

SEP Thesis

Redefining Organizational Purpose through Alliances: The Case of Stichting MKB Ondernemersavond

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ABSTRACT

Every organization has a purpose as to why it exists. This purpose can however undergo changes and be redefined. Purpose redefinition is a concept that has received attention from academics, but little is known about purpose redefinition in relation to alliances. This qualitative research investigates how alliances can contribute to redefining the organizational purpose of an individual organization. This is done in the context of the networking event sector aimed at SME entrepreneurs in the north of the Netherlands, where seven organizations facilitating network events were interviewed. Results show that in this context, alliances can alter organizational purpose in more minor ways, rather than a redefinition at its core. This addresses a concern from Stichting MKB Ondernemersavond, an organization operating in the studied sector, how its organizational purpose could be influenced by collaboration within the networking event sector. Based on the results, recommendations to Stichting MKB Ondernemersavond and suggestions for future research have been given.

Keywords: Organizational purpose, alliances, collaboration, network events, SME entrepreneurs

PREFACE

Dear reader,

You are about to read my master thesis, which I wrote for the master Sustainable Entrepreneurship at the University of Groningen at Campus Fryslân in Leeuwarden.

In this thesis, I have investigated how alliances between organizations contribute to redefining the purpose of an organization. I have always viewed collaboration as an important component of making our world a better place. It is how we can learn from each other and grow together. It has therefore been a privilege that I can add to our understanding of collaboration and how it can have an effect on organizations.

Hereby I want to express my gratitude to everyone that has helped me along the way with writing this thesis. Of course, I want to start by thanking people from the organizations that I have interviewed, that were willing to invest time and share their knowledge and experiences. I also want to thank the people from Stichting MKB Ondernemersavond and Alexander Grit, lecturer at the University of Groningen, as they drew my attention to the issue that I investigated and gave me valuable feedback during the process. Finally, I would like to thank my supervisor Emma Folmer for her expert feedback, which has been invaluable in writing my thesis.

I hope you enjoy reading my work!

Gerben Kuipers

1. INTRODUCTION

Organizations exist for a reason. When an organization is founded, its founders envision a future in which this organization fulfills a certain goal or objective. A purpose as to why the organization exists. In academic literature, an organizational purpose in business is defined as an organization's intent (1). This purpose can then be communicated to stakeholders and possible shareholders (1). However, the world surrounding an organization is constantly in motion. There are many factors influencing organizations and the environment in which they operate: market changes, changing legislation and innovations to name a few. What happens when the organization starts to question the relevance of its initial purpose in this changing environment? What can it do to evolve with the changing environment? The organization could decide to take a conservative approach and stick to its initial purpose. Yet this brings the risk of being surpassed by the changing environment and possibly losing all relevance for existing. Another road that the organization could take is to alter its core activities to suit the changing environment. But this in turn could lead to the organization changing into an entity that is hardly recognizable from how it started out and lose sight of what it initially hoped to achieve.

A third option would be to view the environment as a world of collaboration, rather than a world of competition. A way for organizations to collaborate is through alliances. An alliance can take many forms: it can entail a collaboration between two organizations, or a multitude of organizations (2). Certain departments within the participating organizations can work together, or entire organizations can be aimed at collaboration (3). It can simply involve the exchange of resources or setting joint aims or goals that the organizations cannot achieve on their own. The alliance can be formalized through official contracts that clearly state the roles and responsibilities of each party involved (4) or can rely more on flexible arrangements (5).

Can alliances contribute to redefine organizational purpose? In the current academic literature, there is an understanding of how the redefinition of an organization's purpose works (6,7). There is also understanding about the collective benefits that collaboration and alliances can bring. Yet there currently exists a gap in the academic literature when it comes to redefining organizational

purpose through alliances. There are many industries that could benefit from gaining insight into this topic, as organizational purpose and alliances are present in all areas of business.

There is one industry that could greatly benefit from gaining knowledge regarding purpose redefinition through alliances, namely the networking event sector. Networking events have an important function in the business world. It can serve as a place where businesses can find each other and bring forth new connections. However, the sector has been hit tremendously by the Covid-19 pandemic, forcing a complete standstill. In the North of the Netherlands, consisting of the three provinces of Groningen, Friesland and Drenthe, it took some time for networking events to gain traction after they were able to be organized physically again. Organizations facilitating networking events in the North of the Netherlands aim for a large part to attract small-medium enterprises (SME) to their networking events. Now that the sector has time to recover from the pandemic, there is an abundance of networking events in this area, organized by a wide variety of organizations. These organizations all have their own aims, goals and purposes and little collaboration is involved between them. However, although the number of networking events for SME entrepreneurs have been rising, the same cannot be said for the attendees of these events. The pool of SME entrepreneurs that have been attending these events has not increased proportionally with the increase in networking events. As a result, the target group of these events has been scattered over the large offer of networking events.

