Factors Influencing Sustainable Entrepreneurial Practices: Looking at Individual-Level Factors Through Conventional Entrepreneurial Perspectives

Sharif Hossain
Arden University Arden House Middlemarch Park Coventry
msharif2009@yahoo.com

ABSTRACT

Purpose: Entrepreneurs contribute to the economic and non-economic development of a country with their entrepreneurial activities, but they also negatively impact the environment. Using entrepreneurial capabilities, however, entrepreneurs can turn various social and environmental issues into profitable solutions to benefit society and ensure their long-term business success which is called sustainable entrepreneurship.

Design/methodology/approach: This research aims to identify and highlight individual level factors that directly, or indirectly, affect individuals’ behaviour, and can influence them to engage in sustainable entrepreneurial activities.

Findings: This secondary research reviewed and integrated existing literature to highlight individual-level factors that can influence entrepreneurs to engage in sustainable entrepreneurial practices. The insight of this paper could open key considerations for researchers in the sustainable entrepreneurship field to explore individual-level factors and enhance further understanding.

Paper type: Research paper

Keyword: Influencing factors, sustainable entrepreneurship, sustainability, sustainable entrepreneurial intention.

Received: August 14th 2021
Revised: September 14th 2021
Published: September 30th 2021

I. INTRODUCTION

Entrepreneurs make significant social and economic contributions with their entrepreneurial activities Hernandez, (2010) at the same time, entrepreneurial activities cause market failures that create negative impacts on the environment Cohen, B., & Winn, (2007) Hockerts, K. & Wustenhagen, (2010). Therefore, it is necessary to find new ways to resolve social and environmental issues such as negative impact of global warming, unemployment and overuse of scarce and renewable sources because these issues have not been resolved Cohen, B., & Winn, (2007) Kuckertz, A., & Wagner, (2010).

Sustainable entrepreneurship is pursuing business opportunities in order to bring into existence future products and processes, as well as contributing to sustaining the development of the society, economy and environment, which will improve the well-being of future generations (Munoz, 2013). In other words, sustainable entrepreneurship is generating profits by ensuring social and environmental welfare. Entrepreneurs can contribute to social and environmental challenges by turning them into business opportunities because prominent innovation that have greater contribution to sustainable development mostly originated from sustainable ventures.
To have a better understanding and facilitate sustainable entrepreneurial activities, it is necessary to understand what individual-level factors can influence entrepreneurs to engage in sustainable entrepreneurship. Sustainable entrepreneurship is a new area of research, an integrated approach, therefore, is considered suitable for this paper to look at previous studies in the topic area. This integrated approach would allow to summarise and synthesise previous literature on individual-level factors that influence entrepreneurs undertaking sustainable entrepreneurship. Individual-level factors refer to those aspects that relate to an individual’s behaviour or those factors that directly, or indirectly, affect individuals’ behaviour, and can influence them to engage in sustainable entrepreneurship. These factors are reviewed in this paper below.

A. Intention of entrepreneurs

Sustainable entrepreneurship can be considered as a process and, therefore, human interaction is required for its operation. When researchers discuss entrepreneurial behaviour, the topic of the ‘intention of the entrepreneur’ usually comes at the beginning of the discussion. When discussing individual or psychological factors, entrepreneurship researchers have often discussed the importance of the ‘intention’ of entrepreneurs with regard to entrepreneurial activities in great detail. According to Ajzen, (1991), in predicting different types of human behaviour, intent plays a major role and, therefore, it can be assumed that an entrepreneur’s behavioural intention could influence them to conduct sustainable entrepreneurial activities. During the literature search, it was found that there are very few studies (Koe, W. L., Omar, R. & Majid, 2014) that have discussed the behavioural intentions of individuals in the sustainable entrepreneurship field, while many other studies discuss the behavioural intention of entrepreneurs from conventional, social and environmental entrepreneurial perspectives. Among these, most studies referred to the dimensions of Ajzen, (1991) Theory of Planned Behaviour (TPB), Shapero, A. & Sokol, (1982) Entrepreneurial Event Models (EVM) and the Self-efficacy Model of Wood, R. & Bandura, (1989)

