Article

Stepping Stone or Quicksand? Ethical Understandings of Non-Profit Support Organizations and Capability Consequences

Shuai Qin[1] (iD)

Abstract

This study examines how non-profit support organizations (NPSOs) construct collective ethical understandings of "support" under structural power imbalances and how these shape beneficiaries' experiences. Focusing on refugee entrepreneurship services in Western contexts, it draws on interviews with managers from 33 NPSOs and 15 refugee entrepreneurs. Integrating the Sensemaking-Intuition Model and Capability Approach, the study identifies three ethical understandings—Instrumental, Compensatory, and Transformative—that reflect how NPSOs interpret power asymmetries, justify interventions, and define ethical support. Each arises from distinct configurations of organizational expertise, internal culture, and perceived institutional pressures. A capability-based evaluation of ethical completeness assesses how these understandings uphold recognition, equity, substantive freedom, and institutional integrity. The assessment reveals that while Instrumental NPSOs emphasize directive support to avoid failure, and Compensatory NPSOs affirm beneficiaries' autonomy to counter power imbalances, only Transformative NPSOs approach ethical completeness— though their models remain precarious, strained by dominant neoliberal logics.

[1]Aston University, Birmingham, UK

Corresponding Author:
Shuai Qin, Centre for Research in Ethnic Minority Entrepreneurship (CREME), Aston Business School, Aston University, Aston Street, Birmingham B4 7ET, UK.
Email: s.qin2@aston.ac.uk

Non-profit support organizations (NPSOs) play an increasingly central role in delivering services to marginalized groups, including migrants and refugees (Azmat et al., 2023; Bhawe & Jha, 2024; Dahlman et al., 2022). These organizations sit between funders and beneficiaries and face dual accountability: upward to resource providers and downward to service recipients (Banks et al., 2015; Ebrahim, 2003; Wang, 2006). This intermediary position affords NPSOs significant influence and power over the lives of their clients, shaping how support is designed, delivered, and justified. Yet despite good intentions, many support efforts fail to enhance the agency or well-being of marginalized groups and may even reproduce structural disadvantage (Banks et al., 2015; Baur & Palazzo, 2011).

Existing research on ethical decision-making in organizations has largely focused on individual actors in commercial contexts, where ethical challenges are framed around internal hierarchies, stakeholder disputes, or market misconduct (Morrison, 2014; Schwartz, 2016). By contrast, support relationships are defined by inherent power imbalances: beneficiaries often have limited voices, few alternatives, and depend on NPSOs for access to basic opportunities (Ansari et al., 2012; Villares-Varela & Sheringham, 2020). These power-laden service environments complicate the processes by which NPSOs understand what is ethical and translate such understandings into practice. Here, ethical understandings refer to how NPSOs interpret what constitutes an ethical issue, what obligations it entails, and what forms of support are considered morally appropriate in context (Reinecke & Ansari, 2015, 2016; Sonenshein, 2007). While some scholars have begun to consider how non-profits handle ethical tensions (Azmat et al., 2023), we still lack a framework for understanding how NPSOs, as collective actors, make sense of their ethical understandings of "support" differently in these power-imbalanced relationships and exert impact on marginalized beneficiaries.

In this article, I define collective ethical decision-making as the organizational process through which NPSOs construct, justify, and operationalize shared understandings of what constitutes their versions of "ethical support"—that is, support that is seen as morally defensible. Rather than treating ethical support as a fixed or universally prescriptive ideal, I view it as a dynamic and context-dependent construction that emerges through interaction, interpretation, and feedback, yet remains open to normative evaluation

in terms of its adequacy and soundness (Dedeke, 2015; Sonenshein, 2007). My research question is thus twofold:

1. How do NPSOs collectively construct ethical understandings of "support" under structural power imbalances?
2. How do these ethical understandings influence the lived experiences of marginalized beneficiaries?

I investigate these questions in the empirical setting of refugee entrepreneurship support in the Western liberal democracies. Refugees are 1.5 to 2 times more likely to pursue entrepreneurship than local populations (Hanna, 2022), yet face extensive social, financial, and institutional barriers (Desai et al., 2021). NPSOs have become key actors in providing services for refugees to pursue their entrepreneurial aspirations (Abebe, 2023; Al-Dajani et al., 2015; Harima et al., 2020; Martinelli et al., 2024). This study draws on 42 interviews with managers and frontline leads across 33 NPSOs, as well as 15 interviews with refugee entrepreneurs who have received entrepreneurial support. This dual-perspective design enables the tracing of how ethical understandings are constructed within organizations and how they are experienced by those most affected.

To analyze these dynamics, this study integrates two theoretical lenses to form a multi-level ethical framework. The sensemaking-intuition model (SIM) (Sonenshein, 2007) enables the analysis of how NPSOs construct distinct ethical understandings of "support" by tracing the interpretive processes through which they frame ethical issues, respond via intuitive judgment, and rationalize their reactions over time (Schwartz, 2016; Weick, 1995). Building on this, this study uses the capability approach (CA; Deneulin & McGregor, 2010; Sen, 1985) to evaluate the ethical completeness of these understandings. Based on CA, this study defines ethical completeness as the extent to which an ethical understanding of support systematically: (a) upholds beneficiaries' rights to recognition (Fraser, 2000; Hart, 2013), (b) addresses structural inequities in converting support into real opportunities (equity) (Sen, 1985, 2005), and (c) expands their substantive freedoms—enabling marginalized groups to pursue lives they have reason to value (Nussbaum, 2011; Robeyns, 2017). This study also considers ethical completeness to involve not only normative soundness (from CA), but also whether these understandings are embedded and sustained through organizational and institutional structures. This ensures that ethical commitments are structurally supported rather than merely aspirational (Hart, 2013; Robeyns, 2017).

Together, SIM and CA allow this study to examine both how ethical meanings are constructed and institutionalized by NPSOs, and how these meanings

enable or constrain refugees' ability to pursue lives they have reason to value. This integrated framework thus captures not only the social production of ethical meaning, but also its normative adequacy in contexts of structural power imbalances.

The findings identify three distinct ethical understandings of support—Instrumental, Compensatory, and Transformative. Each represents a different way of interpreting power imbalances and defining ethical support. The Instrumental understanding conceives ethical support as responsible stewardship oriented toward preventing service failure; staff draw on professional norms to guide beneficiaries, but recognition can become conditional on performative alignment, and beneficiaries face bounded options within predefined pathways, limiting substantive freedom. The Compensatory understanding centers ethical support on resisting power imbalance by deferring to beneficiary ownership, typically adopted by NPSOs embedded in beneficiary communities. It affirms voice and autonomy through noninterventional responsiveness, yet these NPSOs often lack the professional and material capacity to address conversion disadvantages, thereby limiting equity and constraining substantive freedom. The Transformative understanding views ethical support as reconfiguring power imbalance to enable contextual agency; organizations intentionally blend market expertise with community knowledge to co-create support and address structural barriers, allowing beneficiaries to pursue lives they have reason to value, though this approach remains structurally strained by funding and policy environments shaped by neoliberal performance expectations. Together, these findings show how NPSOs' ethical reasoning and the resulting ethical completeness are shaped by constellations of micro-level expertise, meso-level cultures, and macro-level institutional pressures.

This study makes three key contributions. First, it expands the research on organizational ethics by extending SIM beyond commercial contexts, unraveling how power imbalances are collectively and differently framed and negotiated as constitutive ethical issues. Second, it advances the ethical analysis of NPSOs by introducing ethical completeness—a capability-based evaluation that reveals how different ethical understandings variably support or constrain recognition, equity, substantive freedom, and institutional integrity. Third, it contributes to refugee entrepreneurship literature by uncovering how neoliberal support logics constrain capability-building, while also developing ethically informed explanations for the varied experiences of refugee entrepreneurs in different NPSOs.

Practically, the study provides NPSOs with a framework to reflect on how their capacities, cultures, and institutional positioning shape ethical understandings and beneficiaries' experiences, highlighting that building ethical

completeness requires not only intent but also organizational infrastructure. At the policy level, it shows how performance-based funding regimes can narrow ethics to efficiency, and supports the need for more flexible, equity-oriented models that allow time-intensive, capability-enhancing support.

Conceptual Background

Ethical Decision-Making of NPSOs

Although they share certain similarities, NPSOs face ethical challenges that differ from those examined in mainstream business ethics, reflecting the relational nature of their work rather than the transactional logics that typically underpin corporate contexts. In for-profit transactional contexts, organizational ethics research emphasizes how corporations must simultaneously satisfy shareholder expectations, manage reputational risks, and respond to societal demands for sustainability and fairness, often under conditions of global competition and institutional scrutiny (Crane et al., 2019; Maak et al., 2016; Scherer et al., 2016). These dilemmas are typically framed as disputes over the allocation of costs and benefits, or the balancing of economic imperatives against broader social and environmental obligations (Phillips et al., 2020). By contrast, NPSOs operate in service relationships where beneficiaries' opportunities, agency, and very survival are directly shaped by organizational discretion. This makes their ethical reasoning not simply about adjudicating between competing claims, but about defining and justifying what ethical support should mean in contexts of beneficiaries' structural dependency and vulnerability (Azmat et al., 2023; Banks et al., 2015; Ebrahim, 2003).

Two structural axes sharpen the distinctiveness of NPSOs' decision-making about what's ethical support. The first is dual accountability. NPSOs are positioned between upward accountability to funders and policymakers and downward accountability to beneficiaries (Moulton & Eckerd, 2012; Wang, 2006). On the one hand, they are required to conform to project-based funding regimes, performance metrics, and audit systems that reward efficiency, measurable impact, and cost-effectiveness (Banks et al., 2015; Ebrahim, 2003; Wang, 2006). These requirements preconfigure what "good" support looks like institutionally, privileging outputs that are easily monitored over outcomes that are harder to measure. On the other hand, NPSOs must also respond to beneficiaries whose needs are complex, situated, and often resist standardization (Ansari et al., 2012; Azmat et al., 2023; Baur & Schmitz, 2012). Refugees and other marginalized groups often navigate complex, interdependent challenges arising from trauma, legal precarity, family responsibilities,

and cultural dislocation (Christoffersen, 2021; Jones Christensen & Newman, 2024; Refai et al., 2024). Balancing these demands produces a structural tension: responsiveness to lived realities is constantly at risk of being crowded out by funder-driven expectations (Baur & Schmitz, 2012), leaving organizations in a continual struggle between accountability "upwards" and accountability "downwards" (Johnson et al., 2023).

The second axis is the power imbalance of support relationships. Power imbalances exist in different organizational settings, but the form they take in NPSO-beneficiary relations is categorically distinct. In market-based interactions, power is usually exercised through contractual leverage or bargaining positions (Pfeffer & Salancik, 2003). In support relationships, by contrast, beneficiaries often lack voice, viable exit options, or institutional leverage, while providers hold the moral authority and interpretive discretion to define what counts as "need," what qualifies as "improvement," and what constitutes "success" (Azmat et al., 2023; Baur & Palazzo, 2011; Jones Christensen & Newman, 2024). This is not an incidental imbalance, but a structural asymmetry: power is embedded in the very architecture of service provision, shaping the terms on which beneficiaries engage (Banks et al., 2015; Beaton et al., 2021). As a result, the ethical stakes extend beyond questions of distributive fairness to encompass the legitimacy of interpretation and justification—who decides what forms of support are appropriate, and under what normative framing (Reinecke & Ansari, 2015, 2016; Sonenshein, 2007). For marginalized groups such as refugees, who rely on NPSOs for access to legal, financial, and entrepreneurial opportunities, this imbalance is heightened by systemic exclusions linked to race, gender, legal status, or economic precarity (Al-Dajani et al., 2015; Ansari et al., 2012; Harima et al., 2020; Sen, 1985).