The above-mentioned scenario makes organizational purpose redefinition an urgent issue in relation to the networking event sector, as there seems to be little diversity in the existing purposes of organizations in the sector. As mentioned previously, there is an academic understanding of the workings of organizational purpose redefinition, but there exists a gap in understanding this concept in relation to alliances. This raises the question of how the organizational purpose of organizations within the networking event sector in the North of the Netherlands can be redefined through alliances. This study aims to answer this question by focusing on the case of Stichting MKB Ondernemersavond, a foundation that operates within the networking event industry in the north of the Netherlands. Stichting MKB Ondernemersavond identified an increase in networking events and the consequent scattering of SME entrepreneurs between these events. This has led the foundation to seek to redefine its purpose. Gaining

knowledge about this not only helps Stichting MKB Ondernemersavond and other organizations within this specific sector but can be applicable to other sectors and industries as well.

In the next chapter, a literature review is conducted. As organizational purpose is the main focus of this study, this review first delves into literature regarding this concept. Thereafter, theory is consulted regarding alliances and put in the context of purpose redefinition. In the methodology chapter, it is outlined how the primary research of the study was conducted, including describing the research case of Stichting MKB Ondernemersavond, the research method, population and sample, method of analysis and ethical considerations. The study follows a qualitative approach, in which semi-structured interviews were conducted. The findings chapter shows the outcomes of these interviews. In the discussion chapter, these findings are discussed in depth to find an answer to the research question. Based on these results, suggestions for future research and recommendations for Stichting MKB Ondernemersavond will be given.

2. THEORY

2.1 Organizational purpose

2.1.1 Purpose in organizations

To answer the research question of this study, it is essential to get a clear understanding of what organizational purpose entails. Organizational purpose is used in business to define an organization's intent, which can be communicated to stakeholders and shareholders (1).

However, there are multiple perspectives in academic literature of what falls under organizational purpose. In its most basic form within the business context, Friedman famously stated that the sole purpose of an organization is to create profit (8). In addition, Fischel (9) argues that organizations cannot possess a sense of social responsibility due to the very nature of organizations. As Fischel (9) defines an organization as a nexus in which individuals enter voluntarily to achieve mutual benefit, the organization is merely a vehicle to achieve that benefit.

A growing number of scholars, however, argue that the purpose of organizations goes much further. Hollensbe, Wookey, Hickey, George and Nichols (10) state that organizational purpose involves more than making sure that an organization is profitable. Rather, it should focus on asking questions at a core level, such as the origins of the organization or about the identity that the organization envisions (10). George et al. (1) make a distinction between goal-based purpose and duty-based purpose. The first is described as often being specific to an organization and does not necessarily consider organizations to play a wider role in society (1). This kind of purpose is mostly expressed through mission statements, strategies and corporate vision statements (1) and is most in line with the ideas of Friedman (8) and Fischel (9) that an organization does not necessarily take wider social demands into consideration. On the other hand, the notion of duty-based purpose as suggested by George et al. (1) recognizes that an organization has a broader social responsibility (1). This often stems from values within society and is based on the premise that an organization fulfills some sort of social service (1,10). Quinn and Thakor (11) refer to this phenomenon as 'higher purpose', which they define as the contribution of an organization to society and is something intrinsic and at the core of the organization (11). A well-defined and

well-communicated organizational purpose has the power to unite employees from all levels of an organization, as they strive towards a common goal (12), even transcending borders when an organization operates in multiple countries.

These statements about purpose give valuable insights into different perceptions of organizational purpose, yet they are meant in the context of for-profit organizations. Many organizations function as non-profit organizations, which often have a different kind of organizational purpose. Non-profit organizations are aiming to create solutions to social needs (13). The actions that a non-profit organization takes are aimed at fulfilling their mission to address these social needs (14,15). Although the name suggests otherwise, non-profit organizations can make a profit. However, any income that a non-profit organization receives must be invested into activities that address the perceived social need (13). This income can come from donations, subsidies, memberships, or generated profits. The fact that non-profit organizations are at their core addressing a social need makes their purpose distinct from for-profit organizations. Putting social needs before profit generation suggests that the purpose that non-profit organizations uphold is more in line with duty-based purpose that is suggested by George et al. (1) and higher purpose by Quinn and Thakor (11).

2.1.2 Redefining organizational purpose

The above theory gave insights into organizational purpose and how the organizational purpose of an organization can take shape. This section explores the current academic understanding about when that organizational purpose needs change. This change is referred to as purpose redefinition. There are several reasons as to why organizations can redefine their purpose. The current body of literature discusses purpose redefinition in the context of external forces, such as changes in legislation (6,7) and changing business environments (16). In addition to the networking event sector specifically, there are the external factors of entrepreneurial ecosystems and changes in purpose from SME entrepreneurs themselves.

Legislation can be a reason for an organization to redefine its purpose. In terms of legislation, organizations can be pressured to act differently to adhere to changing laws (6). This is for example visible in countries that make a focus for organizations on corporate social

responsibility (CSR) practices mandatory, such as supply chain initiatives in France and CSR reforms in India (17). However, it can also be the case that changing business norms and practices play a larger role in purpose redefinition than solely legislative changes, as can be seen in the United States (7). Legislation in the United States has traditionally been lenient to intervene in business practices (7). There, activism from social groups and shareholders has been more effective than legislation in promoting CSR.

