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# “Between Purpose and Profit: Exploring Steward Ownership in Sustainable Tech Startups”

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# 1. INTRODUCTION

## 1.1 Background

We are living in a world that is not sustainable, not resilient and not fair for the majority of mankind (Hummels & Argyrou, 2021). Human activity, particularly economic development, has increasingly pushed the planet beyond its natural boundaries, jeopardizing the delicate balance of the Earth system (Reid et al., 2010). Key challenges to the sustainability of this system include excessive pollution, deforestation, resource depletion, climate change, overpopulation, migration crises, poverty, social inequality, discrimination, and the enduring impacts of conflict, including terrorism. These environmental and social crises are the cumulative result of industrial economic practices that, over the past few centuries, have largely ignored their external costs to society and the environment. Despite early warnings, such as Malthus's calculations on resource scarcity (1826), it was not until publications like Rachel Carson's *Silent Spring* (1962), Paul Ehrlich's *The Population Bomb* (1968), and the Club of Rome's *The Limits to Growth* (1972) that a broader awareness of these issues began to slowly emerge among governments, corporations, non-governmental organizations (NGOs), and academics.

Sustainable entrepreneurship (SE) has emerged as a compelling framework to address these crises by prioritizing environmental stewardship, social impact, and economic viability the so-called "triple bottom line" (Slaper, 2013). By integrating environmental, social and economic goals, it addresses global challenges such as climate change, resource depletion and social inequality. Sustainable Entrepreneurship represents a paradigm shift from traditional profit-maximising models to those that prioritise long-term sustainability and societal well-being (de Jong, 2023). Sustainable entrepreneurs aim to create innovative products, services and business models that contribute to the transition towards circular economies and sustainable societies. The importance of sustainable entrepreneurship lies in its potential to solve grand challenges outlined by the United Nations Sustainable Development Goals (SDGs). Furthermore, sustainable entrepreneurship drives systemic change, influencing both policy and industry, and plays a pivotal role in ensuring the resilience of economies and ecosystems for future generations

However, despite its promise, Sustainable Entrepreneurship is not widely adopted in many sectors. One significant reason for this is the tendency of promising companies, initially committed to balanced, purpose-driven business models, to shift toward traditional, profit-maximizing governance structures as they grow or are acquired (Lücke, 2020). These sustainable enterprises often experience "mission drift," where the focus shifts from social and environmental objectives to profit maximization, especially as they scale or attract investment (Ramus & Vaccaro, 2017). This shift can lead to the neglect of environmental and social goals, hindering the broader adoption of sustainable entrepreneurship. Factors contributing to mission drift include revenue maximization pressures and investor influences, which may cause enterprises to prioritize financial performance over their original social missions. Implementing the right ownership and governance model can play a crucial role in addressing the challenge of mission drift and fostering the successful adoption of Sustainable Entrepreneurship (Ebrahim et al. (2014). Robust ownership and governance structures ensure that organizations remain aligned with their founding social and environmental objectives while navigating growth and external pressures.

One promising, (re)discovered ownership and governance model is Steward Ownership, which has been proposed as a solution to mitigate the challenges of mission drift in sustainable enterprises. What is known about Steward Ownership is that the primary goal is to ensure that businesses retain their original mission-oriented objectives by embedding purpose and self-governance into their structure (Pol, 2022). Despite its potential, Steward Ownership remains an under-researched ownership and governance model. The academic literature on this topic is limited, with only a small number of studies exploring its principles, applications, and implications (Pol, 2022; Purpose Foundation, 2024). This scarcity of research leaves significant gaps in our understanding of the model's effectiveness and applicability, particularly in various contexts and industries. For instance, (Pol, 2022) highlighted the limitations of current research. They highlighted the limited scope of existing research, relying on interviews with only a few experts and case studies of a small number of companies. As a result, there may be additional advantages and disadvantages of Steward Ownership that have yet to be identified. Expanding research to include a broader range of steward-owned companies and conducting larger-scale studies could provide a more comprehensive understanding of the model. A critical area that remains unexplored is the specific drivers, barriers and opportunities influencing sustainable entrepreneurs in their decision to adopt or avoid Steward Ownership. For sustainable entrepreneurship, understanding these factors is essential, as they determine the feasibility and desirability of this ownership and governance model. Moreover, sector-specific research on Steward Ownership is notably absent. While studies have generally addressed Steward Ownership across various industries, no focused investigation has been conducted on its implementation within the technology sector. Given the unique dynamics of the tech industry, such as rapid innovation cycles, high capital needs, and scaling pressures, it is crucial to examine how Steward Ownership can align with sustainable entrepreneurship in this field (Alderson, 2024).

## 1.2 Aims and objectives

This research seeks to address the gaps in understanding surrounding Steward Ownership by investigating its barriers, drivers and opportunities within sustainable companies in the tech industry. As one of the fastest growing and most influential sectors, the tech industry presents a unique context for exploring how alternative ownership and governance models, such as Steward Ownership, can influence sustainable business growth. By focusing on this sector, the study aims to shed light on the applicability and implications of this ownership and governance model in an environment characterized by rapid innovation and high capital demands (Alderson, 2024). This brings us to the following research question and objectives:

**Research Question**
*What are the drivers, barriers, and opportunities for implementing Steward Ownership in sustainable entrepreneurship within the tech industry?*

**Objective 1**
The first objective is to understand the drivers of Steward Ownership adoption in the tech industry by understanding the drivers across market/economic, institutional/regulatory, social-cultural, and technological aspects.

**Objective 2**

The second objective is to understand the barriers to implementing Steward Ownership in the tech industry by understanding the barriers across market/economic, institutional/regulatory, social-cultural, and technological aspects.

**Objective 3**

The third objective is to understand the opportunities of Steward Ownership in the tech industry by understanding the opportunities across market/economic, institutional/regulatory, social-cultural, and technological aspects.

