewise, the commercial integration of WaterSeed within BeverageCO also contributes to its long-term viability within the company. As a result, these findings illustrate how contrasting and interlinked contractual and operational safeguards can enable social enterprises to navigate acquisitions without compromising their mission. By highlighting these dynamics, this study contributes to the literature on cross-sector collaboration and provides practical insights into structuring partnerships that balance social impact with corporate objectives.

These contrasting yet complementary measures, we argue, form the foundation of an equilibrist act, on the basis of which the social enterprise's mission can survive and even expand amid acquisition by a commercially driven partner, by protecting the long-term viability of the collaboration, the concrete projects that characterize the social enterprise's mission and its credibility and appeal to external stakeholders.

With this study, we primarily aim to contribute to the cross-sector partnerships literature and to shed light on the concrete decisions and measures that can effectively safeguard social enterprises from mission drift as it enters collaboration with actors from other sectors. In other words, we hope to contribute to a better understand of “how are rules that create predictability, reduce conflict, and facilitate cooperation between various actors interested in solving a specific social problem formulated, used, and enforced” (Shepherd & Patzelt, 2022, p. 264).

CONCLUDING REMARKS

This dissertation examines the engagement of business-owning families and their members in impact investing and social venturing, contributing to three key areas. First, it advances family business scholarship by extending the study of business-owning families beyond the boundaries of the family firm. It highlights their heterogeneous engagement in social endeavors offering a nuanced understanding of how they balance a hybridity of objectives, both financial and non-financial, based on their unique frame of reference. This is particularly evident in the realm of impact investing, where business-owning families represent a distinct category of investors who navigate the field's ongoing debates through their own set of motivations and expectations.

Second, this dissertation contributes to entrepreneurship research by shedding light on how individuals construct entrepreneurial identities in nascent and ambiguous fields such as impact investing. In the absence of predefined roles, entrepreneurs often turn to salient social referents—such as family legacies—to navigate uncertainty. We find that entrepreneurs build their identity in this new field by either mirroring, reshaping, or departing from their family identity, resulting in diverse paths of identity construction. Surprisingly, our data reveal that entrepreneurs who see their family legacy as relevant in the emerging field tend to adopt more conservative approaches, staying close to adjacent, well-established sectors and partnering with familiar networks. In contrast, entrepreneurs who perceive their family legacy as irrelevant—either partially or entirely—are more likely to pursue bold strategies, pushing the boundaries of the field through riskier and more complex practices. These entrepreneurs either build broad collaborative networks or position themselves as independent trailblazers.

Third, this dissertation provides new insights into social entrepreneurship and cross-sector collaborations by examining the case of a social enterprise selling the majority of its shares to a large family-owned corporation. While such acquisitions can provide social enterprises with valuable resources, they also pose risks to their mission. This study identifies three sets of contrasting yet complementary measures that help safeguard social impact post-acquisition by: ensuring the long-term viability of the social enterprise within the acquiring firm's operations, protecting the integrity of the concrete social projects the organization is involved in, and maintaining the credibility and appeal of the social enterprise toward external stakeholders. By highlighting the interplay between these measures, this work contributes to the literature on cross-sector partnerships, demonstrating how social enterprises can sustain their purpose even when integrated into a corporate structure.

By integrating these perspectives, this dissertation deepens our understanding of business-owning families' social behaviors, the crafting of entrepreneurial identity in new fields, and the conditions under which social enterprises can maintain their purpose in cross-sector partnerships. Taken together, these perspectives provide new insights into the management of hybrid objectives—both social and financial—highlighting how different mechanisms at the group, individual, and inter-organizational levels influence how they are approached and enacted.

Esta tesis examina la participación de las familias empresarias y sus miembros en la inversión de impacto y el emprendimiento social, contribuyendo a tres áreas clave. En primer lugar, amplía la investigación sobre empresas familiares al extender el estudio de las familias empresarias más allá de los límites de la empresa familiar. Destaca su participación heterogénea en iniciativas sociales, ofreciendo una comprensión matizada de cómo equilibran una variedad de objetivos, tanto financieros como no financieros, en función de su marco de referencia único. Esto es particularmente evidente en el ámbito de la inversión de impacto, donde las familias empresarias representan una categoría distinta de inversores que abordan los debates en curso en este campo a partir de sus propias motivaciones y expectativas.

En segundo lugar, esta tesis contribuye a la investigación en emprendimiento al indagar cómo los individuos construyen identidades emprendedoras en campos emergentes y ambiguos como la inversión de impacto. En ausencia de roles predefinidos, los emprendedores a menudo recurren a referentes sociales prominentes—como el legado familiar—para afrontar la incertidumbre. Encontramos que los emprendedores construyen su identidad en este nuevo campo ya sea reflejando, reformulando o distanciándose de la identidad familiar, lo que da lugar a trayectorias diversas en la construcción identitaria. Sorprendentemente, nuestros datos revelan que los emprendedores que consideran relevante el legado familiar en el campo emergente tienden a adoptar enfoques más conservadores, manteniéndose cerca de sectores adyacentes bien establecidos y asociándose con redes familiares conocidas. Por otro lado, aquellos que perciben su legado familiar como irrelevante—ya sea parcial o totalmente—son más propensos a seguir estrategias audaces, ampliando los límites del campo mediante prácticas más arriesgadas y complejas. Estos emprendedores construyen amplias redes colaborativas o se posicionan como pioneros independientes.

En tercer lugar, esta tesis aporta nuevas perspectivas al estudio del emprendimiento social y las colaboraciones intersectoriales al examinar el caso de una empresa social que vende la mayoría de sus acciones a una corporación familiar de gran tamaño. Si bien este tipo de adquisiciones pueden proporcionar a las empresas sociales recursos valiosos, también conllevan riesgos para su misión. Este estudio identifica tres conjuntos de medidas contrastantes pero complementarias que ayudan a salvaguardar el impacto social tras la adquisición: garantizar la viabilidad a largo plazo de la empresa social dentro de la estructura operativa de la empresa adquirente, proteger la integridad de los proyectos sociales concretos en los que la organización está involucrada, y mantener la credibilidad y el atractivo de la empresa social ante sus partes interesadas externas. Al destacar la interacción entre estas medidas, este trabajo contribuye a la literatura sobre asociaciones intersectoriales, demostrando cómo las empresas sociales pueden mantener su propósito incluso cuando se integran en una estructura corporativa.

Al integrar estas perspectivas, esta tesis profundiza en la comprensión del comportamiento social de las familias empresarias, la construcción de la identidad emprendedora en nuevos campos y las condiciones bajo las cuales las empresas sociales pueden preservar su misión en asociaciones intersectoriales.

En conjunto, estas perspectivas ofrecen nuevas ideas sobre la gestión de objetivos híbridos—tanto sociales como financieros—resaltando cómo diferentes mecanismos a nivel grupal, individual e interorganizacional influyen en la manera en que estos objetivos son abordados y ejecutados.

REFERENCES

- Agrawal, A., & Hockerts, K. (2019). Impact investing: Review and research agenda. *Journal of Small Business & Entrepreneurship*, 33(2), 153-181.
- Agrawal, A., & Hockerts, K. (2021). Impact investing: Review and research agenda. *Journal of Small Business & Entrepreneurship*, 33(2), 153-181.
- Ajay, B., Vough, H. C., & Oliver, D. (2018). I Am and I Am Not: Ambivalence in Entrepreneur Identification. *Academy of Management Proceedings*,
- Ajay, B., Vough, H. C., & Oliver, D. (2023). So, what do you do? Exploring identity claiming by entrepreneurs. *Academy of Management Discoveries*, 10(1), 91-117.
- Alsos, G. A., Clausen, T. H., Hytti, U., & Solvoll, S. (2019). Entrepreneurs' social identity and the preference of causal and effectual behaviours in start-up processes. In *Entrepreneurial Identity and Identity Work* (pp. 58-82). Routledge.
- Anderson, A. R., & Starnawska, M. (2008). Research practices in entrepreneurship: Problems of definition, description and meaning. *The International Journal of Entrepreneurship and Innovation*, 9(4), 221-230.
- Anderson, R. C., & Reeb, D. M. (2004). Board composition: Balancing family influence in S&P 500 firms. *Administrative science quarterly*, 49(2), 209-237.
- Ashforth, B. E., Harrison, S. H., & Corley, K. G. (2008). Identification in organizations: An examination of four fundamental questions. *Journal of Management*, 34(3), 325-374.
- Ashforth, B. E., & Schinoff, B. S. (2016). Identity under construction: How individuals come to define themselves in organizations. *Annual Review of Organizational Psychology and Organizational Behavior*, 3, 111-137.
- Austin, J., Stevenson, H., & Wei-Skillern, J. (2006). Social and Commercial Entrepreneurship: Same, Different, or Both? *Entrepreneurship Theory and Practice*, 30(1), 1-22.
- Austin, J. E., & Leonard, H. B. D. (2008). Can the virtuous mouse and the wealthy elephant live happily ever after? *California Management Review*, 51(1), 77-102.
- B Lab. (2022). *Certification Requirements*.
<https://bcorporation.net/certification/meet-the-requirements>
- Bacq, S., & Lumpkin, G. T. (2014). Can Social Entrepreneurship Researchers Learn from Family Business Scholarship? A Theory-Based Future Research Agenda. *Journal of Social Entrepreneurship*, 5(3), 270-294.
- Baker, T., & Powell, E. E. (2020). Founder identity theory. In *The Psychology of Entrepreneurship* (pp. 164-181). Routledge.
- Ballard, C., & Tornivaara, J. (2020, October 1). Investing in impact: a strategy for next generation family offices. *Deloitte*. <https://shorturl.at/pqAO9>
- Bannick, M., & Goldman, P. (2017, March 28). Strengthening the impact investing movement. *Stanford social innovation review*.
<https://shorturl.at/noHJ2>
- Barinaga, E. (2020). Coopted! mission drift in a social venture engaged in a cross-sectoral partnership. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, 31(2), 437-449.

- Barraket, J., & Loosemore, M. (2018). Co-creating social value through cross-sector collaboration between social enterprises and the construction industry. *Construction management and economics*, 36(7), 394-408.
- Basly, S., & Saunier, P.-L. (2019). Family members' commitment to the firm and family business continuity: investigating the mediating role of family-to-firm identity fit and emotional attachment. *Journal of Small Business & Entrepreneurship*, 32(1), 9-32.
- Bataille, C. D., & Vough, H. C. (2022). More than the sum of my parts: An intrapersonal network approach to identity work in response to identity opportunities and threats. *Academy of management review*, 47(1), 93-115.
- Battilana, J., & Lee, M. (2014). Advancing research on hybrid organizing – Insights from the study of social enterprises. *Academy of Management Annals*, 8(1), 397-441.
- Battilana, J., Lee, M., Walker, J., & Dorsey, C. (2012). In Search of the Hybrid Ideal. *Stanford social innovation review*, 49-55.
- Belli, B. (2007, December 12, 2007). Burt's Bees Sells Out Big. *The Environmental Magazine*. <https://emagazine.com/burts-bees-sells-out-big/>
- Benner, M. J., & Tripsas, M. (2012). The influence of prior industry affiliation on framing in nascent industries: The evolution of digital cameras. *Strategic Management Journal*, 33(3), 277-302.
- Berrone, P., Cruz, C., & Gomez-Mejia, L. R. (2012). Socioemotional wealth in family firms. *Family Business Review*, 25(3), 258-279.
- Besharov, M., Smith, W., & Darabi, T. (2019). A framework for sustaining hybridity in social enterprises: combining differentiating and integrating. *Handbook of Inclusive Innovation*.
- Bettinelli, C., Lissana, E., Bergamaschi, M., & De Massis, A. (2022). Identity in family firms: Toward an integrative understanding. *Family Business Review*, 35(4), 383-414.
- Bhatt, P., & Altinay, L. (2013). How social capital is leveraged in social innovations under resource constraints? *Management Decision*, 51(9), 1772-1792.
- Bildner, J., Reed, J., & Voss, M. (2020, January 29). How venture philanthropy works and its role in effective charity. *Stanford social innovation review*.
- Bingham, J. B., Gibb Dyer, W., Smith, I., & Adams, G. L. (2010). A stakeholder identity orientation approach to corporate social performance in family firms. *Journal of business ethics*, 99(4), 565-585.
- Boers, B., & Nordqvist, M. (2020). Family businesses as hybrid organisations.
- Braak-Forstinger, C., & Selian, A. (2020). *How to increase family office engagement in impact investing*.
- Brandstetter, L., & Lehner, O. M. (2015). Opening the market for impact investments: The need for adapted portfolio tools. *Entrepreneurship Research Journal*, 5(2), 448-462.
- Breeze, B. (2009). *Natural philanthropists: findings of the family business philanthropy and social responsibility inquiry*.
- Brown, A. D. (2022). Identities in and around organizations: Towards an identity work perspective. *Human Relations*, 75(7), 1205-1237.