Another external factor that can impact organizational purpose are changing business environments. An example of a changing business environment in the context of purpose redefinition is the rising presence of for-profit organizations that put a larger emphasis on societal change. These types of organizations are referred to as benefit corporations (7,16), hybrid organizations (18,19) or social enterprises (20) and reflect an evolution in the purpose of both for-profit and non-profit organizations. Where traditional for-profit organizations mainly focus on economic development, these organizations have redefined their purpose to have contribution to society as the core to their existence. These organizations attempt to bridge the divide between for-profit and non-profit organizations (21). Their primary purpose is to create social value (22). They are still for-profit but have a different perspective on competitiveness and innovation compared to traditional for-profit firms. As their main purpose is to contribute to society, these organizations wish for competitors to copy their innovations as these aids in achieving their mission to contribute to society (18).

The wider system in which an organization operates can thus have an impact on its organizational purpose. As this study focuses on the networking event sector that has SME entrepreneurs as the target audience, it is valuable to delve deeper into the system that surrounds these organizations and SME entrepreneurs. Changes in the system that SME entrepreneurs operate in can influence the organizational purpose of networking event organizations. This system is referred to as an entrepreneurial ecosystem and enables SME entrepreneurs to operate their business (23). These ecosystems can either be local, such as a city or of a wider nature such as an entire region (24). According to Stam and Van de Ven (23), an entrepreneurial ecosystem consists of institutions and networks that promote an area to be a suitable place for entrepreneurship (23,25). The components within the ecosystem include formal institutions such

as governmental bodies and informal institutions, such as entrepreneurial culture. The networks within such an entrepreneurial ecosystem provide entrepreneurs with a flow of information and enhance the exchange of labor, capital, and knowledge (23). Changing conditions in the entrepreneurial ecosystem can therefore have an impact on the organizational purpose of networking event organizations. One such change can for example be a shift in purpose that SME entrepreneurs have themselves, which researchers have identified (26–28). Where in traditional entrepreneurship there is a focus on mainly economic development (29), there is a noticeable shift towards contributing to social and environmental concerns (26). This shift is reinforced by Hall (26), Peter (27) and Hurst (28) who refer to this phenomenon as the basis for a ‘purpose economy’ (28). At its core, the purpose economy revolves around personal development and meaning (28). The purpose that SME entrepreneurs want to achieve can have a direct impact on the organizational purpose of networking event organizations as it influences the wants and needs of SME entrepreneurs regarding networking events.

This chapter gave insight into different layers of organizational purpose and the factors that can contribute to redefining it. The following chapter delves into the concept of alliances.

2.2 Alliances between organizations

2.2.1 Introduction to alliances

The previous chapter identified many aspects regarding organizational purpose and mechanisms influencing its redefinition, yet the topic has not yet been discussed in relation to collaborations between organizations. These collaborations are often referred to as alliances in academic literature (2,5,30). Sheth and Parvatiyar (2) define an alliance as a formal ongoing relationship between at least two organizations to achieve a common goal (2). Other sources define alliances as voluntary collaborations between organizations to develop, share or exchange products, technologies, or services to pursue a common goal (5,30). These collaborations can be between specific departments within two or more organizations or can involve entire organizations (3). In the context of alliances, this study focuses on collaboration between organizations.

There are different components to an alliance and there are many decisions to be made for organizations before entering an alliance, such as partner selection (5), expectations of how the alliance is going to evolve in the future (5) and type of contract to formalize the alliance (4). Not all alliances have to necessarily be formalized into contracts. Gulati (5) mentions that there is no predefined sequence of how an alliance is going to develop, but stresses that the decisions made in the foundational stage are of fundamental importance in its future development (5).

Organizations generally attempt to cooperate with organizations that have a comparable sort of resources as both require something from the other (31). Uncertainty and mutual trust are important determinants of the type of alliance that is formed. Collaborative types of alliances are most likely formed when there is high uncertainty from external factors, but there is a high level of trust between the potential partners (2). A low degree of trust among the different firms has the potential to lead to a large desire to keep control within the alliance (2).

2.2.2 Rationale behind alliance formation

There are a variety of reasons why organizations choose to enter an alliance. Sheth and Parvatiyar (2) mention eight different motives for alliance formation, four being of strategic nature and four orientated towards operational effectiveness. Growth opportunities, protection against external threats, strategic intent and diversification have been identified as strategic motives, as these motives aim to enhance the effectiveness of an organization (2). Resource efficiency, enhancing competences, bridging performance gaps and asset utilization are considered operational motives as it improves the efficiency and overall position of the firm (2). Other academic literature also mentions motives for alliance formation, ranging from cost reduction, strategic behavior and knowledge sharing (32–34). Kogut (32) argues that strategic behavior entails organizations responding to market changes and improving competitive power. The improvement of competitive power relates to the motives as stated earlier by Sheth and Parvatiyar (2). Serendipity, which is the unintentional occurrence of events, can also play a role in alliance forming (34). The motives why organizations enter into an alliance are not mutually exclusive. Rather, motives for alliance formation can overlap (2) and organizations can strive to achieve multiple goals with the same alliance (32).

The above-mentioned motives are applicable to a single organization within the alliance.