# 2. THEORY

## 2.1 Literature review

### 2.1.1 Introduction to Steward Ownership

Steward ownership is built on the same principles as the stewardship theory. Stewardship theory offers a perspective on organizational leadership where managers are seen as trustworthy stewards of the company, motivated by a commitment to collective success rather than personal gain. According to Davis, Schoorman, and Donaldson (1997), stewards align their behavior with the goals of the organization and its stakeholders, because they find greater value and satisfaction in contributing to shared outcomes. They act in the interest of the organization not because they are closely monitored or financially incentivized to do so, but because they are intrinsically motivated and genuinely care about the mission and performance of the firm. Steward ownership connects to the stewardship theory by embedding long-term responsibility, mission-alignment, and trust into the very structure of a business (Koren et al., 2023). Although many people see steward ownership as something new, it actually has a long history. One of the earliest examples is the German company Zeiss, which became steward-owned in 1889 when founder Ernst Abbe transferred its ownership to a foundation to protect the company's independence and ensure its profits were used for public benefit. Since then, large companies like Bosch in Germany and Maersk in Denmark have also adopted forms of steward ownership to stay mission-driven and prevent private extraction of value. Patagonia's recent move to transfer ownership to a purpose trust and nonprofit follows a similar logic, though it stands out as a direct, public decision by the founder during his lifetime, with a clear activist message centered on environmental responsibility. In Denmark, the model is especially common. Foundation-owned companies there represent over 12 percent of the private sector's value added and account for around 60 percent of the total market capitalization on the Copenhagen Stock Exchange, making steward ownership a major part of the country's economy (Purpose Foundation, 2022). This shows that steward ownership is not just an idea for small startups or idealistic founders, but a serious and proven alternative to traditional shareholder ownership that is already widely used in practice (Koren et al., 2023).

Steward ownership is based on two core principles: self-governance and the idea that profits should serve a purpose. Self-governance means that control over the company lies with stewards, people who are actively involved in the business and committed to its mission. Their control rights cannot be sold or inherited, and when a steward leaves, a new one is chosen to continue the mission. At the same time, profit is seen as a tool to support the company's purpose rather than a goal in itself. Founders and investors can still earn returns, but always in line with the company's long-term mission. These principles are embedded by separating voting rights from economic rights. Stewards hold the voting rights and are responsible for decision-making, while economic rights, such as the right to receive dividends, can be granted to others without giving them influence over the company's governance. This structure, typically secured through a foundation, clearly separates financial benefit from control (Koren et al., 2023).

In the Netherlands, there are three commonly used legal models for implementing steward ownership, each offering a different way to separate control from profit while ensuring long-term mission protection.

In the Golden Share model, voting rights are mostly held by stewards, while a Dutch foundation (*stichting*) retains a single, powerful "golden share" with veto rights. This special share gives the foundation the authority to block decisions that could compromise the company's mission, without requiring full ownership of the business. The Neutralized Capital model, also widely used in the Dutch context, involves transferring both the economic and legal ownership of the company to a foundation. This structure fully removes the possibility of private extraction, ensuring that the company cannot be sold or used for personal financial gain. Control remains with stewards, often founders or trusted employees, who are appointed based on their commitment to the company's purpose. Finally, the Shareholder Foundation model grants a foundation majority or full ownership of the company's shares, along with governance rights. This foundation serves as a long-term steward of the company's mission and independence, overseeing strategic direction while ensuring that profits, if distributed, are aligned with the enterprise's purpose (We Are Stewards, 2022).

### 2.1.2 Sustainable Entrepreneurship in the Tech Industry

Technology plays a major role in shaping societal progress, serving as both a powerful driver of innovation and a source of complex global challenges. It enhances connectivity, boosts productivity, and opens new avenues for sustainable development (Bai et al., 2024). At the same time, it contributes to environmental degradation, social inequality, and ethical dilemmas (Stahl et al., 2013). The global tech sector, dominated by a few powerful corporations, influences economies, politics, and culture (Hildebrandt, 2019). This influence comes with responsibility, especially as the sector faces mounting pressure to operate sustainably and ethically (Stahl et al., 2013).

The technology sector refers to industries centered around advanced digital tools, software, and innovation-driven services. According to Hooton (2018), tech companies are best defined by their high research and development (R&D) intensity, a large share of STEM workers, and rapid innovation cycles. These characteristics set them apart from traditional sectors and explain their growing influence on productivity, economic growth, and societal change. The technology sector is widely recognized as a central pillar of the global economy, playing a transformative role in driving innovation and facilitating development across borders. In 2024, the global Information and Communication Technology (ICT) market was valued at approximately USD 5.5 billion and is projected to grow at a compound annual growth rate of 5.2% through 2031 (Cognitive Market Research, 2024). This continued expansion reflects the sector's adaptability in the face of technological and societal shifts. The United States, for instance, holds 38% of the global ICT market share, showing its leadership in this domain (Statista, 2024). Beyond its economic footprint, the tech industry shapes nearly every aspect of daily life, from communication and transport to education and healthcare. In 2022, the digital economy accounted for 10.0% of U.S. GDP, amounting to $2.6 trillion (U.S. Bureau of Economic Analysis, 2023). In financial markets, its influence is equally significant: as of 2025, technology stocks made up over 30% of the S&P 500 Index, making it the largest sector represented (S&P Dow Jones Indices, 2025). These indicators underscore not only the dominance of the tech sector in market terms, but also its deep integration into modern economic and social systems. Many leading tech firms in the S&P 500 follow the traditional shareholder value model, where the primary responsibility of a company is to maximize returns for its shareholders (Friedman, 1970). This model gives shareholders significant influence over corporate decisions, often steering