- Bruder, I. M., & Sydow, J. (2024). Governing Inter-Organizational Collaboration through Purpose Work and Purpose Borrowing: How Social Enterprises' Normative Aspirations Influence Business Partners' Practices. *Journal of Management Studies*.
- Buckland, L., Hehenberger, L., & Hay, M. (2013). The growth of European venture philanthropy. *Stanford social innovation review*, 11(Summer), 32-39.
- Bugg-Levine, A., & Emerson, J. (2011). Impact investing: transforming how we make money while making a difference. *Innovations: Technology, Governance, Globalization*, 6(3), 9-18.
- Burns, C., Cottam, H., Vanstone, C., & Winhall, J. (2006). *Transformation design*.
- Campopiano, G., & De Massis, A. (2014). Corporate social responsibility reporting: a content analysis in family and non-family firms. *Journal of business ethics*, 129(3), 511-534.
- Carollo, L., & Guerri, M. (2018). 'Activists in a suit': Paradoxes and metaphors in sustainability managers' identity work. *Journal of business ethics*, 148(2), 249-268.
- Casasnovas, G., & Chliova, M. (2020). Legitimacy Trade-Offs in Hybrid Fields: An Illustration Through Microfinance, Impact Investing and Social Entrepreneurship. In *Organizational Hybridity: Perspectives, Processes, Promises* (pp. 291-312). <https://doi.org/10.1108/s0733-558x20200000069020>
- Casasnovas, G., & Ferraro, F. (2022). Speciation in nascent markets: Collective learning through cultural and material scaffolding. *Organization Studies*, 43(6), 829-860.
- Caza, B. B., Vough, H., & Puranik, H. (2018). Identity work in organizations and occupations: Definitions, theories, and pathways forward. *Journal of organizational behavior*, 39(7), 889-910.
- Cennamo, C., Berrone, P., Cruz, C., & Gomez-Mejia, L. R. (2012). Socioemotional wealth and proactive stakeholder engagement: why family-controlled firms care more about their stakeholders. *Entrepreneurship Theory and Practice*, 36(6), 1153-1173.
- Chalmers, D. (2020). Social entrepreneurship's solutionism problem. *Journal of Management Studies*, 58(5), 1363-1370.
- Chen, H.-T., & Rossi, P. H. (2016). Evaluating with sense. *Evaluation Review*, 7(3), 283-302.
- Chowdhry, B. (2023, Jan 2023). The Trade-Off Between Impact Investing and Financial Return. *IBS Executive Education*. <https://execed.isb.edu/en/ep/research-perspectives/article/The-Trade-Off-Between-Impact-Investing-and-Financial-Return.html>
- Chua, J. H., Chrisman, J. J., & De Massis, A. (2015). A closer look at socioemotional wealth: its flows, stocks, and prospects for moving forward. *Entrepreneurship Theory and Practice*, 39(2), 173-182.
- Clarke, A., & Crane, A. (2018). Cross-sector partnerships for systemic change: Systematized literature review and agenda for further research. *Journal of business ethics*, 150(2), 303-313.

- Cohen, R. (2012). Big Society Capital Marks a Paradigm Shift. *Stanford social innovation review*.
- Collewaert, V., Anseel, F., Crommelinck, M., De Beuckelaer, A., & Vermeire, J. (2016). When passion fades: Disentangling the temporal dynamics of entrepreneurial passion for founding. *Journal of Management Studies*, 53(6), 966-995.
- Cornforth, C. (2014). Understanding and combating mission drift in social enterprises. *Social Enterprise Journal*, 10(1), 3-20.
- Crosina, E. (2024). Co-Constructing Community and Entrepreneurial Identity: How Founders Ascribe Self-Referential Meanings to Entrepreneurship. *Administrative science quarterly*, 69(2), 370-416.
- Crosina, E., Pratt, M. G., & Lifshitz, H. (2024). A Part of, or Apart from, Me?: Linking Dynamic Founder-Venture Identity Relationships to New Venture Strategy. *Organization science*.
- Cruz, C., Justo, R., & De Castro, J. O. (2012). Does family employment enhance MSEs performance? *Journal of Business Venturing*, 27(1), 62-76.
- Cruz, C., Justo, R., & Roche, J. (2021). Engaging in a new field: Business owning families' differential approach to impact investing. *European Journal of Family Business*, 11(1), 21-32.
- Cruz, C., Larraza-Kintana, M., Garcés-Galdeano, L., & Berrone, P. (2014). Are Family Firms Really More Socially Responsible? *Entrepreneurship Theory and Practice*, 38(6), 1295-1316.
- Cruz, C. C., Gómez-Mejía, L. R., & Becerra, M. (2010). Perceptions of benevolence and the design of agency contracts: CEO-TMT relationships in family firms. *Academy of Management Journal*, 53(1), 69-89.
- Cundy, A. (2020, December 7). Next generation behind family offices' ESG push. *Financial Times*. <https://www.ft.com/content/dea5e5d1-8650-4819-aecc-699b612419aa>
- De Massis, A., Kotlar, J., & Manelli, L. (2021). Family firms, family boundary organizations, and the family-related organizational ecosystem. *Family Business Review*, 34(4), 350-364.
- Deephouse, D. L., & Jaskiewicz, P. (2013). Do Family Firms Have Better Reputations Than Non-Family Firms? An Integration of Socioemotional Wealth and Social Identity Theories. *Journal of Management Studies*, 50(3), 337-360.
- Dees, J. G. (1998). The Meaning of "Social Entrepreneurship" *Kauffman Center for Entrepreneurial Leadership*
- Delichte, J., Powell, E. E., Hamann, R., & Baker, T. (2024). To profit or not to profit: Founder identity at the intersection of religion and entrepreneurship. *Journal of Business Venturing*, 39(4), 106403.
- Déniz, M. d. I. C. D., & Suárez, M. K. C. (2005). Corporate social responsibility and family business in Spain. *Journal of business ethics*, 56, 27-41.
- Di Domenico, M., Tracey, P., & Haugh, H. (2020). The dialectic of social exchange: Theorizing corporate-social enterprise collaboration. *Organization Studies*, 30(8), 887-907.

- Di Lorenzo, F., & Scarlata, M. (2018). Social Enterprises, Venture Philanthropy and the Alleviation of Income Inequality. *Journal of business ethics*, 159(2), 307-323.
- Diaz-Moriana, V., Clinton, E., & Kammerlander, N. (2022). Untangling Goal Tensions in Family Firms: A Sensemaking Approach. *Journal of Management Studies*.
- Doherty, B., Haugh, H., & Lyon, F. (2014). Social enterprises as hybrid organizations: A review and research agenda. *International Journal of Management Reviews*, 16(4), 417-436.
- Drexler, M., & Noble, A. (2014). *Impact Investing: Assessment of the Impact - A Primer for Family Offices*.
- Dufays, F., & Huybrechts, B. (2017). Entrepreneurial teams in social entrepreneurship: When team heterogeneity facilitates organizational hybridity. *Research handbook on entrepreneurial teams: Theory and practice*, 8(1), 273-287.
- Duran, P., Kammerlander, N., van Essen, M., & Zellweger, T. (2016). Doing More with Less: Innovation Input and Output in Family Firms. *Academy of Management journal*, 59(4), 1224-1264.
- Ebrahim, A., Battilana, J., & Mair, J. (2014). The governance of social enterprises: Mission drift and accountability challenges in hybrid organizations. *Research in organizational behavior*, 34, 81-100.
- Ebrahim, A., & Rangan, V. K. (2014). What Impact? A framework for measuring the scale and scope of social performance. *California Management Review*, 56(3), 118-141.
- Edmondson, B. (2014). *Ice cream social: The struggle for the soul of Ben & Jerry's*. Berrett-Koehler Publishers
- Eisenhardt, K. (1989). Building theories from case study research. *Academy of management review*, 14(4), 532-550.
- Eurosif. (2021). *The sustainable finance disclosure regulation*. Retrieved 21 December 2023 from <https://shorturl.at/qGRV7>
- EVPA. (2018). *Investing for Impact - EVPA Impact Strategy Paper*.
- EVPA. (2020). *Glossary of Terms in the Impact Ecosystem*. <https://evpa.eu.com/glossary>
- Fauchart, E., & Gruber, M. (2011). Darwinians, Communitarians, and Missionaries: The role of founder identity in entrepreneurship. *Academy of Management journal*, 54(5), 935-957.
- Feliu, N., & Botero, I. C. (2015). Philanthropy in Family Enterprises. *Family Business Review*, 29(1), 121-141.
- Findlay, S., & Moran, M. (2019). Purpose-washing of impact investing funds: motivations, occurrence and prevention. *Social Responsibility Journal*, 15(7), 853-873.
- Finnigan, M. (2016, May 17). Making scents: Benjamin Firmenich on engaging the next generation and impact investing. *Campden FB*. <https://www.campdenfb.com/article/making-scents-benjamin-firmenich-engaging-next-generation-and-impact-investing>
- Foley, S. (2016, October 20). How the next generation is shaping a new future with old money. *Financial Times*. <https://www.ft.com/content/5144467e-8ee3-11e6-a72e-b428cb934b78>

- Foroughi, J. (2022, November 10). ESG is not impact investing and impact investing is not ESG. *Stanford social innovation review*.
- Frumkin, P. (2002). Inside Venture Philanthropy.
- Furneaux, C., & Barraket, J. (2014). Purchasing social good (s): a definition and typology of social procurement. *Public money & management*, 34(4), 265-272.
- Galunic, D. C., & Eisenhardt, K. M. (1996). The evolution of intracorporate domains: Divisional charter losses in high-technology, multidivisional corporations. *Organization science*, 7(3), 255-282.
- Gao, C., & McDonald, R. (2022). Shaping nascent industries: Innovation strategy and regulatory uncertainty in personal genomics. *Administrative science quarterly*, 67(4), 915-967.
- Gautier, A., Pache, A. C., & Santos, F. (2023a). Making sense of hybrid practices: The role of individual adherence to institutional logics in impact investing. 44(9), 1385–1412.
- Gautier, A., Pache, A. C., & Santos, F. (2023b). *Making sense of hybrid practices: The role of individual adherence to institutional logics in impact investing*. Organization Studies.
- Gibbon, J., & Dey, C. (2011). Developments in Social Impact Measurement in the Third Sector: Scaling Up or Dumbing Down? *Social and Environmental Accountability Journal*, 31(1), 63-72.
- GIIN. (2023). *New research from the Global Impact Investing Network (GIIN) highlights the growth and increasing diversity of impact investing strategies*. <https://giin-web-assets.s3.amazonaws.com/giin/assets/press-release/giinsight-launch-and-icam-press-release-final.pdf>
- Gillett, A., Loader, K., Doherty, B., & Scott, J. M. (2019). An examination of tensions in a hybrid collaboration: A longitudinal study of an empty homes project. *Journal of business ethics*, 157, 949-967.
- Gioia, D. A., Corley, K. G., & Hamilton, A. L. (2013). Seeking qualitative rigor in inductive research: Notes on the Gioia methodology. *Organizational research methods*, 16(1), 15-31.
- Gioia, D. A., Price, K. N., Hamilton, A. L., & Thomas, J. B. (2010). Forging an identity: An insider-outsider study of processes involved in the formation of organizational identity. *Administrative science quarterly*, 55(1), 1-46.
- Glänzel, G., & Scheuerle, T. (2015). Social Impact Investing in Germany: Current Impediments from Investors' and Social Entrepreneurs' Perspectives. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, 27(4), 1638-1668.
- Glasrud, B. (2001). The Muddle of Outcome Measurement. *Nonprofit World*, 19(6), 35-37.
- Gomez-Mejia, L. R., Cruz, C., Berrone, P., & De Castro, J. (2011). The bind that ties: Socioemotional wealth preservation in family firms. *Academy of Management Annals*, 5(1), 653-707.
- Gómez-Mejía, L. R., Haynes, K. T., Núñez-Nickel, M., Jacobson, K. J., & Moyano-Fuentes, J. (2007). Socioemotional wealth and business risks in family-controlled firms: Evidence from Spanish olive oil mills. *Administrative science quarterly*, 52(1), 106-137.