Mainstream organizational ethics research, while foundational, is not well equipped to capture these dynamics. Much of this literature has examined how firms manage stakeholder conflicts, sustain legitimacy, and cultivate ethical climates under conditions of market competition and regulatory oversight (Crane et al., 2019; Donaldson & Preston, 1995; Greenwood et al., 2011; Kaptein, 2017; Scherer et al., 2014; Treviño et al., 2006). In these accounts, power is typically treated as a contextual variable or negotiable resource, and ethicality is analyzed in terms of compliance, reputation, or the balancing of stakeholder claims. What remains underexplored is how organizations exercise interpretive authority in relationships where stakeholders lack bargaining power and voice, and where ethical reasoning involves constitutively defining what counts as legitimate support (Fleming & Sturdy, 2011; Palazzo et al., 2012). Moreover, outcomes are rarely assessed in terms of beneficiaries' real freedoms or capability expansion. Whereas business ethics research often evaluates organizational performance through legitimacy or accountability,

NPSOs' practices directly affect whether marginalized groups are recognized, whether structural conversion barriers are addressed, and whether substantive freedoms can be meaningfully pursued (Nussbaum, 2011; Robeyns, 2017; Sen, 2009).

These contrasts establish a clear gap. Existing business ethics frameworks cannot explain how NPSOs collectively construct ethical understandings of support under dual accountability and constitutive power imbalance, nor how these constructions translate into beneficiaries' lived experiences. Addressing this requires a different analytical approach, one that links the organizational processes of ethical meaning-making with their normative adequacy in expanding or constraining beneficiaries' capabilities.

Theoretical Framework: Integrating SIM and CA

This section demonstrates how I nuance both SIM (Sonenshein, 2007) and CA (Sen, 1985, 2005) to address the proposed research questions.

Sensemaking-Intuition Model. The SIM (Sonenshein, 2007) provides a valuable lens for analyzing how NPSOs construct collective ethical understandings of "support" under conditions of power imbalance.

SIM conceptualizes ethical sensemaking as an iterative process comprising three interrelated phases: issue construction, intuitive judgment, and justification. In the first phase, issue construction, SIM highlights how organizational actors interpret ambiguous or complex situations as ethically significant. This is particularly relevant for staff in NPSOs, who must navigate the tension between responding to dynamic community needs and satisfying institutional demands from funders and policymakers (Azmat et al., 2023; Ebrahim, 2003; Johnson et al., 2023). This dual accountability creates precisely the type of equivocal and morally ambiguous environments in which issue construction may emerge (Schwartz, 2016; Walker & McCarthy, 2010; Weick, 1995). This may involve determining whether such imbalances are seen as morally problematic, neutral, or even necessary for achieving NPSOs' goals. SIM suggests that actors frame ethical issues based on their preexisting beliefs, personal motivations, observations of peers' actions, and imagined perspectives of others (Sonenshein, 2007). For NPSOs' staff, these framing mechanisms are not formed in isolation. They are shaped by broader sociocultural and political-institutional discourses regarding beneficiary agency, organizational responsibility, and the normative aims of support provision (Clarke, 2004; Fraser, 2000). As such, what is treated as ethically salient is actively constructed, revealing NPSOs' deep assumptions about harm and obligation.

In the second phase, intuitive judgment, SIM highlights how ethical assessments often emerge through key members' tacit, affective responses rather than deliberate reasoning—particularly under conditions of time pressure, resource scarcity, or normative ambiguity (Haidt, 2001). In this study, this means that NPSOs operating in politically sensitive and resource-constrained environments often rely on their accumulated practical experience and past service encounters to make intuitive moral judgments under time and resource pressure (Sonenshein, 2007). These experiences are shaped by the broader sociocultural and political-institutional contexts in which NPSOs are embedded, particularly in relation to how beneficiary needs and organizational actions are perceived as deserving of or morally appropriate (Clarke, 2004; Reinecke & Ansari, 2016). Such influences help explain why different NPSOs, even when facing similar structural dilemmas, may arrive at divergent intuitive stances on what constitutes ethical support.

The third phase, explanation and justification, concerns how organizational members collectively make sense of their intuitive ethical judgments through negotiation and discursive elaboration (Baur & Palazzo, 2011; Maitlis & Christianson, 2014; Sonenshein, 2007).

In this study, justification serves as a site where NPSOs debate, stabilize, revise, or even contest their ethical positions, considering internal disagreements, external feedback, or perceived contradictions. These justification processes are not developed in a vacuum. They are shaped by broader sociocultural and institutional-political influences, such as dominant funders' logics, public expectations, peer practices, public attitudes, and policy discourses, all of which provide normative material for ethical reflection (Baur & Palazzo, 2011; Schwartz, 2016). Moreover, justifications can feed back into revised judgments, as past decisions are retrospectively assessed. When the outcomes of agreed ethical stances produce visible tensions or mission misalignment, organizations may engage in deep post hoc reflection and initiate a revision of their ethical understandings (Dedeke, 2015; Schwartz, 2016). In the NPSO context, such revisionary dynamics may be prompted by direct beneficiary feedback, peer critique, or institutional expectations (Baur & Palazzo, 2011; Maitlis & Christianson, 2014). This underscores how ethical sensemaking remains an ongoing, recursive process, shaped not only by what is morally felt but also by how it is explained, tested, and challenged over time.

Together, these phases reveal how ethical sensemaking in NPSOs is an ongoing, collective process of negotiating the moral boundaries of support. Rather than resulting from isolated decision-makers, ethical stances become collectively held and enacted through organizational routines, discourses, and practices (Cohen, 2013; Sandberg & Tsoukas, 2015). SIM thus offers a

useful lens to explore how NPSOs, embedded in a power-imbalanced structure, come to construct, justify, and occasionally transform their ethical positions through everyday engagements with moral complexity.

Capability Approach. While SIM elucidates how NPSOs construct ethical understandings of "support" under conditions of uncertainty and power imbalance, the CA (Sen, 1985, 2005) provides a complementary normative evaluation lens. At its core, CA presents an ethical framework for evaluating human flourishing that prioritizes capabilities—the genuine freedom individuals have to achieve the beings and doings they value—over mere access to resources (Robeyns, 2005; Sen, 2005). These combinations of achievable options constitute capabilities, while the realized states, such as health, autonomy, or dignified work, are termed functionings. In CA, the ethical legitimacy of social arrangements is judged not by their intentions or procedural fairness, but by the extent to which they enable individuals to expand their capabilities—the real freedoms to lead lives they have reason to value (Nussbaum, 2011; Sen, 2009). From this perspective, enhancing capabilities is not merely instrumental but constitutive of ethical adequacy. It enables an analysis of how NPSOs' ethical understandings shape the lived experiences of marginalized individuals (Azmat et al., 2023; Schwartz, 2016; Sonenshein, 2007).

In evaluating ethics through capability, Sen's (1985, 2009) view of justice calls for moving away from ideal institutional design and toward the practical assessment of actions that substantively address real-world disadvantage. This makes CA particularly relevant for researching NPSOs, where ethical reasoning must be assessed not only in terms of intent and design but also by its tangible effects on the capabilities of marginalized beneficiaries within specific social settings.

To operationalize the CA in this research, I introduce the concept of ethical completeness—a CA-informed evaluative framework. Ethical completeness translates the normative commitments of the CA into four interrelated dimensions: recognition, equity, substantive freedom, and institutional integrity (Fraser, 2000; Robeyns, 2017; Sen, 2009).

In this framework, the first dimension—recognition—emphasizes that beneficiaries must be treated not as passive recipients, but as rights-bearing agents capable of reasoning about and pursuing their own life goals (Fraser, 2000; Nussbaum, 2011; Robeyns, 2017). In the context of NPSOs, this means recognizing beneficiaries' aspirations and lived knowledge as legitimate grounds for action, rather than imposing pre-determined notions of "success." Recognition is therefore compromised when acknowledgment is conditional: granted only when aspirations align with institutional expectations, while other priorities are treated as secondary or irrelevant (Pettit, 2003).

The second dimension, equity, focuses on redressing conversion disadvantages—the personal, socioinstitutional, and environmental constraints that limit individuals' ability to turn formal access into real opportunity (Robeyns, 2017; Sen, 2005). In NPSO practice, this includes addressing language barriers, trauma, immigration status, and public stigma—factors that disproportionately affect beneficiaries but are often overlooked in program design (Desai et al., 2021; Hanna, 2022; Jones Christensen & Newman, 2024). Equity thus requires NPSOs to engage in differentiated responses that actively repair damaged conversion factors.

The third dimension, substantive freedom, moves beyond formal options to enable real agency freedom (Nussbaum, 2011; Sen, 2005). While option freedom refers to what people are allowed to choose, agency freedom concerns whether they can genuinely pursue those choices within existing social constraints (Pettit, 2003). For NPSOs, this means going beyond standardized service models to rethink eligibility criteria, offer flexible engagement, and co-design support that reflects beneficiaries' lived realities. The aim is not to prescribe outcomes, but to enable diverse and meaningful life paths.

Lastly, these normative commitments—recognition, equity, and freedom—must also be institutionally embedded. This speaks to the fourth dimension: institutional integrity. In NPSO settings, this refers to whether ethical commitments are sustained both internally, through routinized practices, staff cultures, and decision-making logics; and externally, through alignment (or misalignment) with wider institutional environments such as funders, policy frameworks, and public narratives (Fraser, 2000; O'Dwyer & Unerman, 2008; Robeyns, 2017). Institutional integrity, therefore, concerns not only the internal coherence between NPSOs' stated values and their operational practices, but also the degree to which these commitments are reinforced or undermined by structural and political pressures.

Together, these four dimensions represent an integrated evaluative chain within CA: recognition affirms beneficiaries as moral agents, equity ensures that structural barriers to converting resources are addressed, freedom evaluates whether real agency can be exercised, and institutional integrity secures the sustainability of these commitments. Framed in this way, the four dimensions are not discrete criteria but interdependent stages in assessing whether ethical support meaningfully expands beneficiaries' capabilities.

Beyond offering normative evaluation, CA also helps conceptualize ethical support as a dynamic, feedback-sensitive process. By examining how lived outcomes generate ethical dissonance (Baur & Palazzo, 2011; Ebrahim, 2003), it illuminates why NPSOs may revise their ethical reasoning in line with evolving beneficiary needs—thus aligning with SIM's emphasis on iterative moral learning (Maitlis & Christianson, 2014; Schwartz, 2016).

The integration of SIM and CA enables a multi-level analytical framework that addresses both the construction and normative grounding of NPSOs' ethical understandings. SIM explains how organizations interpret ethical challenges and construct meaning under structural uncertainty and power imbalance. CA complements this in two ways: it offers normative criteria to assess whether these constructed meanings enable recognition, equity, freedom, and institutional integrity; and it helps interpret how organizations justify their practices—whether, and to what extent, their justificatory language aligns with the ethical commitments central to capability expansion. In this way, CA is not only evaluative but interpretively embedded in the sensemaking process.

