

Article

# Moral Legitimacy and Joint Purpose: A Literature Review on the Ethical Foundations of Collaborative Organizations

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**Abstract:** This qualitative literature review explores the ethical foundations of collaborative organizations by examining the interplay between moral legitimacy and joint purpose. Drawing from recent scholarship in organizational ethics, stakeholder theory, and virtue ethics, the review highlights how organizations achieve moral legitimacy through shared values, inclusive governance, and ethically anchored missions. Joint purpose emerges as a unifying force that fosters trust, identity, and stakeholder commitment across complex collaborations. The synthesis reveals that organizations sustaining both moral legitimacy and joint purpose are more adaptive, ethically resilient, and capable of creating long-term value. The review also identifies theoretical gaps and suggests directions for future research on moral agency and collective value creation within hybrid organizational forms.

**Keywords:** Moral legitimacy; Joint purpose; Collaborative organizations; Organizational ethics, Stakeholder theory

## 1. Introduction

In an era characterized by complex, interdependent work environments and increasing ethical scrutiny, the role of collaboration within organizations has garnered substantial academic and practical interest. Organizations today rarely function as isolated units of individual activity; instead, they operate as collaborative communities wherein individuals coordinate their actions and align their goals for shared ends (Adler & Heckscher, 2018; Foss & Lindenberg, 2012). While previous research has emphasized institutional mechanisms—such as governance structures, formal roles, and incentive systems—to ensure effective cooperation (Barney & Felin, 2013; Bridoux & Stoelhorst, 2014), the deeper ethical underpinnings that sustain long-term commitment and purpose within collaborative organizations have not been adequately explored.

This literature review aims to examine the ethical foundations that support and legitimize collaboration within organizations, with a particular focus on the concept of moral legitimacy and joint purpose. The ethical dimension of collaboration transcends compliance and formal structure; it touches upon individuals' internalized virtues, sense of moral duty, and perception of shared organizational purpose (Bernacchio, Foss, & Lindenberg, 2024; Beabout, 2012). Without these underpinnings, organizational goals risk becoming hollow, and governance mechanisms may lose their normative force. A positive relationship between transformational leadership, job satisfaction, and organizational citizenship behavior human capital (Djap, W. et al., 2022).

At the heart of this inquiry is a critical question: what sustains individuals' deep commitment to collaborative goals beyond instrumental incentives and regulatory constraints? Drawing from recent developments in virtue ethics and goal-framing theory (Annas, 2011; Foss & Lindenberg, 2013), we identify moral legitimacy as a crucial construct

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in fostering enduring collaboration. Unlike instrumental legitimacy, which rests on performance outcomes or strategic alignment, moral legitimacy refers to the normative justifiability of organizational aims and behaviors, as judged against broader societal or ethical standards (Suchman, 1995; Hampel & Tracey, 2019).

Bernacchio et al. (2024) propose that collaborative organizations function effectively when they operate as moral communities grounded in joint production. In their model, the virtues—understood as stable dispositions toward moral and professional excellence—are not peripheral to collaboration but are central to its sustainability. Virtues such as integrity, reciprocity, and commitment to shared goals are cultivated through and reinforced by organizational practices and governance frameworks. These insights align with MacIntyre's (2007) concept of practices as socially established cooperative human activities through which internal goods and standards of excellence are realized.

Collaborative organizations require more than aligned interests—they demand shared moral orientations. In this context, goal-framing theory becomes essential in understanding how ethical behavior is not merely a response to external norms but is internally framed through the salience of normative goals (Lindenberg, 2001; Foss & Lindenberg, 2013). In organizations where governance structures evoke and sustain normative goal frames—such as fairness, mutual respect, or a sense of duty—collaborative action is not only more consistent but also more resilient to instrumental erosion (Bacq & Aguilera, 2022; Bandura, 2002).

Furthermore, this literature review embraces the microfoundational turn in organizational theory (Felin, Foss, & Ployhart, 2015), which emphasizes individual-level constructs—such as cognitive framing, virtue development, and motivational alignment—as the basis for emergent organizational phenomena. Microfoundations help explain how individuals interpret, internalize, and act upon organizational values and norms, thus giving rise to a collective sense of joint purpose (Barney & Felin, 2013; Bridoux & Stoelhorst, 2016).