companies away from their original missions. For example, shareholder pressure has been known to push firms to prioritize short-term profits over long-term innovation or sustainability goals. Companies like Apple, Microsoft, and Meta frequently allocate large portions of earnings to dividends and share buybacks, reinforcing the expectation that corporate success should be measured by financial returns to investors (Lazonick, 2014). As a result, strategic decisions are often shaped by investor expectations rather than societal impact or long-term purpose. Enterprises frequently face the challenge of "mission drift," a phenomenon where their initial focus on social and environmental impact gradually shifts toward prioritizing profit, particularly during periods of growth or when seeking external funding (Ramus & Vaccaro, 2017). This shift can result in the sidelining of core sustainability goals, ultimately impeding the wider advancement of sustainable entrepreneurship. Contributing factors often include the pressure to increase revenue and the influence of investors, which can lead organizations to emphasize financial outcomes at the expense of their original mission. The acquisition of WhatsApp by Facebook in 2014 is a clear example of mission drift. WhatsApp, originally committed to privacy and an ad-free experience, built trust through features like end-to-end encryption. However, as Abidi (2024) explains, the app was facing increasing competitive pressure and saw Facebook's offer as a strategic opportunity to scale and avoid being overtaken by rivals. After the $19 billion deal, WhatsApp was integrated into Facebook's data-driven ecosystem, and monetization strategies like WhatsApp Business were introduced. Despite initial claims that "nothing will change," the platform gradually shifted away from its original mission, illustrating how external ownership and commercial pressures can redirect a company's core values. Reflecting on the consequences of the sale, WhatsApp co-founder Brian Acton later remarked, "I sold my users' privacy to a larger benefit. I made a choice and a compromise. And I live with that every day" (Olson, 2018). To counter this, adopting an appropriate ownership and governance model is essential for maintaining mission alignment and supporting the long-term success of sustainable entrepreneurship (Ebrahim et al., 2014). Effective ownership and governance models help enterprises stay true to their founding purpose, even as they expand and face external demands.

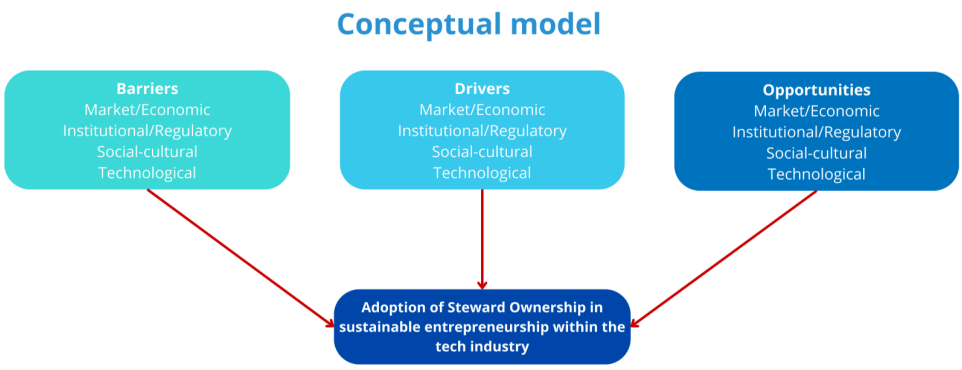
### 2.1.3 Barriers, drivers and opportunities to the Adoption of Steward Ownership

Steward Ownership is primarily driven by the ambition to safeguard a company's mission over the long term by structurally embedding purpose and self-governance into its legal framework. As Pol (2022) and Sanders et al. (2025) highlight, the model holds particular appeal for sustainable entrepreneurs aiming to decouple business success from shareholder profit maximization. By granting control to active stewards rather than external investors, Steward Ownership fosters trust, reinforces accountability, and supports independence from short-term financial pressures. It also enables succession planning based on shared values and entrepreneurial competence rather than financial capacity, offering an alternative to traditional ownership transfers. Structural mechanisms such as the asset lock ensure that profits are reinvested into the company's purpose, rather than extracted for private gain. Despite these compelling drivers, several barriers constrain broader adoption. The implementation of Steward Ownership often entails significant legal, financial, and administrative complexity, particularly in jurisdictions lacking dedicated legal frameworks (Sanders et al., 2025). Entrepreneurs must navigate unfamiliar ownership and governance models and reconcile them with existing corporate laws not designed for purpose-first ownership. The model's structural separation of profit and control challenges conventional investor expectations and can

limit access to capital, especially for early-stage and growth-focused firms. As Pol (2022) notes, this creates a competitive disadvantage, compounded by the difficulty of attracting investors unwilling to forgo influence in exchange for returns. Furthermore, limited empirical data and small case-study samples hinder robust evaluation of the model's long-term viability, scalability, and financial performance, particularly in shareholder-centric economies. Nonetheless, Steward Ownership presents opportunities, particularly for sustainability-oriented businesses. By aligning ownership and governance structures with long-term mission objectives, it enables companies to build lasting trust with stakeholders and avoid the pressures of exit-driven financing. The model allows for entrepreneurial flexibility without compromising on independence or values. Moreover, increasing institutional interest, as reflected in legal developments in countries such as Germany and the Netherlands, suggests that more supportive policy environments may soon emerge (Sanders et al., 2025). As awareness grows, further academic and practical research is necessary. As Pol (2022) emphasizes, the existing body of research remains narrow, relying heavily on expert interviews and a limited number of case studies. Broader empirical studies across industries and national contexts are essential to fully understand the model's potential and its limitations.