- Gomez-Mejia, L. R., Patel, P. C., & Zellweger, T. M. (2018). In the Horns of the Dilemma: Socioemotional Wealth, Financial Wealth, and Acquisitions in Family Firms. *Journal of Management*, 44(4), 1369-1397.
- Graffin, S. D., Bundy, J., Porac, J. F., Wade, J. B., & Quinn, D. P. (2013). Falls from Grace and the Hazards of High Status. *Administrative science quarterly*, 58(3), 313-345.
- Grimes, M. G. (2018). The pivot: How founders respond to feedback through idea and identity work. *Academy of Management journal*, 61(5), 1692-1717.
- Grimes, M. G., Gehman, J., & Cao, K. (2018). Positively deviant: Identity work through B Corporation certification. *Journal of Business Venturing*, 33(2), 130-148.
- Grimes, M. G., Williams, T. A., & Zhao, E. Y. (2020). Beyond hybridity: Accounting for the values complexity of all organizations in the study of mission and mission drift. *Academy of management review*, 45(1), 234-238.
- Gümüşay, A. A., Smets, M., & Morris, T. (2020). "God at Work": Engaging Central and Incompatible Institutional Logics through Elastic Hybridity. *Academy of Management journal*, 63(1), 124-154.
- Gutterman, A. S. (2021). What is impact investing?
- Haigh, N., Walker, J., Bacq, S., & Kickul, J. (2015). Hybrid organizations: origins, strategies, impacts, and implications. *California Management Review*, 57(3), 5-12.
- Hand, D., Dithrich, H., Sunderji, S., & Nova, N. (2020). *Annual impact investor survey*. <https://thegiin.org/research/publication/impinv-survey-2020>
- Hand, D., Ringel, B., & Danel, A. (2022). *Sizing the impact investing market*. <https://thegiin.org/research/publication/impact-investing-market-size-2022/>
- Hannigan, T., & Casasnovas, G. (2020). New structuralism and field emergence: the co-constitution of meanings and actors in the early moments of social impact investing. In C. Steele, T. Hannigan, V. L. Glaser, M. Toubiana, & J. Gehman (Eds.), *Macrofoundations: Exploring the institutionally situated nature of activity (Research in the Sociology of Organizations)* (Vol. 68, pp. 147-183). Emerald Group Publishing.
- Harji, K., & Jackson, E. T. (2012). *Accelerating impact: Achievements, challenges and what's next in building the impact investing industry*.
- Hehenberger, L. (2020, July 27). How to mainstream impact investing in Europe. *Stanford social innovation review*.
- Hehenberger, L., Mair, J., & Metz, A. (2019). The assembly of a field ideology: An idea-centric perspective on systemic power in impact investing. *Academy of Management journal*, 62(6), 1672-1704.
- Höchstädter, A. K., & Scheck, B. (2014). What's in a Name: An Analysis of Impact Investing Understandings by Academics and Practitioners. *Journal of business ethics*, 132(2), 449-475.
- Hockerts, K., Hehenberger, L., Schaltegger, S., & Farber, V. (2022). Defining and conceptualizing impact investing: Attractive nuisance or catalyst? *Journal of business ethics*, 179(4), 937-950.

- Hsu, R. S., Chuang, A., & Wang, A.-C. (2021). Business founders' work design and new venture development. *Journal of Business Venturing*, 36(1), 106000.
- Huybrechts, B., & Nicholls, A. (2013). The role of legitimacy in social enterprise-corporate collaboration. *Social Enterprise Journal*, 9(2), 130-146.
- Huybrechts, B., Nicholls, A., & Edinger, K. (2017). Sacred alliance or pact with the devil? How and why social enterprises collaborate with mainstream businesses in the fair trade sector. *Entrepreneurship & Regional Development*, 29(7-8), 586-608.
- Hwang, H., & Powell, W. W. (2009). The rationalization of charity: The influences of professionalism in the nonprofit sector. *Administrative science quarterly*, 54(2), 268-298.
- Ireland, R. D., & Webb, J. W. (2007). A multi-theoretic perspective on trust and power in strategic supply chains. *Journal of Operations management*, 25(2), 482-497.
- Islam, S. M. (2022). Impact investing in social sector organisations: A systematic review and research agenda. *Accounting & Finance*, 62(1), 709-737.
- Jamali, D., & Keshishian, T. (2009). Uneasy alliances: Lessons learned from partnerships between businesses and NGOs in the context of CSR. *Journal of business ethics*, 84, 277-295.
- Jiang, J., Wang, I. Y., & Wang, K. P. (2018). Revolving rating analysts and ratings of mortgage-backed and asset-backed securities: Evidence from LinkedIn. *Management Science*, 64(12), 5832-5854.
- Jiang, W. Y., Zhao-Ding, A., & Qi, S. (2024). Breaking Free or Locking In: How Socially Disadvantaged Individuals Achieve or Reject an Aspired Identity in an Entrepreneurial Context. *Academy of Management journal*(0), 1-29.
- Kellermanns, F. W., Eddleston, K. A., & Zellweger, T. M. (2012). Article Commentary: Extending the Socioemotional Wealth Perspective: A Look at the Dark Side. *Entrepreneurship Theory and Practice*, 36(6), 1175-1182.
- Khaire, M. (2014). Fashioning an industry: Socio-cognitive processes in the construction of worth of a new industry. *Organization Studies*, 35(1), 41-74.
- Knapp, J. R., Smith, B. R., Kreiner, G. E., Sundaramurthy, C., & Barton, S. L. (2013). Managing Boundaries Through Identity Work. *Family Business Review*, 26(4), 333-355.
- Kölbel, J. F., Heeb, F., Paetzold, F., & Busch, T. (2020). Can sustainable investing save the world? Reviewing the mechanisms of investor impact. *Organization & Environment*, 33(4), 554-574.
- Korshunova, E., Tiberius, V., Cesinger, B., & Bouncken, R. (2021). Potential pitfalls of startup integrations: an exploratory study. *Journal of Business Venturing Insights*, 15, e00237.
- Kosmynin, M. (2021). Social entrepreneurship organisations and collaboration: taking stock and looking forward. *International Journal of Entrepreneurial Behavior & Research*, 28(2), 441-470.

- Kotlar, J., Signori, A., De Massis, A., & Vismara, S. (2018). Financial wealth, socioemotional wealth, and IPO underpricing in family firms: A two-stage gamble model. *Academy of Management journal*, 61(3), 1073-1099.
- Kwong, C., Tasavori, M., & Wun-mei Cheung, C. (2017). Bricolage, collaboration and mission drift in social enterprises. *Entrepreneurship & Regional Development*, 29(7-8), 609-638.
- Labelle, R., Hafsi, T., Francoeur, C., & Ben Amar, W. (2015). Family Firms' Corporate Social Performance: A Calculated Quest for Socioemotional Wealth. *Journal of business ethics*, 148(3), 511-525.
- Lawlor, A. (2017). *Investing for global impact 2017: Family office and family foundation research*.
- Lazzarini, S. G. (2020). The nature of the social firm: Alternative organizational forms for social value creation and appropriation. *Academy of management review*, 45(3), 620-645.
- Le Ber, M. J., & Branzei, O. (2010). Value frame fusion in cross sector interactions. *Journal of business ethics*, 94, 163-195.
- Lee, M., Adbi, A., & Singh, J. (2019). Categorical cognition and outcome efficiency in impact investing decisions. *Strategic Management Journal*, 41(1), 86-107.
- Legler, S. (2019, January 26). Family Offices and Impact Investing: A Great Fit. <https://stevelegler.com/2019/01/26/family-offices-and-impact-investing-a-great-fit/>
- Lincoln, Y. S. (1985). *Naturalistic inquiry* (Vol. 75). Sage
- Logue, D., & Grimes, M. (2022). Living up to the hype: How new ventures manage the resource and liability of future-oriented visions within the nascent market of impact investing. *Academy of Management journal*, 65(3), 1055–1082.
- Luke, B. (2016). Measuring and reporting on social performance: From numbers and narratives to a useful reporting framework for social enterprises. *Social and Environmental Accountability Journal*, 36(2), 103-123.
- Lumpkin, G. T., & Bacq, S. (2019). Civic Wealth Creation: A New View of Stakeholder Engagement and Societal Impact. *Academy of Management Perspectives*, 33(4), 383-404.
- Lyons, E., & Zhang, L. (2018). Who does (not) benefit from entrepreneurship programs? *Strategic Management Journal*, 39(1), 85-112.
- Ma, S., Seidl, D., & McNulty, T. (2021). Challenges and practices of interviewing business elites. *Strategic Organization*, 19(1), 81-96.
- Maas, K., & Liket, K. (2011). Talk the Walk: Measuring the Impact of Strategic Philanthropy. *Journal of Business Ethics* 100(3), 445-464.
- Mael, F., & Ashforth, B. E. (1992). Alumni and their alma mater: A partial test of the reformulated model of organizational identification. *Journal of organizational behavior*, 13(2), 103-123.
- Maguire, S., Hardy, C., & Lawrence, T. B. (2004). Institutional entrepreneurship in emerging fields: HIV/AIDS treatment advocacy in Canada. *Academy of Management journal*, 47(5), 657-679.
- Mair, J., & Hehenberger, L. (2014). Front-Stage and Backstage Convening: The Transition from Opposition to Mutualistic Coexistence in Organizational Philanthropy. *Academy of Management journal*, 57(4), 1174-1200.

- Mair, J., & Martí, I. (2006). Social entrepreneurship research: A source of explanation, prediction, and delight. *Journal of World Business*, 41(1), 36-44.
- Marques, P., Presas, P., & Simon, A. (2014). The Heterogeneity of Family Firms in CSR Engagement. *Family Business Review*, 27(3), 206-227.
- Marquis, C., & Park, A. (2014). Inside the buy-one give-one model. *Stanford social innovation review*(Winter), 27-33.
- Marti, E., Fuchs, M., DesJardine, M. R., Slager, R., & Gond, J. P. (2023). The Impact of sustainable investing: A multidisciplinary review. *Journal of Management Studies*.
- Martínez-Romero, M. J., & Rojo-Ramírez, A. A. (2016). SEW: Looking for a definition and controversial issues. *European Journal of Family Business*, 6(1), 1-9.
- McDermott, K., Kurucz, E. C., & Colbert, B. A. (2018). Social entrepreneurial opportunity and active stakeholder participation: Resource mobilization in enterprising conveners of cross-sector social partnerships. *Journal of Cleaner Production*, 183, 121-131.
- Miles, M. B., & Huberman, A. M. (1994). *Qualitative data analysis: An expanded sourcebook*. Sage
- Mmbaga, N. A., Mathias, B. D., Williams, D. W., & Cardon, M. S. (2020). A review of and future agenda for research on identity in entrepreneurship. *Journal of Business Venturing*, 35(6), 106049.
- Mongelli, L., Rullani, F., Ramus, T., & Rimal, T. (2019). The bright side of hybridity: Exploring how social enterprises manage and leverage their hybrid nature. *Journal of business ethics*, 159, 301-305.
- Montgomery, A. W., Dacin, P. A., & Dacin, M. T. (2012). Collective Social Entrepreneurship: Collaboratively Shaping Social Good. *Journal of business ethics*, 111(3), 375-388.
- Moody, M. (2007). "Building a culture": The construction and evolution of venture philanthropy as a new organizational field. *Nonprofit and Voluntary Sector Quarterly*, 37(2), 324-352.
- Mudaliar, A., Schiff, H., & Bass, R. (2016). *Annual Impact Investor Survey*.
- Murnieks, C. Y., Cardon, M. S., & Haynie, J. M. (2020). Fueling the fire: Examining identity centrality, affective interpersonal commitment and gender as drivers of entrepreneurial passion. *Journal of Business Venturing*, 35(1), 1-17.
- Murnieks, C. Y., Mosakowski, E., & Cardon, M. S. (2014). Pathways of passion: Identity centrality, passion, and behavior among entrepreneurs. *Journal of Management*, 40(6), 1583-1606.
- Murphy, C., Klotz, A. C., & Kreiner, G. E. (2017). Blue skies and black boxes: The promise (and practice) of grounded theory in human resource management research. *Human Resource Management Review*, 27(2), 291-305.
- Murphy, L., Huybrechts, J., & Lambrechts, F. (2019). The origins and development of socioemotional wealth within next-generation family members: An interpretive grounded theory study. *Family Business Review*, 32(4), 396-424.