Besides benefits for individual organizations, there are also collective benefits that alliances can bring. An example of this is mentioned regarding sport tourism. It has been studied that alliances between organizations facilitating sporting events can have collective intangible and financial benefits, which in turn motivated the involved parties to continue the collaboration (3). In addition, it was perceived that the strategic alliance not only benefited the parties that were directly involved, but also benefited sporting fans and governments hosting sporting events (3). Other organizations and actors outside the alliance can thus also benefit from the arrangement.

The above-mentioned statements on both the organizational and collective level give insights into the variety of benefits that alliances can bring and are valuable in understanding different purposes of alliances. However, there is no implication that these benefits help to redefine the purpose of an individual organization within the alliance. There might be more to uncover about alliances in relation to organizational purpose when looking from a stakeholder perspective.

2.2.3 Stakeholders in the context of alliances

When organizations enter alliances, they become stakeholders to one another. There are several definitions that define stakeholders in the business context, but an overlap among these definitions is that a stakeholder is any group or individual that is affecting or is affected by an organization (35). This ranges from customers, suppliers, employees, possible shareholders, communities, governments, and owners of an organization (35). In addition, Wasieleski and Weber (35) state that stakeholders can affect or be affected by an organization's organizational purpose and the realization thereof, underlining the importance of stakeholders in the context of purpose redefinition.

A prominent idea behind stakeholder management is stakeholder theory. The stakeholder theory advocates value creation for all stakeholders involved in an organization (35). This can be blended value, which are all returns from investments simultaneously leading to increased economic, social, and environmental value (20). In turn, organizations that adhere to stakeholder theory are more likely to not only include stakeholders on an economic basis, but also include social and ecological perspectives (37). This theory is often viewed in contrast to shareholder theory, which states that organizations should focus on making profit for the benefit of its

shareholders and goes back to the statements made by Friedman (8) and Fischel (9) that organizations bear no social responsibility (36). According to stakeholder theory, a well-defined organizational purpose can not only inspire employees, but also other stakeholder groups (12). On the other hand, stakeholders can hold an organization accountable regarding its organizational purpose (38). This is closely related to the legitimacy of an organization, which is defined as the perception that is held of an organization and whether the organization is socially accepted (39,40). When the actions or reputation of an organization do not align with its organizational purpose, stakeholder cynicism can occur, and stakeholders can lose trust in the organization (38). It should be noted that legitimacy is an external perception of an organization. Legitimacy is thus a different concept than organizational purpose.

3. METHODOLOGY

As can be read in the literature review, there is an understanding of the effects of alliances on the collective of organizations participating in it, but little is known about the effects of alliances in the context of redefining the purpose of a single organization. In the methodology chapter, it will be explained how the primary research was conducted to investigate this theoretical gap. First, a description of the research case of Stichting MKB Ondernemersavond will be given. After that, the research method, population, and sample are described. Lastly, the method of analysis is explained.

3.1 Research case

Stichting MKB Ondernemersavond is a foundation that facilitates networking events for SME entrepreneurs in the North of the Netherlands. The organization has facilitated plenty of networking events in the past. However, even before Covid-19, there was a decline visible in SME entrepreneurs attending their events while simultaneously there are many organizations doing similar events. This has led the foundation to question the relevance of its organizational purpose and place within the networking event sector.

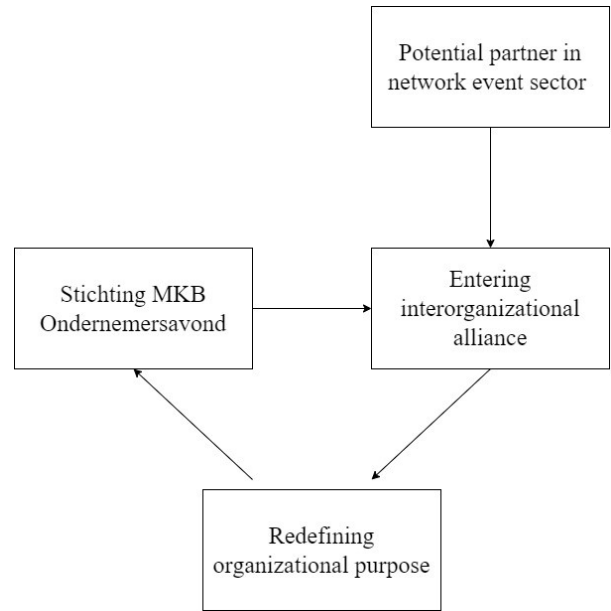


Figure 1: Practical problem

The foundation identified an increase of networking events being organized by a wide variety of organizations. Currently, there is very little collaboration going on in the sector. Being open to collaboration, Stichting MKB Ondernemersavond sees potential in alliances between networking event organizations, where it can benefit the SME entrepreneurial ecosystem. In terms of its own organizational purpose, the foundation raised the question of how their organizational purpose can be redefined through alliances.

As mentioned, this has not yet studied in depth in current literature. The case of Stichting MKB Ondernemersavond presents a valuable opportunity to learn more about the effects of alliance formation on organizational purpose. Besides answering a practical concern from MKB Ondernemersavond, this research question generates new knowledge regarding organizational purpose in relation to alliances. This advances the understanding of these concepts and provides suggestions for future research.