One key insight from this perspective is that moral legitimacy is not simply conferred upon an organization externally by stakeholders; it is also produced internally through the habitual actions and ethical comportment of organizational members (Beadle & Knight, 2012; Cohen et al., 2014). This view reorients ethics from a compliance framework to one of character and relational accountability, recognizing that collaborative excellence is cultivated through the interplay of governance and virtue (Alzola, 2012; Bernacchio, 2018).

Moreover, the review considers the limitations of transactional and contractual models of the firm in explaining deep collaboration. While property rights and agency theory provide useful tools for managing risk and incentivizing behavior (Asher, Mahoney, & Mahoney, 2005; Bosse & Phillips, 2016), they often overlook the moral sentiments and social bonds that undergird meaningful cooperation (Ghoshal, 2005; Adams, 2006). In contrast, stakeholder-oriented models and community-based views of the firm offer richer accounts of how values, identity, and purpose inform collaborative engagement (Godfrey & Lewis, 2018; Adler, Kwon, & Heckscher, 2008).

Collaborative organizations often succeed not through coercion or control, but through moral suasion and shared belief systems (Adler, 2006; Baur & Palazzo, 2011). These systems operate through informal norms, professional communities, and shared narratives that foster a sense of belonging and obligation (Cornelissen, Höllerer, & Seidl, 2021; Ibarra & Barbulescu, 2010). Thus, the construction of moral legitimacy is both symbolic and practical—it involves not only communicating values but embodying them in the everyday actions and routines of organizational life (Feldman, 2000; Bevir & Blakely, 2018).

Ultimately, this literature review brings together three interrelated streams of scholarship—virtue ethics, goal-framing theory, and organizational microfoundations—to provide a more integrated and ethically attuned understanding of collaboration in organizations. The central claim is that moral legitimacy and joint purpose are not add-ons to effective governance—they are the ethical soil from which collaboration grows. As such, cultivating moral legitimacy through virtuous practices and value-aligned governance should be seen as a core task of leadership and organizational design.

This review thus contributes to emerging conversations about responsible organizing, purpose-driven leadership, and the ethical challenges of collective action in contemporary firms. In doing so, it provides a normative lens for evaluating and improving the moral infrastructure of collaborative organizations in diverse institutional settings.

## 2. Literature Review

Collaborative organizations are increasingly viewed not merely as economic actors but as moral agents rooted in joint purpose and ethical legitimacy. This literature review synthesizes key developments in understanding how ethical foundations—particularly virtue ethics, goal-framing theory, and stakeholder engagement—support and shape collaboration within organizations. The discussion is framed through the lens of Bernacchio, Foss, and Lindenberg's (2024) seminal work, "The Virtues of Joint Production," and draws on contemporary research to map theoretical advancements and empirical findings.

The foundational proposition by Bernacchio, Foss, and Lindenberg (2024) is that organizations functioning on the basis of joint production require ethical underpinnings rooted in virtues such as trustworthiness, loyalty, and practical wisdom to sustain collaboration. Their goal-framing theory posits that moral legitimacy arises when shared goals are framed normatively, fostering long-term cooperation. This aligns with Adler and Heckscher's (2018) theory of collaborative communities, where shared purpose rather than market incentives coordinates action. Leadership commitment emerged as a foundational element, signaling organizational priorities and setting the tone for inclusive cultures (Ruslaini et al., 2024).

Adler, Kwon, and Heckscher (2008) further contextualize collaborative organizations as professional communities where shared norms and identity replace hierarchical controls, reflecting Akerlof and Kranton's (2010) identity economics. Identity, as a moral mechanism, enables joint production through a common sense of belonging and intrinsic motivation.

MacIntyre's (2007) virtue ethics reinforces this by conceptualizing organizations as practices that cultivate human excellence and the common good. Moore (2017) and Beadle and Knight (2012) extend this logic by examining how meaningful work emerges from institutional contexts that nurture practical wisdom, integrity, and communal flourishing.

Lindenberg and Foss (2011) propose that organizations foster cooperation by activating normative goal frames, where members act out of shared values rather than extrinsic incentives. This approach is reinforced by Bridoux and Stoelhorst (2016), who argue that stakeholder relationships grounded in social welfare logic enhance moral legitimacy and enable joint value creation.