B. Attitudes and social norms

Ajzen, (1991) explained that behaviour is controlled by intentions. Such intentions vary based on their strengths and are influenced by behavioural attitudes about the outcome of the behaviour and subjective norms (perception of how others view the behaviour). Attitudes refer to actual behaviour and individuals who have such behaviour can be considered to have positive attitudes to conduct such behaviour. For example, Paco, A. M. F., Ferreira, J. M., Raposo, M., Rodrigues, R. G. & Dinis, (2011) studied young students and found that attitudes were a vital factor of entrepreneurial intention among secondary school students. It can also be assumed that, in order to exhibit sustainable entrepreneurial behaviour, the entrepreneurs of this study would need to have strong positive attitudes towards sustainable entrepreneurship. This assumption can be made because Vuorio, A. M., Puumalainen, K. & Fellhofer, (2017) studied the drivers of sustainable entrepreneurial intention and found that attitudes towards sustainability and entrepreneurial desirability drive individuals. This study can be called significant because it makes clear that individuals’ positive sustainability attitude, as well as positive entrepreneurial desirability, has an important impact on their sustainable activities.

Researchers also identified that social norms shape an individual’s behaviour and influence them to behave in a particular manner Ajzen, (1991); for example, Kautonen, T., Tornikoski, E. T., & Kibler, (2011) studied 496 Finnish individuals and found that there are positive relationship between social norms and entrepreneurial intention. Meek, W. R., Pacheco, (2010) also suggested that social norms play a crucial role in creating environmental entrepreneurial action. Most importantly, with regard to sustainable entrepreneurial intention, Nassar, M. L., Soewi, F. O., Alarape, A. & Akinyemi, (2017) identified that an entrepreneur’s affinity with their group influenced their tendency to design sustainable products in Nigeria. This may be because entrepreneurs show their solidarity to the people around them and, therefore, they behave in a particular manner, which is widely accepted by other members of the same society. This notion of social acceptance, or social pressure, may also influence entrepreneurs in this study to adopt sustainable activities in their businesses. Interestingly Koe, W. L., Omar, R. & Sa’ari, (2015) however, did not identify any influential influence of social norms on sustainable entrepreneurship in their study in Malaysia.

C. Desirability and feasibility

Other entrepreneurial behaviour researchers have discussed Shapero and Sokol’s desirability and feasibility aspects of entrepreneurial intention. Shapero, A. & Sokol, (1982) asserted that to start a business, an individual’s intention originates from their perception of desirability, feasibility and propensity to act upon opportunities.

Perceived desirability refers to the attractiveness of generating an entrepreneurial intention. Perceived feasibility refers to the degree to which one believes that an individual is personally capable to engage in
entrepreneurial activities. The propensity to act was conceptualised by Shapero, A. & Sokol, (1982) as a personal disposition to act on an individual’s decisions. They have strongly emphasised that without the propensity to act, it is hard to envision well designed intention.

Fitzsimmons, J. R. & Douglas, (2011) identified a significant impact of desirability on entrepreneurial intention. With regard to the sustainable entrepreneurship literature, perceived desirability and feasibility are also found to have an influence on sustainable entrepreneurial intention. For example, Koe, W. L., Omar, R. & Majid, (2014) distributed a self-administered questionnaire to 249 SME owner-managers and identified that there is a positive and weak association between desirability and sustainable entrepreneurial propensity, but a positive and moderate relationship between feasibility and sustainable entrepreneurial propensity. This may be because of a number of factors, such as social, environmental and economical factors that can shape an individual’s desirability for entrepreneurship and its feasibility. Another study by Koe, W. L., Omar, R. & Sa’ari, (2015) surveyed 440 SMEs in Malaysia and identified a significant positive association between feasibility, desirability and sustainable entrepreneurial propensity. Commenting on this, Ajzen, (1991) explained that when taking action is perceived to be desirable and feasible, an individual would have stronger intention. Thus, when sustainable entrepreneurial activities are both desirable and feasible, then individuals will have stronger intention and demonstrate a propensity to start sustainable entrepreneurial activities.

D. Self-efficacy

Self-efficacy refers to the idea that individuals can successfully perform a behaviour required for a task, and that they believe they are capable of doing the task (Wood, R. & Bandura, 1989). Needs to recognise opportunities and feel confident enough to drive the business. Other researchers found that self-efficacy is highly relevant to entrepreneurial intention (Hisrich, R. D., Peters, 2008) and that there is a strong relationship between self-efficacy and entrepreneurial intention (Peng, Z., Genshu, L. & Kang, 2012) Entrepreneurial self-efficacy can be strengthened in four ways: mastery experience, vicarious experience (role modelling), subjective norm (social persuasion) and psychological state (Wood, R. & Bandura, 1989).