3.2 Research method

Organizational purpose is not something tangible. It involves goals, opinions, and feelings. To best capture these aspects that contribute to organizational purpose, qualitative research was

conducted. Qualitative research offers much exploratory power due to its flexibility (41). In addition, participants in qualitative research have the opportunity to describe what is being researched in their own words, which gives the participant freedom to elaborate, and it might uncover new perspectives (41,42). Semi-structured interviews were held. The primary research was conducted during May 2023. An interview guide detailing the questions that were asked during the semi-structured interviews can be found in appendix 1.

3.3 Population and sample

As stated in the research case section, there are many organizations that organize networking events like those of Stichting MKB Ondernemersavond. Currently there are no alliances within the networking event sector in the North of the Netherlands. To investigate how organizational purpose can be redefined through alliances, networking event organizations in the North of the Netherlands form the population of this study. This population has been chosen as it surrounds an organization that wants to know how alliances can contribute to purpose redefinition and it provides a valuable opportunity to investigate the relationship between these concepts. Stichting MKB Ondernemersavond has done prior research which has inventoried other networking event organizations in the North of the Netherlands. This dataset was used to choose a sample through convenience sampling. In addition, organizations within the population that are not included in this dataset were sought. This resulted in a sample of seven organizations where interviews were conducted. As the study covers the three Northern provinces of the Netherlands Groningen, Friesland and Drenthe, organizations were sought in these three provinces. As the participants are Dutch, the interviews were conducted in Dutch to limit miscommunication due to language. During the interviews, participants were asked questions regarding the organizational purpose of their organization, their perception on the networking event sector, the role of alliances and possible effects on the organizational purpose of their organization. The structure and all questions of the interview can be found in appendix 1. To ensure proper standardization, all interviews were held under similar circumstances. They were all held physically in the office where the participant feels familiar. The following table shows the organizations that participated in the study.

Interview	Organization	Location	Date of interview
I1	Groningen Werkt Slim	Groningen	May 9 th
I2	GRO Business	<u>Winsum</u>	May 11 th
I3	<u>Vaart in Assen</u>	Assen	May 11 th
I4	<u>EnTranCe</u>	Groningen	May 15 th
I5	<u>Promotiedagen</u>	Groningen	May 16 th
I6	Founded in Friesland	Leeuwarden	May 16 th
I7	<u>Commercieele Club Groningen</u>	Groningen	May 19 th

Figure 2: Interview table

3.4 Method of analysis

At the start of the interview, participants were asked whether the interview may be recorded for analysis purposes. After completing a semi-structured interview, it was transcribed to perform an analysis of data. In the analysis phase, the collected data was analyzed and transformed into findings. To achieve this, the method of coding was applied. During coding, the collected data is reassembled so that themes can be identified (41). These themes were labeled and formed the basis of identifying findings to answer the research question. This labeling was done via the Gioia methodology (43), which is often used in qualitative research and relies on thematic coding. In this methodology, important concepts from the semi-structured interviews are labeled. When certain concepts are combined, themes are identified. These themes in turn form aggregate dimensions. These dimensions show the themes in relation to the research question. The coding was done via AtlasTI.

3.5 Ethical considerations

To ensure proper research ethics during this research, an ethical checklist was filled in by the researcher. This was sent to the ethics committee of the University of Groningen for approval. When inviting participants to participate in the study, an information form was sent along with the invitation, stating the context of the research, what was expected of the participants and what would be done with the acquired data. Before the start of every semi-structured interview, the participant was offered an informed consent form, which can be found in appendix 2, stating

their rights as participants in the study to provide transparency. The participants were then asked to read and sign the informed consent form. As questions were asked regarding the organizational purpose of the organization and its perceptions regarding collaboration and network events, it was stressed that the participants had the possibility to remain anonymous. This was done to tackle leaking sensitive information about the organization. None of the participants choose to be mentioned anonymously. Regarding data safety, data such as interview recordings and transcripts were only stored on computers owned by the researcher, which are equipped with anti-virus software and will be deleted after completion of the study. The participants were informed that the University of Groningen can store information used in this study, obtained through the interviews, for a period of five years in accordance with GDPR privacy legislation.

4. FINDINGS

This study investigates how the organizational purpose of an organization can be redefined through alliances. To gain knowledge about this topic, primary research was conducted in the form of qualitative semi-structured interviews. This chapter objectively presents the findings that came from the primary research. Interpretation of these findings in relation to the research question will be done in the discussion chapter.

Own organization and purpose

Within the study sample there was a large variety of organizations. There were local organizations involved, such as a local business association, and organizations that are larger in scale and organize large fairs. These organizations all have in common that they organize networking events for SME entrepreneurs. As there is such a wide variety of organizations, it was firstly important to learn more about the organizational purposes of these different organizations. The first few questions that were asked to the participants were aimed at uncovering the organizational purpose of their respective organizations. As varied as the sizes of the organizations are, so varied are their organizational purposes. In the description of the organizational purpose of two organizations for example, the SME entrepreneurs take a central role:

“The mission that we have is to truly support the entrepreneur and be the first point of contact in terms of [energy] transition (I1)”, “We are a programme to support start-up and scale-ups. (I6)”.

In other organizational purposes, the SME entrepreneur is a component of a larger goal or system. This can for example be economic development or connecting the SME entrepreneur with other institutions such as governmental bodies or educational institutions.