## 2.2 Conceptual model

Based on the reviewed literature, a conceptual model has been developed to explore the factors influencing the adoption of Steward Ownership in sustainable entrepreneurship within the tech industry. Drawing on the frameworks proposed by Grafström & Aasma (2021) and Paletta et al. (2019), the model categorizes these factors into three key groups: barriers, drivers, and opportunities, each further divided into four dimensions: market/economic, institutional/regulatory, social-cultural, and technological. Barriers represent the challenges that hinder the adoption of Steward Ownership, such as financial pressures, restrictive legal frameworks, societal resistance to change, or technological limitations specific to the industry (Bouaziz et al., 2020; Buchanan et al., 2010). Drivers highlight the motivating factors for founders and leaders to choose steward ownership, including alignment with sustainability goals, supportive market conditions, favourable regulations, and growing societal demand for businesses with a purpose-driven focus (Pol, 2022). Opportunities capture the potential benefits of adopting Steward Ownership, such as improved stakeholder trust, market differentiation, stronger alignment with values, and the ability to leverage technological innovations for sustainable development (Welles, 2023). At the centre of the model is the adoption of Steward Ownership, which is shaped by the dynamic interplay between these barriers, drivers, and opportunities. This conceptual model provides a framework to understand how sustainable entrepreneurs in the tech industry navigate these influencing factors, offering insights into both the challenges they face and the potential benefits of implementing Steward Ownership as an ownership and governance model.




Firgure 1. Adapted from Grafström & Aasma (2021); Palletta et al. (2019)

## 3. METHODS

This section explains the research approach used to explore the drivers, barriers, and opportunities for implementing Steward Ownership in sustainable entrepreneurship within the tech industry. A qualitative approach was chosen because it allows for a deeper understanding of the perspectives and experiences of participants, which is essential for answering the research question.

### 3.1 Methodological approach

This research follows a qualitative approach to explore the drivers, barriers, and opportunities for implementing steward ownership in the tech industry. Data was collected through semi-structured interviews with key stakeholders from selected companies and analysed iteratively to identify emerging patterns and themes. The following two sections will explain the key stages of this process: data collection and data analysis.

#### 3.1.1 Data Collection

This research was conducted to explore the barriers, drivers, and opportunities associated with the steward ownership model within the tech industry. To achieve this, qualitative data was collected through interviews with 8 individuals who are either founders or closely involved in implementing steward ownership in their organizations which will be referred to as leaders. The data collection process has taken place in April 2025.

The method of data collection involved semi-structured interviews. This format was chosen for its flexibility, which allows for discussions tailored to the unique experiences of each participant while ensuring that the key themes of the research are addressed. A purposive sampling technique was used to ensure the selection of participants who are knowledgeable and actively engaged with steward ownership practices, making their perspectives directly relevant to the research objectives. This approach aligns closely with the aim of the study to uncover detailed insights into a relatively new and nuanced area of organizational governance.

The participants in this study were drawn from the tech industry, including founders or leaders from companies either exploring or already practicing steward ownership. These includes three small and medium-sized tech companies that are already operating under a steward ownership model, with a total of four individuals interviewed from these organizations. In addition, two other SME tech companies that are currently exploring steward ownership contributed two interviewees. The study also includes insights from a venture capital firm focused on impact investing, as well as an organization that supports companies in the process of transitioning to steward ownership. Together, these interviews provide a diverse and balanced perspective on the motivations, challenges, and implications of steward ownership in practice. As mentioned before the interviews are designed to be semi-structured, allowing for a deep exploration of relevant topics while maintaining a consistent focus across participants. The audio recordings were made during each interview to ensure the accurate capture of responses, which were then transcribed for detailed analysis.

### 3.1.2 Data Analysis

The data analysis for this research followed a step-by-step approach to make sense of the information gathered during the interviews. After the interviews were completed, the audio recordings were transcribed word-for-word to ensure that the data was captured accurately. These transcripts served as the raw material for the analysis and helped preserve the full context of each participant's responses.

Thematic analysis was used as the main method for analyzing the data. This approach was well-suited for the qualitative nature of the study, as it helped identify key themes and patterns while allowing new and unexpected insights to emerge (Clarke & Braun, 2017). The first step in the process involved carefully reading through all transcripts to become familiar with the material and to begin identifying recurring ideas or concepts. This initial review provided a comprehensive overview of the content and laid the groundwork for the next phases of analysis.

Next, the data was coded. This involved breaking the text into smaller segments and assigning labels that captured the main ideas or topics discussed. The coding process focused on identifying themes related to the drivers, barriers, and opportunities for steward ownership in the tech industry, particularly in relation to market/economic, institutional/regulatory, and socio-cultural factors. Both predefined themes based on the research objectives and new themes that emerged during the analysis were included. A qualitative data analysis tool (Atlas.ti) was used to systematically organize and manage the codes.

Once all transcripts had been coded, the codes were grouped into broader themes. For instance, specific quotes about financial constraints were categorized under a larger theme concerning economic barriers. At this stage, the relationships between different themes were explored to understand how they interacted or overlapped.

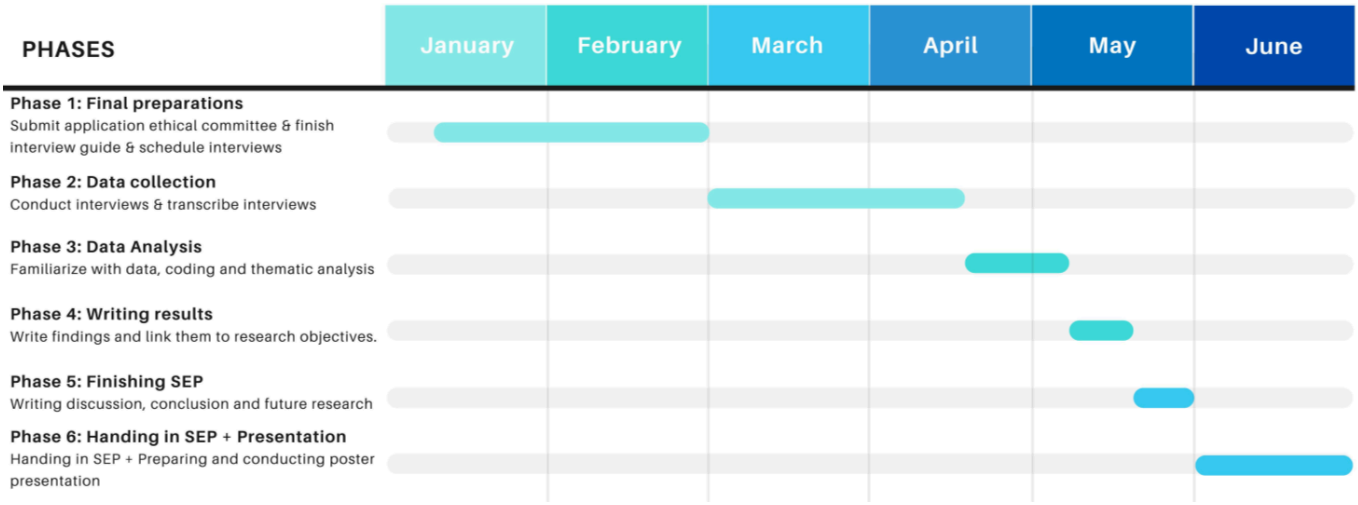
Finally, the findings were written up as a detailed narrative. The aim was to connect the identified themes back to the core research question and to illustrate how they contribute to a deeper understanding of the drivers, barriers, and opportunities for steward ownership in the tech industry.