Research Design and Methods

Research Context

This study takes place in a broader institutional context shaped by neoliberal governance logics in Western liberal democracies. In this context, refugee entrepreneurship is framed not only as an economic opportunity but also as a civic obligation for refugees to "contribute," "integrate," and become self-reliant—often with minimal state involvement (Desai et al., 2021; Skran & Easton-Calabria, 2020). The result is a complex support system. Non-state actors—including non-profits, social enterprises, and philanthropic funders—take responsibility for providing entrepreneurship support (Al-Dajani et al., 2015; Desai et al., 2021; Ram et al., 2022). Many systemic features make refugee entrepreneurship support a particularly insightful empirical context for examining how ethics are constructed under NPSOs' dual accountability and structural power imbalance.

First, in the refugee entrepreneurship field, NPSOs provide business training, mentorship, networking, workspace access, and micro-funding opportunities, yet operate under complex multi-stakeholder pressures (Al-Dajani et al., 2015; Baur & Palazzo, 2011; Martinelli et al., 2024). These pressures stem from conflicting demands, such as demonstrating short-term impact to funders and responding to the diverse needs of refugees. Programs are often evaluated through quantifiable indicators, such as businesses registered, reflecting a neoliberal logic of performativity and projectization (Skran & Easton-Calabria, 2020).

Refugee entrepreneurs often navigate a host of legal, institutional, and psychological challenges that restrict their capacity to act freely and strategically in the market (Abebe, 2023; Alkhaled & Sasaki, 2022). They often lack exit options, voice mechanisms, or market leverage, and must accept support

on terms set by providers (Abebe, 2023; Skran & Easton-Calabria, 2020). In this context, NPSOs do more than offer technical support—they actively shape refugees' entrepreneurial trajectories, values, and perceived options. The line between enabling and paternalism is often blurred. This raises ethical questions about how much guidance is too much, and what forms of intervention are morally appropriate (Desai et al., 2021; Jones Christensen & Newman, 2024; Skran & Easton-Calabria, 2020).

Hence, the combination of NPSOs' dual accountability and their structural power imbalance with refugee beneficiaries illustrates why refugee entrepreneurship support serves as a representative ethical landscape for this study (Azmat et al., 2023; Baur & Palazzo, 2011).

Research Activity

This study draws on the first and second phases of a 3-year engaged longitudinal project aimed at examining novel approaches to refugee entrepreneurship support. Specifically, the research activities of this study comprise two main components. On the one hand, I investigate how NPSOs understand ethical support and how such understandings take shape. On the other hand, by examining the actual experiences of refugee entrepreneurs, I illuminate the outcomes arising from different ethical conceptions.

NPSOs' Management. In the first phase of the project, I conducted in-depth, semi-structured interviews with the decision-makers of various NPSOs in the West. My sampling approach employed specific criteria while allowing for organizational diversity. All organizations interviewed were members of the Refugee Entrepreneurship Network (REN), a leading supranational network of NPSOs in the refugee entrepreneurship domain. I invited organizations based in Western liberal democracies that, at the time of the study, had delivered direct support to refugee entrepreneurs for a minimum of 1 year. There were no restrictions regarding the geographical location or business model of NPSOs, as the aim was to capture the diversity of ethical understandings. Informants were typically frontline leaders or project managers responsible for service design, ensuring they were actively involved in the organization's ethical sensemaking processes.

In total, 42 interviews were conducted with project/frontline managers and CEOs across 33 NPSOs based in Western liberal democracies (see Table 1). Of these NPSOs involved in interviews, 28 were directly engaged in providing frontline business support to refugees, while the remaining five included investors, think tanks, and supranational organizations offering critical funding and strategic support.

Table 1. The List of Informants and Their Organizations/Program.

Pseudonym/Type/Country/Sector or Strategic direction	Pseudonym/Type/Country/Strategic direction
Aurora: Social enterprise—United Kingdom—Incubation/Refugee business support	**Oasis:** Non-profit organization—United Kingdom—Mainstream Business support
Beacon: Social enterprise—United Kingdom—Refugee business support	**Ripple:** Non-profit organization—United Kingdom—Small business support
Harbor: Social enterprise—United Kingdom—Refugee integration service	**Pathway:** Charity—United Kingdom—Refugee business support
Crescent: Non-profit organization—United Kingdom—Pre-start-up upskill service	**Unity:** Civil society organization—United Kingdom—Community organizing/Migrant business support
Lumen: Non-profit organization: United Kingdom—Refugee business support	**Anchor:** Social enterprise—United Kingdom—Refugee business support
Horizon: Local Enterprise Partnership—United Kingdom—Mainstream Business support	**Hearth:** Social enterprise—United Kingdom—Refugee employability / business support
Northlight: Local enterprise partnership—United Kingdom—Mainstream Business support	**Nexus:** Non-profit organization—United Kingdom—Refugee business support
Insight: Research Institute—Germany—Refugee Research	**Reflex:** Non-profit organization—Australia—Refugee business support
Summit: Non-profit organization—Australia—Refugee business support	**Vista:** Social enterprise—United Kingdom—Mainstream Business support
Atlas: Non-profit organization—United States—Migrant business training program	**Compass:** Non-profit organization—United Kingdom—Mainstream (minority) Business support
Vantage: Financial intermediary—United States—Fintech solution of refugee entrepreneur	**Horizon+:** Non-profit organization—United Kingdom—Immigrant and Refugee career support
Equinox: Foundation—United States—Impact investor	**Bloom:** Non-profit organization—Canada—Refugee career support
Solace: Foundation—France—Impact investor	**Mosaic:** Non-profit organization—United States—Refugee integration provider
Nova: Social enterprise—France—Incubation/Refugee business support	**Verde:** Non-profit organization—Switzerland—Refugee career support
Bridge: Foundation—Italy—CSR global networks	**Thrive:** Non-profit organization—United Kingdom—Migrant/Refugee business support
Aspire: Non-profit organization—Germany—Refugee business support	**Trail:** Charity—United Kingdom—Refugee integration provider
Haven: Non-profit organization—Germany—Migrant/Refugee business support	

Although the sample is skewed toward U.K.-based organizations, likely due to REN's British origins, this geographical concentration does not compromise the analytical aims of the study for three reasons.

First, the study does not aim for statistical generalization but for analytical insight into how diverse ethical understandings emerge within NPSOs under structural power imbalances and how these affect beneficiaries' capabilities. Second, although most participating organizations are U.K.-based, the sample also includes several non-U.K. NPSOs, and even within the United Kingdom, there is substantial variation in size, scope, and approach—capturing diverse ethical perspectives and strategies. Third, to ensure transferability, the analysis adopts a context-sensitive lens that theorizes how internal organizational features interact with broader sociopolitical environments. In doing so, the study develops conceptual linkages that extend beyond a single national setting, enabling theoretical transfer to other NPSO contexts facing similar conditions of power imbalance.

Interviews were conducted between October and December 2021, with a few extending into early 2022. All interviews were conducted via Microsoft Teams or Zoom and lasted between 40 min and 2 hr. The interview protocol covered broader project themes and focused specifically on this study's concerns, including organizational history, contextual pressures, constructions of "good" support, ethical deliberation processes, and operational tensions. For example, participants were asked questions such as "How would you describe your organization's approach to refugee business support?," "How are decisions made about what kinds of support to provide and to whom?," and "What challenges arise?"

Refugee Entrepreneurs. In the subsequent phase, I collaborated with Thriving—an established U.K.-based integration service provider—as a trusted independent access point to the refugee entrepreneur community. Direct recruitment through the 33 NPSOs in the organizational sample was not feasible for two reasons. First, recruiting through those organizations risked participant self-censorship: refugee entrepreneurs might have felt unable to speak openly about their current experiences, fearing that critical reflections could jeopardize their service relationships with their NPSO. Second, limiting recruitment to a subset of the interviewed NPSOs would likely have skewed the data toward those organizations' specific ethical framings and service experiences. This would have undermined the broader aim of identifying patterns across varied ethical understandings that shape beneficiaries' experiences. Thriving offered an ethical and secure recruitment channel that preserved analytical distance from the NPSOs under study. Through this channel, I conducted semi-structured interviews with 15 refugee

Table 2. The List of Refugee Informants.

Pseudonym	Country of origin	Interview date	Duration
Amirah	Sudan	April 2022	43 min
Dariush	Iran	April 2022	54 min
Tarek	Sudan	April 2022	62 min
Yasamin	Iran	April 2022	78 min
Amina	Malaysia	April 2022	35 min
Fahmi	Malaysia	April 2022	90 min
Samiha	Sudan	April 2022	47 min
Bilal	Syria	May 2022	85 min
Youssef	Egypt	May 2022	52 min
Idris	Sudan	May 2022	59 min
Hadiya	Sudan	May 2022	84 min
Ariana	Afghanistan	May 2022	40 min
Noura	Syria	May 2022	73 min
Zain	Syria	May 2022	55 min
Samir	Afghanistan	May 2022	88 min

entrepreneurs who had received at least 3 months of cumulative support from entrepreneurship NPSOs, ensuring their accounts reflected the wider support ecosystem beyond Thriving. Participants came from Syria, Iran, Afghanistan, Malaysia, Egypt, and Sudan. Table 2 summarizes participant demographics. To protect anonymity, I omit gender and venture details; all names are pseudonyms without gender association.

Most interviews were conducted in person in a meeting space provided by Thriving, while a few were conducted online via Microsoft Teams or Zoom, based on participant preference. English was used as the primary interview language, as most participants were sufficiently proficient in day-to-day communication. Two participants opted for professional interpretation; in these cases, interpreters signed confidentiality and conduct agreements prior to the interviews. Each interview lasted between 30 and 90 min. The protocol focused on four key areas: (a) participants' backgrounds and entrepreneurial aspirations; (b) their perceptions of the support received; (c) changes observed before and after support; and (d) their reflections on the benefits and limitations of the support provided. As with organizational interviews, data collection continued until thematic saturation was reached. In total, all interviews generated over 340,000 words of transcribed material.

Reflexivity. I entered the field through a multi-year collaboration with NPSOs and recruited participants via practitioner and academic networks. This

facilitated access but also shaped perceptions: some NPSO staff viewed me as an evaluative actor, while several refugee participants assumed I was affiliated with service providers. To mitigate such ambiguity, I clarified my academic role and the study's purpose, both verbally and in writing, following reflexive ethics guidelines (Berger, 2015; Guillemin & Gillam, 2004).

My position as a U.K.-based, university-affiliated researcher fluent in English created asymmetries in language, culture, and institutional authority. These differences became salient when discussing abstract concepts such as "ethics" or "good support," which participants interpreted through lived experience. To balance perspectives, I employed a pluralistic sampling strategy including both providers and beneficiaries (Tracy, 2010), foregrounded narrative accounts over evaluative judgments, and adjusted phrasing to ensure discursive comfort. Emotional dynamics were equally significant. Some NPSO staff sought to present success narratives, while some refugee participants were hesitant to critique organizations they depended on. I reassured them that all comments were anonymized and used solely for research and service improvement, avoiding any sense of evaluation.

Reflexivity was treated not as a single step but as an ongoing element of analysis (Alvesson et al., 2022; Charmaz, 2006). I maintained reflexive memos throughout the project to document discomfort, interpretive uncertainty, and positional assumptions. These records, while not formally coded, supported awareness of bias and helped produce context-sensitive, ethically attuned insights.