- Murray, S. (2019, October 17). Rich millennials push to put family wealth into impact investments. *Financial Times*.
<https://www.ft.com/content/972adac6-d928-11e9-9c26-419d783e10e8>
- Nambisan, S. (2017). Digital entrepreneurship: Toward a digital technology perspective of entrepreneurship. *Entrepreneurship Theory and Practice*, 41(6), 1029-1055.
- Nason, R., Carney, M., Le Breton-Miller, I., & Miller, D. (2019). Who cares about socioemotional wealth? SEW and rentier perspectives on the one percent wealthiest business households. *Journal of Family Business Strategy*, 10(2), 144-158.
- Nason, R., Mazzelli, A., & Carney, M. (2019). The ties that unbind: Socialization and business-owning family reference point shift. *Academy of management review*, 44(4), 846-870.
- Navis, C., & Glynn, M. A. (2010). How new market categories emerge: Temporal dynamics of legitimacy, identity, and entrepreneurship in satellite radio, 1990–2005. *Administrative science quarterly*, 55(3), 439-471.
- Newbery, R., Lean, J., Moizer, J., & Haddoud, M. (2018). Entrepreneurial identity formation during the initial entrepreneurial experience: The influence of simulation feedback and existing identity. *Journal of Business research*, 85, 51-59.
- Nicholls, A. (2010). The legitimacy of social entrepreneurship: Reflexive isomorphism in a pre-paradigmatic field. *Entrepreneurship Theory and Practice*, 34(4), 611-633.
- Nicholls, A., & Huybrechts, B. (2016). Sustaining inter-organizational relationships across institutional logics and power asymmetries: The case of fair trade. *Journal of business ethics*, 135, 699-714.
- Nicholls, J., Lawlor, A., Neitzert, E., Goodspeed, T., & Cupitt, S. (2012). *A guide to social return on investment*.
- Niehm, L. S., Swinney, J., & Miller, N. J. (2008). Community Social Responsibility and Its Consequences for Family Business Performance. *Journal of Small Business Management*, 46(3), 331-350.
- O'Neil, I., Ucbasaran, D., & York, J. G. (2022). The evolution of founder identity as an authenticity work process. *Journal of Business Venturing*, 37(1), 1-20.
- Obschonka, M., Fisch, C., & Boyd, R. (2017). Using digital footprints in entrepreneurship research: A Twitter-based personality analysis of superstar entrepreneurs and managers. *Journal of Business Venturing Insights*, 8, 13-23.
- Pache, A.-C., & Santos, F. (2013). Inside the Hybrid Organization: Selective Coupling as a Response to Competing Institutional Logics. *Academy of Management journal*, 56(4), 972-1001.
- Palmer, D., & Barber, B. M. (2001). Challengers, elites, and owning families: A social class theory of corporate acquisitions in the 1960s. *Administrative science quarterly*, 46(1), 87-120.
- Pan, N., Gruber, M., & Binder, J. (2018). Painting with all the colors: The value of social identity theory for understanding social entrepreneurship. *Academy of management review*, 44(1), 213–226.

- Parmigiani, A., & Rivera-Santos, M. (2011). Clearing a path through the forest: A meta-review of interorganizational relationships. *Journal of Management*, 37(4), 1108-1136.
- Peake, W. O., Cooper, D., Fitzgerald, M. A., & Muske, G. (2017). Family Business Participation in Community Social Responsibility: The Moderating Effect of Gender. *Journal of business ethics*, 142(2), 325-343.
- Perryfrost, S., & Schmidt, G. (2022). *Global family office report 2022*. <https://www.ubs.com/global/en/family-office-institutional-wealth/reports/gfo-client-report.html>
- Phillips, S. D., & Johnson, B. (2019). Inching to impact: The demand side of social impact investing. *Journal of business ethics*, 168(3), 615-629.
- Phills, J., Deiglmeier, K., & Miller, D. T. (2008). Rediscovering Social Innovation. *Stanford Social Innovation Review*.
- Powell, E. E., & Baker, T. (2014). It's what you make of it: Founder identity and enacting strategic responses to adversity. *Academy of Management journal*, 57(5), 1406-1433.
- Powell, E. E., & Baker, T. (2017). In the beginning: Identity processes and organizing in multi-founder nascent ventures. *Academy of Management journal*, 60(6), 2381-2414.
- Pratt, M. G. (2000). The good, the bad, and the ambivalent: Managing identification among Amway distributors. *Administrative science quarterly*, 45(3), 456-493.
- Pret, T., & Carter, S. (2017). The importance of 'fitting in': collaboration and social value creation in response to community norms and expectations. *Entrepreneurship & Regional Development*, 29(7-8), 639-667.
- Radu-Lefebvre, M., Davis, J. H., & Gartner, W. B. (2024). Legacy in family business: A systematic literature review and future research agenda. *Family Business Review*, 37(1), 18-59.
- Radu-Lefebvre, M., Lefebvre, V., Crosina, E., & Hytti, U. (2021). Entrepreneurial identity: A review and research agenda. *Entrepreneurship Theory and Practice*, 45(6), 1550-1590.
- Ramírez-Pasillas, M., Lundberg, H., & Nordqvist, M. (2021). Next Generation External Venturing Practices in Family Owned Businesses. *Journal of Management Studies*, 58(1), 63-103.
- Randolph, R. V., Alexander, B. N., Madison, K., & Barbera, F. (2022). When Family Business Meets Social Enterprise: An Integrative Review and Future Research Agenda. *Family Business Review*, 35(3), 219-245.
- Rangan, V. K., Appleby, S., & Moon, L. (2012). The promise of impact investing. *Harvard Business Review*.
- Rawhouser, H., Cummings, M., & Newbert, S. L. (2019). Social Impact Measurement: Current Approaches and Future Directions for Social Entrepreneurship Research. *Entrepreneurship Theory and Practice*, 43(1), 82-115.
- Reisman, J., & Olazabal, V. (2016). *Situating the Next Generation of Impact Measurement and Evaluation for Impact Investing*.
- Richerich, R. (2018, December 14). Benjamin Firmenich, rebelle écolo parmi les chimistes. *Le Temps*.

<https://www.letemps.ch/economie/finance/benjamin-firmenich-rebelle-ecolo-parmi-chimistes>

- Rindova, V. P., & Petkova, A. P. (2007). When is a new thing a good thing? Technological change, product form design, and perceptions of value for product innovations. *Organization science*, 18(2), 217-232.
- Rogers, P. J., & Weiss, C. H. (2007). Theory-based evaluation: Reflections ten years on: Theory-based evaluation: Past, present, and future. *New Directions for Evaluation*, 2007(114), 63-81.
- Rossi, P. H., Lipsey, M. W., & Henry, G. T. (2018). *Evaluation: A systematic approach*. Sage publications
- Sakarya, S., Bodur, M., Yildirim-Öktem, Ö., & Selekler-Göksen, N. (2012). Social alliances: Business and social enterprise collaboration for social transformation. *Journal of Business research*, 65(12), 1710-1720.
- Sandberg, J., Juravle, C., Hedesström, T. M., & Hamilton, I. (2009). The heterogeneity of socially responsible investment. *Journal of business ethics*, 87, 519-533.
- Santos, F., Pache, A.-C., & Birkholz, C. (2015). Making hybrids work: Aligning business models and organizational design for social enterprises. *California Management Review*, 57(3), 36-58.
- Santos, F. M. (2012). A Positive Theory of Social Entrepreneurship. *Journal of business ethics*, 111(3), 335-351.
- Santos, F. M., & Eisenhardt, K. M. (2009). Constructing markets and shaping boundaries: Entrepreneurial power in nascent fields. *Academy of Management journal*, 52(4), 643-671.
- Sarason, Y., & Dean, T. J. (2019). Lost battles, Trojan horses, open gates, and wars won: How entrepreneurial firms co-create structures to expand and infuse their sustainability missions in the acquisition process. *Academy of Management Perspectives*, 33(4), 469-490.
- Sassoli, D. M., & Tuppurainen, T. (2019). Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.
- Savarese, C., Huybrechts, B., & Hudon, M. (2021). The influence of interorganizational collaboration on logic conciliation and tensions within hybrid organizations: Insights from social enterprise–corporate collaborations. *Journal of business ethics*, 173, 709-721.
- Schickinger, A., Bierl, P. A., Leitterstorf, M. P., & Kammerlander, N. (2021). Family-related goals, entrepreneurial investment behavior, and governance mechanisms of single family offices: An exploratory study. *Journal of Family Business Strategy*.
- Schlütter, D., Schätzlein, L., Hahn, R., & Waldner, C. (2023). *Missing the impact in impact investing research – A systematic review and critical reflection of the literature*. *Journal of Management Studies*.
- Schulze, W. S., Lubatkin, M. H., Dino, R. N., & Buchholtz, A. K. (2001). Agency Relationships in Family Firms: Theory and Evidence. *Organization science*, 12(2), 99-116.
- Seelos, C., & Mair, J. (2005). Social entrepreneurship: Creating new business models to serve the poor. *Business horizons*, 48(3), 241-246.

- Sezgi, F., & Mair, J. (2021). *To control or not control: A coordination perspective to scaling*. Springer
- Sharma, G., & Bansal, P. (2017). Partners for good: How business and NGOs engage the commercial–social paradox. *Organization Studies*, 38(3-4), 341-364.
- Shepherd, D. A., & Patzelt, H. (2022). A call for research on the scaling of organizations and the scaling of social impact. *Entrepreneurship Theory and Practice*, 46(2), 255-268.
- Shorrocks, A., Davies, J., & Lluberas, R. (2022). *Global wealth report 2022*.
- Shumate, M., Fu, J. S., & Cooper, K. R. (2018). Does cross-sector collaboration lead to higher nonprofit capacity? *Journal of business ethics*, 150, 385-399.
- Simms, S. V., & Robinson, J. (2009). Activist or entrepreneur? An identity-based model of social entrepreneurship. In J. Robinson, J. Mair, & K. Hockerts (Eds.), *International Perspectives on Social Entrepreneurship* (pp. 9-26). Palgrave Macmillan.
- Smith, B. R., Lawson, A., Jones, J., Holcomb, T., & Minnich, A. (2022). Trying to serve two masters is easy, compared to three: Identity multiplicity work by Christian impact investors. *Journal of business ethics*, 179(4), 1-18.
- Smith, P. (2019, July 26, 2019). Schrodgers buys majority stake in BlueOrchard *Financial Times*. <https://www.ft.com/content/3e8dc2dc-074a-317d-ae02-1b47caef1ab6>
- Smith, W. K., & Besharov, M. L. (2017). Bowing before Dual Gods: How Structured Flexibility Sustains Organizational Hybridity. *Administrative Science Quarterly*, 64(1), 1-44.
- Snow, D. A., & Anderson, L. (1987). Identity work among the homeless: The verbal construction and avowal of personal identities. *American journal of sociology*, 92(6), 1336-1371.
- So, I., & Staskevicius, A. (2015). *Measuring the “impact” in impact investing*.
- Solarino, A. M., & Aguinis, H. (2021). Challenges and best-practice recommendations for designing and conducting interviews with elite informants. *Journal of Management Studies*, 58(3), 649-672.
- Stahl, G. K., & Voigt, A. (2008). Do cultural differences matter in mergers and acquisitions? A tentative model and examination. *Organization science*, 19(1), 160-176.
- Stryker, S. (1968). Identity salience and role performance: The relevance of symbolic interaction theory for family research. *Journal of Marriage and Family*, 30(4), 558-564.
- Stryker, S., & Burke, P. J. (2000). The past, present, and future of an identity theory. *Social Psychology Quarterly*, 63(4), 284-297.
- Sullivan, P. (2015, July 17). When impact investing stays local. *The New York Times*. <https://www.nytimes.com/2015/07/18/your-money/when-impact-investing-stays-local.html>
- Sullivan, P. (2021, April 2). An Argument for Investing Where the Return Is Social Change. *The New York Times*. <https://www.nytimes.com/2021/04/02/your-money/impact-investing-social-change.html>