## 3.2 Ethical considerations

This research is conducted in accordance with the RUG guidelines and the Netherlands Code of Conduct for Research Integrity (2018), which emphasize the principles of transparency, respect, and academic integrity. Prior to the interviews, all participants were provided with a detailed consent form explaining the purpose of the research, the topics to be discussed, and the intended use of the data. The consent form also outlined participants' rights, including their ability to withdraw from the study at any time without any negative consequences. This ensured that participation was entirely voluntary and based on informed consent. To ensure confidentiality and privacy, all collected data, including interview audio recordings and transcripts, were anonymized. Any identifying information, such as names, job titles, or specific company details, was removed to protect participants' identities. Audio recordings were deleted immediately after transcription, and the anonymized transcripts were securely stored in a password-protected Google Drive folder, with access restricted to the researcher involved in the study.

Every effort was made to create a respectful and supportive environment during the interviews to ensure participants felt comfortable sharing their insights. The research adhered to strict ethical standards to protect participants' well-being while ensuring the data was handled responsibly and transparently.

### 3.3 Timeline




### 3.4 Anticipated dissemination and impact

This research is expected to contribute to both academic and practical knowledge about sustainable entrepreneurship, especially in the context of Steward Ownership in the tech industry. By focusing on the drivers, barriers, and opportunities associated with this ownership and governance model, the study aims to fill gaps in the current literature while providing valuable insights for businesses and policymakers. The findings will help explain how Steward Ownership can be a viable approach for creating sustainable businesses in an industry known for its fast pace and high demand for capital. The results of this research will first be shared through the thesis submission at the University of Groningen, ensuring it is reviewed and validated within an academic setting. Beyond this, the insights will also be shared directly with the companies and individuals who participated in the study. This will allow them to see how the findings might apply to their own decisions around governance and sustainability.

This research is expected to have a meaningful impact by encouraging more companies to consider Steward Ownership as an ownership and governance model. It could help entrepreneurs and policymakers better understand the potential of this approach to drive long-term sustainability in the tech industry and beyond. By sharing these insights, the research aims to inspire action and contribute to the growth of sustainable business practices in a practical and meaningful way.

## 4. FINDINGS

This chapter presents key findings from interviews with founders and leaders in the Dutch tech sector who have adopted or considered steward ownership. It focuses on three main themes: the drivers behind their choice, the barriers faced, and the opportunities they see in the model. Together, these insights highlight how steward ownership is experienced in practice, revealing both its potential and its limitations.

### 4.1 Drivers


#### 4.1.1 Market/Economic

One of the main market and economic drivers that motivates founders and leaders to choose the steward ownership model is the desire to build a long-term sustainable company. This was mentioned five times and reflects a strong commitment to continuity, independence, and resilience. Respondents often expressed the wish to "become a stable force" or "join a lineage of enduring companies," showing that this model is seen as a way to safeguard the mission and ensure the company can thrive beyond the current leadership. This long-term thinking stands in contrast to traditional models focused on fast growth or exit strategies.

Another motivation mentioned twice is the ability to attract purpose-driven employees. Founders see steward ownership as a way to signal values and vision, making it easier to recruit people "who care about continuity" and align with the mission. Although mentioned only once, fair but not excessive founder compensation also reveals a drive for economic fairness and responsibility within leadership. These findings highlight how steward ownership is chosen not just for economic logic, but for aligning business with long-term, mission-driven values.

### 4.1.2 Institutional/Regulatory

An institutional driver that motivates founders to choose the steward ownership model is the desire for a strong governance structure, mentioned three times. Respondents emphasized how this model "prevents power concentration" and enables "horizontal decision-making." Another institutional motivation, mentioned once, is the separation of financial interests from decision-making.

### 4.1.3 Social-cultural

The most dominant social-cultural driver that motivates founders to choose the steward ownership model is the mission lock, which was mentioned 14 times. This shows a strong shared concern among founders for protecting the long-term mission and values of their company. Many respondents talked about how a mission lock "creates clarity" and "protects the company from itself," meaning it helps make sure the organization stays true to its original purpose even after leadership changes. It seems that for many founders, this is not just a legal mechanism but an emotional and strategic commitment to purpose. Another important driver is the founder's desire to protect their legacy, mentioned four times. This reflects the personal motivation to leave behind something meaningful. Steward ownership seems to offer a way to do that by embedding purpose into the structure of the company itself. The desire for a fair and clear ownership structure was mentioned three times. Founders emphasized how important it is to have transparency and fairness in how decisions are made and how profits are used. Steward ownership helps formalize this through clear legal structures. Other drivers were mentioned less often but still add to the picture. These include alignment with intrinsic entrepreneurial motivation, societal contribution, avoiding the risk of a mission sale, and rejecting a profit-only mindset. Altogether, these findings show that steward ownership appeals to founders who want their company to reflect their values, both now and in the future.