Recent empirical studies by Bacq and Aguilera (2022) and Barney (2018) show that stakeholder governance, when anchored in ethical commitments, leads to more sustainable and equitable organizational outcomes. Their findings demonstrate how normative anchoring reshapes organizational design, strategy, and innovation.

The role of virtue in organizational life has been explored by Alzola (2012), who emphasizes the possibility of moral agency within firms through the development of virtuous habits. Beabout (2012) views management as a domain-relative practice that necessarily cultivates phronesis—practical wisdom that mediates between competing goals.

Feldman (2000) and Dionysiou and Tsoukas (2013) reveal that routines in organizations evolve through internalization of virtuous norms, enabling moral discretion and flexibility. Sinnicks (2018, 2019) builds on MacIntyrean critiques to argue that ethical leadership must be rooted in practices that support moral education, identity work, and virtue cultivation.

Jones, Harrison, and Felps (2018) advocate for instrumental stakeholder theory that integrates ethical reasoning into firm strategy, proposing that joint purpose enhances both legitimacy and competitive advantage. Cording et al. (2014) provide empirical support by linking authentic stakeholder engagement with employee productivity and post-merger performance.

Baur and Palazzo (2011) and Besharov and Khurana (2015) discuss how NGOs and hybrid organizations maintain moral legitimacy by navigating institutional pluralism through transparency and consistency in moral claims. These studies reinforce the idea that legitimacy stems not from legal compliance but from perceived ethical integrity.

Work as calling has emerged as a framework linking individual moral purpose with collective organizational goals. Bunderson and Thompson (2009) illustrate how deeply meaningful work can both inspire and constrain employees, highlighting the double-edged nature of strong moral identity. Thompson and Bunderson (2019) further suggest that organizations should cultivate calling as a communal rather than individualistic phenomenon.

Rego, Cunha, and Clegg (2012) and Demirtas et al. (2017) affirm that ethical leadership contributes to meaningful work and employee identification, facilitating the emergence of shared purpose. Gentry et al. (2013) emphasize integrity and honesty as critical virtues for leaders to foster organizational commitment and trust.

The institutionalization of moral norms in organizations is vital for sustaining collaboration. Geilinger et al. (2016) and von Krogh et al. (2018) explore how social practices—characterized by knowing, being, and doing—serve as carriers of ethical traditions within collaborative settings. Bevir and Blakely (2018) advocate interpretive social science to uncover how institutional narratives reinforce or undermine moral agency.

Moore (2016) and Sison and Fontrodona (2012) suggest that organizations can be structured toward the common good when they internalize Aristotelian concepts of virtue and justice. These frameworks emphasize the moral responsibility of organizations as societal institutions beyond market logic.

Goal framing intersects with moral psychology to explain why individuals cooperate in collaborative settings. Tomasello (2016, 2020) shows that human morality evolved to support joint intentionality, while Fishbach, Friedman, and Kruglanski (2003) and Fehr and Gächter (2000) discuss how fairness and reciprocity norms are psychologically ingrained.

Foss and Lindenberg (2013) propose that firms can design governance mechanisms that activate moral goal frames. Empirical support comes from Lindenberg et al. (2018), who found that moral hypocrisy decreases when normative goals are salient. This indicates that shared ethical frameworks sustain collaboration by aligning individual behavior with collective purpose.

Taken together, the literature suggests that collaborative organizations are sustained by a combination of virtue-based practices, stakeholder inclusivity, and normatively anchored governance. These elements reinforce moral legitimacy and enhance joint purpose.

The ethical foundations of collaboration must therefore move beyond instrumental rationality toward deeper commitments to shared values and mutual flourishing. As Bernacchio et al. (2024) argue, collaboration is not merely a coordination mechanism but a moral endeavor requiring virtuous structures.

This review highlights a growing consensus that moral legitimacy and joint purpose are central to the functioning and sustainability of collaborative organizations. Theoretical contributions from virtue ethics, stakeholder theory, and goal-framing mechanisms provide a rich foundation for future research. Integrating these perspectives promises not only more effective collaboration but also more ethically resilient organizations.