“To give the economic climate in the province of Groningen a boost. We help entrepreneurs to formulate questions that are important to them (I2)”, “Education, entrepreneurs, and government. We bring them together and let them meet each other’s worlds (I4)”.

The organizations were also asked to talk about the networking events that they organize for SME entrepreneurs. This showed that there is a large variety in the number of networking events that the organizations host in the North of the Netherlands. This ranges from events that are organized *“A few times a year (I1)”* to *“Nearly every month we organize an event (I7)”*.

What the networking event organizations hope to achieve with their events also differs widely. There are wider goals of making economic and social contributions to the North of the Netherlands or helping SME entrepreneurs by removing certain barriers or promoting knowledge sharing.

“To connect the entire SME industry in the North of the Netherlands and facilitate knowledge sharing (I5).”

“We want to make a contribution towards local businesses not only in economic terms, but societal and social perspectives are gaining importance (I3).”

“Through our networking events, we remove barriers [for SME entrepreneurs] to meet each other (I7)”.

As a last point regarding their own organization, the participants were asked how their organization positions itself within the networking event sector in the North of the Netherlands. The responses to this question show different perspectives on how an organization positions itself within the sector. Some aim to be a connecting factor and try to avoid competing positions, others take a more commercial approach to positioning themselves.

“We have existed already for 36 years. It is a very powerful event in the North of the Netherlands and also the only event by now that includes so much of the SME industry. We are strongly positioned in the market (I5).”

“Everything that we do, we do with other parties. We do not disrupt the market (I2).”

“We are an organization for local entrepreneurs, so we look at what can best serve the collective of the city center. That is how we position ourselves (I3).”

Networking event landscape

The findings mentioned above gave insight into how the organizations host their own networking events. The following questions of the interview moved from being organization specific to encompassing the networking event sector in the region. First, there were questions regarding networking events that are organized within the sector. The participants were asked what they believe is the role of networking events within the SME ecosystem. Many interviewees responded that networking events mainly have a connecting factor which has the possibility to bring the SME ecosystem together. As one interviewee puts it: *“Events work as a kind of glue. You bring people together, at the right time, with the right people (I6)”*. Others see networking events as a way for SME entrepreneurs to meet like-minded entrepreneurs, gain new knowledge and be informed about developments that affect them.

“I see networking events as a sign board for the entrepreneurs that are part of the ecosystem (I2).” , *“To share knowledge, inspiration and to inform. Those are the most important things that we try to achieve (I3)”*.

As Stichting MKB Ondernemersavond identified an increase in networking events, the participants were asked if they also noticed this development. The participants all state that they see this happening across the region. It was asked how they perceive this development. All participants stated that the current networking event landscape is very scattered, which is the result of the increase in networking events.

“What we see is that the networking event landscape has scattered tremendously. But in the meantime, it can also be explained. In that sense, the battle for the SME entrepreneur has begun (I2).”, “You can see many more events that are being organized and that can result in the scattering of the landscape (I4)”.

According to interviewees, it is the SME entrepreneur that mainly suffers from this development, as the SME entrepreneur can be overloaded by all the networking events and has to make decisions on where to attend.

“As an SME entrepreneur you are busy, and you have to make decisions. There are many events and then you must make a decision, which is a pity (I7)”

Regarding SME entrepreneurs, the participants were asked what they believe that SME entrepreneurs expect from networking events. The ‘networking’ aspect was mentioned as a prominent factor in this regard. According to the responses, SME entrepreneurs mainly go to networking events to meet like-minded people. Another prominent factor that was mentioned is gaining new information about developments that affect the entrepreneur. Preferably, the events should have an informal atmosphere, according to some participants.

“To meet relations and expand their network (I7)”.

“There are businesses that are there for knowledge exchange, there are businesses that want to position their brand. So, there are several reasons why entrepreneurs participate (I5)”.

“It must be innovative, it must have added value and it has to be fun (I2)”.

Collaboration between networking event organizations

Now that the purpose of the interviewed organizations was discussed and the interviewees had elaborated their views in the networking event sector, the interviewees were asked about their perceptions regarding collaboration. To bring the interview towards collaboration, the interviewees were first asked if they see overlap with other networking events. This revealed that there is a sense that many networking events are doing the same thing. Because there is a lot of overlap, one interviewee stated that this can promote collaboration within the sector.

“There is always overlap in the things that you don’t realize. You [the event organizers] have to communicate: what are you doing? What am I doing? How does that contribute towards the collective and entire system? That is the conversation that you need to have (I6)”.

Other interviewees underpin this need for collaboration, stating for example: *“It [the scattering of networking events] shows how important it is that the north of the Netherlands starts to work together. That realization has also come due to Corona (I5)”*. However, it has also become apparent that collaboration within the sector can be difficult to accomplish, as there are different stances on how such collaboration should look like. Some organizations don’t want to formalize the alliance too much and make sure to keep their identity. Others feel that a governmental institution such as a province should come up with policies to promote collaboration.

“I think it [collaboration] could work, provided that every organization can show its identity. Then it could work very stimulatingly (I2)”.