Data Analysis

I adopted a theory-guided qualitative coding approach that combined inductive sensitivity to participants' narratives with abductive interpretation through my theoretical framework. The goal was to illuminate how NPSOs construct and justify ethical meanings of support in different ways, and how these meanings relate to the lived experiences of beneficiaries, using the integrated SIM-CA framework.

The analysis proceeded in three stages. In the first stage, I conducted detailed open coding of all interview transcripts using NVivo 14 (Lumivero, LLC, Denver, CO, USA), identifying 99 first-order concepts that closely reflected participants' original language and meaning. For the NPSO interviews, I focused on how managers described the design, negotiation, and justification of support practices, paying particular attention to the influence of sociocultural norms and political-institutional contexts. For refugee interviews, I coded how participants described the impacts, constraints, and embedded meanings of the support they had received on their lives.

In the second stage, I engaged in an iterative abductive process to develop more abstract second-order themes. Drawing on the SIM-CA framework, first, I grouped first-order concepts based on shared patterns in how organizations frame ethical challenges, respond through intuitive judgment, and justify their decisions retrospectively. I also identified how these patterns reflect the specific effects of power imbalance embedded in the organizational context (Azmat et al., 2023; Sonenshein, 2007). In parallel, I applied the CA-informed lens of ethical completeness to assess how different support practices—shaped by ethical understandings—reflect varying levels of recognition, equity in conversion processes, substantive freedom, and institutional integrity (Robeyns, 2017; Sen, 2005). This process resulted in 24 second-order themes, capturing both how ethical understandings were constructed by NPSOs and how these understandings shaped beneficiaries' experiences.

In the third stage, the analysis had three steps. First, the 24 second-order themes were divided into two dimensions. The first captured the outcomes of ethical reasoning, drawing on SIM (issue construction, intuitive judgment, ethical practices, and justification). The second reflected beneficiary experiences, interpreted through the four elements of ethical completeness. Second, within the reasoning dimension, recursively connected themes were grouped together to form three categories of ethical understandings. Each category represented a distinct reasoning process with a characteristic progression—for example, construing power imbalance as an ethical issue led to an emphasis on beneficiary ownership, which further informed the noninterventional support practices of NPSOs. This process generated three integrated themes of NPSOs' varied understandings of ethical support: Instrumental, Compensatory, and Transformative. Third, these reasoning categories and associated NPSO practices were then linked to the second dimension by identifying the beneficiary experience themes aligned with the four elements of ethical completeness. For instance, experiences coded as "recognition as passive validation," "disengagement from structural inequity," "procedural autonomy without enabling agency," and "normatively rich but structurally fragile" were all traced to the ethical practice of noninterventional responsiveness within the Compensatory understanding, thereby consolidating these four second-order themes as its corresponding impacts. This integrative step connected patterns of NPSOs' ethical reasoning with their ethical impacts on beneficiaries, thereby grounding the three identified understandings in both organizational logics and lived experiences. As a robustness check, I then revisited the data at the level of individual organizations to ensure internal consistency: each NPSO's reasoning and practices coherently clustered within one of the three categories, with no cases displaying contradictory placement across categories.

The core thematic framework—showing, for each of the three ethical understandings, the two corresponding dimensions: (a) four-phase patterns of ethical reasoning and (b) ethical impacts, is presented in Figure 1. The complete data structure, including summative concepts and the theme hierarchy, is provided in Supplemental Appendices A and B.

Findings

My analysis identified three distinct ethical understandings of support adopted by different NPSOs: Instrumental, Compensatory, and Transformative. Each reflects a particular way of interpreting and responding to structural power imbalances in the context of refugee entrepreneurship.

In the sections that follow, each understanding is examined through two interlinked lenses. First, drawing on the SIM, I analyze how NPSOs construct ethical meanings under conditions of power imbalance. Second, using the CA, I assess the ethical completeness of each understanding—whether it promotes recognition, addresses equity in conversion conditions, enables substantive freedom, and is institutionally integrated. I then return to SIM to explore how each understanding creates tensions through organizational reflection on its own impacts.

Instrumental Understanding

Issue Construction: Service Failure as an Ethical Issue. A cluster of NPSOs in the sample—including Crescent, Horizon, Northlight, Vantage, Bridge, Oasis, Ripple, Hearth, Nexus, Vista, and Verde—exemplify what this study conceptualizes as an Instrumental Understanding of ethical support. These organizations construct service failure, especially the failure of refugee business ventures, as the primary ethical concern. The underlying moral logic is that ineffective support results in wasted effort, lost opportunity, and reputational harm for both NPSOs and beneficiaries.

This construction still emerges from the interaction of three levels. At the micro level, staff are typically professionals with backgrounds in business consultancy, public administration, or social enterprise management. Their experience with planning, metrics, and performance evaluation shapes their view of ethical support as responsible stewardship of limited resources. At the organizational level, NPSOs with an Instrumental understanding often serve as incubators or technical support hubs with strong links to mainstream funding bodies, accelerators, or municipal programs. Their business-focused positioning brings with it an institutional culture of accountability and measurement. At the macro level, by virtue of their professional expertise and
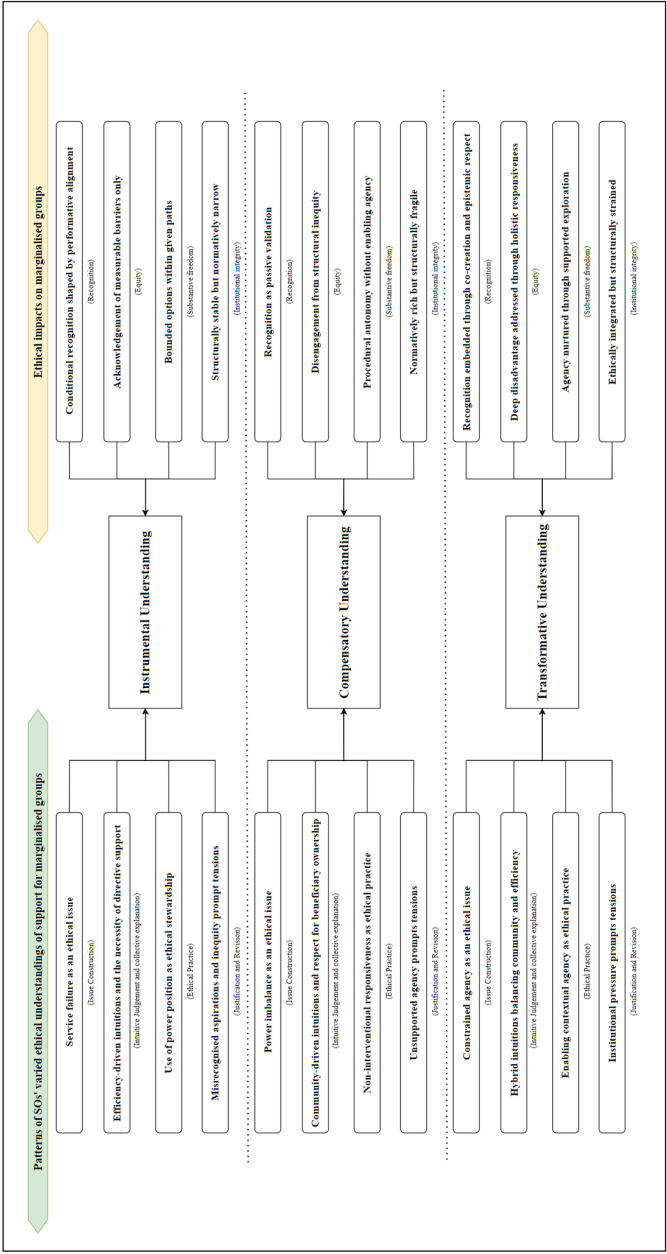
Patterns of SOs' varied ethical understandings of support for marginalised groups

Ethical impacts on marginalised groups

Instrumental Understanding

- Service failure as an ethical issue (Issue Construction)
- Efficiency-driven intuitions and the necessity of directive support (Intuitive Judgement and collective explanation)
- Use of power position as ethical stewardship (Ethical Practice)
- Misrecognised aspirations and inequity prompt tensions (Justification and Revision)

- Conditional recognition shaped by performative alignment (Recognition)
- Acknowledgement of measurable barriers only (Equity)
- Bounded options within given paths (Substantive freedom)
- Structurally stable but normatively narrow (Institutional integrity)

Compensatory Understanding

- Power imbalance as an ethical issue (Issue Construction)
- Community-driven intuitions and respect for beneficiary ownership (Intuitive Judgement and collective explanation)
- Non-interventional responsiveness as ethical practice (Ethical Practice)
- Unsupported agency prompts tensions (Justification and Revision)

- Recognition as passive validation (Recognition)
- Disengagement from structural inequity (Equity)
- Procedural autonomy without enabling agency (Substantive freedom)
- Normatively rich but structurally fragile (Institutional integrity)

Transformative Understanding

- Constrained agency as an ethical issue (Issue Construction)
- Hybrid intuitions balancing community and efficiency (Intuitive Judgement and collective explanation)
- Enabling contextual agency as ethical practice (Ethical Practice)
- Institutional pressure prompts tensions (Justification and Revision)

- Recognition embedded through co-creation and epistemic respect (Recognition)
- Deep disadvantage addressed through holistic responsiveness (Equity)
- Agency nurtured through supported exploration (Substantive freedom)
- Ethically integrated but structurally strained (Institutional integrity)

Figure 1. Thematic Framework of NPSOs' Ethical Understandings of Support.

19

business-focused orientation, these organizations embed themselves in a policy environment that frames refugee entrepreneurship as a vehicle for economic integration. Hence, they operate in an environment shaped by governmental funding programs, municipal economic development agencies, and accelerator schemes, which reinforce an emphasis on measurable outcomes. These dominant narratives are sustained by policy discourses and public expectations that prioritize new firms, revenues, and self-reliance, generating reputational pressure on both NPSOs and refugees.

Crescent articulated this clearly: "We see a failed business as more than just a missed opportunity. It can damage their life [. . .] Honestly, it's just wrong to let people invest time and money into something that will very likely fail." For NPSOs with an Instrumental understanding, ethical support is about preventing harm through failure. The moral imperative is to intervene decisively, using power to guide beneficiaries toward viable outcomes.

Intuition Judgment: Efficiency-Driven Intuitions and the Necessity of Directive Support. Such ethical issue is responded through intuitive judgments grounded in professional norms and market logic. Across NPSOs with an Instrumental understanding, staff instinctively associate ethical action with direction, structure, and expertise. These intuitions are shaped by micro-level professional experience in consultancy or business support, and reinforced through meso-level organizational routines such as Key performance indicators (KPIs), service protocols, and funder reporting. Oasis reflected on their experiences: "We've seen so many people with great passion but little clarity [. . .] It's our job to step in early, steer them correctly, and not let them wander too far into mistakes."

Organizational culture in these NPSOs prioritizes efficiency and competence. The prevailing logic is that the organization's strength lies in its professional expertise, and it would be unethical to withhold that from beneficiaries. Oasis explained: "Our strength is knowing the market. If we just let people 'follow their dreams' without some reality check, we'd be doing them a bad service [. . .] it actually helps us guide people responsibly."

This approach is further institutionalized through funding structures. NPSOs with an Instrumental understanding tend to rely on grants or contracts that link resources to neoliberal performance metrics—number of start-ups, duration of trading, employment created. Vista acknowledged: "The funded projects always push us to show real results—sustainable businesses, registered businesses, trade and profits." In this context, ethical intuition becomes tightly coupled with outcome accountability, creating a strong default in favor of top-down support logic.