- Sutter, C., Bruton, G. D., & Chen, J. (2019). Entrepreneurship as a solution to extreme poverty: A review and future research directions. *Journal of Business Venturing*, 34(1), 197-214.
- Sveningsson, S., & Alvensson, M. (2003). Managing managerial identities: Organizational fragmentation, discourse and identity struggle. *Human Relations*, 56(10), 1163-1193.
- Swab, R. G., Sherlock, C., Markin, E., & Dibrell, C. (2020). "SEW" What Do We Know and Where Do We Go? A Review of Socioemotional Wealth and a Way Forward. *Family Business Review*, 33(4), 424-445.
- Tajfel, H. (1972). La catégorisation sociale. In S. Moscovici (Ed.), *Introduction à la psychologie sociale* (Vol. 1, pp. 272-302). Larousse.
- Tasavori, M., Kwong, C., & Pruthi, S. (2018). Resource bricolage and growth of product and market scope in social enterprises. *Entrepreneurship & Regional Development*, 30(3-4), 336-361.
- Teather, D. (2006). Roddick nets £130m from Body Shop sale. *The Guardian*(March 18, 2006).
- Temple, B., & Young, A. (2004). Qualitative research and translation dilemmas. *Qualitative research*, 4(2), 161-178.
- Temple-West, P. (2022, October 24). Wealthy hunt for value in turbulent markets. *Financial Times*. <https://www.ft.com/content/0bdda150-0376-4f78-a7b1-5d8a9b53f413>
- The ImPact. (n.d.). *Our story*. <https://www.theimpact.org/about>
- UBS. (2019). *Global Family Office Report 2019*.
- UBS. (2020). *Global Family Office Report 2020*.
- Uhlener, L. M. (2006). Business family as a team: Underlying force for sustained competitive advantage. *Handbook of research on family business*, 125, 144.
- UNESCO. (2023, March 22). *Imminent risk of a global water crisis, warns the UN World Water Development Report 2023*. <https://www.unesco.org/en/articles/imminent-risk-global-water-crisis-warns-un-world-water-development-report-2023>
- Van Gils, A., Dibrell, C., Neubaum, D. O., & Craig, J. B. (2014). Social Issues in the Family Enterprise. *Family Business Review*, 27(3), 193-205.
- Van Nes, F., Abma, T., Jonsson, H., & Deeg, D. (2010). Language differences in qualitative research: is meaning lost in translation? *European journal of ageing*, 7, 313-316.
- Voss, M. (2021). How venture philanthropy works and its role in effective charity. *Stanford social innovation review*.
- Vough, H. C., Caza, B. B., & Maitlis, S. (2020). Exploring the Relationship between Identity and Sensemaking. In *The Oxford Handbook of Identities in Organizations* (pp. 244).
- Wagenschwanz, A. M. (2021). The identity of entrepreneurs: Providing conceptual clarity and future directions. *International journal of management reviews*, 23(1), 64-84.
- Wagenschwanz, A. M., & Grimes, M. G. (2021). Navigating compromise: How founder authenticity affects venture identification amidst organizational hybridity. *Journal of Business Venturing*, 36(2), 1-18.

- Weatherly-White, M. (2019, February 2, 2019). The Debate About Impact Investing We Should Be Having. *Barron's*.
<https://www.barrons.com/articles/the-debate-about-impact-investing-we-should-be-having-51549112412>
- Weidner, K., Weber, C., & Göbel, M. (2019). You scratch my back and I scratch yours: Investigating inter-partner legitimacy in relationships between social enterprises and their key partners. *Business & Society*, 58(3), 493-532.
- Welsh, D. H. B., Memili, E., Rosplock, K., Roure, J., & Segurado, J. L. (2013). Perceptions of entrepreneurship across generations in family offices: A stewardship theory perspective. *Journal of Family Business Strategy*, 4(3), 213-226.
- Wessel, S., Decker, C., Lange, K. S. G., & Hack, A. (2014). One size does not fit all: Entrepreneurial families' reliance on family offices. *European Management Journal*, 32(1), 37-45.
- Wielsma, A. J., & Brunninge, O. (2019). "Who am I? Who are we?" Understanding the impact of family business identity on the development of individual and family identity in business families. *Journal of Family Business Strategy*, 10(1), 38-48.
- Wilk, K. (2022, February 14). The Role of Family Offices in Accelerating Impact Investing. *investESG*. <https://investesg.eu/2022/02/14/the-role-of-family-offices-in-accelerating-impact-investing/>
- World Bank Group. (2023, July 28). *Water*.
<https://www.worldbank.org/en/topic/water/overview>
- World Health Organization. (2023, September 13). *Drinking-water*.
<https://www.who.int/news-room/fact-sheets/detail/drinking-water>
- World Vision. (2024, August 9). *Global water crisis: Facts, FAQs, and how to help*. <https://www.worldvision.org/clean-water-news-stories/global-water-crisis-facts>
- Wry, T., & York, J. G. (2017). An identity-based approach to social enterprise. *Academy of management review*, 42(3), 437-460.
- Yin, J., & Jamali, D. (2021). Collide or collaborate: The interplay of competing logics and institutional work in cross-sector social partnerships. *Journal of business ethics*, 169(4), 673-694.
- York, J. G., O'Neil, I., & Sarasvathy, S. D. (2016). Exploring environmental entrepreneurship: Identity coupling, venture goals, and stakeholder incentives. *Journal of Management Studies*, 53(5), 695-737.
- Zahra, S. A. (2018). Entrepreneurial risk taking in family firms: The wellspring of the regenerative capability. *Family Business Review*, 31(2), 216-226.
- Zahra, S. A., Newey, L. R., & Li, Y. (2014). On the frontiers: The implications of social entrepreneurship for international entrepreneurship. *Entrepreneurship Theory and Practice*, 38(1), 137-158.
- Zuzul, T., & Tripsas, M. (2019). Start-up inertia versus flexibility: The role of founder identity in a nascent industry. *Administrative science quarterly*, 65(2), 395-433.

APPENDIX

TABLE II: Typologies of business-owning families' engagement in impact investing

	Rentiers (backward-looking externally-oriented)	Long-lived (forward-looking internally-oriented)	Entrepreneurial (forward-looking externally-oriented)
Motivations for engagement	Mainstream Adoption	Continuing a tradition of doing good	Strategic Innovation
Impact first vs. Finance first	Finance first	Impact first	Finance & Impact
Local vs. Scalable solutions	Scalable	Localized	Scalable
Tools-based vs. Needs-based approach	Tools	Needs & Tools	Tools
Narrative vs. Quantitative measures	Narratives & Measures	Measures	Measures

TABLE III: Description of data sources

Data types	Amount	Total
Archival data		
Direct informant sources		
Third-party interviews (text interview, podcast, video interview)	34; total of 214 pages	64 pieces of data; total of 685 pages
Presentations & panel interventions	9; total of 126.5 pages	
About me sections (personal websites, personal description, etc.)	13; total of 25.5 pages	
Books (autobiographical & co-authored)	2; total of 260 pages	
Personal documents, communication with the team	5; total of 55 pages	
TED Talks	1; total of 4 pages	
Indirect informant sources⁶		
Newspaper articles	94; total of 332.5 pages	108 pieces of data; total of 450.5 pages
Reports	6; total of 76 pages	
Blog posts	8; total of 42 pages	
		172 pieces of data; total of 1135.5 pages
Interview data		
Semi-structured interviews with 12 family impact investors	23 interviews, total of 268 pages	23 interviews, total of 268 pages
Triangulation data		
Semi-structured interviews with 14 experts in family wealth management and/or impact investing (including three close collaborators of informants)	15 interviews, total of 178 pages	15 interviews, total of 178 pages
Corporate documents & websites of the funds		
Corporate documents (annual reports, impact reports, internal presentations, etc.)	64 documents	76 pieces of data
Websites	12 websites	
Social media posts		
LinkedIn posts	1142 LinkedIn posts	1,204 social media posts
Twitter/X posts	62 tweets	

⁶ These sources do include direct quotes from our informants, but unlike direct informant sources, they don't make the entirety of the source.

TABLE IV: Overview of cases

Informants				Informants' business-owning family and original family firm				
Type of entrepreneur	Informant	Gender	Age range	Location (Europe)	Founding year	Generation	Sector	Status
Perpetuators	Eduardo	Male	40-50	Southern Europe	1943	2 nd	Pharmaceuticals	Sold (in the 2010s)
	Emilia	Female	40-50	Southern Europe	1911	4 th	Agro-food	Partly owned by family
	Adrian	Male	50-60	Central Europe	1898	4 th	Retail	Sold (in the 2000s)
	Sara	Female	30-40	Northern Europe	1864	4 th	Beverage	Partly owned by family
	Philip	Male	30-40	Southern Europe	1836	7 th	Textile & Fashion	Sold (in the 1990s)
Reshapers	Daniel	Male	40-50	Central Europe	1796	7 th	Banking	Fully owned by family
	Joseph	Male	50-60	Northern Europe	1925	4 th	Retail	Partly owned by family
	Sophia	Female	40-50	Southern Europe	1836	7 th	Textile & Fashion	Sold (in the 1990s)
Pathbreakers	Gabriel	Male	50-60	Northern Europe	1849	5 th	Tobacco	Sold (in the late 1990s)
	Maria	Female	40-50	Northern Europe	1969	2 nd	Internal transport	Partly owned by family
	Paul	Male	50-60	Northern Europe	1841	6 th	Retail	Fully owned by the family
	Niels	Male	30-40	Southern Europe	1930s	3 rd	Textile/Real Estate	Partly owned by the family

TABLE V: Description of data sources

Type of data source	Amount and content	Use in analysis
Semi-structured interviews	15 interviews; 349 pages of transcript	Used for the basis of the analysis
Archival data	162 pieces of data; 220 pages of text and 284 minutes of audio newspaper articles, podcasts, blog posts, interviews, (video interviews and text interviews), deck slides, etc.	<ul style="list-style-type: none"> • Establish a timelines of the acquisition, and actions undertaken by both organizations before and after • Obtain complementary information to inform the content of the interviews
Corporate documents	26 documents; 705 pages of transcript <i>Includes but not limited to</i> <ul style="list-style-type: none"> • Copy of the legal documents: clauses of the agreement and shareholder agreement at WaterSeed • Ethical code of WaterSeed • Code of values of BeverageCO • Sustainability reports of BeverageCO • Presentation decks at BeverageCO explaining the integration of WaterSeed • Annual reports of WaterSeed • Annual reports of BeverageCO • Sustainability reports of BeverageCO (2014-2023) 	<ul style="list-style-type: none"> • Understand the official contract locking the social mission of WaterSeed within BeverageCO's operations • Understand the strategic vision of WaterSeed and BeverageCO • Understand the motivations of BeverageCO to acquire part of WaterSeed and the plan to integrate them in their operations
Observation	50 hours <ul style="list-style-type: none"> • Observation at WaterSeed's office • Observation at the HQ of BeverageCO • Visit of BeverageCO corporate museum • Participation in events where WaterSeed and BeverageCO presented issues related to social impact and sustainability 	<ul style="list-style-type: none"> • Understand the organizational culture at WaterSeed and at BeverageCO • Understand the influence on local territory of BeverageCO • Understand how key actors in both organizations relate to each other and say about each other