An individual’s self-efficacy can be boosted significantly by mastery of experience or how individuals interpret their past performance (Wood, R. & Bandura, 1989). This means that those individuals who are able to understand the challenges they have faced or experienced are likely to feel confident in performing a similar task. In the context of sustainable entrepreneurial intention, this means that entrepreneurs might also use their past knowledge and experiences in building self-efficacy and engaging in sustainable entrepreneurship. As the existing literature identifies, previous experience with social organisations predicts social entrepreneurial intention (Seelos, C. & Mair, 2005).

Vicarious experience, such as social models, can alter an individual’s self-efficacy. Previous studies have also identified that role models matter for pursuing entrepreneurship; for example, Bosma, N., Hessels, J., Schutjens, V., Praag, M. & Verheul, (2011) conducted a study of 292 entrepreneurs in the Netherlands and the results show that 81% of the entrepreneurs had a role model before starting their venture. A role model, however, does not necessarily need to be a personal contact of the individual; it is rather the identification and motivation to become like someone else (Wilson, F., Kickul, J. & Marlino, 2007).

Social norms, or social persuasion, is another factor that influences an individual’s sense of efficacy. Other people’s feedback and suggestions could influence an entrepreneur’s level of self-efficacy (Wood, R. & Bandura, 1989). Furthermore, it has been stated that social norms increase entrepreneurial self-efficacy; and a study by (Peng, Z., Genshu, L. & Kang, 2012) found self-efficacy to be strongly related to entrepreneurial inclination. Surprisingly, however, as discussed earlier, some of the literature argues that social norms predict sustainable entrepreneurial intention (Nassar, M. L., Soewu, F. O., Alarape, A. & Akinyemi, 2017) but some did not find any influential connection between social norms and sustainable entrepreneurial intention (Koe, W. L., Omar, R. & Sa’ari, 2015).

(Hisrich, R. D., Peters, 2008) argued that self-efficacy can reduce the effort of an individual because it affects a person’s choice of action and the amount of effort they make. This means that one needs to have high self-efficacy if one is going to be able to engage in sustainable entrepreneurial activities to resolve social and environmental issues. Because individuals may consider that environmental and social problems are so complex, it would be impossible for them to solve such issues (Seelos, C. & Mair, 2005). A low level of self-efficacy, therefore, may deter entrepreneurs from making a worthwhile effort to engage in sustainable activities.

E. Entrepreneurial competencies

Entrepreneurial competencies are associated with an entrepreneur’s ability to become innovative, creative and seek opportunities. Barth, M., Godemann, J., Rieckmann, M. & Stoltenberg, (2007) mentioned that entrepreneurial competencies can enable an individual to successfully perform tasks, solve practical challenges
and explore opportunities. Bird, (1995) described entrepreneurial competencies as knowledge, traits, skills, motives, social roles and skills that influence business creation, survival and growth. According to Adepoju, (2012), entrepreneurs must acquire creative skills, innovative skills, managerial skills, analytical skills, marketing skills, communicative skills and career skills. The above reviews signifies that entrepreneurial competencies have two origins: one set of components are rooted in the entrepreneur’s personal background, whereas another set of components could be acquired through learning, such as training and development or entrepreneurship education at universities and colleges. In this regard, Fogel and mentioned that education and short-term training programmes can provide entrepreneurs with the required skills, in such case where there is a lack of business skills among entrepreneurs, the government does not provide adequate support and there is the existence of bureaucratic complicacies. Similarly, a study conducted by Deaconu, A., Igreg, R. S., Agoston, I. S., Marinus, C. & Codruz-Bacescu, (2014) in Romania identified that most of the respondents believed that professional skills are important in entrepreneurship and were willing to take part in a training course to improve such skills, which denotes the importance of training and education in the development of entrepreneurial skills.

