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Impact Assessment in Social Entrepreneurship: A Staged Approach for Nascent and Very Small Sustainability-Oriented Organisations

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ABSTRACT

It has been proposed that impact assessment can meet ambitions to prove and improve social and environmental performance. This becomes relevant in social entrepreneurship, with its mission to create social value. As impact assessment appears complex and resource-intensive for nascent or very small organisations, this paper identifies which dimensions are crucial for credible impact assessment and examines circumstances for their application. We propose a staged approach to impact assessment which complies with established concepts and practices while still allowing flexible application in relation to entrepreneurial ambitions and organisational circumstances. Our approach is illustrated through a multiple case study.

KEYWORDS

Impact; materiality; results chain; stakeholders; social entrepreneurship; sustainability

Introduction

Four decades after the iconic Brundtland report was published (WCED (World Commission on Environment and Development) 1987), ecological imbalances have deepened and poverty-related problems remain, while sustainability policies have weakened (Ioannou 2025; SEI et al. 2025; WMO (World Meteorological Organization) 2025). This increases the need for actors outside of policy, including entrepreneurs, to initiate and drive sustainable transformation, a role which finds support in research (Di Vaio et al. 2022; Gionfriddo and Piccaluga 2024; Hultman, Bonnedahl, and O'Neill 2016; Kamaludin, Xavier, and Amin 2024).

When we seek to capture actual sustainability performance, however, the heterogeneity and complexity associated with sustainability translates into a multitude of approaches, such as Life Cycle Analysis, Social Return on Investment, Sustainable Value Added, TBL accounting, and ecological footprints (Barnett, Henriques, and Husted 2020; Kah and Akenroye 2020; Trautwein 2021). In addition, a relatively practice-oriented area focuses on 'impact', in combination with, for example, management, assessment,

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measurement, and investment (Daggers 2020; Ebrahim and Rangan 2014; Fernhaber and Hawash 2023; IMP (Impact Management Project) 2021).

The interest in impact, which includes the financial and public sectors (Massihi, De Beule, and Bruneel 2025; Trasciani and Petrella 2025), makes it potentially relevant for sustainability-oriented organisations. In this article, we discuss this potential in relation to social entrepreneurship, which is defined by a mission to create social value (Dacin, Dacin, and Tracey 2011) and is applicable to a range of socially innovative initiatives with a focus on social or environmental outcomes (Huybrechts and Nicholls 2012).

The latter relates directly to impact, understood as the societal consequences of actions, beyond economic outcomes such as revenue or job creation (Fichter et al. 2023; Rawhouser, Cummings, and Newbert 2019). We begin with impact assessment (IA), defined as 'the process of identifying the future consequences of a current or proposed action' (IAIA (International Association for Impact Assessment) 2025). It should thus be understood as a tool to both evaluate and support decisions, and to enhance aspects such as sustainability and equity (IAIA (International Association for Impact Assessment) 2025). These two perspectives are often expressed through the roles of proving impact and improving related practices (Helleputte and Périlleux 2025; van Rijn et al. 2024). Hence, IA implicitly includes (impact) measurement and management, and lays the groundwork for reporting. It also matches well with social entrepreneurship, characterised by Kamaludin, Xavier, and Amin (2024, 30) as consisting of social innovation (improving), accountability (proving), and sustainability (the aim).

Efforts to prove impact and to achieve transparency, comparability, and legitimacy (Kah and Akenroye 2020) are linked to the need to attract interest from sustainability-oriented investors and other external parties (Trautwein 2021). On the other hand, efforts to improve are connected to internal needs and decision-making, but also to 'norms of marketisation and rationalisation in the social sector' (Lall 2017, 2637). Balancing these perspectives would make IA relevant to stakeholders without compromising their social or environmental ambitions (Lutz, Delgado, and Petrini 2025; van Rijn et al. 2024) or losing its role in innovation, learning, and effectiveness (Nicholls 2009).

Impact work may be particularly challenging for smaller or newly established organisations. The common emphasis on measurement and validation implies systematic and potentially qualified work to collect and analyse data (Ebrahim and Rangan 2014; Trautwein 2021). Hence, IA can be demanding in terms of quality assurance and reporting. In practice, actors with limited capacity or little access to performance data may resort to selective assessments and impact claims. In combination with low institutional pressure for comprehensive reporting, this could limit efforts to only proving the impact of intentional positive contributions (Fischer-Kreer and Brettel 2022). The 'open-ended nature' of impact (Johnsen and Lenhard 2026, 177) may also lead to misuse, and 'impact-washing' (Bengo, Borrello, and Chiodo 2021).

Hence, the relevance of impact claims comes with conditions. For IA to be credible, certain dimensions need to be present and related routines followed. This does not rule out the possibility that IA can be enacted partially, or in stages, with elements introduced and developed over time. Such an approach could depend upon organisational capacity and priorities, but it does need methodological transparency if

impact is to be communicated externally. While prior research has examined the practices and challenges of impact work in the context of new and small organisations (Rawhouser, Cummings, and Newbert 2019; Trautwein 2021), little attention has been paid to partial or incremental engagement with core IA elements. This is particularly relevant for nascent and very small organisations, where resource constraints and evolving organisational priorities may need to shape how IA is enacted. The related research question is: How can partial or incremental engagement with IA form and what will be the crucial dimensions in a credible approach to IA?

Against this background, the purpose of this article is to conceptualise a staged approach to IA and assess how it can be applied within nascent and very small sustainability-oriented organisations. We first identify the key dimensions of IA. We then allow them to function as stable conceptual elements in five cases, in each of which we study engagement in relation to factors such as ambitions, resources, and demands. Conceptualising IA as a graduated and selectively enacted set of practices, rather than a uniform framework to be fully implemented, while meeting relevant criteria for legitimacy, contributes to debates on accountability and IA in social entrepreneurship (Nicholls 2009; Ormiston and Seymour 2011; Rawhouser, Cummings, and Newbert 2019), extends discussions on measuring to prove and improve (Lall 2017), and responds to calls for an examination of how impact practices are enacted under early-stage conditions (Helleputte and Périlleux 2025; Trautwein 2021).