Ethical Practice: Use of Power Position as Ethical Stewardship. NPSOs with an Instrumental understanding enact these intuitions through a model of directive support. Rather than treating beneficiary choices as sacrosanct, they position themselves as expert stewards with a duty to intervene. Vista stated: "We take their idea, we evaluate it, we redesign it. If it's not viable, we stop them straight away. That's what help looks like."

Support programs are typically structured and time-bound, with limited scope for deviation. Beneficiaries are placed into standardized training pathways that focus on legal registration, financial planning, and pitch preparation. Alternative aspirations are often reframed to fit fundable business models. Oasis noted: "You have to help them see what the funders will back. We're not in a position to invest in dreams that don't make sense."

In this model, power imbalance is not denied but legitimized as necessary. Staff see themselves as protecting beneficiaries from failure. As Oasis remarked: "If we don't step in, we're letting them walk into traffic."

Ethical Impacts on Marginalized Beneficiaries. From a capability perspective, these NPSOs produce clear structure and professional access but partial ethical completeness.

First, recognition took the form of conditional recognition shaped by performative alignment. Beneficiaries often feel acknowledged only when their aspirations align with NPSOs' commercial expectations. Amirah shared: "They did several trainings, gave many examples to show us our potential [. . .] but I just didn't think the examples of entrepreneurs they showed were something I could really achieve. They didn't seem to understand how much I needed money right away." This reflects conditional recognition: Amirah's urgent need for income was audible but not treated as a legitimate claim, since it did not fit the organization's commercial logic.

Similarly, Hadiya's circumstances were acknowledged but reframed as a personal limitation rather than a valid basis for support. She commented: "I tried to explain I could only work part-time because of my son, but they kept saying I should think bigger." In these cases, recognition becomes transactional, filtered through feasibility rather than meaning. Being acknowledged is contingent upon presenting goals and approaches that are fundable, scalable, or aligned with the institutional logic of success.

Second, equity was limited to acknowledgment of measurable barriers only. Technical barriers—licensing, taxation, business models—are given attention, but broader conversion challenges such as confidence, trauma, or language are often overlooked. Idris described his experience: "I found it hard to keep up with the speed of the lectures [. . .] They would start judging my ideas without understanding my background and case." Some

beneficiaries internalize these struggles as personal inadequacy. NPSO Verde admitted: "Some people just aren't ready for our pace, but we can't slow down for everyone."

Third, substantive freedom was reduced to bounded options within given paths. Beneficiaries may technically choose their path, but real support is concentrated on options that are fundable and align with NPSOs' capacities. Yasamin described feeling redirected: "They didn't say no, but their resources are mainly with some particular sectors [. . .] it's take it or leave it and I can't afford leave this." Beneficiaries with non-standard goals felt nudged away from their own ideas. NPSO Ripple explained this in a pragmatic way: "We need to guide them, and they need that guidance too, that's what support resources are for [. . .] if it doesn't translate into economic outcomes, then the resources are wasted."

Lastly, institutional integrity appeared structurally stable but normatively narrow. These NPSOs' ethical model was deeply embedded in dominant institutional, political, and cultural narratives. Internally, their directive, performance-oriented approach was translated into routinized practices such as KPIs, structured training pathways, and compliance-driven decision-making logics. These organizational routines embedded the assumption that ethical support means efficient, expert-led guidance toward fundable outcomes. Externally, the same values were reinforced through alignment with dominant institutional, political, and cultural narratives. Their model resonates with the logic of neoliberal governance, where support is legitimate if it produces self-reliant subjects through efficient, accountable service delivery. Within this framework, ethical support is not about enabling diverse life paths but about guiding refugees toward productivity that can be counted, audited, and reported.

Also, this institutional fit extends beyond funders. In public discourse, refugees are praised when they "contribute," not when they resist, reflect, or deviate. The ideal refugee becomes one who quietly adapts to market norms. NPSOs adopting an Instrumental understanding gain stability and legitimacy because their model reflects this dominant view. As Hearth put it: "We know what works, and we stick to it. That's what funders pay us for." These expectations are reinforced by a neoliberal political discourse that prioritizes cost-effectiveness and individual responsibility.

In this way, Instrumental NPSOs exhibit high institutional integrity through congruence between their internal routines and external power structures. Yet this very stability constrains the moral imagination. Alternative ethical concerns—those that foreground relational care, structural repair, or plural definitions of success—remain overlooked.

Justification and Revision: Misrecognised Aspirations Prompt Tensions. Despite this procedural clarity, Instrumental NPSOs are not immune to ethical discomfort. Refugees' disengagement or dissatisfaction increasingly signals a mismatch between target metrics and their lived realities. In several cases, rapid "success," such as meeting market logic, was followed by clients' burnout, withdrawal, or quiet exit, prompting staff to question whether the service model addressed deeper needs. As Vista reflected: "We realised that just forcing a business plan on them doesn't fix deeper issues like language or trust."

Such feedback has prompted some organizations—especially Horizon, Northlight, Oasis, Ripple and Vista—to experiment with new practices. These include inviting community representatives into planning meetings, or even hiring staff with lived experience.

Still, these revisions remain partial and fragile. Funding systems continue to reward output, not introspection. Hearth admitted: "We reflect a lot internally, but at the end of the day, the numbers have to be there." As a result, while NPSOs with an Instrumental understanding increasingly recognize the limits of directive ethics, their capacity for full revision remains constrained.

Compensatory Understanding

Issue Construction: Power Imbalance as an Ethical Issue. Among the NPSOs in the sample, a group of 12—including Summit, Aspire, Haven, Pathway, Compass, Horizon+, Bloom, Mosaic, and Thrive—exemplify what this study conceptualizes as a Compensatory Understanding of ethical support. These organizations treat power imbalance as the central ethical concern. Moral failure lies not in service inefficiency or unmet needs, but primarily in the risk of reinforcing systemic inequity through power-imbalanced support relationships.

This framing is shaped by three interrelated forces. At the micro level, key decision-makers (e.g., senior management, service team lead, founder) from these NPSOs often possess lived experiences of marginalization, including refugee backgrounds or long-term work in diasporic communities. These backgrounds led them to see power imbalance as the source of injustice, not merely a delivery challenge. At the meso-organizational level, NPSOs adopting a Compensatory understanding position themselves as community-based actors, typically offering advisory services and resources across the housing, legal, economic, and social integration domains. Representing the voice of the community becomes their key mission. At the macro level, because of their lack of commercial expertise and community-rooted identity, these organizations connect primarily to stakeholders that resist dominant institutional-political narratives about refugees. Hence, they operate in

an environment shaped by community initiatives, voluntary charities, and oppositional networks, which provide moral legitimacy but limited structural reinforcement. These counter-discourses are further sustained by progressive civic media platforms, independent think tanks, and public campaigns that reframe refugees as agentic individuals capable of transforming their lives.

Aspire summarized this sentiment: "We see how power creates barriers every day [. . .] We know we can never fully understand their experiences, but we know that affects everything they do." In this context, ethical responsibility is defined not by achieving outcomes but by actively refusing to dominate. Compensatory NPSOs do not frame resource gaps or policy failure as their primary ethical problem; rather, they aim to neutralize the relational hierarchy in the name of justice.

Intuition Judgment: Community-Driven Intuitions and Respect for Beneficiary Ownership. Ethical instincts across these teams are shaped by shared cultural expectations of dignity and resistance against portrayals of refugees as passive or lacking agency. These instincts arise from micro-level key staff's biographies, including personal experiences of exclusion, and are reinforced through meso-level team cultures that privilege beneficiaries' life ownership.

Summit explained: "Half of our team have lived that life themselves [. . .] That's why we trust them to decide what value we should deliver." In these organizations, conversations about support rarely begin with questions of feasibility or economic impact. Horizon+ shared: "It's never about pushing them to do something they don't care about [. . .] It's about supporting their voice, not mine."

This stance is also shaped by staff's expertise related to their biographies. These NPSOs lack the business advisory skills needed to assess beneficiaries' aspirations through a market logic, but they possess deep knowledge of community needs and struggles. Their staff thus frame themselves as advocates and listeners. Bloom explained: "Our strength is in understanding our people [. . .] We are not business coaches, and we never try to be." In the organization, staff with similar experiences reinforced one another's instincts through their interactions, collectively affirming an ethical stance that emphasizes deference to beneficiaries' choices over direction imposed by organizational expertise.

At the macro-institutional level, these NPSOs often collaborate with individual donors, charities, think tanks, and impact funders committed to supporting diasporic communities. Embedded within a relatively small-scale yet value-aligned network, they prioritize outcomes such as integration, civic inclusion, and community well-being over narrow economic metrics, which is an alternative to dominant institutional-political narratives around

entrepreneurship support initiatives. As Pathway explained: "Our donors don't expect business plans or profits [. . .] They want to know if people feel part of society." Rather than imposing rigid business targets, such a network cultivates a shared sense of responsibility for social inclusion, enabling a form of collective accountability. This funding flexibility and shared commitment support NPSOs adopting a Compensatory understanding to uphold their ethical orientation toward beneficiary ownership.

Ethical Practice: Noninterventional Responsiveness. NPSOs with a Compensatory understanding implement these principles through what this study terms noninterventional responsiveness. They design support services around what beneficiaries request, without questioning the assumptions or feasibility of those requests. Aspire described their approach: "They own the business [. . .] if they need support in catering, catering it is and we should try our best."

Staff deliberately avoid offering strategic advice. Mosaic stated: "We don't want to be the new boss in their life [. . .] we don't even know where that [direction] would lead them to." Intervention only occurs when beneficiaries express uncertainty, at which point "we will discuss with them like helping a friend" (Mosaic).

This form of ethical practice is understood internally as a safeguard against power misuse. Rather than guide, nudge, or correct, these NPSOs see their role as ensuring that choices are genuinely the beneficiaries' own. In this model, respect takes the form of intentional restraint, grounded in the belief that beneficiaries are best placed to define their own needs.

Ethical Impacts on Marginalized Beneficiaries. From a CA-informed ethical perspective, Compensatory understanding produces strong affirmation of recognition but limited freedom expansion.

First, the recognition took the form of passive validation. Many refugees reported feeling genuinely listened to. Tarek shared: "I told them my idea and they really listened. It's the first time I wasn't talked down to." Yasamin added: "They didn't laugh when I said I wanted to do a clothes business [. . .] they just nodded and said, 'how can we help?'" However, this recognition often lacked follow-through. Amina reflected: "They understood what I needed, but I could only join language classes [. . .] they said I must wait." However, in such cases, acknowledgment of recognition did not translate into meaningful action.

Second, equity, by contrast, was marked by disengagement from structural inequity. Barriers were attended to only when clearly articulated. More latent conversion struggles, such as trauma, low self-confidence, or unfamiliarity

with U.K. markets, were rarely identified by staff. Fahmi admitted: "I didn't say I had trouble reading forms, so nothing was done [. . .] because I didn't want to look stupid." Zain added: "They said 'ask for what you need', but how do I ask for something I don't know?" Even when explicit skills gaps were named, such as in business planning or marketing, these NPSOs often lacked the needed resources, industrial connections, and expertise to help. NPSO Compass acknowledged: "We don't always have the resources or tools to actually make things happen."