### 4.1.4 Technological

Technological drivers were not mentioned by any respondents, suggesting that the choice for steward ownership is not influenced by digital tools or innovation.

### 4.2 Barriers


#### 4.2.1 Market/Economic

One of the biggest market and economic barriers mentioned by respondents is the difficulty in attracting investors, which came up 13 times. Many shared that steward ownership "puts investors off" because it doesn't align with the usual startup logic of fast growth and high returns. Since profits are often capped or reinvested into the mission, there's less financial incentive for traditional investors. As one respondent put it, "it's also harder to bring in external capital," especially when the model doesn't offer a typical exit strategy. This makes fundraising more challenging, particularly for early-stage companies that rely on outside investment. High transition costs were mentioned 10 times and were another concern. Respondents described the process as legally and administratively heavy, with one founder noting that "you need to bring in quite a bit of legal expertise" and another referencing "the notary, tax stuff, it all adds up." These financial and time costs can act as a major barrier, especially for smaller companies without large legal budgets. The issue of limited financial returns for investors, mentioned six times, was also seen as a difficulty when explaining the model to funders. One respondent said, "investors don't

always like the idea of capped returns," highlighting the friction between impact-oriented models and traditional finance. Other market and economic barriers mentioned include steward ownership limiting rapid scaling, high setup costs and time commitment for startups, and loss of flexibility due to the mission lock.

### 4.2.2 Institutional/Regulatory

Several institutional and regulatory barriers were mentioned by respondents, with the most common being non supportive Dutch laws and regulations, cited 10 times. Many shared that even though steward ownership seems logical, it is difficult to implement under current Dutch law. One respondent explained, "you do have to deal with Dutch laws and regulations," while another noted, "the biggest barrier is simply that current regulation doesn't support it," showing how the legal framework is not yet adapted to this model. High legal and tax complexity was also a major theme, mentioned 9 times. Respondents described the legal process as confusing and scattered. One founder admitted, "legal wise, it was a mess," showing how the lack of legal clarity creates significant challenges. Time and energy effort as an adoption hurdle came up six times. Respondents said the process takes considerable personal effort, with one calling it "a lot of time and learning." Short term exit expectations from investors were mentioned five times. This points to a clear tension between long term thinking and conventional startup investment logic. One respondent said, "the model just doesn't match the typical investor mindset." Other barriers mentioned fewer than five times include lack of institutional awareness, limited legal expertise, and absence of support from banks or financial institutions.

### 4.2.3 Social-cultural

The most mentioned social-cultural barrier was cultural misunderstanding of steward ownership, cited five times. One respondent explained that "it's still relatively unknown, so people don't get it," while another noted, "it sounds vague to outsiders." Lack of societal awareness was mentioned four times, with one person saying there are "relatively few people in the Netherlands who understand the model." Other barriers like materialism, inequality, and reduced boldness due to shared ownership were mentioned but less frequently.

### 4.2.4 Technological

Technological barriers were not mentioned by any respondents, suggesting that the challenges of adopting steward ownership are not related to digital tools, infrastructure, or technological limitations.

### 4.3 Opportunities


#### 4.3.1 Market/Economic

A key market and economic opportunity identified by respondents is the use of steward ownership as a strategic unique selling point (USP), mentioned eight times. Several shared that the model strengthens the company's positioning and reputation. One respondent described it as a "strategic advantage being independent and stable," while another noted that it makes the company "a more attractive choice for customers." These insights show that steward ownership builds trust with clients and partners by signaling long-term thinking and values-driven leadership. Another opportunity, mentioned five times, is the easier adoption of steward ownership when implemented from the start. Founders pointed out that introducing the model early avoids the complex and costly transition process later on. One respondent suggested that "if you build it in from day one, it becomes part of the DNA," making legal and cultural

alignment much smoother. Attracting purpose-driven investors was mentioned four times. While the model may not appeal to all investors, one respondent noted, “for the right kind of investors, this model is very appealing.” Another highlighted that it helps “filter who aligns with your mission,” which can strengthen long-term investor relationships. Other opportunities mentioned less frequently include keeping out problematic shareholders, attracting purpose-driven employees, growing interest in the model, stronger customer appeal, having no external shareholders, organizational autonomy, and profit reinvestment for sustainable growth.

### 4.3.2 Institutional/Regulatory

Legal developments were mentioned seven times as a key institutional opportunity for steward ownership. Respondents highlighted how the legal landscape is slowly becoming more supportive of the model. One noted, “the legal structure is getting clearer now,” suggesting that recent efforts are reducing complexity and making it easier for founders to adopt steward ownership. Another respondent added, “we’re working to make it more accessible legally,” pointing to active initiatives to build suitable frameworks. These shifts indicate growing institutional recognition. Additionally, shared responsibility reducing founder burden was mentioned twice.

### 4.3.3 Social-cultural

The most frequently mentioned social-cultural opportunity was increased employee motivation through steward ownership, cited seven times. Respondents emphasized that the model enhances a sense of purpose and accountability within teams. One participant explained, “ownership structure really matters for the feeling of responsibility,” while another noted that it creates a stronger bond between employees and the organization’s mission. This suggests that steward ownership not only supports ethical governance but also actively shapes internal culture and engagement. Shifting mindset was another key opportunity, mentioned five times. Several respondents observed a cultural movement, especially among entrepreneurs, toward questioning traditional ownership and exploring more values-driven alternatives. One shared that “there is a group of entrepreneurs who are already thinking this way,” indicating that steward ownership is increasingly aligned with evolving expectations of leadership and responsibility. The cultural shift toward purpose-driven entrepreneurship was mentioned four times. Participants noted that younger generations, in particular, are more focused on meaning and impact in their work. As one respondent put it, “younger people are much more focused on meaning,” reinforcing the relevance of steward ownership as a future-proof model. Other opportunities mentioned less frequently include positive public reception, societal value creation, leadership succession based on capability, and safeguarding the mission during tech company growth.