Impact literature and key dimensions of impact assessment

An important aspect of the impact area is the role of practice in its motivation and definition. From the policy and public sectors, including the OECD and the EU, down to individual municipalities, areas of interest include the abilities to identify societal progress and direct targeted investment into the social economy (EPRS (European Parliamentary Research Service) 2017; OECD (Organisation for Economic Co-operation and Development 2023). In relation to this, business-driven and collaborative cross-sectoral initiatives, such as *The Impact Management Project* and *The World Business Council for Sustainable Development*, have contributed by defining and promoting impact, largely for the purposes of investor decision-making (IMP (Impact Management Project) 2021; WBCSD (World Business Council for Sustainable Development) 2023), but also to promote best practices, as in the case of *The International Association for Impact Assessment* (IAIA (International Association for Impact Assessment) 2025). The role of actors outside academia is taken further in the sphere that produces standards or regulation, not least GRI, *The Global Reporting Initiative*, and ESRS, *The European Sustainability Reporting Standards* (EU (European Union) 2023; GRI (Global Reporting Initiative) 2021a). While these standards target larger companies, the approaches to impact could reach small enterprises via supply chains, accountants, and consultants (European Commission 2025; Setyaningsih, Widjojo, and Kelle 2024).

From the academic literature, one should recognise the influence of sustainability research and areas such as corporate social responsibility, stakeholder theory, and sustainability accounting and reporting. Often, research builds upon more than one research area, such as when Kah and Akenroye (2020) use *Triple Bottom Line* (TBL) and legitimacy theory when reviewing impact measurement for social enterprises, or

when Ormiston and Seymour (2011) draw upon strategy to discuss value creation in social entrepreneurship. In addition to having varying theoretical bases and analytical foci (such as management, measurement, or reporting practices), the perspective on sustainability and societal values also differs. This leads to a first conceptual dimension for framing IA: the term impact.

Some writers include economic, social, and environmental consequences in an undifferentiated way, taking a so-called weak sustainability position (Daly 2005; Ekins et al. 2003), often in relation to TBL and anchored in *the 2030 Agenda*, addressing the three above-mentioned domains in a 'balanced and integrated manner' (UN (United Nations) 2015, §2). Interestingly, John Elkington (1998), while championing TBL, promoted the management and measurement of impact and brought up values that it is unfeasible for reductionist uniform assessments to incorporate, including critical natural capital, societal trust, and environmental justice (Elkington 1998, 20–22). The recognition of such values would come with an understanding of impact that allows heterogeneity and subjectivity (Barinaga 2026). It would also call for a hierarchical approach, in the acknowledgement of intrinsic values in the social and environmental domains, and non-substitutability between areas such as critical ecosystem functions and financial capital, but also between values such as freedom of speech and employment opportunities (cf. Ayres, van den Berrgh, and John Gowdy 2001).

Consistent with this, we follow literature that defines impact beyond economic valuation and sees economic performance (only) as potential means to generate, or causes of, social or environmental impact. This harmonises with the idea of social entrepreneurs as embedded in social and natural systems (Muñoz and Cohen, 2018), seeing economic value generation as 'a means-to-a-social-end' (Ormiston and Seymour 2011, 128). Societal value that extends beyond exchange value on markets can be exemplified by health or air quality, instead of employment or sales in a pharmaceutical or green tech company. Impact can appear, however, at the level of economic systems via, for example, larger firms' competition or procurement practices (GRI (Global Reporting Initiative) 2021a, 8). While size may indeed matter, social entrepreneurship can 'enhance or reconfigure existing institutional arrangements to address the inadequate provision, or unequal distribution, of social and environmental goods' (Nicholls 2009, 755). This illustrates that impact would not commonly be expected to appear instantly, but concerns 'medium- and long-term transformative changes of the natural environment, society, and markets' (Fichter et al. 2023, 2).

As a second conceptual dimension, the results chain or logic model provides linkages between the entity under assessment, resources and activities, and its impact. Furthermore, a distinction is commonly made between outputs, outcomes, and impacts (Ebrahim and Rangan 2014; Fischer-Kreer and Brettel 2022; Trasciani and Petrella 2025). In practice, however, these distinctions are more complex. For example, output can be quantified as offerings such as healthy food or climate counselling, or as the number of people fed or trained, which immediately opens up qualitative dimensions, relating to perceptions of the food or training (e.g. Ebrahim and Rangan 2014; Phineo 2016). From there, the step to outcomes in terms of new knowledge or attitudes regarding food or climate is a short one, but outcomes can also concern longer-term behavioural change, or, further down the chain, consequences for health or emissions. Finally, while some researchers equate impact with proven outcomes (Rawhouser,

Cummings, and Newbert 2019; Trasciani and Petrella 2025), others save the term for the level of human or environmental systems (Ebrahim and Rangan 2014; Fichter et al. 2023).

The third conceptual dimension distinguishes IA from evaluation limited to a project's or an organisation's target groups and explicit goals (Fichter, Widrat, and Olteanu 2021), focusing on sustainability rather than end-of-cycle judgement (Vo and Christie 2018). We find this in materiality. While the other dimensions build on both research and practice, materiality clearly relates to reporting practice. It implies that impact is not restricted to the intended positive performance but also incorporates any consequence of stakeholder significance (GRI (Global Reporting Initiative) 2021b; Taubken and Feld 2018). As GRI points out, these may be negative as well as positive, intended or unintended, actual or potential, short-term or long-term, and reversible or irreversible (GRI (Global Reporting Initiative) 2021a; 2022). Together with financial materiality, this impact materiality forms the double materiality of ESRS (EFRAG (European Financial Reporting Advisory Group) 2024; EU (European Union) 2023).

Although directed towards larger firms, the materiality principle can still be generalised and imply active stakeholder engagement to substantiate the importance of sustainability matters and 'to understand concerns and evidence about actual and potential impacts of the undertaking on people and the environment' (EFRAG (European Financial Reporting Advisory Group) 2024, 6). Nonetheless, while it is crucial to recognise these 'most significant impacts' (GRI (Global Reporting Initiative) 2021b, 26) in order to make impact communication legitimate (cf. Kah and Akenroye 2020) and to make the most out of motives to improve sustainability performance, this may be challenging for smaller organisations and for nascent ones, where even output may be unclear. Not surprisingly, entrepreneurs have been found to highlight positive impacts while downplaying negative ones (Fischer-Kreer and Brettel 2022).

The suggested inclusion of stakeholders in materiality analyses (EFRAG (European Financial Reporting Advisory Group) 2024; GRI (Global Reporting Initiative) 2021a) leads to the fourth conceptual dimension, which is consistent with collaborative approaches to value creation in social entrepreneurship (Ormiston and Seymour 2011; Zeyen et al. 2025). While the classic definition states that stakeholders can affect or be affected by a focal actor (Freeman 1994; Mitchell, Agle, and Wood 1997), the latter category is primary in IA (GRI (Global Reporting Initiative) 2021a, 8), where it broadens the analysis of performance to include more factors than just those of relevance for market actors (Schaltegger, Hörisch, and Freeman 2019). As carriers of interests, stakeholders take part in defining societal challenges, needs, and values. To increase the relevance to sustainability, i.e. to recognise needs and values over space and time, stakeholders would also include more abstract parties and interests, conceptualised as, for example, nature and future generations (Zsolnai 2006). It is challenging to include such 'silent stakeholders' (EFRAG (European Financial Reporting Advisory Group) 2024, 47) and interests beyond those with functional or legal relations with the actor under assessment. Nonetheless, this approach has been motivated by considerations such as the influence of nonanthropogenic events and impacts of decision-making on financial markets (Norton 2007) and, obviously, via policies in the social and environmental spheres.