“Once again, the collaboration in the North of the Netherlands is too fragmented. When you look at the province [of Groningen], I feel that they should come with policies. Maybe you should come with policies on the level of the North of the Netherlands (I2)”.

In terms of collaboration, the interviewees believe that the SME entrepreneurs should be the ones that benefit the most from the alliance. They are the target group and the reason why the networking events are organized, as one interviewee puts it: *“It could help to not burden the entrepreneur with invites for all kinds of events. It should be combined as much as possible (I3)”*.

An area where participants see room for collaboration is around themes. It has been mentioned in interviews that networking events can be organized around themes such as digitalization, the labor market, energy transition and other sustainability challenges. These are issues that impact many SME entrepreneurs, and many networking event organizations are facing these same issues. One interviewee mentioned: *“Of course you have your local network when it comes to sustainability and the labor market. But these challenges are no different in Groningen than in the south of Drenthe. I think that from a thematic perspective you can bring it together (I3)”*.

Purpose redefinition through collaboration

The above statements gave valuable insights into the networking event landscape and willingness for collaboration among networking event organizations. These form essential elements for answering the research question, but the participants were not yet asked about how alliances could affect the organizational purpose of their organization.

In terms of purpose redefinition, the participants were first asked about external factors that can affect organizational purpose. There were several external factors mentioned, from which ecosystem development and societal shifts were the most prominent. For organizations that receive funding from governmental institutions, an additional factor that was stated was the possibility of changes in local politics, as this can affect the funding they receive.

“The development of the ecosystem. That is externally driven and that is positive. The more natural that system works, the better (I6)”.

“We are closely related to the municipality. That’s why perhaps part of our purpose is formed by the municipality. When coalitions change there, it means something for us (I3)”.

For purpose redefinition regarding collaboration, the interviews were asked how their organizational purpose could be redefined through alliances. The result was that most interviewees believe that entering an alliance has no significant effect on redefining the core purpose of their organization.

“We are here to help the SME sector further. Our purpose should only add to the collective and won’t necessarily change when we enter alliances (I4)”.

“I don’t think so. Our purpose will stay what we want it to be, and we stand by that. We want to help where we can, but our purpose won’t change (I2)”.

Although disagreeing with the fact that the core purpose of the organization can be changed through collaboration, one interviewee referred to the discussion held about themes that collaboration could be possible with, stating: *“I think that on certain big themes you can work together. If that leads to a change in purpose, I don’t think so (I7)”*.

Although the participants believe that the core organizational purpose cannot be redefined through alliances, there is the possibility that it can undergo change by means of an alliance. As one interviewee puts it: *“When you collaborate, you can come to different conclusions. It could for example introduce a societal aspect. That could shift how you approach things and maybe have an influence on your purpose (I4)”*.

This raises the point of what the participants believe to be the added value of collaboration. Although the core purpose will not change according to the respondents, it is stated that networking event organizations can strengthen each other via alliances. One interviewee states that: *“I think you should be open to that [redefining purpose]. I think that is a very healthy attitude. You should look at what the strengths of both organizations are and how we can achieve an even better result (I6)”*. Another interviewee adds that collaborating with other networking organizations can result in changing the scope at which the organization operates, stating: *“It may increase the scope. (I1)”*

As mentioned earlier in the collaboration section, there is no willingness to highly formalize alliances. This ties into the topic of purpose redefinition and the role that partners can play in an alliance. There is a willingness to remain autonomous as an organization within an alliance. The aim of this chapter was to objectively present the findings of the primary research. Now that these are presented, the discussion chapter will deal with interpreting these results.

5. DISCUSSION

In the discussion chapter, the results that have been presented in the findings chapter will be elaborately discussed in relation to the research question of how the purpose of an organization in the network event sector can be redefined through alliances.

Before the primary research was conducted, there were several expectations of what results could come out of the research. From Stichting MKB Ondernemersavond there was the expectation that themes could be important when it comes to organizing networking events. It was, however, unclear which themes these are exactly. Another expectation was that there would be a consensus within the networking event sector that there is an increase in events.

6.1 Conclusions

Interorganizational collaboration

To start off by answering the research question, conclusions will first be drawn regarding alliances in the networking event sector.

As stated previously, Stichting MKB Ondernemersavond has identified both an increase in networking events and the fact that the networking event sector in the north of the Netherlands has become scattered. During the primary research it has become apparent that other networking event organizations agree with this observation. This seems to be a feeling that is all to present in the sector. There is much overlap in networking events that are being organized currently and this creates much competition among the networking event organizations as they all aim to attract SME entrepreneurs. This affects the networking event organizations in that less SME entrepreneurs attend their events. It also affects SME entrepreneurs in a negative way, as the SME entrepreneurs get overloaded with all sorts of events.

There were various reasons mentioned about the role of networking events, including knowledge sharing, information sharing and networking. In principle, SME entrepreneurs should be reaping the benefits of these events. However, as there are so many networking events to go to as an

SME entrepreneur, it might be extremely difficult to decide which to go to. This can in turn hinder acquiring knowledge or gaining vital information as it can be spread over multiple networking events and the SME entrepreneur must choose one networking event over another.