### 4.3.4 Technological

Technological opportunities were not mentioned by any respondents, suggesting that steward ownership is not seen as driven by or dependent on digital innovation.

## 5. DISCUSSION

This study set out to explore the drivers, barriers, and opportunities for implementing steward ownership in sustainable entrepreneurship within the tech industry. It contributes to the growing but still limited body of knowledge on alternative ownership and governance models, particularly in high-growth, innovation-driven sectors. This discussion reflects on the theoretical implications of the findings, critically engages with existing literature, gives recommendations and offers reflections on the transdisciplinary setting in which the research was conducted.

### 5.1 Theoretical Contributions & Comparison with existing literature

This research contributes to the academic understanding of steward ownership by examining how it is being used and experienced in the context of sustainable entrepreneurship in the tech industry. While previous literature (Pol, 2022; Koren et al., 2023) has focused mostly on the conceptual foundations of steward ownership and a small number of case studies, this study adds to that by offering new empirical insights based on interviews with founders and leaders who are actively working with or exploring the model. It confirms that steward ownership is still relatively new/rediscovered and under-researched, but also shows that it is gaining traction among entrepreneurs who want to protect their mission and values over the long term. The findings build on and extend stewardship theory (Davis et al., 1997) by showing that founders do not just behave as stewards but are actively seeking ownership and governance models that institutionalize those values. Unlike traditional models that rely on financial incentives or external control, steward ownership allows purpose and long-term thinking to be built into the DNA of the company. This supports Koren et al. (2023), who argue that separating voting and economic rights helps preserve mission, and adds further evidence from the tech sector to back up this claim. In relation to the sustainable entrepreneurship literature, this research supports the idea that mission drift is a major risk, especially in fast-paced industries like tech (Ramus & Vaccaro, 2017; Ebrahim et al., 2014). It also echoes de Jong (2023) in framing sustainable entrepreneurship as a necessary shift away from traditional profit-maximizing models. However, this study goes further by identifying steward ownership as a practical governance response to that problem, rather than just a theoretical goal. From an institutional theory perspective, the findings align with Sanders et al. (2025), who highlight that legal frameworks can be a barrier or enabler for alternative ownership. The interviews reveal that Dutch law is not always supportive, but there are positive signals of change. Finally, this study confirms a cultural shift are noted (Stahl et al., 2013; Alderson, 2024): younger founders and mission-driven entrepreneurs are actively looking for models that reflect their values. Steward ownership fits into this broader trend and may become more relevant as these attitudes grow.

### 5.2 Recommendations

This research identifies several practical recommendations for advancing the adoption of steward ownership in the tech industry. These are directed toward three key stakeholder groups: entrepreneurs, investors, and government actors, and are based on the most frequently mentioned drivers, barriers, and opportunities uncovered in the study.

#### 5.2.1 Entrepreneurs

For mission-driven tech entrepreneurs, steward ownership offers a compelling way to protect the long-term purpose of the business. The most significant driver identified in this study was the mission lock, which founders saw as essential for safeguarding values over time and avoiding mission drift. Another opportunity highlighted was the relative ease of adopting steward ownership early in the company lifecycle, before legal and structural changes become more complex and costly. Entrepreneurs are thus advised to consider steward ownership from the very beginning, rather than adopting it later as an afterthought. Doing so can also strengthen their identity as a purpose-driven company and serve as a unique selling point in a competitive tech market. However, founders must be aware of practical barriers, such as high transition costs and legal complexity. To address these, they should seek early legal advice, collaborate with peers, and engage with organizations that specialize in steward ownership transitions.

#### 5.2.2 Investors

One of the most commonly reported market barriers was the difficulty in attracting traditional investors, due to the absence of exits and capped financial returns. However, this study also found that steward ownership can attract mission-aligned investors who prioritize long-term impact over short-term gains. Investors are encouraged to broaden their financing toolkit to better support steward owned businesses. This includes developing revenue-based financing models, structured long-term loans, and accepting non-voting equity. These approaches enable financial returns while respecting the governance model. Investors should also reframe the mission lock not as a constraint but as a mechanism that de-risks long-term value and protects social outcomes. As steward ownership becomes more visible, investors who adapt early may gain access to promising companies with strong internal cultures and stakeholder trust.

#### 5.2.3 Government and Policy Makers

The most frequently mentioned institutional barrier was the lack of legal and regulatory support. Respondents consistently highlighted that steward ownership is difficult to implement within current Dutch frameworks due to complex laws and high legal costs. One particularly burdensome issue is the schenkbelasting (gift tax), which currently applies when shares are transferred to a foundation as part of the steward ownership structure. This tax effectively treats a mission-oriented legal transition as a personal gain, which discourages founders from adopting the model. The Dutch government should therefore take several actions: eliminate the gift tax for steward ownership transitions, formally recognize steward ownership as a distinct legal category, and provide template legal models and clear tax guidance. Government support programs for sustainable entrepreneurship and innovation should also explicitly

include alternative ownership and governance models like steward ownership. These steps would lower barriers for entrepreneurs, provide clarity for notaries and advisors, and signal institutional recognition.

### 5.3 Limitations of the Research

While the study provides meaningful contributions, it is important to acknowledge its limitations. First, the sample size, though appropriate for qualitative research, was limited to eight participants and six companies, all based in the Netherlands. This creates potential constraints in terms of generalizability. Future research could build on this by expanding to other national contexts, particularly those with different legal frameworks and investment ecosystems.