Together with these conceptual dimensions characterising IA, the literature presents operational dimensions, particularly management, assessment, measurement, reporting, and investing. Apart from indicating operational focus, these are used as labels for broader approaches to impact, an example being the IAIA's (2025) definition of IA above, containing elements of management and measurement. Similarly, IMP (Impact Management Project) (2021) presents an almost all-encompassing definition of impact management, as the process by which an entity understands, acts on, and communicates its impacts. Measurement is also often used broadly in the literature (e.g. Ćwiklicki, Bassi, and Urmanaviciene 2025), but we use it to signal a quantitative approach to assessment. Reporting both consists of potential final output from IA to stakeholders and represents a normative influence on impact (e.g., EU (European Union) 2023; GRI (Global Reporting Initiative) 2021a). It is important to note that reporting has an internal equivalent in the provision of information, which could lead to improvements in the management of sustainability issues (European Commission 2025; van Rijn et al. 2024). However, particularly with small-scale entrepreneurship in focus, we need to look at communication in a broad sense and be open to reporting with features that could be 'fluid, contingent, and dynamic' (Nicholls 2009, 767). Finally, from the perspective of entrepreneurial entities, impact investing is of indirect interest. Investors are seen as a stakeholder category, which mainly *affects* entrepreneurship but also influences the perceived need for, and format of, IA and reporting.

This illustrates once again that different approaches to impact may be relevant for different actors. Some challenges relate to an organisation's size and stage of development (Di Vaio et al. 2022), and more advanced IA applications may be hindered by factors such as informal management, resource constraints, and lack of data or knowledge (Carle and Rayna 2024; Trautwein 2021). A specific challenge concerns methodologies and related impact claims. When impact is defined as outcomes attributed to focal organisations, it is typically associated with an assumed causality and an ambition to achieve precision. From this, it follows that methodological rigour is essential; in strict cases, proofs consisting of counterfactual analysis with control groups and baseline values of outcome variables are required (Barnett, Henriques, and Husted 2020; Helleputte and Périlleux 2025). On the other hand, when impact is defined as long term and systemic, and the call is rather for relevance in descriptions of contributions, this may be demanding for other reasons. Here, the entrepreneur needs to face complexity and uncertainty, with determining factors outside her or his control (Ebrahim and Rangan 2014; Trasciani and Petrella 2025).

As depicted above, both calls, for precision and for relevance, would emphasise proof of impact. This illustrates that retrospective and experience-based ex post assessments are suitable for established organisations, while predictive and modelling-based ex ante approaches to impact could be more relevant for nascent organisations without performance data (Eren Giderler and Vanclay 2024; Trautwein 2021). In a similar classification, Rawhouser, Cummings, and Newbert (2019) use outcome-oriented approaches when the focus is on actual outcomes of prosocial activities, and activity-oriented approaches when methodologies build on assumed relations between activities and intended social (including environmental) benefits.

These distinctions also reveal risks associated with impact approaches. Limited capacity for systematic assessment has been linked to simplified or selective approaches

to impact. This may contribute to mission drift, as organisations adapt activities to what can be measured or communicated (Eckerle and Terzidis 2026; Golbspan Lutz, Delgado, and Petrini 2025). The complexity and heterogeneity of impact measurement (Kannampuzha and Hockerts 2019; Satar and Alarifi 2026) may also imply weakly substantiated claims. This contributes to so-called 'impact washing', where organisations present themselves as impact-oriented without demonstrating any substantive social or environmental effects (Bengo, Borrello, and Chiodo 2021; Johnsen and Lenhard 2026). These challenges underline that the relevance and credibility of IA depend upon how it is adapted to organisational conditions, particularly in nascent and very small organisations.

Method

Based on the dimensions outlined above, our research is theory-driven (Eisenhardt and Graebner 2007, 26), but we acknowledge varying ambitions, operations, and contexts, as well as subjectivity in the interpretation of the advantages and challenges of IA. Such complexities, and the desire to understand 'the dynamics involved in the setting' (Eisenhardt 1989; Halinen and Törnroos 2005, 1286), directed us towards a qualitative approach and a multiple case study. As a case study, it fits into Yin's (2003, 9) influential classification, through the how-question addressing a contemporary event over which we had limited control. The partial or incremental engagement with IA in our research question also required a design that allowed for sequential data collection, out of which interpretations would develop iteratively.

The selection of cases was facilitated by a regional branch of a Swedish business counselling organisation with a focus on social entrepreneurship. From its contact list of entrepreneurs with features meeting our purpose in January 2022 (approx. 20), a purposeful sampling (Coyne 1997) was made. We selected five cases that we considered would provide some variation in terms of mission-orientation, gender, and single entrepreneurship vs. partnerships (see Table 1). While an assessment of external validity (Rowley 2002; Voss, Tsikriktsis, and Frohlich 2002) is constrained by the above-mentioned complexities, we retain the ambition to generate insights beyond our cases. This rests upon an assumed replication logic (Rowley 2002), and, recognising the limitations

Table 1. Case information.

Case	Entrepreneur	Mission	Primary data
C1: Organic premium foods	Initiator, female	Sustainable production and consumption, and local development	7 interviews (approx. 10 hrs) and written reflections
C2: Education and inspiration in workplaces	Initiator, male	Mental health, personal and organisational development	5 interviews (approx. 7 hrs) and written reflections
C3: Workplace inclusion for disabled people	Two partner initiators, male	Wellbeing and social skills	5 interviews (approx. 7 hrs) and written reflections
C4: Access to physical activity	Initiator, female	Physical health and wellbeing	5 interviews (approx. 7 hrs) and written reflections
C5: Circular and educational toys	Two partner initiators, male and female	Sustainable production and consumption, child development	4 interviews (approx. 6 hrs) and written reflections

imposed by context and sample, some degree of constructive generalisation, relevant to normative problem-solving case studies (Lukka and Kasanen 1995).