TABLE VI: Description of informants

ID	Company	Position in the company
1	WaterSeed (WS)	Impact director
2	WaterSeed (WS)	CEO and co-founder
3	WaterSeed (WS)	CFO and co-founder
4	WaterSeed (WS)	Ex-COO and co-founder
5	WaterSeed (WS)	Director of the social projects
6	WaterSeed (WS)	Ex-general director
7	BeverageCO (BV)	Director of the water department
8	BeverageCO (BV)	Director of the strategy and inorganic growth department
9	BeverageCO (BV)	Director of the corporate museum/Legacy director
10	BeverageCO (BV)	Positive impact and strategy senior lead
11	BeverageCO (BV)	National off-trade coordinator
12	WaterSeed; BeverageCO (WSB)	WaterSeed: ex-general marketing director BeverageCO: ex-marketing director of the water department
13	WaterSeed; BeverageCO (WSB)	WaterSeed: ex-general sales director BeverageCO: ex-member of the sales team (corporate accounts)
14	WaterSeed; BeverageCO (WSB)	WaterSeed: ex-graphic designer BeverageCO: member of the marketing team

FIGURE I: Data structure

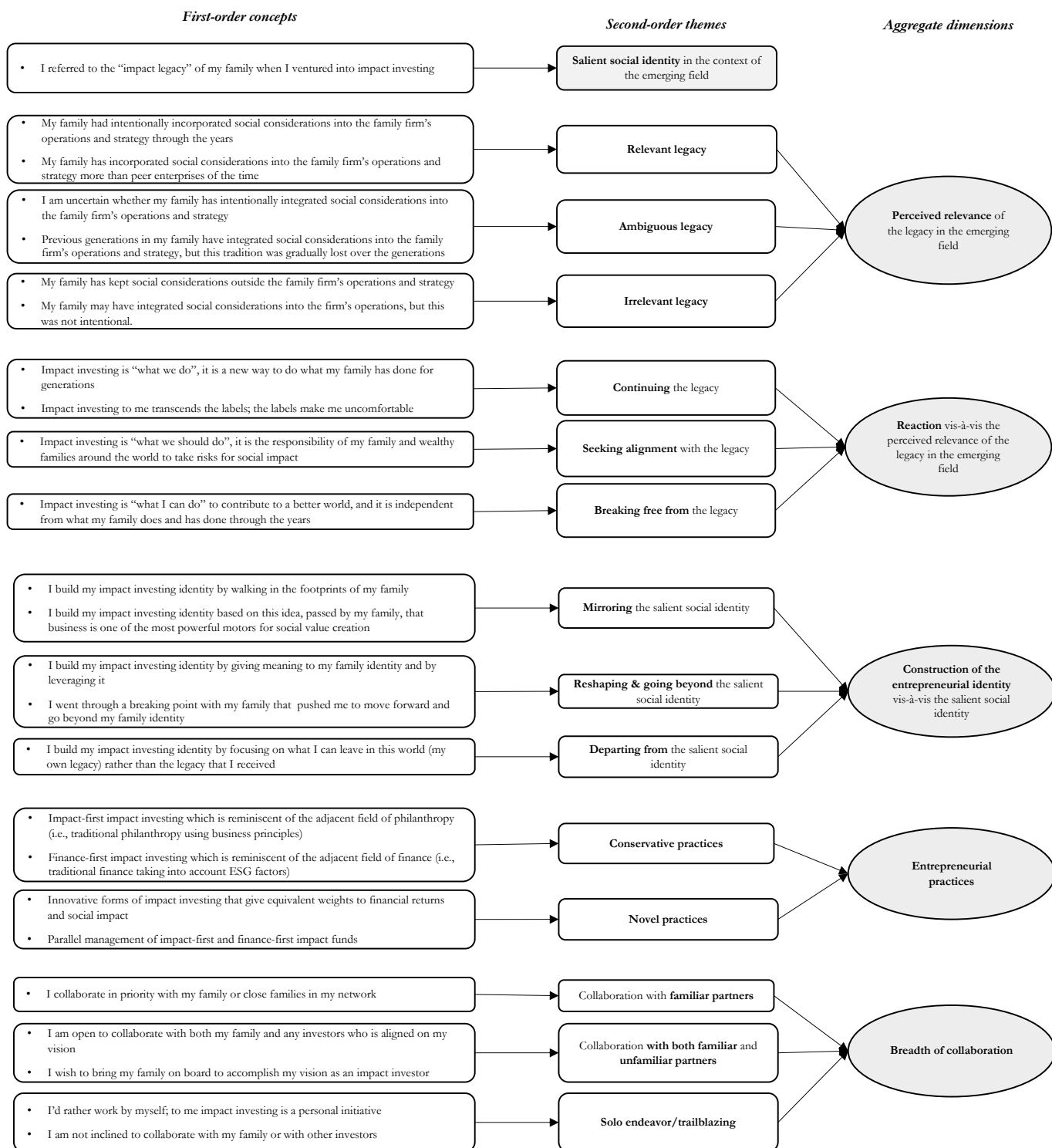


FIGURE II: A model of entrepreneurial identity construction in emerging fields

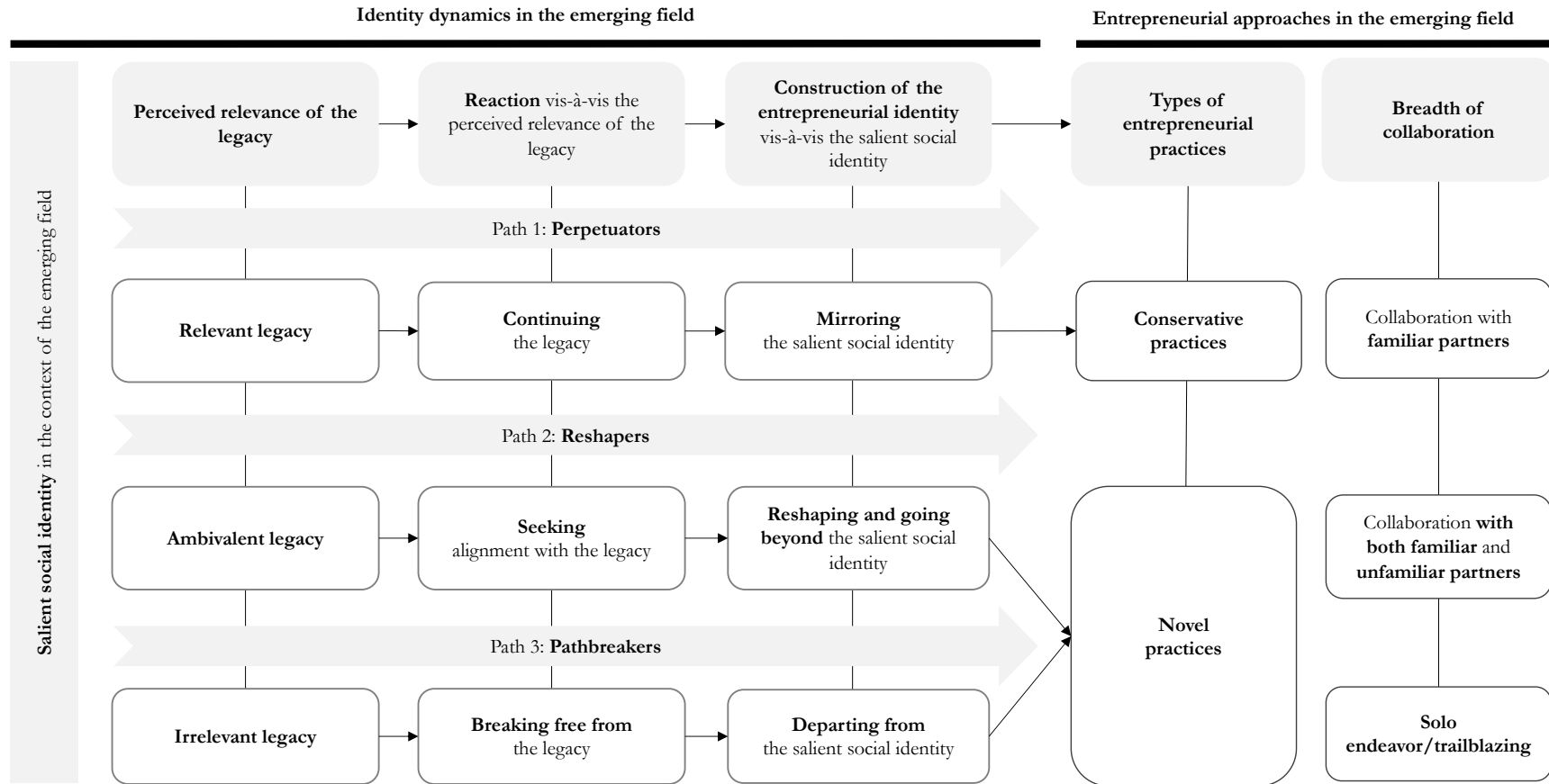
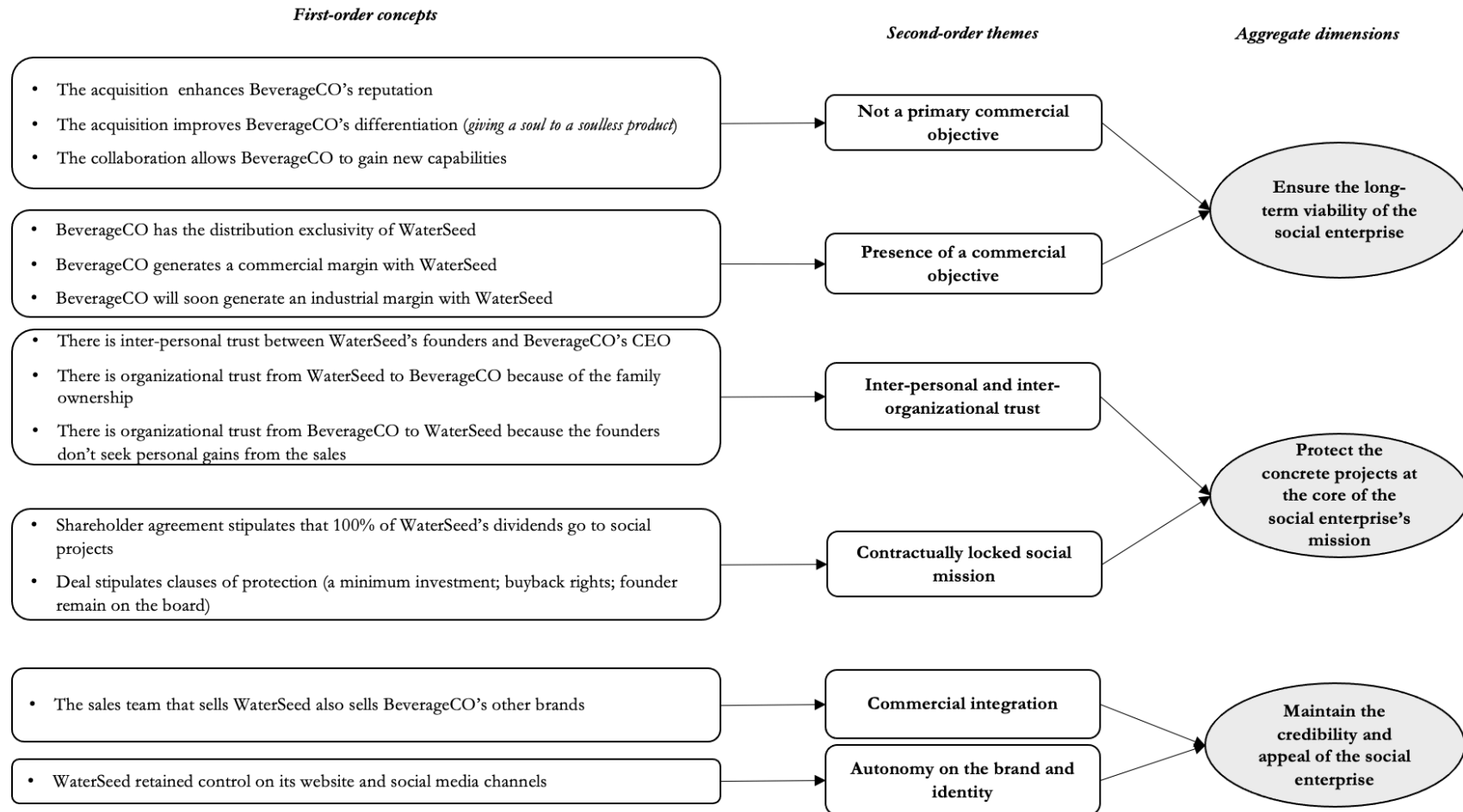