Third, substantive freedom emerged as procedural autonomy without enabling agency. While refugees were nominally free to pursue their entrepreneurial goals, they often lacked the guidance, scaffolding, and enabling conditions necessary to make informed and viable choices. In practice, their control over the support process was minimal, constrained by both their own uncertainties and the limited capacity of NPSOs to offer tailored assistance. Samir reflected: "I thought I had a plan, but really, I just had an idea. I didn't know what I was doing." For some, this unstructured freedom became risk exposure rather than empowerment. NPSO Thrive acknowledged: "We see them trying very hard [. . .] but we also know we've left them to face too much alone."

Lastly, the institutional integrity of NPSOs with a Compensatory understanding is normatively rich but structurally fragile. Internally, their ethical commitments were deeply felt and enacted in interpersonal relations, shaped by staff biographies, organizational culture, and value alignment with community-based funders. Yet these commitments were only weakly institutionalized: they rarely translated into formal procedures, decision-making routines, or stable resource infrastructures, leaving much of their practice dependent on staff improvisation and personal dedication. As Pathway noted: "It works because our people care—but if someone left tomorrow, we'd lose half the logic of how we operate." Externally, these NPSOs operated largely outside dominant funding and accountability systems. Their orientation was grounded in community proximity rather than alignment with mainstream policy or institutional frameworks. While this positioning sustained their normative commitments, it left them with limited access to stable resources and institutional recognition. As a result, their ethical model relied heavily on ad hoc support and community trust, but remained difficult to stabilize.

Justification and Revision: Unsupported Agency Prompts Ethical Tensions. NPSOs with a Compensatory understanding have begun to recognize the tensions within their model. Several managers voiced concerns about beneficiary exposure to risk, questioning whether "respecting ownership" had, at times, become a rationale for inaction. As Thrive reflected: "We're watching them risk

everything on a half-formed plan [. . .] We respect their decisions, but we also see where the gaps are." Refugees shared similar frustrations. Despite these reflections, formal revision remains rare. Most NPSOs with a Compensatory understanding lack internal evaluative structures for their staff or external funding opportunities to support changes. In such a context, many NPSOs' staff continue to view their stance as ethically sound. Nonetheless, small shifts have emerged. Aspire and Mosaic have begun informal collaborations with business advisors, while Pathway has introduced part-time specialists to address practical capability gaps. These changes are not framed as ethical reorientations, but as pragmatic responses to service fatigue and reputational concerns.

Transformative Understanding

Issue Construction: Constrained Agency as an Ethical Issue. A third group of organizations in the sample—Beacon, Harbor, Lumen, Atlas, Equinox, Nova, Aurora, Unity, Anchor, Reflex, and Trail—exemplify what this study defines as Transformative understanding of ethical support. NPSOs with a Transformative understanding construct the ethical issue as the failure to create enabling conditions for beneficiaries' informed and agentic decision-making. They see moral harm arising not simply from power imbalance or failed ventures, but from support systems that deny refugees' meaningful participation in navigating constraints, weighing alternatives, and choosing and arriving at their valued options.

This ethical issue emerges through the interplay of professional diversity and intentional dialogue. At the micro level, staff are often recruited from both commercial incubators and grassroots organizations, bringing with them varied experiential and epistemic standpoints. At the organizational level, these NPSOs explicitly design internal mechanisms—strategy meetings, staff pairings, cross-role discussions—to enable negotiation between those with business expertise and those with community knowledge. At the macro level, because of their hybrid organizational capacities and intentional cross-role design, these NPSOs engage with both mainstream entrepreneurial service institutions and community members. Hence, they operate in an institutional environment where competing pressures coexist: economic performance metrics remain present, but are countered by narratives of inclusion, community partnership, and participatory support.

As Atlas put it: "We need to reflect on whether we have good knowledge to intervene, and also whether our judgment might be off-putting [. . .] luckily, we have support buddies and internal advisors to help." This shared reflexivity leads to an ethical orientation that focuses less on controlling decisions and more on enabling refugees to navigate choices with greater

understanding, support, and self-determination. As Beacon explained: "Too much structure suffocates; too little leaves people lost. We realised we need to adjust how power works, not just how much we use."

Intuition Judgment: Hybrid Intuitions Balancing Community and Efficiency. The intuitive responses of NPSOs with a Transformative understanding are not unified, but negotiated. Staff with business backgrounds instinctively lean toward an interventional approach, often citing efficiency, market viability, and outcome optimization. Those with lived experience of marginalization bring a different lens—attuned to cultural meanings, emotional readiness, and the risks of coercive persuasion. But rather than defaulting to one side, management of these NPSOs builds a culture of shared sensemaking, where these instincts are openly discussed and adjusted.

The manager from Trail reflected: "We have different instincts regarding the approach to success [. . .] they believe in market information, but we know that when we supported refugees in the past, it was more than that." These intuitions are shaped by the organization's hybrid identity: positioned between market and community, scale and intimacy, measurement and meaning. Instead of silencing this tension, these NPSOs institutionalize it as a feature of ethical work. As Nova put it: "I started off thinking we shouldn't let them pursue things that won't work [. . .] but over time I realised it's more about helping them access options, enable them to success in many options, and they can decide."

Crucially, these intuitions are also shaped by competing institutional-political demands. Performance pressure still exists. Beacon noted, "This is the reality that allows our team to operate—we can't forget that." But the presence of community-grounded staff and intentional cross-role collaboration helps buffer against reverting to narrow interpretations of success. Ethical judgment becomes a practice of balance, not dominance. These ethical intuitions are shaped not by adherence to a single institutional logic, but through engagement with ongoing policy debates around refugee integration. NPSOs with a Transformative understanding operate in environments where competing narratives—economic contribution, social cohesion, empowerment—intersect and sometimes conflict. Rather than fully aligning with either dominant or oppositional discourses, these organizations negotiate their ethical purpose across multiple domains. This results in a hybrid positioning: not as purely professional intermediaries nor grassroots advocates, but as adaptive actors balancing the demands of funders, policymakers, and communities. Their legitimacy stems from this ability to navigate plural expectations while maintaining a reflexive ethical

stance. As Nova reflected: "We speak the funders' language, but we also represent the people we work with."

Ethical Practice: Enabling Contextual Agency. NPSOs with a Transformative understanding operationalize their ethics through what might be called "structured co-exploration" (Nova). They aim not simply to provide resources, nor to step aside, but to walk alongside. Support is treated as a partnership, where both the aspiration and the constraint are subject to reflection and response. Refugee ideas are not accepted at face value or redirected to pre-defined alternatives. Instead, NPSOs engage in shared questioning—why is this idea important, what might make it feasible, what barriers are in the way, and how can those barriers be addressed?

This approach reflects an understanding that entrepreneurship is often a vehicle for something else—dignity, independence, expression—and that agency must be developed, not assumed. As Beacon described: "We want to understand the real story behind the plan. Sometimes it's about confidence, sometimes about their past. But we work from there, not from what's 'realistic' on paper."

Support, therefore, encompasses both business-enabling tools (e.g., tailored training, market information, and access to funding) and scaffolding efforts that address foundational barriers to beneficiaries' entrepreneurial agency, such as childcare, confidence, language, and fear. The ethical core lies neither in passivity nor direct intervention, but in actively creating conditions that enable beneficiaries to make decisions that are both free and well-informed.

Ethical Impacts on Marginalized Beneficiaries. From a CA-informed ethical perspective, Transformative understanding produces comparatively fuller ethical completeness, though structural strains remain.

First, recognition was embedded through co-creation and epistemic respect. These NPSOs excelled not only in listening but in co-defining what support should look like. Yasamin noted: "They didn't treat me like someone to be fixed [. . .] They wanted to know what I wanted and why it mattered." This sense of epistemic respect—the idea that beneficiaries possess knowledge worth integrating—was a hallmark of recognition within Transformative understanding.

Noura explained: "I wasn't a case [. . .] I felt like a partner. We made decisions together, and they explained things without talking down." In these cases, recognition was not a symbolic gesture but active inclusion in resource allocation, priority-setting, and timing decisions. Beneficiaries felt like

collaborators, not recipients, and their cultural and social contexts were seen as assets, not obstacles.

Second, equity was pursued through holistically addressing deep disadvantages. These NPSOs, drawing on their mixed expertise, were able to address more (though not everything) visible conversion factors that hinder refugee entrepreneurship—such as gaps in marketing knowledge, limited business networks, or external biases from customers and suppliers. They also proactively identify and respond to hidden conversion factor barriers, including mental health, isolation, and socio-emotional trauma. Fahmi explained: "They noticed I wasn't joining in, even though I didn't say anything. They sat with me after class, and I was scared of the questions on the forms. They helped me with that first." These interventions reflect a more holistic understanding of entrepreneurial viability, one that goes beyond technical training and recognizes the personal and social obstacles to action.

Third, substantive freedom was therefore nurtured through supported exploration in NPSOs adopting a Transformative understanding. Zain noted: "They let me try different things before I had to decide. It gave me confidence." Rather than presenting fixed options or defaulting to deferential silence, NPSOs with a Transformative understanding create space for agency to emerge—through exposure, dialogue, and reflection. As Samir put it: "It wasn't just 'do whatever you want'. It was: 'let's see what's possible, and what you actually want, once you know more.'" This is also due to these support organizations typically being deeply embedded in resource networks and having the willingness to help expand such networks.

Lastly, these NPSOs' Institutional integrity was ethically integrated but structurally strained. Internally, their ethical values were embedded across roles, practices, and routines, and beneficiaries often described the service as consistent with its promises. This internal coherence reflected deliberate organizational design—cross-role collaboration, hybrid staff expertise, and reflexive practices—that translated values into everyday operations. Externally, however, these commitments were strained by the institutional environment. These NPSOs operated within political and funding structures that privilege scale, standardization, and measurable outputs over slow, relational, and context-sensitive work. As Atlas reflected: "We believe in what we're doing, but the funding structure doesn't always allow us to do it properly." Time-intensive, adaptive support for equity was resource-heavy, and staff were often caught between their ethical commitments and pressures to demonstrate efficiency. As Ariana summarized: "They want to help everyone deeply, but there's only so much they can do when they're stretched." In this

way, NPSOs with a Transformative understanding displayed strong internal embedding of values but fragile external reinforcement, leaving their institutional integrity dependent on their ability to continually negotiate conflicting demands.

Justification and Revision: Institutional Pressure Prompts Tensions. Despite strong internal consensus, these NPSOs are not immune to tensions. As services grow, demand increases, and accountability systems tighten, some begin to experience ethical drift. Staff report moments of fatigue, compromise, or quiet return to more efficient models. Lumen observed: "Sometimes we go back to what's manageable. It's not what we believe in, but we have to keep going." In these instances, autonomy is maintained in rhetoric, but support becomes thinner, more procedural.

In response, several NPSOs have begun differentiating between minimum support (what every client gets) and aspirational support (what they aim to provide if capacity allows). Others, such as Beacon, Atlas, and Trail, are actively exploring hybrid models—securing outcome-based funding for part of their services while ringfencing flexible resources for more intensive, person-centered work. These revisions signal a critical awareness: that ethical support, when institutionally unsupported, can fade into aspiration rather than practice.

At its best, Transformative understanding represents a model of ethical engagement that is both responsive and principled, but its survival depends not only on internal conviction but on external realignment. Without broader institutional change, its future remains contingent.