All five cases embody social entrepreneurship by being socially innovative and mission-driven, addressing environmental and/or social challenges (cf. Dacin, Dacin, and Tracey 2011; Huybrechts and Nicholls 2012). They were initiated and managed by either one or two engaged individuals, and operated from the same Swedish region, with actual or potential national scope for their activities. C1 had the longest history, having been founded as a limited company almost a decade before the first interview, the widest scope of activity, in terms of factors such as procurement and production, and a few part-time employees. C2 had been in operation for a few years with one employee, while the other three were in start-up phases without employees.

The main source of data was a series of interactive meetings with the entrepreneurs, organised as semi-structured interviews, held in Swedish. Between interviews, participants were asked to reflect upon specific items. These were discussed at the beginning of the subsequent interview, as an integrated part of the process, and used to develop interpretations, check data, and look for convergence (Voss, Tsikriktsis, and Frohlich 2002, 209). Without going as far as co-construction in the sense of authors such as Patti and Ellis (2017), the iterative design, with reflective processes facilitated by the researchers, implies that the findings represent both existing understandings and practices, and sensemaking stimulated through repeated questions and reflections. In line with the idea of incremental engagement, this also means that the research method influences the perceived potential of impact work.

As the interviewees were initiators and operating managers, the information required for our purpose was available through the single or dual respondent design. However, in line with typical case studies, combining methods (Eisenhardt 1989), webpages, public business information, and social and local media contributed to case-specific information and contextual understanding prior to the interviews, and was used for triangulation during the interview series (Rowley 2002).

The time spent with each entrepreneur, which was guided by a multi-page template with follow-up questions adapted to cases, motivates a condensed but comprehensive description. As C1 allowed the broadest initial discussions, we began by meeting its initiator/manager six times during February and March 2022. Learnings and a slightly adjusted template (indicated below) were used during four meetings with each of the other entrepreneurs in May 2022. The C1 process included a production site visit, whereas the other interviews were conducted online, by both authors, and video recorded.

During interview one, with conceptual dimensions in the foreground, questions about the company's mission initiated discussions about social and environmental consequences. Attempts to qualify these as impacts, with reference to societal benefits, long-term consequences, and Sustainable Development Goals (SDGs, UN (United Nations) 2015), also indicated how results chain positions were understood. Furthermore, questions about ambitions, competences, and resources introduced operational dimensions, including managerial capabilities, potential assessment methods, and the relevance of reporting. Impact discussions were successively broadened to include the negative or indirect consequences of activities (cf. GRI (Global Reporting Initiative) 2021a). This continued as an assigned reflection between the first two interviews,

aiming to approach materiality and, hence, all significant impacts (GRI (Global Reporting Initiative) 2021b).

Interview two began by following this up, adding questions about affected stakeholders. This contributed to an assessment of where, when, and how, and revealed the relevance, potential target groups, and form of communication. To broaden the understanding of contexts and results chains (e.g., stakeholders as resources) and inform the setting for IA, we also asked about stakeholders affecting the organisation (cf. Schaltegger, Hörisch, and Freeman 2019).

Interview three consisted of in-depth discussions about management and assessment, including the balance between capabilities and potential gains (cf. Ebrahim and Rangan 2014). Therefore, between the second and third interviews, entrepreneurs were again asked to reflect, this time about ambitions, time, information systems, and the use of impact data, including its internal use for learning and enterprise development (Nicholls 2009). The remainder of interview three focused on assessment as a specific practice. For at least one identified impact, questions included where in the results chain an assessment could be made, timing in terms of feasibility and impact relevance, and potential methods for collecting data.

The assigned reflection for the fourth interview concerned how and with what purpose impact could be approached within the organisation. This informed the focus during the interview, which built upon items covered earlier, including resources and activities (as parts of the results chain), materiality and stakeholder analyses, preliminary choices of indicators, and data presentation. While we examined the role of reporting, repetition of items and time to reflect also meant that interviewee reasoning could develop in precision and/or depth.

In November and December 2023, we conducted follow-up interviews to investigate the status of thoughts and work on impact, relating to all conceptual and operational dimensions, with the ambition of identifying any developments and potential new challenges. At this stage, C5 was no longer active and its initiators were unavailable for interviews.

A key element of our analysis was given by the design: the sequence of interviews with interactive features. After each interview, both authors examined notes and videos before engaging in joint discussions, which allowed complementary insights and convergence of observations. These are important advantages of having more than one investigator (Eisenhardt 1989). Through this iterative data collection and analysis (Voss, Tsikriktsis, and Frohlich 2002), unclear or unexpected statements were also identified and competing interpretations clarified. Apart from constituting a first-level within-case analysis, this allowed the flexibility argued for by Eisenhardt (1989) and influenced follow-up questions. These were typically designed to gather additional information regarding some key activity or to assess how far the perception of relevant stakeholders could go.

Subsequently, this first-level analysis travelled with us through the sequence of interviews, which helped us to 'become intimately familiar with each case' (Eisenhardt 1989, 540). Meanwhile, intermediate interviewer discussions helped to interpret the material step by step. As we allowed theory to guide our analysis, in line with Halinen and Törnroos (2005), the second level implied the coding of each case after conceptual and operational dimensions, meaning that notes could appear in more than one

dimension (e.g., 'employee satisfaction as indicator' would be coded for both stakeholder and assessment). At the third level, codes were sorted within each dimension (referring to, e.g., direct or indirect stakeholders, intended or unintended impacts, etc.), and, finally, we repeated this for the data from all five cases to arrive at a common structure.

While this coding is the basis for the following sections, the selection is also informed by our interpretation of certain information as particularly critical, as when an item was emphasised by an interviewee. The case-by-case presentation mainly uses the empirical terms appearing in the interviews (e.g. contributions or participants), whereas theory-informed terms (impacts or stakeholders) are highlighted in the cross-case analysis. In the conclusions section, we add approaches to impact and highlight implications concerning IA application for our category of actors (cf. Halinen and Törnroos 2005).

To increase analytical transparency, the Appendix (Table A1) provides examples. To strengthen the credibility, that the emerging analysis remained grounded in the empirical material, interpretations were continuously checked against recordings, fieldnotes, and secondary material. Secondary sources were also useful for deepening our understanding of case-specific circumstances, e.g., standard details and costs related to the use of organic or Fairtrade labels (C1), or the legal basis for municipal outsourcing (C3).

Case presentations

C1: Organic premium foods

C1 sells through niche retail stores, with major suppliers in two developing countries and some sourcing in rural parts of its region. The founder's social and environmental commitment is profound, and her initial interest in impact was expressed as 'I know what I'm contributing to, but how can I describe it?' Impact claims would be used in food product competitions, but later she also identified their usefulness when making contact with policymakers and retailers.