FIGURE III: Data structure



AD-HOC APPENDIX (ESSAY 2)

TABLE VII: Data source per informant

	Individual-level data						Fund-level data	
Family impact investor type	Informant	Archival data (nbr.)	Archival data (total pages)	Researchers' Interviews (nbr.)	Researchers' Interviews (total pages)	Social media data (nbr. posts)	Website(s)	Corporate documents
Perpetuators	Eduardo	2	3	3	18	-	1	4
	Emilia	6	22	3	26	-	1	25
	Adrian	3	10.5	1	13	24	1	-
	Sara	5	21	2	26	3	2	-
	Philip	10	20.5	2	23	-	1	-
Reshapers	Daniel	14	97	3	35	102	1	12
	Joseph	47	278	2	39	554	1	-
	Sophia	10	20	2	20	47	-	-
Pathbreakers	Gabriel	30	193	1	12	235	1	22
	Maria	15	133	1	11	118	1	1
	Paul	24	98,5	1	11	3	1	-
	Niels	6	39	2	34	118	1	-

TABLE VIII: Additional illustrative data

Construct	Sub-construct	Illustrative data⁷
Salient identity in the emerging field		<p>There are at least six members of my family through the generations, mostly bankers, who have been on the board of the Red Cross. [Interviewer: Well, speaking of a mix!] It's really funny. (T.) (Daniel, interview3).</p> <p>And yes, that was a key point. It was essential in the foundation's model, this idea that private enterprises are the main engines for generating wealth— and to apply this concept in developing countries. (T.) (Eduardo, interview2).</p>
Perceived relevance of the legacy in the emerging field	Relevant legacy	<p>You know, every firm has great values. Enron has great values, but this is about behavior. I mean, what they [the family] were doing, one thing is what they were looking after the people internally. So, I know for a fact that one thing they were doing was that everyone had a second chance. So you could mess up your job and make a very bad decision, but you always had a second chance. They [the family] were, you know, very patient with people. And when they were acquiring other businesses where there were synergies that meant that you could reduce the number of people, they would always keep people on the payroll, sometimes with nothing to do, because this was part of the deal to grow as a different, smaller family businesses. (Adrian, interview1)</p> <p>They [the family] were [...] deeply committed to, you know, see their position as a responsibility, not just an opportunity, a responsibility to look after their families, in the wider sense, the communities, so, people locally [...]. (Adrian, interview1)</p> <p>[The family] managed to create a very family-oriented atmosphere within the company for the employees, making it very close-knit among everyone, right? In fact, when the company merged with [another company], which was the leading company in the sector, there was a significant cultural clash. The workers, who were used to that very, very</p>

⁷ The illustrative quotes presented here are in addition to the quotes or complete the quotes presented in the findings section of the manuscript

close relationship with management, saw that in the other company, well, it was quite the opposite. (T.) (Eduardo, interview2).

That's what we grew up with. We grew up with these family values, I think, that were instilled in us from a super young age, like, you know, with great wealth comes great responsibility, [...] the key thing which was always drilled into us I'd say was you are responsible for thousands of lives, thousands of people's careers, thousands of people's trajectory, families, employment, someone's job is 80% of their time. So I think that side, just general awareness of the people side of having a big business was really important. (Sara, interview2).

Ambivalent legacy

Everyone at [name of family firm] is truly convinced that the most efficient way to a greater social impact is very high profitability. The more profitable, the more growth, the greater the impact. Following that logic, any factor that causes profitability to drop is an inhibiting factor, as a result of which the company will eventually have to outperform other competitors, lose market share and ultimately have less impact. However, I must admit that I myself don't even know which approach is the most impactful (T.) (Joseph, Book2)

I know that my cousin [head of the family firm] has a genuine interest for it [integrating social concerns within the bank] but he had never taken the leap. It was when the bank found itself in this situation, asking themselves: what can we do, as a bank in a banking market which is on the verge of disaster? Well, we reinvent ourselves! So I think that this is truly what happened (T.) (Daniel, interview1)

Irrelevant legacy

The company is a distributor of parts for material handling, construction equipment, agricultural equipment, so not really an impact business, but on the other hand, we do sell parts for machines which keeps the life up of the parts longer [...] So, from that perspective, there has always been, without knowing, an impact angle or a positive angle to our business, not knowing, as this was not the driver per se. (Maria, interview1)

Reaction vis-à-vis the perceived relevance of the

Continuing the legacy

I've always had that culture, my grandfather's saying [that companies should do the right thing, not only because this is the ethical thing to do, but also because it is profitable], always stayed with me. So, it would never occur to me to invest in a company that is

legacy in the emerging field	<p>playing on the limits about the environment or that has a bad governance (T.) (Emilia, interview1)</p> <p>[Transcending the labels] I had never heard of impact investing. Keep in mind, [...] at that time, I didn't know anything about it. [...] I didn't have the model [in mind] because I didn't even know what impact investing was. I believe no one knew about it back then. [...] Over time, it has become clear that what I am doing now has a name, which is impact investing, right? (T.) (Eduardo, interview2).</p>
Seeking alignment with the legacy	<p>This tension between 'impact first' and 'finance first' took two years, two years where I wondered: do I have to choose between 'social first' and 'finance first'? Do I have to choose between family loyalty and my personal ambitions? In other words, can I remain a board member in a publicly listed firm [my family firm] and at the same time promote the idea that there is another way, another way to invest where financial return is a secondary concern? Could I do this? (T.) (Joseph, TEDTalk1)</p> <p>I think it's the role for people who can afford it to take high risks [...] I can have positive impacts by my own investments with some millions, but it also became my role to convince or to inspire others with billions. (Joseph, interview2).</p>
Breaking free from the legacy	<p>And then it became quite evident that what they [investees] needed was way more than money or financial support. I mean, they basically needed someone like us, which was really surprising in the sense that they needed someone who knew something about strategy, about business development, about governance, about how do you make a cashflow projection, etc. (Gabriel, TextInterview9).</p>
Construction of the entrepreneurial identity vis-à-vis the salient identity	<p>Mirroring the salient identity</p> <p>There was this feeling in the family that if you are smart in business it's your responsibility to work hard, to develop and use your talents as much as you can for the... that's your role in life in a way, some people are better, like, I don't know, at looking after the elderly, or singing and some people they are good in business and they create jobs, they create businesses that's what they have to do (Adrian, interview1)</p>

We really wanted our values [in our impact investing initiative] to align with the values of the family business. So, you know, a lot of it is based around community development and giving people the dignity to make their own decisions in their lives and how can you support someone to help themselves. Like all of the things we would be aiming to do for our employees culturally, we wanted to sort of weave into our projects. (Sara, interview2).

Reshaping and going beyond the salient identity

My father used to say: there are four types of personalities in our family: the businessmen who can count, the engineers who can calculate, the artists who can't calculate nor count, but who know how to touch and inspire, and finally the priests or the philosophers [...] I asked myself, to what type do I belong? I worked as a salesman in the family business but was not very good at selling, so I am not a businessman. I designed shops with low energy consumption, but my calculations were not the best, so I am not an engineer. The designs were not very artistic; I am not an artist either. Then, maybe I am a priest, a philosopher, a preacher, a promoter who knows how to calculate and count, but who above all wants to touch and inspire. (T.) (Joseph, TEDTalk1)

I saw the wealth as a hot potato. So initially I was like, I don't even want to know. And then I was like, this is a hot potato that I'm gonna pass down, I need to not burn myself in the passage, not damage it too much. [...] Then I discovered the existence of impact investing and that opened a window for me. [...] It's like almost like in the biblical lesson of the parable of the talents that are given to the servants, that one buries it. I was going to bury my heritage, simply passing it on. Instead I put it to work with this idea that I can create value in this step [...] and maybe, I hope, I can leave this world a better place (T.) (Sophia, VideoInterview2).

There's a force that pulls me back, but the real difference lies at the breaking point. It's something I constantly experience. And after this year we spent back [in our country], [I realized that, indeed... you are from where you are! I think the breaking point, you might say, is definitely tied to heritage. It's something I've thought about a lot, though I don't necessarily have an answer. Because, in the end, what I perceive from the family narrative is that I'm a traitor—I left. (T.) (Daniel, interview2).

They [my investees] were a sort of “indignados”, starting from a place of “why don’t we change things?” instead of shouting, or saying that others should do it. No, they started themselves, they were entrepreneurial, and tried to solve these social solutions. [...] I am [also] an “indignado”, I want to generate change and I want to play my role in my country. (Joseph, PanelIntervention4).

Departing from the salient identity

The family’s operational involvement in the [name of the industry] ceased and [...] the group changed its name to [name of impact fund]. This change of name marked the group’s transition from a business rich on tradition toward realizing a new vision, a new corporate mission and new corporate values. (Gabriel, AboutMe10)

The sale of the [family firm] opened doors. We [Gabriel’s company] were going to become something else. We took sustainability seriously, we thought completely new thoughts and started with blank slates (T.) (Gabriel, NewsArticle45)

For many reasons, it was a relief to exit the [industry of the family firm], and thinking about social entrepreneurship and impact investing at the time, we thought, “How can we become a completely different company? A 180-degrees different type of company?” (Gabriel, interview1)

I was living the life my parents showed me. I don’t blame them, and I don’t regret anything. I have learned so much, but I always felt that something was ‘off’. What is it that I really want to do? (Maria, Book1).

They [my investees] re all flying under the [name of the impact fund] flag, they’re not flying under, you know, my name or my family name flag, he explained (Gabriel, interview 1).

Philanthropy is in my roots. My family has decades of involvement. But long ago I personally came to realize just giving money was not enough for me. (Paul, Textinterview15).

Types of entrepreneurial practices

**Conservative practices
Finance-first impact investing**

We also invest in brown companies or funds, and we advocate for a better way of investing [...] In some cases we understand that an investor could be in a different phase of the spectrum of capital [from philanthropy to traditional investments]. And we don't want to discriminate, we don't want to separate. [...] And what I would really want to add is that it's very painful to invest in companies that have bad externalities, negative externalities, and it's way easier to invest in green companies, and it's where more and more investors are going. So I'd rather have on the surface a worse impact allocation, but putting in the operational effort, the financial effort to help the brown companies shifting instead of divesting and just leave the problem to some maybe less mindful investors. (Philip, interview1)

I would say that the average investments that we have are on the responsible investing stage, because [company x], that represents I would say 1/5 of our assets under management, has a very negative impact from a water consumption perspective, in-house gas emissions, social perspective, etc. If we take it away from the calculation, the rest, the 4/5 of the family office, I would say is in sustainable investing, which means that we have some finance first investment, we're looking into impact first investments, and we also have responsible investments that come from the previous management of the family office. (Philip, interview1)

Those who have money and manage money hold a responsibility towards the collective: social and environmental return must be included in every financial calculation preceding an investment. (T.) (Philip, Textinterview20)

**Conservative practices
Impact-first impact investing**

At the end of the day, in the debate 'impact first vs. finance first', we always say: if we have to give up financial return, we give it up because the most important thing is to generate a social impact. (T.) (Eduardo, interview1)

Normally, a sustainable company needs to make sacrifices: either be profitable or serve the poorest. While an NGO or a non-profit company can serve the poorest, but a part will be subsidized by donations. We like this type of profile because we know that we help the poorest. (T.) (collaborator of Eduardo, interview1)

Organizations we gave to were social businesses, but we were giving to them. There are organizations like Acumen who set up to invest in social businesses. But as a philanthropist, you grant to Acumen and then their model of solving social issues is to invest in these businesses. But you as a donor, are making those grants and you're not seeing, you know, you're not going to get the money back. (Sara, interview1)

Novel practices

**Impact <> Finance
or
Impact // Finance⁸
Impact investing**

I think that's always been very clear to us that in order to create a big environmental impact you have to fund companies that will also financially outperform others. Because, you know, in order to do the energy transition, you have to have a lot of capital. And the only way to attract that amount of capital is to do it through the commercial capital markets. To do that, you have to provide good returns. So, I think we always saw the necessary link between financial returns and good impact. Not because financial returns are at the top of our priorities, but because we saw that they had to work together. (collaborator of Gabriel, interview)