Second, all the companies included were either already implementing or seriously considering steward ownership, which may have introduced a positive bias. Founders who oppose steward ownership or have rejected it outright were not included, meaning dissenting voices are underrepresented. A more balanced perspective would require engaging those skeptical of steward ownership to understand their reasoning and perceived trade-offs more fully.

Third, the research design relied heavily on self-reported data from interviews, which may be subject to social desirability bias. While thematic analysis allows for depth and nuance, it cannot capture unspoken structural dynamics, such as informal investor pressures or boardroom politics, that may also influence governance decisions.

Lastly, the research was conducted in a relatively short timeframe. While grounded theory provided a flexible and iterative approach, a longer data collection period might have allowed for follow-up interviews or observational data to enrich the analysis.

### 5.4 Reflections on the Transdisciplinary Setting

This research was conducted at the intersection of business ethics, sustainability science, legal studies, and innovation management. Navigating these fields required transdisciplinary thinking, particularly in understanding how legal structures influence organizational culture, strategic positioning, and legitimacy. The approach integrated diverse stakeholder perspectives, including legal experts and purpose-driven founders, reflecting a broader shift in sustainability research toward inclusive and co-produced knowledge (Hummels and Argyrou, 2021).

Rather than applying a one-size-fits-all model, the study explored how entrepreneurs interpret and adapt steward ownership to their specific contexts, offering insights with both theoretical and practical value. It also contributes to the transdisciplinary field of sustainable entrepreneurship by showing how ownership and governance design interacts with innovation systems, societal expectations, and ethical goals. In doing so, it supports calls by de Jong (2023) and others to view sustainable entrepreneurship not just as a business practice but as a pathway to systemic transformation.

## 6. CONCLUSION

This thesis set out to explore the drivers, barriers, and opportunities for implementing steward ownership in sustainable entrepreneurship within the tech industry. Through qualitative research based on semi-structured interviews with founders, investors, and support organizations, the study provides new empirical insight into an ownership and governance model that remains under-researched. The main research question: what are the drivers, barriers, and opportunities for implementing steward ownership in sustainable entrepreneurship within the tech industry has been answered through the identification of key themes across market/economic, institutional/regulatory, social-cultural, and technological dimensions. The findings show that steward ownership is primarily driven by the desire to protect the long-term mission and independence of a company. The mission lock stands out as the most frequently mentioned motivation, especially among those who want to prevent mission drift and ensure continuity. Steward ownership is also seen as a way to build trust, improve internal governance, and attract purpose-driven people. At the same time, serious barriers were identified. The most pressing issues are structural: a lack of supportive regulation, legal and tax complexity, and the challenge of attracting investors under a model that limits financial return and control. These challenges make adoption difficult, especially for smaller companies or those dependent on outside capital. Despite these constraints, the opportunities identified in this study point to the model's growing relevance. When implemented early, steward ownership can serve as a strategic foundation that strengthens a company's positioning and culture. It also offers a response to growing dissatisfaction with traditional shareholder models and creates space for more resilient, value-driven entrepreneurship. Practical Implications are:

- Mission-driven founders should consider adopting steward ownership early to protect their company's long-term purpose and prevent mission drift. Early adoption makes the process simpler and helps embed the mission lock, securing core values over time. It also provides a strategic advantage in the market and attracts employees motivated by purpose rather than just profit. However, founders need to be prepared for legal and financial complexities by seeking early guidance and connecting with experienced peers and organizations.
- For investors, the findings suggest a need to move beyond traditional investment logic. Steward ownership may not offer the typical exit or control mechanisms, but it does offer stability, clear governance, and long-term alignment. Investors who are willing to adapt by offering alternative financing structures, could become key allies in helping these companies grow. There is also an opportunity for investors to build closer, more values-aligned relationships with founders, rather than seeing steward ownership as an obstacle.
- For policymakers, there is a clear task ahead. Legal and tax systems are not yet designed to support steward ownership. Addressing issues like the Dutch gift tax and providing standardized legal templates could significantly lower the threshold for adoption. Recognizing steward ownership as a legitimate form of entrepreneurship would also send an important signal to notaries, financial institutions, and the business community.

This research contributes to the growing academic conversation on alternative ownership and sustainable entrepreneurship by providing grounded, real-world insights into how steward ownership is interpreted and applied in the tech industry. It confirms existing literature around mission drift and governance, while

extending the conversation into a fast-moving, capital-intensive sector where these tensions are especially visible.

Future research should expand the scope beyond the Netherlands and include perspectives from companies that chose not to pursue steward ownership. Including critical voices would provide a more complete understanding of the model's trade-offs. There is also a clear need for longitudinal studies that examine how steward-owned companies perform over time both financially and in terms of mission alignment.

Steward ownership challenges traditional business norms by prioritizing mission and long-term impact over short-term profits. While it requires dedication and careful navigation of legal and financial complexities, it offers a promising path for entrepreneurs committed to building sustainable, resilient companies. Embracing this model can help reshape how ownership and success are defined in the tech industry and beyond.

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## APPENDICES

1. Transcripts -> https://docs.google.com/document/d/1If1IXl0fBGoyLxCYHnVkCbf5_9KpAlNlbZPYqyh167c/edit?tab=t.0
2. Audio recordings -> https://drive.google.com/drive/folders/1rc46cLxK0LCtr3rMunjQwBDetEYE9OYk?usp=sharing
3. Interview guide -> https://drive.google.com/file/d/1rZOJWb6SQ987eOBaJ8AXdPQiCwGrMHYe/view?usp=sharing
4. Consent forms -> https://drive.google.com/drive/folders/1rc46cLxK0LCtr3rMunjQwBDetEYE9OYk?usp=sharing
5. Quotations -> Atlas.ti https://docs.google.com/spreadsheets/d/1Ubs9HiWN9R-_txw5n4VXVWdpTgcdURed2a4Ye6jb0FQ/edit?usp=sharing