Many researchers have studied entrepreneurial competencies from various perspectives. Rasmussen, E., Mosey, S., & Wright, (2011) conducted a longitudinal study in a non-academic environment. Their results show that entrepreneurial competencies helped their respondents with venture creation. Kuckertz, A., & Wagner, (2010) argued, however, that the skills and motivations of traditional entrepreneurs are different to those of sustainable entrepreneurs. This is because sustainable entrepreneurs require a unique mind-set to set up their businesses and take strategic decisions to balance all of the three aspects of sustainable entrepreneurship (izaguirre, A., Gracia-Feijoo, M. & Laka, 2019). In this regard, previous researches that have studied sustainability entrepreneurship competencies can be highlighted. One of the most cited studies is Wiek, A., Withycombe, L., & Redman, (2011). who conducted a literature review on the key competencies of students graduating from a sustainability course. They identified some key competencies, which they mentioned as crucial for entrepreneurs’ sustainability efforts. Barth, M., Godemann, J., Rieckmann, M. & Stoltenberg, (2007) further identified 12 key competencies, which were found to be important for sustainable development, and they mentioned that those key competencies have a significant influence on sustainability goals. Based on the literature review and focus group discussion with lecturers, Dentoni, D., Blok, V., Lans, T., & Wesseling (2012) developed a competency framework with seven competencies which is found to be necessary for entrepreneurs becoming involved with sustainability in an organisation. Is one of the few studies that used those sustainable entrepreneurship competencies in their studies combining with common entrepreneurial competencies. These competencies are as follows:

1. System thinking competence: The ability to identify and analyse all relevant systems across different domains (people, planet and profit) and disciplines, both locally and globally Wiek, A., Withycombe, L., & Redman, (2011)
2. Embracing diversity and interdisciplinary competence: The ability to structure relations, spot issues and recognise legitimacy of other viewpoints in the process of the business decision-making of social, environmental and economic issues De Haan, (2006)
3. Foresighted thinking competence: Collectively analysing, evaluating and crafting pictures of the future where the impact of local and short-term decisions on social, environmental and economical systems are viewed in terms of global scale and in the long-term De Haan, (2006).
4. Normative competence: The ability to map, apply and reconcile sustainability value, principles, goals and targets with stakeholders Wiek, A., Withycombe, L., & Redman, (2011)
5. Action competence: The ability to actively involve oneself in improving the sustainability of social and ecological systems De Haan, (2006).
6. Interpersonal competence: The ability to motivate, enable and facilitate collaborative and participatory sustainability activities and research De Haan, (2006).

Lans, T., Blok, V., & Wesseling, (2014) conducted their study on would-be sustainable entrepreneurs who were completing some form of entrepreneurship or sustainable entrepreneurship course and teaching entrepreneurship or sustainable courses, whereas the entrepreneurs of this study had an existing business, or businesses, and could potentially become sustainable entrepreneurs of the future. A recent study on Canadian MBA programmes revealed that, even though students learn about Corporate Social Responsibility and similar topics at university, they do not graduate with sustainability competencies Driscoll, C., Price, S., McKee, M. & Nicolls, (2017) This means that sustainability competencies learned through training and education may not be reflected in the business activities of the entrepreneurs.
F. Prior knowledge and experience

Shane S. (2000) defined prior knowledge as the unique information a person has on a particular topic that enables them to recognise a particular opportunity. They have identified three types of entrepreneurial knowledge that can influence an individual in the process of discovering opportunities, such as the prior knowledge of markets, the knowledge of how to serve the market and knowledge of customer problems. In addition, prior knowledge or experience can offer advantages to individuals in many ways, including the capability of making quicker decisions (Shane S., 2000). Prior knowledge can be obtained from many sources, including education, work experience or experimental learning.

Prior knowledge and experience can not only create entrepreneurial propensity, but also accumulate experience and skills for future sustainable entrepreneurial activities. When studying prior knowledge, conventional entrepreneurship researchers explain the importance of the prior knowledge of customer demand, markets and industries in opportunity recognition (Shane S., 2000). On the other hand, sustainable entrepreneurship researchers, such as, explained the significance of the prior knowledge of natural and communal environments in sustainable opportunity recognition. These researchers argue that individuals who tend to a natural and communal environment are more likely to perceive change in the environment and, therefore, they understand the opportunity accordingly, compared with those who are focused on a business environment. Using Patzelt, H. & Shepherd, (2011) model, Choongo, P., Van, B. E., Paas, L. J. & Masurel, (2016) conducted study by using interviews with 220 business owners in the trading and service industry in Zambia. Their results, however, show no significant association between prior knowledge of the natural and communal environment and sustainable entrepreneurial opportunity recognition. Here, moral intensity may play a part, because researchers have claimed that sustainable entrepreneurial opportunity identification depends on an individual’s moral intensity; for example, the study conducted by Munoz, P. A. & Dimov, (2017) identified moral intensity as a mediator for sustainable entrepreneurial venture identification. They further clarified that individuals with high moral intensity would tend to respond to a social and environmental problem differently compared to an individual with low moral intensity, because moral intensity works as a push factor for making moral or ethical decisions Bhal, K. & Dadhich, (2011)