I invest, i.e. 'for profit', in companies that meet three criteria: They must have a stable business model that allows them to generate returns. They must have a social aspect and they must be scalable. (Paul, Textinterview17)

I look for businesses which can create a social and financial impact (Paul, NewsArticle83)

Of course it's about the good cause, but I also expect a return on my investment. I think my "hard money" will take this company further than the "weak money" of donations (T.) (Paul, NewsArticle84)

Prahalad wrote the book "The Fortune at the Bottom of the Pyramid" a few years ago. He describes how 80 percent of global income is generated by 20 percent of the population, meaning that 80 percent of humanity provides only 20 percent of the wealth. This 80 percent constitutes the megatrend. There is profit to be made at the bottom of the

⁸ Either the informant invests in projects that give equal weight to social impact and financial return; or they invest in both types of projects (impact first and finance first) in parallel – Legend: <>: in combination; //: in parallel

pyramid. Companies like Unilever and Philips understand this and focus on these markets, not only as consumers but also as producers. (T.) (Paul, Textinterview16)

[My sisters and I] we told ourselves: we don't invest in weapons, it's not bad, we have an ESG portfolio, etc. But then I felt that it was quite insufficient, because I was very involved, as an engineer, I was also very involved in the... well, I do a lot of mountain and sea, I was very involved in lifelong sustainability issues, so it seemed to me bit.... And since I was also very involved in this, doing a lot of [impact] startups, going to some crowdfunding, I was at Fairphone in 2015, when almost nobody knew about it. (T.) (Niels, interview1)

Interviewer: talking about your investment thesis, are you more of an impact first or a finance first impact investor, or do you see yourself somewhere in the middle of this spectrum that we all know by heart? Niels: Yes, I started very much in the middle. For example, in terms of investments, I used to invest only directly. Now, when I'll start managing the Family Office, I'll have one part in financials and another part purely in impact. And then I'll be looking for my balance a bit. (T.) (Niels, interview2)

[The question is]: How can you do good and make money from it? Or how can you use business models to tackle social problems? So it's not just about making a profit' (Joseph, NewsArticle52)

If you're a very rich person, or your company is making hundreds of millions in profit, if you see those big societal issues and you can help to solve them, while still making 100 million in profits but perhaps not 200 million, for me there is no trade-off! You can look for those solutions as you are making profit, just a little less. (Joseph, NewsArticle46)

Breadth of collaboration

Collaboration with familiar partners

The project finally germinated, which was born with 130 million euros, thanks to the support of various family offices. [...] That support was not the result of chance either, since [Emilia] had dedicated herself for years to bringing together business families with fund managers that she sought out halfway around the world, following her passion for [this type of investments]. (T.) (Emilia, NewsArticle2)

And then we say, okay, if we do that, we want to get involved ourselves [as a family], obviously to be in control [...]. We are not working with banks. We have our own team, from research, strategy, allocation, managers selection, operating, reporting, we do everything. We don't give any mandate to any bank. (Adrian, interview)

I am one of the five next gen and we had been talking a lot about our family giving structure for a long time and trying to understand, what we cared about as a family, what we would give to. Was it having any impact? (Sara, interview)

Collaboration with familiar and unfamiliar partners

It has been my dream that my family would follow me and say, 'okay, we are a big family today. It's 100 shareholders' If 100 shareholders say: 'Okay. What is [Joseph] doing? He's taking higher risks; we should all do it with the family'. I would be the happiest man in the world, but today, I'm a bit ahead [of them], pioneering. (Joseph, interview)

"If you want to walk fast, walk alone. If you want to go far, walk together," Sophia shared (interview1).

But we need to have a system thinking hat on if we do not want to end up eating organic lobster on the sinking Titanic, as so well said years ago by Uli Grabenwarter and that system change relies on collaboration and cooperation (Sophia, VideoInterview1)

The fact that we now also have two government funds in the fund's capital is an important signal. With this we should be able to convince even more [national] family groups and wealthy individuals to come across the bridge (T.) (Joseph, NewsArticle59)

We had done fantastic things with [the family holding], such as offshore wind energy. But I was always going back to the board of directors with the same question: "Couldn't we take an even greater risk? Couldn't we accept an even lower return?" Then my cousins said: "That's all very good [Joseph], but do it with your own money." That's what I did in 2010, after my midlife crisis [laughs]. (T.) (Joseph, Book2).

Until impact investing, I was like, "I'm going to pull my money out. I have more than enough." [...] It is not worth ruining the relationship [with family members]. When I

discovered impact investing, I was like, “Okay, this is a good reason to stay together.”
(Sophia, interview)

If as a family office and a large family office, we come to this topic, I can say: it’s not [Sophia] who thinks that impact investing is meaningful. It is the [name of the family office], it is a branch of that [powerful] family who thinks that impact investing is... [...] In my head, it was: capitalism needs to be reformed. And doing it with my family was the only way for me to have any leverage on the system. [...] I wanna have a larger impact than my money can have. And I know that if we [as a family] all get together, we'll have a bigger impact. (Sophia, interview)

**Solo
endeavor/trailblazing**

I like the fact that I’m in control of where I’m going [...]. And if people want to come, I will be happy to share any information. But we are not on the same path. You do your thing. I’m going to do my thing. That’s kind of how it is because I like to go fast. I know where I’m going. I have a clear vision of what I want to do, and I don’t want to be held back.
(Maria, interview)

We are three siblings with very different personalities [...] We have different sensitivities, but we always got along great, and we wanted to keep everything [our patrimony] separate but move forward together [...]. So in the end, we went to see a few multifamily offices, but each of us was free to go or not go, invest or not invest. In other words, we share everything but there is nothing binding. The idea is for us to be 100% independent.
(T.) (Niels, interview)

Well, I was quite engaged [in the ecosystem of impact investing], and at the same time, I had started to take a very, very, very small step away from the family business in order to have more room to negotiate [in my private investments] [...] And I did this by myself, my sisters didn't do it [...] I started to invest in these [impact] startups, individually. (T.) (Niels, interview)

[Interviewer asks whether the funds is private or public]. Paul: This is just, just private. It's just very private. You know, the problem is obviously if you start accepting money from third parties, then your business model will change. You would have to have to serve

them and be very, very sort of yeah, transactional with your investors... (Paul, VideoInterview8)

TABLE IX: Impact investors' approaches to impact investing

Type	Informant	Type of entrepreneurial practices	Type of impact investing	Financial instruments
Perpetuators	Eduardo	Conservative practices	Impact-first impact investing. The foundation's endowment is invested in profitable social impact projects (through market or below-market rates) while the proceeding from these investments is given in donations using a venture philanthropy approach	Debt; donations
	Sara		Impact-first impact investing - The foundation is alimented by the family office's proceedings to go in donations to venture philanthropy projects	Donations
	Emilia		Finance-first impact investing – The impact fund is managed based on the ESG/SRI principles ; all funds are article 8 under SFDR ⁹ (finance-first); and one fund is article 9 (impact <> finance) which was eventually closed	Private equity; debt
	Adrian		Finance-first impact investing - The impact fund is managed based on the ESG/SRI principles	Private equity
	Philip		Finance-first impact investing - The impact fund is managed based on the ESG/SRI principles	Public equity; private equity; impact funds

⁹ An article 8 fund under SFDR is defined as “a fund which promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices” (Deloitte, 2021; Sassoli & Tuppurainen, 2019). On the impact investing spectrum, it is more of a finance-first strategy compared to, for example, an article 9 fund which should not only promote ESG considerations in investment, but also generate a positive impact and have a non-financial objective at the core of their activities (Sassoli & Tuppurainen, 2019) moving the cursor toward a more balanced impact vs. financial considerations.

Reshapers	Daniel	Novel practices	Impact <> Finance ¹⁰ - The impact fund is managed to seek a balanced outcome of financial returns and social impact	Debt
	Joseph		Impact // Finance - Joseph manages both impact-first and finance-first funds in parallel through separate entities. However the impact-first funds' approach is closer to more hybrid forms of impact investing than venture philanthropy's approaches, and the finance-first funds' approach is closer to more hybrid forms of impact investing than ESG investing's approaches.	Private equity; debt
	Sophia		Impact <> Finance - The impact investing approach of Sophia is to seek a balanced outcome of financial returns and social impact	Private equity, public equity
Pathbreakers	Gabriel	Novel practices	Impact <> Finance and Impact // Finance – Joseph manages both impact-first and finance-first funds in parallel and in combination through different funds within the same entity. (i) In combination: the funds follow integrated impact investing principles, seeking a balanced outcome of financial returns and social impact. (ii) In parallel: the funds follow either a finance-first strategy (ESG principles applied to environmentally-oriented firms) or an impact-first strategy (investments in socially-oriented organizations with a strong social impact but not yet a proven profitable business plan)	Private equity, public equity, debt
	Maria		Impact // Finance - Maria manages both impact-first and finance-first funds in parallel within the same entity.	Private equity
	Paul		Impact <> Finance - The impact investing approach of Paul is to seek a balanced outcome of financial returns and social impact	Private equity

¹⁰ Either the informant invests in projects that give equal weight to social impact and financial return; or they invest in both types of projects (impact first and finance first) in parallel – Legend: <>: in combination; //: in parallel

Niels	Impact <> Finance - The impact investing approach of Niels is to seek a balanced outcome of financial returns and social impact	Private equity
--------------	---	----------------

TABLE X: Profile of the informants

Emilia took charge of the family office during a liquidity event when the family firm, an established firm in the agro-food industry, was partly sold. While still being involved in the management of the family office and in the family firm board and corporate foundation, she launched her own funds based on value investment principles and ESG/SRI investing principles.

Eduardo, in agreement with his father, sold the family firm, one of the largest pharmaceutical firms in Southern Europe. This resulted in the creation of a family office invested in traditional finance, and a family foundation where the entire endowment is invested in impact-first impact investing and the proceeds donated to philanthropy.

Daniel, born into one of the most prominent banking families in Central Europe, co-launched an impact funds, relying on external investors and opting for a hybrid approach seeking both a high social impact and financial return.

Gabriel inherited the family firm, which had been active for generations in the tobacco industry. Instead of continuing in this line of business, he decided to sell the firm and create an impact fund with a hybrid approach, managing both impact-first and finance-first funds in parallel and in combination through different funds.

Sara, born into an established business-owning family took the lead to create and direct the family foundation, which is financed by the proceeds of the family office and invested in venture philanthropy. Additionally, she launched a venture philanthropy consulting company to assist other families in their endeavors.

Joseph, born into one of the largest retail firms in Northern Europe, worked for many years in the family firm before stepping away from daily activities. He took a board seat in the family office while launching several impact investing initiatives, managing both impact-first and finance-first funds in parallel through separate entities and involving both family investors and external investors. Joseph opted for a hybrid approach seeking a high social impact and financial return, alongside an impact-first strategy.

Maria was born into a business-owning family and spent many years working in the family firm, contributing to its growth. However, she later decided to step down from the firm's daily activities, which was partly sold. Subsequently, she established a family office for her nuclear family (husband and children) with a focus on impact investing. This Informant opted for a hybrid approach aiming for both a high social impact and financial return.

Adrian married into a prominent business-owning family active in retail whose firm was later sold. With the proceeds from the sale, this Informant, together with his spouse and her siblings, launched an impact investing fund based on ESG/SRI investing principles.

Paul worked for the family firm, one of the largest enterprises in retail in Northern Europe, for many years before deciding to engage in impact investing as a private investor, acting alone and opting for a hybrid approach seeking both a high social impact and financial return.

Philip was born into one of the most prominent industrial families in Southern Europe who sold the family firm when he was a teenager. After studying and working in finance, he was put in charge of the family office which he is now transforming to be a European reference in ESG/SRI investment principles.

Sophia was born into one of the most prominent industrial families in Southern Europe who sold the family business when she was in her 20s. After working for various companies, she has set up several impact investing initiatives, opting for a hybrid approach aiming for both a high social impact and financial return. She operates as a private investor, but is also working with her family office to nudge them toward impact investing.

Niels was born into a third-generation business family that was initially involved in the textile industry and later ventured into real estate. Presently, Niels serves as a private investor, directly investing in impact start-ups and aiming to achieve both a high social impact and a financial return. Currently, Niels is actively working to sell more his shares in order to fully dedicate himself to his existing impact investing activities.