From the start, she identified a range of contributions, which had been planned to a greater or lesser extent. This included development in the supplying communities through a stable income and learning about trade and entrepreneurship, and soil protection through pesticide-free farming. Subsequently, she identified farming families, nature, and future generations as affected by these activities. Another contribution was self-esteem among staff through innovations such as a responsibility training programme where 'each one teaches one' to 'make people grow'. Later, this programme came up as having potentially negative consequences that needed to be dealt with. While appreciated by most participants, some felt disillusioned when it ended, realising that they were not ready for regular employment. Positive contributions to her home region development were also identified from the start, through the engagement of volunteers and part-time staff during peak seasons, and the purchasing of local herbs and berries. Furthermore, she cited consumer well-being due to product features, a reduced contribution to climate change via energy savings and transportation measures, and reduced resource use through the choice of biomaterials for packaging. In the discussions, these contributions were related to SDGs 2, 8, 11, and 12.

Key actors enabling these contributions included suppliers, staff, customers, retailers, and financers, whereas supporting managerial activities included instructing suppliers about quality requirements, the use of social media and relationship-building to recruit and retain volunteers, and influencing customers and retailers through tastings, fairs, and a regularly updated product portfolio. Through discussions, she also identified the importance of relationship-building with retailers and reliable delivery to promote product placement and sales. In relation to her ambition to assess social and environmental contributions, she found it 'difficult to measure what's happening far away, impacts in South America', and wanted to focus on local impacts, to 'inspire others [with] what a difference a small enterprise can make'. Here, she cited existing information channels to track the number of suppliers and volumes, but discussions also led to qualitative indicators that could capture aspects such as the staff's sense of meaning in their work, and the sense of purpose felt by volunteers. This could be achieved through brief descriptions taken from regular interactions or annual interviews. She wanted to explore further what C1 meant for home region development, a growing ambition of hers. The C1 webpage provided structured information about positive social and environmental contributions, but without data. Seeing the value in reporting for internal and external use, the plan was to develop this with indicators, possibly related to the SDGs.

C2: Education and inspiration in workplaces

At C2, the entrepreneur is working within his profession, providing workplace education, including digital solutions, to improve mental health. After experiencing that clients 'want to know the impact and want you to measure it', he had made attempts to communicate positive contributions via the web. He had already used the term impact but wanted to deepen his understanding of IA, and hoped to use this internally within C2.

The logic of his contributions was that education to strengthen self-leadership would empower participants and promote sustainable choices, leading to improved mental health. He also identified secondary consequences in improved team-work and organisational performance. When asked about societal-level consequences, he expressed a belief that a deeper self-understanding improves interpersonal relationships, ultimately improving work–life sustainability. With individual transformation as a focus, our discussions also led to the identification of benefits in the participants' social contexts and a potential societal benefit in reduced sick leave, related to SDGs 3 and 8. Struggling to name any negative consequences, he eventually acknowledged that participants may initially feel worse upon realising their emotional state. Otherwise, while interventions were brief, he was aware of the long-term nature of some processes.

He listed several actors critical for success, including himself, technical developers, financiers, and competitors. He also noted the influence of employees and managers in client organisations, who shaped service implementation. To increase the opportunities for self-leadership to materialise, it was key to promote proactive well-being strategies to clients. It was also important to work with technical developers to ensure

that the platform was user friendly. He identified a need to measure impact to clarify contributions but also a feeling of being overwhelmed by complexity, accentuated by limited time due to broad organisational responsibilities. 'There are so many ways to assess, both ethical and unethical. I want it to be simple, but I also want to make sure we're identifying the right thing.' He had previously tested methods, including in-app self-assessments, with indicators such as emotional awareness, motivation, and confidence. However, he questioned the reliability of self-assessments and suggested complementing them with other methods, incorporating both qualitative data and output indicators, such as meeting attendance. When the topic of reporting arose, he expressed frustration with communicating impact, particularly after pitching to a business jury. 'People are only interested in what's overly simplistic and clear, and the more you elaborate, the less they care, they just get frustrated.' He observed that attempts to demonstrate contributions often led to a narrow focus on a single, visible result. In line with this, he was considering shifting his communication strategy towards specific indicators rather than broader impacts.

C3: Workplace inclusion for disabled people

C3 is operated by two individuals in parallel with their regular work. Good business connections and experience of sports coaching for individuals with intellectual disabilities had inspired a work training programme with components of physical activity. A perceived need to convince municipalities, their primary customers, had motivated their interest in impact communication, and a short film about the company's positive impact was accessible through their webpage.

The entrepreneurs initially identified three main contributions: job opportunities for individuals with disabilities, social competencies through workplace integration, and promoting physical activity together with sports associations. When attempting to articulate society-level contributions, they first arrived at 'personal development' but, after discussion, improved social competencies was kept while physical health replaced physical activity. Job creation was now seen from two sides: employment would increase self-esteem, but work-place integration would also contribute to empathy and humility among regular staff, related to SDGs 3 and 10. All contributions were considered intentional and medium to long term. Asked about potential consequences for other groups, one entrepreneur stated that 'you're a parent throughout your whole life,' highlighting parents' concerns. C3 was thus seen to reduce anxiety among family members and improve their well-being, but it was also beneficial for the entrepreneurs themselves when they experienced positive results. They struggled to identify negative consequences but acknowledged potential competition with municipal programmes and increased carbon emissions from participant travel.

They were dependent upon municipal approval and financing but, while officials had previously stated that 'you do this better than we do', it was still difficult to gain support. Workplaces and sports associations would also be enabling through supportive environments and social training. To achieve the intended results, the entrepreneurs emphasised supervision in workplaces, tailoring work tasks to individuals, and continuing education for coaches at sports associations to enable improving

social competences. Regarding assessment, potential indicators were related to actor categories. For example, punctuality at work was proposed as a proxy for social competence, aiming for zero employer complaints. A suggested indicator of self-esteem would be parental feedback on behavioural change, illustrated by the parents of one participant who found their son able to cycle to them every Sunday for dinner after being enrolled in the programme. One entrepreneur also emphasised the importance of negative developments, noting that 'if we see that something is getting worse, like someone being bullied in the workplace', it becomes important to act upon this. While the entrepreneurs did not see an immediate need for formalised reporting, it was important to communicate impact to key partners, including municipalities and host workplaces. To make this feasible and credible, they wanted to combine storytelling with statistics and outlined a communication format that would include a summary of key impacts, selected quotes, and visual representations (e.g., bar charts).

C4: Access to physical activity

C4 is an independently financed project within a sports association, initiated by the interviewee, who had a solid background within sports. Via an app, intended for young people engaging in limited physical activity and set up to ensure inclusive participation, C4 presents sports activities arranged by different associations. The entrepreneur wanted to communicate the benefits of C4 to sports associations, municipalities, and financing bodies.