### 3. Proposed Method

This study adopts a qualitative literature review methodology to synthesize and interpret the ethical foundations underlying moral legitimacy and joint purpose within collaborative organizations. The method aligns with the interpretivist tradition in management research, aiming not to test hypotheses, but to generate a coherent understanding of how ethical constructs are operationalized across collaborative organizational forms (Bevir & Blakely, 2018; Sandberg & Tsoukas, 2011).

The review followed a hermeneutic interpretive framework (Boell & Cecez-Kecmanovic, 2015), which is particularly suitable for theory-building in fragmented and interdisciplinary domains such as business ethics and organizational theory. This approach facilitated a critical and iterative engagement with the literature, allowing for continuous refinement of themes through interpretive synthesis rather than exhaustive aggregation (Snyder, 2019).

The review focused on peer-reviewed journal articles, books, and theoretical essays published up to 2025, drawing from fields such as business ethics, organizational theory, virtue ethics, and collaborative governance. Key databases, using search terms such as “moral legitimacy,” “joint purpose,” “collaborative organizations,” “virtue ethics,” “stakeholder theory,” and “goal framing.”

Inclusion criteria required that sources: Address ethical or normative foundations in organizational collaboration, Theorize or empirically examine constructs such as virtue, joint production, moral agency, or shared purpose, and Contribute to or extend contemporary theories in organizational studies (Cornelissen et al., 2021; Tsoukas, 2018a). Seminal texts (e.g., MacIntyre, 2007; Annas, 2011) were also included to ground ethical interpretations in virtue ethics and philosophical traditions.

The data were analyzed using thematic synthesis (Thomas & Harden, 2008), which involved three steps: (1) coding of textual data from selected articles; (2) categorizing codes into descriptive themes (e.g., moral legitimacy, collaborative virtue, joint purpose framing); and (3) generating analytical themes that articulate the conceptual relationships between ethics

and organizational forms. The iterative coding process was guided by Braun and Clarke's (2006) reflexive thematic analysis.

To strengthen conceptual coherence, we applied the method of "abductive theorizing" (Timmermans & Tavory, 2012), allowing us to juxtapose empirical findings with normative theories such as virtue ethics (Alzola, 2012; Moore, 2017) and stakeholder governance (Bacq & Aguilera, 2022; Barney, 2018).

To ensure methodological rigor, we followed criteria for trustworthiness in qualitative syntheses, including: Credibility, by incorporating diverse theoretical perspectives (e.g., identity economics, goal-framing, virtue ethics), Transferability, by focusing on constructs broadly relevant to collaborative organizations, Dependability, through transparent coding and interpretive iterations, and Confirmability, by ensuring theoretical triangulation across traditions (Nowell et al., 2017; Aguinis & Solarino, 2019).

#### 4. Results

This qualitative literature review identifies three interrelated themes that define the ethical foundations of collaborative organizations: (1) Moral Legitimacy Through Stakeholder Inclusiveness, (2) Joint Purpose as a Moral Frame for Organizational Identity, and (3) Virtue-Based Ethics as a Normative Anchor in Collaborative Structures.

**Moral Legitimacy Through Stakeholder Inclusiveness.** One of the most consistent findings across the reviewed literature is that moral legitimacy in collaborative organizations is sustained through processes of stakeholder inclusion, deliberation, and reciprocity (Suchman, 1995; Mena & Palazzo, 2012). Unlike traditional firms that rely predominantly on regulatory or pragmatic legitimacy, collaborative organizations often strive for moral legitimacy, defined as "a positive normative evaluation of the organization and its practices" (Suchman, 1995, p. 579).

Recent studies emphasize that moral legitimacy is earned when organizations recognize, engage, and respond to the diverse moral claims of stakeholders (Baur & Palazzo, 2011; Gond et al., 2021). For instance, multi-stakeholder initiatives in sustainability and governance (e.g., Fairtrade, Forest Stewardship Council) derive their legitimacy not from market success but from their ability to embed procedural justice and moral dialogue among members (Scherer, Rasche, & Palazzo, 2016). "The very act of collaboration in these organizations is framed as an ethical commitment to deliberative engagement and mutual justification" (Gond et al., 2021, p. 1182).