In addition, previous studies on traditional entrepreneurship have found that entrepreneurs’ previous experience influences them to undertake entrepreneurial activities. For example, Miralles, F., Giones, F. & Riverola, (2016) conducted a research using the TPB model, and their results show that prior knowledge positively influences entrepreneurial inclination. While the research of Miralles, F., Giones, F. & Riverola, (2016) is applicable to individuals of working age with experience, other researchers found that students with prior working experience have a greater inclination towards entrepreneurship (Keat, Y. O., Selvarajah, C. & Meyer, 2011). The result from Keat, Y. O., Selvarajah, C. & Meyer, (2011), however, may not be suitable in the case of sustainable entrepreneurship if are taken into consideration. These researchers argued that there is a highly significant potential for sustainable entrepreneurship among students, but that this vanishes with business experience. They have further concluded that students with minimum experience are concerned with ethical, social and environmental issues, and that these are likely to transfer into sustainable entrepreneurial inclination.

Some researchers tried to identify the influence of prior experience on social entrepreneurial venture creation. One such study conducted by Hockerts, (2017) found that prior experience with social organisations predicts social entrepreneurial activities. This is possibly because individuals’ personal experience of working with social organisations makes them familiar with the problems and influences them to engage in social entrepreneurship. Shumate, M., Atouba, Y., Cooper, K. R., & Pilny, (2014)supported this argument, stating that social entrepreneurs understand what works, and what does not work and gain confidence even before engaging in new ventures because of their prior experience and engagement with social organisations. These views certainly contrast with those of Kuckertz, A., & Wagner, (2010)

G. Entrepreneurial orientation

The existing literature has discussed entrepreneurial orientation as an important predictor of entrepreneurship. Entrepreneurial orientation focuses on strategic posture reflecting proactiveness, innovativeness and risk-taking in entrepreneurial venture creation Covin, J., & Slevin, (1989). Vora, D., Vora, J., & Polley, (2012) stated that innovativeness is demonstrated by an inclination to adopt new activities, services or products. Proactiveness is having high levels of opportunity-seeking, forward-looking perspective that drives to introduce new products and services before the competitors do, with the expectation of future customer demand. Risk-taking is taking action in an unknown business with a large resource commitment that may bring uncertain consequences (Lumpkin, G. T., & Dess, 1996). Even though there are arguments between researchers about whether the dimensions of entrepreneurial orientation can be examined separately or not, it has been agreed that its components could be used according to the research question of the researchers (Walse, W. J.,
Gupta, V. K. & Mousa, 2013). As a result, some researchers have discussed entrepreneurial orientation components as a whole concept, while some have examined them individually in their relevant field.

Among those studies, most of them have used entrepreneurial orientation to identify a firm’s performance, while some have discussed it at an individual level, giving it the name of individual entrepreneurial orientation, such as Kollmann, T., Christofor, J. & Kuckertz, (2007) These studies, however, were not conducted in a sustainable entrepreneurship context because sustainable entrepreneurship researchers were mostly interested in talking about sustainability orientation as a predictor of sustainable practice instead. The literature on sustainability orientation is reviewed in a separate section, while the influence of entrepreneurial orientation on venture creation is reviewed further here.

Firstly, innovativeness as a component of entrepreneurial orientation has an important influence on individuals’ entrepreneurial activities. This is supported by Schumpeter, (1934) views of entrepreneurship, who argued that innovation is one of the most important characteristics of entrepreneurship that differentiate non-entrepreneurs from entrepreneurs. From an organisational perspective, Lumpkin, G. T., & Dess, (1996) illustrated entrepreneurial innovation as a willingness to accept creativity with regard to new products, processes or service developments. In other words, organisations with an innovative entrepreneurial orientation might be willing to develop new products, processes or services creatively. Some studies have explored innovativeness as a factor that influences social entrepreneurship and have found that it is significantly associated with social entrepreneurial venture creation (Nsereko, I., Balunywa, W., Munene, J., Orobia, L. & Muhammed, 2018). They have further claimed that entrepreneurs driven by social needs would develop innovative ideas, products and processes. Sustainable entrepreneurs, however, would naturally develop sustainable innovative products, processes or services (Urbaniec, 2018).