Discussion and Conclusion

Using an integrated framework that combines SIM and CA, this study identifies three collective understandings of ethical support—Instrumental, Compensatory, and Transformative—and analyses their formation, enactment, and consequences. These understandings emerge from diverse organizational capacities, organizational cultures, and institutional-political pressures, leading to differing patterns of issue framing, intuitive judgment, and justification. Crucially, they also vary in what this study terms ethical completeness: the extent to which support practices affirm beneficiary recognition, address conversion inequities, enable substantive freedoms, and are coherently embedded within organizational structures. In doing so, the study conceptualizes how ethical support is socially constructed and what its consequences are for marginalized beneficiaries.

Theoretical Implications

This study contributes to ongoing debates in organizational ethics research on non-profits, and refugee entrepreneurship literature in three main ways.

Expanding Ethical Decision-Making Research Into NPSOs. This study contributes to research on ethical decision-making in NPSOs by extending the SIM beyond its original focus on commercial contexts. Existing SIM literature has foregrounded how organizational actors construct ethical meaning through three iterative phases: issue construction, intuitive judgment, and posthoc justification (Sonenshein, 2007; Schwartz, 2016). However, this work has largely overlooked structurally asymmetrical relationships—such as those between NPSOs and marginalized communities—where beneficiaries often lack voice, exit options, or leverage, and are subject to providers' interpretations of what constitutes ethical support (Ansari et al., 2012; Azmat et al., 2023; Baur & Palazzo, 2011; Bhawe & Jha, 2024).

This study affirms that the ethical salience of power is collectively negotiated rather than solely enacted through individual cognition (Morrison, 2014; Schwartz, 2016). It further advances research on collective ethical decision-making by demonstrating that the collective construction of ethical issues related to power imbalances can begin during the initial process of issue construction (Maitlis & Christianson, 2014; Reinecke & Ansari, 2015). Specifically, when key decision-makers share similar community or professional backgrounds (Instrumental, Compensatory), they reinforce each other's recognition of ethical issues. Where key members combine community and business backgrounds (Transformative), ongoing negotiation helps ethical issues evolve. In addition, deliberate organizational practices designed to foster internal ethical dialogue can promote early-stage negotiations around power imbalances. This also helps explain how, within NPSOs, ethical decision-making can evolve into a collective effort in contexts characterized by power imbalances.

Moreover, this study illustrates that power imbalance should not be seen as a static contextual backdrop, but as a constitutive element in the formation of ethical understandings (Banks et al., 2015; Jones Christensen & Newman, 2024). Instrumental understanding frames power imbalance as ethically neutral or instrumentally necessary; Compensatory understanding views it as the core ethical flaw to be dismantled; and Transformative understanding seeks to reconfigure it relationally, treating power as a resource to enhance agency. These divergent framings arise from the interaction of micro-level professional expertise, meso-level organizational culture, and macro-level institutional-political pressures (Clarke, 2004; Johnson et al., 2023). Notably, this

study found that NPSOs' institutional positioning shapes how they perceive and respond to macro-level pressures. For instance, NPSOs adopting a Compensatory understanding operate on the margins of neoliberal logics that dominate refugee entrepreneurship discourse, and their framing of power imbalance is reinforced by counter-mainstream narratives within small advocacy networks. In contrast, NPSOs adopting an Instrumental understanding are more tightly aligned with dominant institutional logics that prioritize economic efficiency. NPSOs adopting a Transformative understanding, situated between community and market channels, actively engage in competing policy discourses around refugees to inform their ethical stance.

Advancing the Literature on Ethical Analysis of NPSOs. Second, existing studies often focus on whether NPSOs intend to "do good," but pay less attention to whether their practices expand the substantive capabilities of those they aim to serve (Azmat et al., 2013; Deneulin & McGregor, 2010; Reinecke & Ansari, 2015, 2016). To address this, the study introduces ethical completeness, a CA-based evaluative framework with four dimensions: recognition, equity, substantive freedom, and institutional integrity.

This study contributes to the ethical analysis of NPSOs by demonstrating that capability enhancement is not an automatic consequence of well-intentioned support, especially within neoliberal support relationships where logics of performativity, conditionality, and managerialism shape organizational practices and constrain reflexive ethical revision (Azmat et al., 2023; Baur & Palazzo, 2011; Johnson et al., 2023). This study finds that each ethical understanding exhibits specific forms of ethical incompleteness that limit its effectiveness in expanding real freedoms.

The findings show that NPSOs adopting a Compensatory understanding excel at affirming recognition but often lack the professional capacity to attend to and address deep conversion disadvantages (Villares-Varela & Sheringham, 2020; Walker & McCarthy, 2010). NPSOs adopting an Instrumental understanding provide structured technical guidance, but often assess beneficiaries' agency through the lens of feasibility and performance criteria. In doing so, they extend recognition selectively, while constraining substantive freedom and neglecting structural conversion barriers (Desai et al., 2021; Ram et al., 2022). Both Compensatory and Instrumental NPSOs experience tensions stemming from these incompletenesses, and some show movement toward the more comprehensive Transformative understanding. However, such transitions remain fragile: Compensatory NPSOs often lack the market-driven pressures or funder logics that incentivize service transformation (Baur & Palazzo, 2011; Johnson et al., 2023; Wang, 2006), while Instrumental NPSOs are deeply embedded in neoliberal projectization

(Ebrahim, 2003), which restricts the scope of reflexive revision. NPSOs adopting a Transformative understanding demonstrate the highest ethical completeness but struggle to institutionalize their commitments amid resource scarcity and metric-driven strain.

This also offers a novel ethical perspective for understanding the diverse outcomes produced by NPSOs (Al-Dajani et al., 2015; Ansari et al., 2012; Baur & Palazzo, 2011), shedding light on why similar forms of support may yield markedly different capability enhancements across contexts.

Also, by leveraging ethical completeness in the analysis, this study expands CA beyond a normative theory of justice into a diagnostic framework for examining NPSOs' ethical understandings (Fraser, 2000; O'Dwyer & Unerman, 2008; Robeyns, 2000). In doing so, it responds to longstanding calls for context-sensitive ethical theorizing that links structural conditions, interpretive processes within NPSOs, and institutional arrangements into a coherent account of ethics-in-practice (Palazzo et al., 2012; Reinecke & Ansari, 2015, 2016).

Revealing the Ethical Limits of Neoliberal Support Logics in Refugee Entrepreneurship Literature. Third, the findings highlight the normative constraints imposed by the neoliberal framing of entrepreneurship as a route to civic contribution, economic productivity, and integration (Desai et al., 2021; Skran & Easton-Calabria, 2020). This logic permeates funding systems, organizational evaluation criteria, and public discourses, producing ethical expectations that equate success with measurable outputs, while discounting living constraints and plural aspirations.

NPSOs adopting an Instrumental understanding, shaped by such logics, construct ethical support as a form of rational intervention. Beneficiaries are steered toward fundable models; divergence is framed as inefficiency, and autonomy is narrowed by pre-set viability thresholds (Al-Dajani et al., 2015; Skran & Easton-Calabria, 2020). While such interventions are justified as protecting beneficiaries from harm, the findings show that they may instead reinforce precarity by ignoring capability barriers and constraining meaningful choices. Even NPSOs adopting a Transformative understanding—those most committed to people's capabilities—face ethical erosion when forced to conform to performance targets (Moulton & Eckerd, 2012). Moreover, NPSOs adopting a Compensatory understanding are often not deeply embedded in dominant institutional-political discourses. While this relative distance may shield them from performative pressures experienced by Instrumental NPSOs, it also limits their capacity to deliver ethical completeness (e.g., professional expertise and business resources).

In this way, this study reveals the dark side of refugee entrepreneurship support under neoliberal regimes (cf. Baur & Palazzo, 2011; Jones

Christensen & Newman, 2024). When funding models penalize adaptive, capability-oriented work, entrepreneurship support could be reduced to procedural compliance. This study, therefore, calls for a reconceptualization of entrepreneurship support for refugees and broader marginalized groups as a contested, situated practice—one that must be evaluated not only by what is done, but by what becomes possible or impossible for those supported (Nussbaum, 2011; Sen, 2005).

Practical Implications

This study offers several implications for practitioners, funders, and policymakers. First, for NPSOs, the analysis highlights the need to map how their internal capacities, organizational culture, and institutional-political pressures shape ethical constructions. Building ethical completeness requires not only commitment but infrastructure. Practically, this includes investing in cross-role dialogue structures, pairing staff with lived experience and professional expertise, and creating reflexive check-in mechanisms to surface and negotiate intuitive judgments. NPSOs adopting a Transformative understanding in this study have implemented some of these mechanisms, such as pairing grassroots and business advisors and co-creating a strategy with beneficiaries. These practices illustrate that communication infrastructure is not rhetorical but must be embedded in how support is designed and delivered.

Second, for funders and policymakers, this study highlights the structural influence of funding regimes on ethical practices. Performance-based funding criteria, while promoting accountability, may inadvertently push NPSOs toward interventionist or efficiency-driven ethics that fail to support beneficiary agency. This study advocates for a more plural and flexible funding model that allows for time-intensive, relational, and adaptive approaches—particularly those that prioritize recognition and equity over metrics alone. Ethical support is not fast work. Without space to reflect, adjust, and co-create, even the most committed organizations may default to institutionally sanctioned forms of pseudo-ethics.

Finally, for marginalized communities and those representing them, the findings provide a framework to understand how organizational ethics are shaped, where they may fail, and how they might be held accountable. The concept of ethical completeness can serve as a benchmark for evaluating not only whether support is available, but whether it is meaningful, enabling, and sustained. Practically, this means community groups can use recognition, equity, freedom, and institutional integrity as diagnostic questions when engaging with NPSOs: Are our aspirations acknowledged on our own terms? Are conversion barriers such as language, trauma, or caregiving addressed?

Do we have genuine options beyond a narrow set of fundable models? And are ethical commitments embedded in the organization rather than reliant on individual goodwill? By articulating these questions, communities can better identify when support risks becoming conditional or performative, and mobilize advocacy to push for more accountable practices. This provides a concrete tool not only for evaluating NPSOs, but also for strengthening the bargaining position of marginalized groups in dialogues with funders, policymakers, and service providers.

Limitations and Future Research

This study has several limitations. First, while the sample includes diverse organizations and beneficiaries, it did not capture longitudinal data on how ethical understandings evolve over time, in particular NPSOs. Future research could adopt case-based processual designs to examine how feedback, failures, and institutional pressures shape ethical sensemaking dynamically. Second, this study focused on refugee entrepreneurship in the United Kingdom and similar liberal democracies. Applying this framework in different geopolitical or cultural settings could reveal further variation in how power and ethics interact in support.

In sum, this study offers a novel perspective on ethical understandings of NPSOs under structural power imbalance by tracing how NPSOs construct, rationalize, and institutionalize ethical meanings of support—and how these meanings shape real opportunities for marginalized individuals. By integrating SIM's view of ethical construction with CA's normative evaluation of capability enhancement, this study advances both a richer understanding of organizational ethics in NPSOs and a critical perspective on what it means to support ethically in contexts where power, purpose, and justice collide.

Ethical Considerations

The ABS Research Ethics Review Committee at Aston University approved our interviews (approval: 256-08-21) on October 1st, 2021. Respondents gave written consent for review and signature before starting interviews.

ORCID iD

Shuai Qin   iD https://orcid.org/0000-0002-3532-414X

Supplemental Material

Supplemental material for this article is available online.

References

Abebe, S. A. (2023). Refugee entrepreneurship: systematic and thematic analyses and a research agenda. *Small Business Economics*, *60*(1), 315–350.