**Joint Purpose as a Moral Frame for Organizational Identity.** A second core finding concerns the role of shared or joint purpose in legitimizing collaboration as a moral endeavor, beyond its instrumental benefits. The literature demonstrates that collaborative organizations often define themselves through collective identity narratives centered on moral goods such as social justice, sustainability, or human flourishing (Ospina & Foldy, 2010; Gehman, Treviño, & Garud, 2013). These narratives serve as a moral frame that aligns diverse actors and reduces identity fragmentation (Ashforth, Harrison, & Corley, 2008).

For example, research on hybrid organizations such as social enterprises shows that their capacity to maintain coherence depends heavily on the articulation of a joint purpose that integrates economic viability and social-moral aims (Battilana & Lee, 2014). Purpose in such settings is not merely strategic; it functions as a moral compass, shaping decision-making and governance (Craig & Snook, 2014; Algera & Lips-Wiersma, 2012).

Moreover, studies find that the moral strength of the joint purpose often determines whether collaboration survives under pressure. For instance, Lee and Battilana (2020) found that cross-sector partnerships anchored in morally compelling goals were more resilient and trusted by stakeholders.

**Virtue-Based Ethics as a Normative Anchor in Collaboration.** A third emergent theme is the increasing reference to virtue ethics as a normative framework for guiding behavior in collaborative contexts. While much of organizational ethics has historically relied on deontology or consequentialism, recent works revive Aristotelian ethics to explain how individual and collective virtues support ethical collaboration (Moore, 2017; Alzola, 2012).

Virtues such as trustworthiness, phronesis (practical wisdom), empathy, and civic friendship are viewed as foundational for enabling cooperation in decentralized, participatory organizational models (Bright, Winn, & Kanov, 2014). In collaborative organizations, these virtues are not confined to individual leaders but are institutionalized in routines and cultures (Shotter & Tsoukas, 2014).

For instance, Moore (2017) argues that organizations pursuing collaborative goods (e.g., community development or social inclusion) need to embody virtues that allow for self-transcendence and moral imagination. Virtuous behavior, then, becomes a source of moral legitimacy and trust.

Additionally, Tsoukas (2018) suggests that strategy-making in collaborative settings can be seen as a practice of moral deliberation, grounded in shared values and narrative coherence, rather than as mere rational optimization.

Summary of Key Themes

| Theme   | Core Insight  |
|---|---|
| Moral Legitimacy through Stakeholder Engagement | Ethical standing stems from inclusive, deliberative stakeholder processes |
| Joint Purpose as Moral Frame                    | Shared purpose operates as a normative identity-shaping mechanism         |
| Virtue-Based Ethics as Normative Anchor         | Virtues such as empathy and wisdom sustain moral collaboration and trust  |

### 5. Discussion

This qualitative literature review identified three core themes shaping ethical foundations in collaborative organizations: (1) Stakeholder Engagement and Moral Legitimacy, (2) Joint Purpose as Moral Identity, and (3) Virtue-based Ethics Anchoring Collaboration. In this discussion, we interpret and synthesize these findings with eight seminal studies, exploring contributions, tensions, and implications.

**Stakeholder Engagement and Moral Legitimacy.** Our analysis demonstrates that moral legitimacy in collaborative organizations hinges on inclusive stakeholder engagement, procedural fairness, and dialogue-driven decision-making (Baur & Palazzo, 2011; Gond et al., 2021). These mechanisms help organizations earn a “positive normative evaluation” (Suchman, 1995), which is foundational to ethical legitimacy.

**Comparison with past studies.** Baur and Palazzo (2011) show NGOs earn legitimacy through demonstrating transparency and moral alignment in corporate partnerships, supporting our finding that moral legitimacy derives from ethical engagement. Gond et al. (2021) highlight how organizations like Forest Stewardship Council institutionalize normative ethics via procedures that involve diverse members—mirroring our theme of legitimacy through stakeholder inclusion.

However, criticisms by Mena and Palazzo (2012) propose that legitimacy involves both “input legitimacy” (fair processes) and “output legitimacy” (objective results). Our review extends this dichotomy, showing that collaborative settings often prioritize input legitimacy—constructive deliberation—even when impactful results lag (Mena & Palazzo, 2012). **Implications:** Organizations should embed both procedural fairness and tangible outcomes into stakeholder processes, balancing moral legitimacy with effectiveness.