Secondly, it can be assumed that sustainable entrepreneurs would take risks and invest in an unknown market with uncertain benefits. Entrepreneurs are generally risk averse (Parker, C. M., Redmond, J. & Simpson, 2009) and tend to take actions against uncertainty. Some studies have examined the risk aversion of social entrepreneurs and found it to be important for establishing new social ventures; for example, Choi, S., Kim, N. & Kim, (2018) studied the risk propensity of social entrepreneurs and found that they have more risk-seeking propensity compared to commercial entrepreneurs. For sustainable entrepreneurship, the risk is even higher because creating a positive impact by addressing social and environmental challenges needs strong determination regarding accepting risks. Hoogendoorn, B., Zwan, P. & Thurik, (2019) conducted a survey and identified that the fear and nature of risks are different to sustainable entrepreneurs when starting new ventures compared to that of conventional entrepreneurs. They also found greater fear of personal failure among entrepreneurs because of the requirements of managing complex stakeholder relationships, the challenging rules, norms and legislation of sustainable entrepreneurship. Jansson, J., Nilsson, J., Modig, F., & Hed Vall, (2017) however, have not found risk to be related to sustainability commitment.

Thirdly, proactive people are more likely to start a new business and identify opportunities before their competitors; on the other hand, an entrepreneur who is not proactive will not be able to identify an opportunity before their competitors and will miss the chance (Kraus, S., Ritterg, J. C., 2012). It is, therefore, reasonable to believe that sustainable entrepreneurs would need to be highly proactive to identify an opportunity ahead of their competitors, understanding the needs of their customers. In terms of being proactive in relation to sustainable entrepreneurship, Cohen, B., & Winn, (2007) indicated exploiting opportunities in the market that are characterised by imperfection and failure. Jansson, J., Nilsson, J., Modig, F., & Hed Vall, (2017) conducted a study to identify the sustainability commitment of an organisation and the results of their study suggest that there is a positive relationship between being proactive and sustainability commitment. In addition, Nsereko, I., Balunywa, W., Munene, J., Orobia, L. & Muhammed, (2018) revealed the significance of being proactive at an individual level, because they found it to be associated with social entrepreneurial venture creation among entrepreneurs.

H. Sustainable entrepreneurship and motivational aspects

Traditionally, researchers have explained entrepreneurial venture creation as a result of economic motivation (Schumpeter, 1934). Recent researchers of environmental, social and sustainable entrepreneurship literature, however, have identified that there are other reasons that can motivate entrepreneurs to start a business. For example, social entrepreneurs are motivated by social objectives, such as ensuring the social wellbeing of people in society (Yitshaki, R. & Kropp, 2016 Abu-Saifan, 2012), environmental entrepreneurs are motivated to reduce environmental impacts (Thompson, N., Kiefer, K. & York, 2011), whereas sustainable entrepreneurs are motivated by social, environmental and economic benefits together (Meek, W. R., Pacheco, 2010). These suggest that both economic and non-economic motivations have the influence to drive entrepreneurs towards entrepreneurial activities.
Ryan, R. M. & Deci, (2000) mentioned that there are different amounts and kinds of motivation exist and that is why researchers have categorised motivational theories into two sections, namely drive and incentive. Drive has motivated researchers to discuss the internal stimuli of human behaviour, whereas incentive has motivated researchers to discuss the goal of the individual that encourages them to behave in certain way Carsrud, A. & Brannback, (2010). In addition, researchers further divide incentive theories into intrinsic and extrinsic motivation.

I. Intrinsic and extrinsic motivation

Intrinsic motivation includes the interest of individuals to accomplish a goal, such as self-determination, the need for achievement and so on Carsrud, A. & Brannback, (2010). In addition to this, some scholars have defined intrinsic motivation from the perspective of the tasks being interesting, while others defined it in terms of the satisfaction an individual gains from their engagement with the task (Ryan, R. M. & Deci, 2000). This means that when an individual is intrinsically motivated, they are motivated by internal desire, such as personal enjoyment or any kind of satisfaction. Individuals may be guided by their intrinsic motivations and be interested in working for the welfare of society, making others happy or working for the benefit of the environment; for example, the result of the study conducted by Braga, J. C., Proenca, T. & Ferreira, (2015) shows that altruism is an intrinsic motivation and works as motivation for social entrepreneurial venture creation. They also found that passion, or personal interest, also work as intrinsic motivation for social venture creation. This was a small scale exploratory study conducted in Portugal and, therefore, may not be generalised across other countries. Patzelt, H. & Shepherd, (2011), however, stated that personal gains also motivates sustainable entrepreneurs. They further say that fear of accusation from future generations for not taking sustainable initiatives can threaten an individual into finding sustainable opportunities and, thus, is also an intrinsic motivation towards sustainable entrepreneurship.