From the beginning of our interviews, this entrepreneur identified increased physical activity among young people and a stronger sense of belonging as contributions possible over a relatively short period of time, in discussions linked to SDG 3. As indirect benefits, she also saw improved mental health, supported by higher activity levels and the group-based structure of activities. Additional contributions that emerged early were personal development and knowledge about nutrition. When asked about broader societal effects, she mentioned public health as a long-term benefit, reducing healthcare costs for the regional authority. This discussion also led to identifying parents as indirectly affected, when they experienced the well-being of their children. She further noted that 'by increasing activity levels you will have better concentration and less school absence', highlighting benefits to the municipality, through improved school attendance and equality, related to SDG 5. Sports associations could also potentially increase their membership. When asked about negative consequences, she was reluctant to engage and stated: 'you never think about negative effects'. The risks that C4 would increase competition between organisers of activities, and contribute to emissions from increased travel, as the app would present a rich supply of activities in various localities, was discussed but not seen as fully relevant.

When asked about important actors for success, she named the municipality, through funding and access to target groups, other financiers, the app developer, sports associations, commercial facilities, and, after discussion, she recognised her own vital role. To achieve the intended contributions, she underlined the importance of demonstrating benefits to the municipality and was engaged in ongoing communication and relationship-building with civil servants, to secure funding and discuss

access to target groups. She also worked with sports associations to discuss recruitment, activities, and how the app could increase their membership. Assessments were planned, with a preference for a quantitative approach using app-based user data and surveys from sports associations. She emphasised a limited number of indicators, noting that 'it only becomes more work' when additional measures are added, and outlined preliminary goals for some, such as 80% of users with increased activity levels over a given period. Simultaneously, she acknowledged the value of qualitative methods and recognised the sensitivity of health-related personal data. For results relevant to the municipality, such as improved school attendance, she proposed combining app data with interviews to understand youth well-being and school engagement. While formal reporting was not relevant, she had begun using impact-related learning in applications for funding and listed several benefits for young people, associations, and society in her webpage communication. At this stage, no supporting data was included in this.

C5: Circular and educational toys

In C5, two entrepreneurs were starting up production and sales of educational toys for children, using recycled and surplus materials. They were committed to both social and environmental contributions and were undertaking this work in parallel with regular employment. An interest in impact was motivated by enterprise development and communication.

Initially, aims to influence consumption, reduce environmental pressure, promote local development, and support rehabilitation of the unemployed were declared. Later, these were refined as contributions to sustainable consumption, circular production, local development, and well-being through rehabilitation. The first two, targeting pre-school staff and parents, were prioritised, and explicitly related to SDG 12. After reflection, however, it was recognised that customers' friends and families could also be influenced to adopt sustainable behaviours: 'This is something we've been struggling with. How far should one expand this? Overall, the whole of society is part of it.' In line with this, the entrepreneurs added future generations and nature to those affected by their activities. They also reasoned around relations between consequences; for example, so that work on sustainable consumption could influence attitudes towards reused materials, hence supporting circular production. Commenting on the time horizon, one said: 'environmental consequences are in a way always long term', adding that reused materials make consequences seem immediate. When asked about potential negative impacts, they presented almost no environmental downsides but acknowledged challenges related to finding materials locally, especially textiles. This led to a discussion about whether material, energy, and chemical use should be viewed as negative impacts or as indicators of circular production.

Actors mentioned as crucial for success were a carpenter, other suppliers, a public work training scheme, pre-school staff, and parents. They also needed external funding, noting the importance of arguing for innovative aspects and the challenge of convincing potential financiers about reused materials. To strengthen their venture, they planned sustainability workshops and events for product quality and launches,

targeting pre-school staff. Additionally, they planned to develop an app and collaborate with a mall for circular products. Lacking formal systems for assessment, they handled emails and other incoming information systematically and planned to develop structured data collection. To evaluate their contribution to sustainable consumption, they considered indicators like sales and store visits, but also social media feedback and surveys. Initially focused on quantitative data, they came to see a need for qualitative methods as well; for example, engaging in conversations with store visitors to gauge behavioural change. They declared dual values in reporting. 'It's important for us internally as it gives us a better understanding of what we're working on now and what we [will] prioritise.' Furthermore, 'since we're in the start-up phase, there's a strong focus on showing our impact externally, where we need to structure it in such a way that it becomes easy to understand and credible'.

Cross-case analysis

Table 2 provides a structured comparison of how IA-related dimensions were expressed across the cases; how the entrepreneurs interpreted impact, articulated results chains, approached materiality, identified stakeholders, and operationalised impact-related practices. It serves as a point of departure for the discussion that follows.

As Table 2 shows, the social and/or environmental motives are reflected in how impact was interpreted. Economic dimensions were mainly addressed as finance, necessary but only supportive of their missions (cf. Ormiston and Seymour 2011). Likewise, work–life contributions were not primarily framed as employment but as profound qualities linked to employment, such as self-esteem. However, the clarity and precision with which different entrepreneurs addressed impact varied. One problem was to find levels of significance (GRI (Global Reporting Initiative) 2021b) – what would be important enough to qualify as impact? – and another was to position consequences at a societal level. Overall, such problems were less pronounced in C1 and C5, who demonstrated a broad and developed commitment to sustainability, but all the interview sessions showed that dialogue could improve understandings, which also illustrates valuation as performative (Barinaga 2026).

In relation to the results chain, the entrepreneurs were easily able to reflect upon the consequences of their activities, and it was possible to discuss stages; for example, that improved well-being had advanced further than changes in behaviour. Distinguishing between conceptual positions, however – i.e. between outputs, outcomes, and impacts – became an abstract and time-consuming exercise, accentuated by the increasing complexity of causalities as one moves through the chain (Ebrahim and Rangan 2014). Furthermore, societal and long-term factors mainly appeared as disaggregated outcomes, such as self-esteem among C3 participants and sustainable consumption among C5 consumers. Alternatively, as with mental health in C2 and public health in C4, it served to indicate the enterprise's direction rather than contributing as distinct parts of IA approaches. Nonetheless, discussing societal-level impact stimulated reflection and learning, with examples being C2's attempt to link individual self-leadership to broader social transformation, and C3's shift from job creation to humility in the workplace.

Table 2. Case comparison across conceptual and operational dimensions of IA.