**Joint Purpose as Moral Identity.** The second theme highlights joint purpose as a central feature of organizational identity. Joint purpose not only directs action, but constructs a collective identity based on shared moral goals (Ashforth et al., 2008; Battilana & Lee, 2014).

Eight key studies support this view. Ashforth, Harrison, & Corley (2008) examine how identity formation in organizations thrives on shared narratives, aligning with our finding that joint purpose provides a moral frame. Battilana & Lee (2014) emphasize that hybrids—organizations pursuing both social and economic aims—must articulate a joint purpose integrating both, confirming that moral framing is pivotal to identity coherence.

Lee & Battilana (2020) argue that moral resilience is strengthened when joint purpose clearly integrates ethical and strategic aims, supporting our observation about purpose under pressure. Gehman, Treviño, & Garud (2013) show how values emerge as meaningful organizational practices, reinforcing that shared moral narratives shape identity and action.

Ospina & Foldy (2010) detail how social-change organizations rely on narrative to align diverse actors—underscoring the moral power of shared purpose. Algera & Lips-Wiersma (2012) highlight how radical authenticity aligns individuals with collective purpose, supporting our identity-based perspective.

Craig & Snook (2014) conceptualize purpose as an “organizing force” transcending performance metrics, matching our assertion that moral purpose extends beyond instrumental benefits. Gond & Mena (2022) further show that moral purposes in multi-stakeholder initiatives become identity anchors enabling collaboration—directly supporting our theme.

Together, these eight studies show that joint purpose is more than a strategy—it is a powerful moral identity that aligns internal and external stakeholders around common values (Ashforth et al., 2008; Battilana & Lee, 2014; Lee & Battilana, 2020; Gehman et al., 2013; Ospina & Foldy, 2010; Algera & Lips-Wiersma, 2012; Craig & Snook, 2014; Gond & Mena, 2022). Key tension: While joint purpose can unify, it may also impose conformity. Ashforth et al. (2008) warn of identity-based pressure to suppress dissent. Future research should unpack how organizations balance moral cohesion with ethical dissent.

**Virtue-Based Ethics Anchoring Collaboration.** Our third theme highlights that virtues such as trust, empathy, and practical wisdom function as normative anchors in collaborative organizations, shaping both culture and behavior (Moore, 2017; Tsoukas, 2018).

**Comparative studies.** Moore (2017) argues organizations pursuing public goods cultivate virtues institutionalized in routines, matching our observation that virtues are embedded in organizational practice. Shotter & Tsoukas (2014) emphasize *phronesis*—practical wisdom—as fundamental to judgment in fluid, collaborative contexts, consistent with our acknowledgement of narrative deliberation grounded in shared values.

Alzola (2012) affirms the relevance of virtue-based reasoning in firms, supplementing our discussion of virtue ethics as a moral anchor. Bright, Winn, & Kanov (2014) suggest that integrating virtue ethics with organizational sciences can promote ethical awareness—reinforcing our theme that virtues shape culture. These insights affirm that virtue-based ethics provide enduring foundations for collaboration, even in decentralized contexts requiring distributed leadership and moral agency.

**Fragility:** Virtues are vulnerable to degradation under competitive or bureaucratic pressures (Bright et al., 2014). Organizations must cultivate mechanisms—such as reflective dialogue, storytelling, and mentoring—to sustain virtue across time and scale (Tsoukas, 2018).

**Interplay of Themes and Tensions.** These three themes—stakeholder legitimacy, joint purpose, and virtues—intersect to form an integrated ethical foundation: Stakeholder engagement builds moral legitimacy by co-creating norms and practices. Joint purpose provides narrative direction and communal identity. Virtues anchor daily behavior and judgment. This triadic ethical structure aligns with goal-framing theory (Lindenberg & Foss, 2011), where moral goal-frames override extrinsic motivations, enabling sustained collaboration. In combination, they offer a parsimonious framework grounded in theory and practice.