On the other hand, an extrinsically motivated individual would be motivated by an external factor that pushes them to do something in the hope of earning a reward Benabou, R. & Tirole, (2003). Extrinsic motivation includes external rewards, such as power, money, social status and acceptance in the society. Individuals may engage in sustainable entrepreneurship not only to achieve personal satisfaction, but also to gain economic benefits; for example, Fischer, D., Mauer, R. & Brettel, (2018) found that without some sort of profit in their businesses, entrepreneurs could not help others. That is why researchers think that economic profits have a greater influence to drive sustainable entrepreneurship (Vuorio, A. M., Puimalainen, K. & Fellinhofer, 2017). In support of this, another study conducted by Ganguli, I., Huysentruyt, M. & Le Coq, (2018), can be presented. This study used a field experiment which identified that extrinsic motives drive nascent entrepreneurs more strongly than intrinsic motives.

More specifically to this study, academic researchers on sustainable entrepreneurship identified that motivational factors have an impact on sustainable entrepreneurship; for example, a study conducted by Nhemachena, C. & Murimbika, (2018) highlighted that both extrinsic and intrinsic motivations are essential determinants of sustainable entrepreneurship. This supports Carsrud, A. & Brannback, (2010), who mentioned that both intrinsic and extrinsic motivation could motivate an individual to perform a task. Based on the above literature, it can be assumed that both intrinsic and extrinsic motivation would play an important role in motivating entrepreneurs towards sustainable entrepreneurship.

Some researchers argue, however, that one form of motivation may play a greater role than others; for example, Kirkwood, J. & Walton, (2010) mentioned that sustainable entrepreneurs are not as motivated as conventional entrepreneurs by financial success. Claimed that sustainable entrepreneurs would be engaged in entrepreneurial activities even if there was economic loss. Ganguli, I., Huysentruyt, M. & Le Coq, (2018) also found that for the long-term success of a project, intrinsic motivation is more useful than extrinsic motivation. This means that intrinsic motivation may play a greater role in motivating entrepreneurs to undertake sustainable entrepreneurship. This is possible because intrinsically motivated individuals feel something from inside, they gain satisfaction from the tasks Carsrud, A. & Brannback, (2010) and, therefore, are strongly involved in the desired tasks.

J. Opportunity and necessity as motivation

Entrepreneurial researchers have looked at motivational theories from the opportunity and necessity aspects. According to Reynolds, P. D., Bygrave, W. D., Autio, E., Cox, L. W. & Hay, (2002) opportunistic entrepreneurs are driven by the achievement of success, which they want to achieve through opportunity exploitation for some form of gain. In terms of sustainable entrepreneurial opportunity identification, Patzelt, H.
& Shepherd, (2011) provided an example that if an individual resides in a polluted location, it can appear to be a potential threat to that individual and, therefore, they may be motivated towards finding an opportunity to reduce the pollution. Shane (2000), however, argue that the need for achievement, locus of control, desire for independence, passion, drive, goal setting and self-efficacy are some of the entrepreneurial motivations, which influence an individual’s opportunity recognition. On the other hand, necessity entrepreneurs (Reynolds, P. D., Bygrave, W. D., Autio, E., Cox, L. W. & Hay, 2002) are driven by their necessity that engages them in entrepreneurial activities to fulfil their daily needs. These sorts of entrepreneurs are motivated to earn enough money to support themselves and their families Carsrud, A. & Brannback, (2010).

1) Sustainability orientation and value

As mentioned earlier, sustainable entrepreneurship researchers were more interested in sustainability orientation than the entrepreneurial orientation of conventional entrepreneurs and, therefore, sustainability orientation, as well as value related to this can be looked at this section.

2) Sustainability orientation

One of the most frequently discussed topics in sustainability driver literature is sustainability orientation. Studying a group of European engineers and business students, Kuckertz, A., & Wagner, (2010) introduced sustainability orientation as one of the robust concepts and demonstrated that it has a relationship with sustainable entrepreneurial propensity. This important element differentiates conventional entrepreneurial orientation from sustainable entrepreneurial orientation because entrepreneurial perspective is different to sustainability-oriented entrepreneurs and they have a specific orientation in order to maintain the balance of the economic, environmental and social dimensions (Parrish, 2010). In this regard, Sung, S. C. & Park, (2018) indicated that sustainability orientation is not only limited to the perspective of environmental and social problem-solving, but also has reasonable influence on entrepreneurial intention and the generation of profit.