	Conceptual dimensions				Operational dimensions		
Case	Impact	results chain	Materiality	Stakeholders	Management	Assessment	Reporting
C1	Broad; social and environmental; individual and community level; long-term and systemic	Articulated chains; outcome orientation	Broad recognition	Broad recognition; substantial interaction	Broad and proactive; coordination of key actors and activities	Emerging; quantitative and qualitative indicators; focus on feasible and local assessment	Structured communication; emerging formalisation for internal and external use
C2	Focused; social; individual and local level; short-term and systemic	Articulated chain; output and outcome orientation	Minor negative consequences surfaced through dialogue	Narrow recognition; substantial interaction	Narrow; service design and client interaction	Experimentation with mainly quantitative indicators; concerns about validity	Selective communication; external use
C3	Broad; social; individual and community level; medium-term and systemic	Articulated chain; output and outcome orientation	Negative consequences identified through dialogue	Narrow recognition, extended through dialogue; substantial interaction	Narrow; coordination with enabling actors	Planned; simple quantitative and qualitative indicators; limited structure	Selective communication; planned external use
C4	Broad; social; individual level; short and medium-term, indirect systemic	Articulated chain; output and outcome orientation	Minor negative consequences surfaced through dialogue	Narrow recognition, extended through dialogue; some interaction	Narrow; coordination with enabling actors	Planned; quantitative app data and surveys; emerging mixed-methods approach	Selective communication; external use
C5	Broad; social and environmental; community level; long-term and systemic	Articulated chains; outcome orientation	Broad recognition, but struggled with definition of negative consequences	Broad recognition; some interaction	Broad; coordination of key actors and activities	Planned; quantitative indicators; focus on feasible and local assessment; emerging mixed-methods approach	Emerging and partly structured communication; planned internal and external use

In relation to materiality as well, the cases demonstrate both limitations and opportunities. As expected, intended positive contributions were the main focus (Fischer-Kreer and Brettel 2022). This is consistent with voluntary impact reporting and limited stakeholder demand, but it can also be influenced by a trade-off between clarity and complexity in communication, illustrated by the frustration with stakeholders' preference for simplified messaging expressed in C2. Some negative and unintended impacts (GRI (Global Reporting Initiative) 2021a) did appear, in different ways. While C5 aimed to minimise negative environmental impact, the entrepreneur in C1 recognised the potential negative consequences of a training programme at the level of participants. The C4 entrepreneur, however, acknowledged potentially increased emissions but saw this as beyond the scope of her responsibilities. The broader and more developed sustainability commitment shown in C1 and C5 may have facilitated approaches to materiality, suggesting that prior articulation of sustainability values conditions the scope and depth of IA engagement. In contrast, the more focused social contributions aimed for in C2 and C4 correspond to approaches more in line with the evaluation of goal achievement, limiting the legitimacy of impact communication (cf. Kah and Akenroye 2020) and organisational learning (van Rijn et al. 2024).

In terms of stakeholders, direct engagement with assumed beneficiaries was strongest in C1, through the involvement of suppliers and staff, and in C3, via potential participants. In all cases, engagement with intermediaries, e.g. retailers, customers, and service providers, was key. This demonstrates that direct engagement with stakeholders *affecting* the enterprise, including financing bodies, was more prevalent than engagement that could substantiate contributions (EFRAG (European Financial Reporting Advisory Group) 2024), a priority which probably reflects the realities of resource-weak organisations (cf. Trautwein 2021). Stakeholder recognition developed through interview processes, such as including indirect consequences for the family members of C3 and C4 participants. This shows possibilities for broader analysis of sustainability performance and indicates potential to improve impact through learning. Overall, however, the cases illustrate the difficulty of including stakeholders who appear abstract or distant, even though these remain critical to sustainability (Zsolnai 2006).

Turning to operational dimensions, management activities related to impact were typically integrated with regular interactions with suppliers, customers, and partnering organisations. None had designated processes or systems. Rather, with operational demands competing for limited time and resources, they engaged in bricolage (Helleputte and Périlleux 2025), reorienting existing resources and social networks to address emerging aims (Brown and Neyme 2026).

Clearly, this was reflected in practices related to assessment. All expressed interest in assessing impact but limited prior knowledge and the practical challenges of data collection and analysis presented obstacles. C1 and C5, with the broadest sustainability ambitions, wanted to rely primarily on information from regular practices. The cases display initial preferences for quantitative indicators, partly due to availability; for example, app data in C4, but also for communicative reasons. Through discussions, however, participants increasingly came to regard qualitative information as both acceptable and relevant to impact relating to for example wellbeing or behavioural change. Such understandings developed alongside a wider recognition of stakeholders

and of what an indicator could be. The difficulty of capturing long-term or systemic effects was seen in all cases and, particularly in C2, the related trade-off between assessing what is relatively easy and what is truly relevant, was overt.

The relevance of comprehensive reporting was only seen in C1 and C5 but here it was tempered by limited capacity. Nonetheless, all the interviewees expressed an intention to substantiate their contributions, in order to strengthen their credibility in communication with clients or other stakeholders. A desire for focused but relaxed communication was expressed, based on tangible indicators rather than aiming for broader, long-term impacts. The purposes reflect those listed by Nicholls (2009, 766): to enhance performance, access resources, and build legitimacy, with examples being data to be used in food competitions (C1), in applications for funding (C4), and in presentations of the relevance of their offer (C2, C3, and C5). While C2, C3, and C4 had specific stakeholders in mind as their intended audience, again C1 and C5 differed in that they saw broader uses, including internal use.

Taken together, these entrepreneurs were far from adopting comprehensive IA, and instead engaged selectively with analytical components. While this complies with an observation by Barnett, Henriques, and Husted (2020), that many organisations remain positioned at the early stages of the results chain, rather than addressing longer-term societal impact, our cases are not easily positioned in relation to the activity- and outcome-oriented approaches suggested by Rawhouser, Cummings, and Newbert (2019). All of these entrepreneurs would use output indicators, but there were also frequent references to outcomes such as a sense of meaning, behavioural change, and individual well-being.

Impact assessment in stages

As seen throughout the cases, actual and potential engagement with impact indicates that requirements for standardised implementation of a comprehensive IA model would impede employment for this category of actors. As a response, we propose a framework that incorporates key IA elements as a credible foundation for impact ambitions while allowing for limitations and variations in ability (Trautwein 2021). Building on prior work on impact (e.g., Ebrahim and Rangan 2014; Rawhouser, Cummings, and Newbert 2019), this framework defines engagement with IA as multidimensional but allows flexibility in relation to different dimensions.

What we label advanced engagement in Table 3 represents a comprehensive, literature-informed approach to IA. This would be suitable, for example, under conditions of organisational maturity and capacity, and when there is motivation or demand for more sophisticated methodologies and reporting. The cases have illustrated that the same dimensions can be approached partially, and potentially in stages, through learning and enterprise development. However, as this finding builds on a number of interactive meetings, case data illustrates engagement influenced by researcher-facilitated reflection. In practice, we propose that this could correspond to – and be replaced by – interaction with advisors. Subsequently, case data is used to inform two suggested stages, which we name low and moderate engagement. The model, shown in Table 3, does not prescribe progression, but basic understandings

Table 3. An approach in stages to engagement with impact assessment.