Nonetheless, tensions arise. Legitimacy vs. Efficiency: Stakeholder input can slow decision-making (Mena & Palazzo, 2012). Purpose vs. Pluralism: A unified purpose may marginalize diverse perspectives (Ashforth et al., 2008). Virtue vs. Performance: Emphasizing virtue may conflict with shareholder pressure (Bright et al., 2014). Addressing these tensions requires adaptive governance mechanisms that balance moral ambition with organizational pragmatism. Leadership scaffolding—such as shared rituals, ethical training, and strategic humility—can mitigate these trade-offs.

By synthesizing across eight influential studies, this review maps a coherent ethical architecture for collaborative organizations—integrating legitimacy, identity, and virtue. It clarifies how moral legitimacy is both a process (inclusion) and a product (perceived integrity). Furthermore, this integrative account highlights how collaborative organizations depart from traditional firms that rely primarily on legal legitimacy or economic identity. Instead, they operate through normative moral frameworks, subordinating extrinsic incentives to shared ethical commitments.

**Practical Implications For practitioners:** Embed stakeholder governance: Promote iterative dialogue and joint decision-making to build moral legitimacy. Articulate collective purpose: Co-create narrative frameworks that integrate shared moral aims with economic viability. Institutionalize virtue: Use reflective practices, supervision, and narrative storytelling to embed virtues in routines and culture. These practices collectively form a “moral operating system” that sustains collaboration in uncertain environments.

Comparative case studies across sectors—social enterprises, professional associations, multi-stakeholder alliances—can elucidate contextual enablers and inhibitors of ethical foundations. This discussion has explored how moral legitimacy, joint purpose, and virtues

collectively constitute the ethical infrastructure of collaborative organizations. Drawing on eight key prior studies, we find that these elements are interdependent and mutually reinforcing, yet bring their own tensions.

The process of inclusive engagement, combined with narrative coherence and virtuous routines, enables collaborative organizations to transcend instrumentalism and build enduring partnerships. As organizational forms become increasingly networked and mission-driven, understanding and operationalizing these ethical foundations will be essential for sustainable and authentic collaboration.

## 6. Conclusions

Sections must summarize briefly and concisely the contents of the document or essay. This section may contain (1) A summary of the main results, findings, and evidence from your research or analysis. (2) Synthesis of findings, namely the relationship between findings and research objectives, and show how these findings support arguments or hypotheses. (3) The author may also be able to discuss the implications of research findings for research benefits. What is the contribution or impact on the knowledge or topic discussed? (4) Limitations and suggestions for further research.

This literature review has explored the ethical foundations underpinning collaborative organizations through the interrelated lenses of moral legitimacy and joint purpose. The synthesis of recent scholarly works indicates that moral legitimacy is not a static attribute but a relational and socially constructed quality grounded in stakeholder perceptions of ethical alignment, procedural fairness, and value congruence (Suchman, 1995; Gond & Mena, 2022). Collaborative organizations gain moral legitimacy when they actively co-create shared values, integrate stakeholder voices, and embody virtue-based leadership principles (Moore, 2017; Algera & Lips-Wiersma, 2012).

Furthermore, the emergence and endurance of a joint purpose—understood as a morally resonant, collectively owned objective—serve as a powerful integrative force in hybrid and cross-sectoral collaborations (Battilana & Lee, 2014; Craig & Snook, 2014). This purpose, when grounded in authentic moral commitments rather than instrumental alignment, fosters inclusive governance, collective identity, and long-term ethical resilience (Lee & Battilana, 2020; Ospina & Foldy, 2010).

Comparative analysis of prior studies reveals that organizations that emphasize joint moral reasoning and deliberative engagement (e.g., FSC as analyzed by Gond, Mena, & Mosonyi, 2021) are more likely to avoid mission drift, maintain stakeholder trust, and adapt ethically under complexity (Lindenberg & Foss, 2011; Tsoukas, 2018). In contrast, those with weak ethical anchoring or misaligned stakeholder perceptions risk losing legitimacy, even if operationally efficient (Mena & Palazzo, 2012; Baur & Palazzo, 2011).

In sum, moral legitimacy and joint purpose are mutually reinforcing, and together they constitute a foundational ethical infrastructure for collaborative organizations seeking sustained impact in dynamic institutional environments.

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