Researchers have tried to identify the relationship between sustainability orientation and opportunity recognition, and they have discovered that sustainability-oriented entrepreneurs recognise opportunities in market imperfections and then pursue those opportunities. For example, Sung, S. C. & Park, (2018) stated that those individuals who have an altruistic motivation to reduce environmental pollution can actually recognise opportunities to combat health threats with the development of related technologies. In addition, (Claudy, M. C., Peterson, M. & Pagell, 2016) conducted a study on 343 international firms in 24 countries, and their result suggests that sustainability orientation positively influences new product development.

K. Value

Williams, (1979) defined value as standards for judgement and behaviour that work as a principle to guide individuals in life. From the perspective of entrepreneurial values, Conger, (2012) mentioned that values allow entrepreneurs to understand the differences in the desirability of pursuing different kinds of opportunity. Researchers also discussed the influence of an individual’s values on social and environmental entrepreneurial venture creation.

Based on Prince-Gibson, E. & Schwartz, (1998) model, Conger, (2012) claimed that, unlike self-enhancing values (motivating individual enhancing personal interest) of economically-oriented entrepreneurs, self-transcending (motivating people to transcend selfish concerns and promote others wellbeing) values will affect an entrepreneur’s motivational goals to work for the welfare of others and to create benefits. In this regard, Chahine, (2016) posited that in order to maintain financial stability and carry out their social mission, social entrepreneurs should have a variety of attributes, including moral attitudes, responsibility, judgement, a willingness to contribute to society and ethical motivation. Yildirim, S. Arik, S. & Cal, (2014) however, used the Schwartz model and found that a social entrepreneur’s values are no different from the conventional entrepreneur’s values, which is an interesting finding.

On the other hand, research on environmental entrepreneurship has discussed that entrepreneurs’ environmental values have significant influence on their environmental responsibility. For example, Hamann, R., Smith, J., Tashman, P. & Marshall, (2017) used survey data and conducted comparative case studies of wine firms in South Africa, in which they found that environmental responsibility plays an important role in encouraging positive environmental behaviour. In addition, Williams, S. & Schaefer, (2013) conducted a study in England and their findings show that a manager’s personal values motivate them to engage in environmental and climate change issues.

Not everyone, however, has identified that environmental attitudes or values can actually work as a predictor of environmental activities; for example, Schaper, (2002) conducted a study on 157 retail pharmacies in Australia and found no significant relationship between environmental attitudes and environmental
performance. Jansson, J., Nilsson, J., Modig, F., & Hed Vall, (2017) have also not found any relationship between management values and sustainability commitment. Studied 900 tourism organisations in 57 European protected locations. Their findings show that business driven firms implement eco-saving activities guided by commercial orientation and that legitimisation driven firms respond based on stakeholder pressure, whereas value driven firms engage in social, environmental and economic activities significantly. The managers within the Jansson, J., Nilsson, J., Modig, F., & Hed Vall, (2017) study mentioned above could have been driven by commercial orientation when they were engaging in eco-saving activities and, therefore, commitment to sustainability was absent in them.

II. CONCLUSION

This secondary research reviewed and integrated existing literature and highlighted various individual-level factors that can influence entrepreneurs in undertaking sustainable entrepreneurship. Since only Google Scholar has been used to search for literature for this paper, there is a possibility of not including some important relevant journal articles. Necessary precautions, however, have been taken to select good quality journal articles and books, therefore, highlighted factors can open new insights for sustainable entrepreneurship researchers who can further investigate each of these aspects individually. Policymakers can also be benefited from this paper in understanding influencing factors, and in facilitating sustainable entrepreneurial activities among entrepreneurs in society.

REFERENCES


Strategic Management Journal, 10(1), 75–87.
Factors Influencing Sustainable Entrepreneurial Practices: Looking at Individual-Level
Factors Through Conventional Entrepreneurial Perspectives
Sharif Hossain
Factors Influencing Sustainable Entrepreneurial Practices: Looking at Individual-Level Factors Through Conventional Entrepreneurial Perspectives

Sharif Hossain