The joint observation within the sector that many networking events are doing the same thing has triggered a sense that collaboration is duly needed. It is generally accepted in the networking event sector that increased collaboration can bring collective benefits. There are, however, different perspectives of how such collaboration would take shape. There is little willingness to formalize alliances into contracts, as many networking event organizations want to retain their own organizational purpose and identity. As stated in the literature review, this is not the only way alliances can develop.

During the primary research, many respondents put emphasis on themes that networking events can be organized around, such as digitalization, financing, labor market, energy transition and other sustainability challenges. These are issues that are impacting SME entrepreneurs and networking event organizations throughout the ecosystem. Revolving collaboration around these themes can be fruitful as there is a high degree of willingness to tackle these sector wide issues.

Redefining organizational purpose

From the primary research it has become clear that collaboration within the networking event sector in the north of the Netherlands is certainly possible and can help both the networking event organizations as well as SME entrepreneurs. But how do these conclusions about alliances within the networking event sector play into purpose redefinition?

To start off this topic during the interviews, the participants were asked to share the purpose of their own organization and how they believe that alliances with other network event organizations could impact this organizational purpose. It became clear that the participants believe that collaborating with other networking event organizations will not change the core purpose of their own organization. Networking event organizations value their core organizational purpose and own identity, and don't see this being redefined through collaboration.

Although it has become apparent that the core organizational purpose cannot be redefined through alliances in the networking event sector, there is evidence that suggests that alliances can have some effect on the shape or scope of an organization's purpose. There are for example the afore-mentioned themes that alliances can revolve around. When multiple networking organizations collaborate, there could for one of these organizations be a larger focus on a particular theme than it had before the alliance. This could trigger a shift or change in its organizational purpose, rather than a redefinition of its core organizational purpose. Such a change in organizational purpose can also occur due to broadening of perspectives within the organization due to collaboration. As suggested in the primary research, many networking event organizations currently focus on their own respective organizational purpose and networking events. Because of this, it can miss out on doing things differently that can benefit itself, SME entrepreneurs and the ecosystem. Collaborating with another organization that shares a different view on how to organize networking events or focuses on a specific theme, can give new perspectives and in turn can lead to changes in organizational purpose.

In conclusion, this study has found out that alliances play no significant role in organizational purpose redefinition in the context of the networking event sector in the north of the Netherlands. However, an organization's purpose can undergo changes due to alliances, as the organization might take on a certain role within the alliance that changes its focus prior to entering the alliance. There is also the factor of new perspectives that can introduce the organization to new ways of conducting its activities, which can have an impact on its organizational purpose in a smaller way than a complete overhaul.

6.2 Recommendations

With the research question being answered how alliances can contribute to purpose redefinition, there are several recommendations that can be made to Stichting MKB Ondernemersavond. Even without redefining its organizational purpose through alliances, it can still be recommended to Stichting MKB Ondernemersavond to seek collaboration within the networking event sector. A large need for collaboration has been identified in the sector, and Stichting MKB

Ondernemersavond can aim to address this need by seeking out collaborations. Furthermore, the foundation could go a step further and aim to bring the scattered sector together by involving different parties in its collaboration that represent a large part of SME entrepreneurs in the north of the Netherlands. This collaboration can revolve around themes that affect the networking event sector, such as labor market, digitalization, financing, energy transition and other sustainability challenges.

6.4 Suggestions for future research

As this study delved into a relationship between organizational purpose and alliances that has not extensively been studied, it is suggested that the same research is applied to other industries. The context of this study is specifically aimed at the networking event sector. Studying the same relationship in the context of other industries might yield different outcomes. It is furthermore suggested that research into this topic can be done over a longer period so that more organizations and possibly multiple industries can be included. This way, comparisons can be made between different industries.

6.3 Limitations

There are several limitations that have affected this study. For transparency, it is important to state these limitations and to what extent they affected the research. First, there was the limitation of time. As this study was done in the context of a master thesis, there was a limited amount of time to perform the research. It could have occurred that certain data could not have been collected due to time constraints. As the participants were drawn from a dataset that has been previously researched by Stichting MKB Ondernemersavond, there was also the factor of sampling bias. Lastly there was the limitation of reasoning. As the data was collected, the transformation into findings was subject to the reasoning of the researcher (41).

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APPENDICES

Appendix 1: Interview Guide

Appendix 2: Informed Consent Form

Appendix 3: Code Tree

Appendix 4: Interview Transcripts

Appendix 1: Interview Guide

The complete interview guide can be accessed via this link:

<https://drive.google.com/drive/folders/1uoA8YkVskLY4n4ZUiNvWxZGKRzOZi6yK?usp=sharing>

Appendix 2: Informed Consent Form

The informed consent form that was signed by the participants can be found via this link:

<https://drive.google.com/drive/folders/1s6ts6cQz9B-MJrspoHo19LGlJgzwZp43?usp=sharing>

Appendix 3: Code Tree

The code tree that resulted from the interviews can be found via this link:

<https://drive.google.com/drive/folders/1yX6tGBBVpkNjK02LF1hhLMETSpcgc1e3?usp=sharing>

Appendix 4: Interview Transcripts

The interview transcripts can be found via this link:

https://drive.google.com/drive/folders/11uSwJd4nyu_nz7tR0AwiIHCIQsivmI4A?usp=sharing