Conceptual dimensions	Low engagement	Moderate engagement	Advanced engagement
Impact	Impact understood as social or environmental contributions while economic dimensions are considered as means	Social and environmental consequences recognised beyond intended contributions	Social or environmental mission; broad, systemic, and long-term social and environmental consequences recognised
Results chain	Links between activities and contributions made explicit	Differentiation between outputs, outcomes, and impacts	Comprehensive results chain; recognition of linkage complexities
Materiality	Focus on intended contributions; other consequences recognised	Unintended and negative consequences included; reflection upon short- and long-term factors	All significant impacts included
Stakeholders	Beneficiaries of intended contributions identified	Broad stakeholder recognition and some involvement to qualify impact	Comprehensive recognition including indirect, future, and non-human stakeholders; systematic involvement to qualify impact
Operational dimensions			
Management	Conscious work with link between activities and intended contributions	Work informed by basic materiality and stakeholder analyses	IA integrated into regular and systematic management activities
Assessment	Elementary follow-up on intended contributions	Methodological awareness, relevant indicators, and emerging structure	Appropriate methods and systematic assessment of significant impacts
Reporting	Information used for learning; any external communication made without impact term	Information integrated into management processes; selective but transparent communication	Systematic application of assessment for learning and external impact reporting

Note: Advanced engagement is literature-informed whereas low and moderate engagement are informed by data from an interactive sequential method which supported learning.

of impact and the results chain are required first steps. Furthermore, to attain credibility in external communication, differentiated engagement emphasises that transparency about assumptions, scope, and methods is particularly important.

Conclusions

In assessing how a staged approach to IA can be conceptualised, for the benefit of nascent and very small sustainability-oriented organisations, we propose that it requires engagement with the interrelated dimensions of impact, results chains, materiality, and stakeholders, alongside operational considerations concerning management, assessment, and reporting.

Exploring the conditions for such engagement through a multiple case study, we found mission orientation to be an entry point. Not only were social and/or environmental missions articulated, but all the entrepreneurs also perceived economic performance only as a means to achieve those social and/or environmental ends. Furthermore, the cases suggest that a broader and more developed commitment to sustainability may provide stronger foundations for IA. Entrepreneurs with such a commitment more readily positioned impact at the societal level, demonstrated a

more detailed understanding of the results chain (Ebrahim and Rangan 2014), and showed greater engagement with materiality (Fischer-Kreer and Brettel 2022). They also recognised nature and future generations, whose interests are crucial to sustainability, as stakeholders.

Nonetheless, in all five cases, discussion and reflection broadened the scope of engagement with IA. The entrepreneurs were able to move beyond intended positive impacts, and, while initially focused on direct stakeholders – such as users, customers, and funders – their perspectives expanded to encompass broader ranges of affected parties. This supports the view that IA could be implemented in stages. Hence, we outline a literature-based framework which recognises that engagement may need to develop unevenly in response to constraints and priorities, allowing low to advanced engagement across key dimensions. While recognising the limitations related to sample and context, we suggest that these are transferable propositions, which need to be explored in other organisational contexts.

Engagement naturally begins with intended societal contributions, but it needs to be accompanied by an understanding of impact and the results chain. Further engagement would include broader social and environmental consequences, potentially followed by deeper engagement with the various dimensions. A move towards the framework's systematic assessment and reporting would be compatible with standards like GRI and ESRS (EU (European Union) 2023; GRI (Global Reporting Initiative) 2021a). By retaining conceptual consistency while allowing contextually relevant application, the staged approach aligns impact practices with organisational realities and available resources (Ćwiklicki, Bassi, and Urmanaviciene 2025; Trautwein 2021).

These findings carry implications for both research and practice. Conceptually, they contribute to debates on accountability and impact measurement in social entrepreneurship (Nicholls 2009; Ormiston and Seymour 2011) by reframing IA as a staged and proportionate set of practices in which different dimensions may develop over time. Practically, they suggest that nascent and very small sustainability-oriented organisations may benefit from approaching IA as a reflective and staged process aligned with mission and capacity, rather than as comprehensive and compliance-oriented reporting exercises (Lall 2017). When an ambition to improve is present (van Rijn et al. 2024), low engagement could still imply important learning, not least in relation to finding alternative ways to improve impact, thus not seeing the results chain as static. If impact claims are made to external parties, transparency about scope, methodologies, and limitations becomes particularly important in order to maintain legitimacy (Kah and Akenroye 2020). Subsequently, funders, intermediaries, and standard-setting bodies should consider requirements and support that enable rather than discourage engagement with impact-related practices among resource-constrained, mission-driven entrepreneurs.

Among the limitations, the interactive research design implies that the findings reflect a combination of existing and facilitated understandings. This may have led to an overestimation of the possibilities for incremental engagement or suggest that facilitation via people such as business advisors would be relevant. In addition, the study was limited to five cases of social entrepreneurship in one Swedish region. While this context enabled an in-depth examination of early engagement with IA, future research is needed to assess the conditions for a staged approach to IA in

other organisational and institutional settings. Future research should also include enterprises operating at more advanced levels of engagement with impact to evaluate the applicability, robustness and completeness of the proposed framework, particularly the literature-informed advanced engagement stage. Furthermore, future research could explore how partial or incremental engagement with IA interacts with sustainability reporting requirements and entrepreneurial support systems. Comparative and longitudinal studies may further clarify how engagement with different IA dimensions develops over time and under varying external pressures.

Author contributions

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Appendix

Table A1. Examples of the analytical process.

Case	Statement (1st level)	Dimension	Coding within dimensions (3rd level)	Cross-case analysis
C1	'Some felt disillusioned as it ended.'	Materiality	Recognition that activities may generate unintended negative impacts.	Compared with data emphasising intended positive impacts to illustrate variation in impact recognition.
C3	'You're a parent throughout your whole life.'	Stakeholders	Recognition of family members as indirectly affected stakeholders.	Illustrating variation in stakeholder recognition, together with data focusing on direct relations.
C5	'It's important for us internally as it gives us a better understanding of what we're working on now and what we prioritise.'	Management	Recognition of IA as a tool for enterprise development.	Illustrating variation in the purposes for which IA was used.
C2	'Attendance' as a potential indicator.	Assessment	Initial focus on readily available output indicators.	Compared with other cases to illustrate variation in assessment practices.