Al-Dajani, H., Carter, S., Shaw, E., & Marlow, S. (2015). Entrepreneurship among the displaced and dispossessed: Exploring the limits of emancipatory entrepreneuring. *British Journal of Management*, *26*(4), 713–730.

Alkhaled, S., & Sasaki, I. (2022). Syrian women refugees: Coping with indeterminate liminality during forcible displacement. *Organization Studies*, *43*(10), 1583–1605.

Alvesson, M., Sandberg, J., & Einola, K. (2022). Reflexive design in qualitative research. In D. Silverman (Ed.), *The SAGE handbook of qualitative research design* (Vol. 2, pp. 23–40). SAGE.

Ansari, S., Munir, K., & Gregg, T. (2012). Impact at the "bottom of the pyramid": The role of social capital in capability development and community empowerment. *Journal of Management Studies*, *49*(4), 813–842.

Azmat, F., Rentschler, R., Lee, B., & Fujimoto, Y. (2023). Understanding social responsibility and relational pressures in nonprofit organisations. *Human Relations*. Advance online publication. https://doi.org/10.1177/00187267231183852

Banks, N., Hulme, D., & Edwards, M. (2015). NGOs, states, and donors revisited: Still too close for comfort? *World Development*, *66*, 707–718.

Baur, D., & Palazzo, G. (2011). The moral legitimacy of NGOs as partners of corporations. *Business Ethics Quarterly*, *21*(4), 579–604.

Baur, D., & Schmitz, H. P. (2012). Corporations and NGOs: When accountability leads to co-optation. *Journal of Business Ethics*, *106*, 9–21.

Beaton, E., MacIndoe, H., & Wang, T. (2021). Combining nonprofit service and advocacy: Organizational structures and hybridity. *Nonprofit and Voluntary Sector Quarterly*, *50*(2), 372–396.

Berger, R. (2015). Now I see it, now I don't: Researcher's position and reflexivity in qualitative research. *Qualitative Research*, *15*(2), 219–234.

Bhawe, N., & Jha, S. K. (2024). Context-driven diversification in social enterprises. *Business & Society*. Advance online publication. https://doi.org/10.1177/00076503241286321

Charmaz, K. (2006). *Constructing grounded theory: A practical guide through qualitative analysis*. Sage.

Christoffersen, A. (2021). The politics of intersectional practice: Competing concepts of intersectionality. *Policy & Politics*, *49*(4), 573–593.

Clarke, J. (2004). Dissolving the public realm? The logics and limits of neo-liberalism. *Journal of Social Policy*, *33*(1), 27–48.

Cohen, S. (2013). Promoting ethical judgment in an organisational context. *Journal of Business Ethics*, *117*, 513–523.

Crane, A., Matten, D., Glozer, S., & Spence, L. J. (2019). *Business ethics: Managing corporate citizenship and sustainability in the age of globalization* (5th ed.). Oxford University Press.

Dahlman, S., Mygind du Plessis, E., Husted, E., & Just, S. N. (2022). Alternativity as freedom: Exploring tactics of emergence in alternative forms of organizing. *Human Relations*, *75*(10), 1961–1985.

Dedeke, A. (2015). A cognitive-intuitionist model of moral judgment. *Journal of Business Ethics*, *126*, 437–457.

Deneulin, S., & McGregor, J. A. (2010). The capability approach and the politics of a social conception of wellbeing. *European Journal of Social Theory*, *13*(4), 501–519.

Desai, S., Naudé, W., & Stel, N. (2021). Refugee entrepreneurship: Context and directions for future research. *Small Business Economics*, *56*, 933–945.

Donaldson, T., & Preston, L. E. (1995). The stakeholder theory of the corporation: Concepts, evidence, and implications. *Academy of Management Review*, *20*(1), 65–91.

Ebrahim, A. (2003). Accountability in practice: Mechanisms for NGOs. *World Development*, *31*(5), 813–829.

Fleming, P., & Sturdy, A. (2011). "Being yourself" in the electronic sweatshop: New forms of normative control. *Human Relations*, *64*(2), 177–200.

Fraser, N. (2000). Rethinking recognition. *New Left Review*, *3*, 107–120.

Greenwood, M., Raynard, M., Kodeih, F., Micelotta, E. R., & Lounsbury, M. (2011). Institutional complexity and organisational responses. *Academy of Management Annals*, *5*(1), 317–371.

Guillemin, M., & Gillam, L. (2004). Ethics, reflexivity, and "ethically important moments" in research. *Qualitative Inquiry*, *10*(2), 261–280.

Haidt, J. (2001). The emotional dog and its rational tail: A social intuitionist approach to moral judgment. *Psychological Review*, *108*(4), 814–834.

Hanna, A. L. (2022). *25 Million sparks: The untold story of refugee entrepreneurs*. Cambridge University Press.

Harima, A., Freudenberg, J., & Halberstadt, J. (2020). Functional domains of business incubators for refugee entrepreneurs. *Journal of Enterprising Communities: People and Places in the Global Economy*, *14*(5), 687–711.

Hart, C. S. (2013). *Aspirations, education and social justice: Applying Sen and Bourdieu*. Bloomsbury Academic.

Johnson, M., Martínez Lucio, M., Grimshaw, D., & Watt, L. (2023). Swimming against the tide? Street-level bureaucrats and the limits to inclusive active labour market programmes in the UK. *Human Relations*, *76*(5), 689–714.

Jones Christensen, L., & Newman, A. (2024). Who do I want to be now that I'm here? Refugee entrepreneurs, identity, and acculturation. *Business & Society*, *63*(1), 242–275.

Kaptein, M. (2017). The battle for business ethics: A struggle theory. *Journal of Business Ethics*, *144*(2), 343–361.

Maak, T., Pless, N. M., & Voegtlin, C. (2016). Business statesman or shareholder advocate? CEO responsible leadership styles and the micro-foundations of political CSR. *Journal of Management Studies*, *53*(3), 463–493.

Maitlis, S., & Christianson, M. (2014). Sensemaking in organizations: Taking stock and moving forward. *Academy of Management Annals*, *8*(1), 57–125.

Martinelli, G., Serpente, G., & Bolzani, D. (2024). Social incubators and accelerators for migrant entrepreneurs: Exploratory insights from Italy. In D. Bolzani, M. R. Fini, & A. I. Caputo (Eds.), *Social entrepreneurship and migrants' inclusion: Insights from the Adriatic-Ionian region* (pp. 269–288). Springer Nature Switzerland.

Morrison, E. W. (2014). Employee voice and silence. *Annual Review of Organizational Psychology and Organizational Behavior*, *1*(1), 173–197.

Moulton, S., & Eckerd, A. (2012). Preserving the publicness of the nonprofit sector: Resources, roles, and public values. *Nonprofit and Voluntary Sector Quarterly*, *41*(4), 656–685.

Nussbaum, M. C. (2011). *Creating capabilities: The human development approach*. Harvard University Press.

O'Dwyer, B., & Unerman, J. (2008). The paradox of greater NGO accountability: A case study of Amnesty Ireland. *Accounting, Organizations and Society*, *33*(7–8), 801–824.

Palazzo, G., Krings, F., & Hoffrage, U. (2012). Ethical blindness. *Journal of Business Ethics*, *109*, 323–338.

Pettit, P. (2003). Agency-freedom and option-freedom. *Journal of Theoretical Politics*, *15*(4), 387–403.

Pfeffer, J., & Salancik, G. (2003). *External control of organizations: Resource dependence perspective*. Stanford University Press.

Phillips, R., Schrempf-Stirling, J., & Stutz, C. (2020). The past, history, and corporate social responsibility. *Journal of Business Ethics*, *166*(2), 203–213.

Ram, M., Jones, T., Doldor, S., Villares-Varela, M., & Li, H. (2022). What happens to refugee-origin entrepreneurs? Combining mixed embeddedness and strategy perspectives in a longitudinal study. *Ethnic and Racial Studies*, *45*(16), 1–27.

Refai, D., Lever, J., & Haloub, R. (2024). Entrepreneurship in constrained immigration contexts: The liminal integration of Syrian refugees. *Entrepreneurship & Regional Development*, *36*(3–4), 416–435.

Reinecke, J., & Ansari, S. (2015). What is a "fair" price? Ethics as sensemaking. *Organization Science*, *26*(3), 867–888.

Reinecke, J., & Ansari, S. (2016). Taming wicked problems: The role of framing in the construction of corporate social responsibility. *Journal of Management Studies*, *53*(3), 299–329.

Robeyns, I. (2005). The capability approach: A theoretical survey. *Journal of Human Development*, *6*(1), 93–117.

Robeyns, I. (2017). *Wellbeing, freedom and social justice: The capability approach re-examined*. Open Book Publishers.

Sandberg, J., & Tsoukas, H. (2015). Making sense of the sensemaking perspective: Its constituents, limitations, and opportunities for further development. *Journal of Organizational Behavior*, *36*(S1), S6–S32.

Scherer, A. G., Palazzo, G., & Matten, D. (2014). The business firm as a political actor: A new theory of the firm for a globalized world. *Business & Society*, *53*(2), 143–156.

Scherer, A. G., Rasche, A., Palazzo, G., & Spicer, A. (2016). Managing for political corporate social responsibility: New challenges and directions for CSR research. *Journal of Management Studies*, *53*(3), 273–298.

Schwartz, M. S. (2016). Ethical decision-making theory: An integrated approach. *Journal of Business Ethics*, *139*, 755–776.

Sen, A. (1985). Wellbeing, agency and freedom: The Dewey lectures 1984. *The Journal of Philosophy*, *82*(4), 169–221.

Sen, A. (2005). *Development as freedom*. Oxford University Press.

Sen, A. (2009). *The idea of justice*. Harvard University Press.

Skran, C., & Easton-Calabria, E. (2020). Old concepts making new history: refugee self-reliance, livelihoods and the "refugee entrepreneur." *Journal of Refugee Studies*, *33*(1), 1–21.

Sonenshein, S. (2007). The role of construction, intuition, and justification in responding to ethical issues at work: The sensemaking-intuition model. *Academy of Management Review*, *32*(4), 1022–1040.

Tracy, S. J. (2010). Qualitative quality: Eight "big-tent" criteria for excellent qualitative research. *Qualitative Inquiry*, *16*(10), 837–851.

Treviño, L. K., Weaver, G. R., & Reynolds, S. J. (2006). Behavioral ethics in organizations: A review. *Journal of Management*, *32*(6), 951–990.

Villares-Varela, M., & Sheringham, O. (2020). *Religion, migration and business: Faith, work and entrepreneurialism in the UK*. Springer Nature.

Walker, E. T., & McCarthy, J. D. (2010). Legitimacy, strategy, and resources in the survival of community-based organizations. *Social Problems*, *57*(3), 315–340.

Wang, S. (2006). Money and autonomy: Patterns of civil society finance and their implications. *Studies in Comparative International Development*, *40*(4), 3–29.

Weick, K. E. (1995). *Sensemaking in organizations*. Sage Publications.

Author Biography

Shuai Qin is lecturer (assistant professor) in entrepreneurship and marketing at Aston University, Aston Business School, and Research Development Lead at the Centre for Research in Ethnic Minority Entrepreneurship (CREME). His research interests focus on inclusive entrepreneurship, inclusive innovation, small business management, service ethics, and engaged scholarship. His work has appeared in journals such as the *Journal of Business Venturing, International Marketing Review, Psychology & Marketing*, and *Ethnic and Racial Studies*.