

Sustainability and Social Entrepreneurship

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Abstract

Entrepreneurship has been recognized as a major instrument for sustainable products and processes, and new ventures are being held up as a solution for many social and environmental concerns. However, one problem which hinders the spread of entrepreneurship in varied fields is the uncertainty aspect attached to it. The present study provides an overview of sustainable development and the role of entrepreneurship in the same. Enough need remains for greater ties between the more environmentally-oriented sustainable development and entrepreneurship literature. This paper has aimed at delivering with a better understanding of entrepreneurial dynamics for sustainable development by outlining a more accurate picture of sustainable entrepreneurship. The contents are then summarized and concluded with suggestions for further research.

Keywords: Entrepreneurship, sustainable development

Introduction

In the study an analysis is being made towards critically evaluating literature in terms of the social, environmental, and economic developments. A systematic review helps in making it as one of the first studies that provides a broad and multifaceted view of sustainable entrepreneurship. There is an need for an increased association between the more environmentally-oriented sustainable development and entrepreneurship literature. A robust literature review done will help in the better understanding of entrepreneurial dynamics and the role of sustainable entrepreneurship with respect to future research questions.

Entrepreneurship and Sustainability

When any new venture is started, the most frequently asked questions center around two words: sustainability and scale. The ability to increase revenues and decrease the marginal costs with each unit sale and developing a product people prefer and lowering costs while selling ever more of them is called as sustainability. It is that extra bit which is extended to move the business beyond initial investment to levels of sustenance. It is not a difficult task for any enterprise though efforts need to be put in the right direction. However, for a social venture, the concepts of sustainability and scale are even more complicated.

In order for the businesses to grow and flourish multi-faceted approaches have to be developed with a lot of human intervention. A lot of time has to be invested in understanding the customers first, working side-by-side with them, making modifications in what is being provided to them and longing to see any measurable social change. With a “high touch” scalability can be achieved and social ventures can work in a consistent way towards generating consistent impact.

The durability of the social benefit is very important and the sustainability of a business can be linked with the concentration on corporate social responsibility (CSR). This can be effected through energy efficiency, reduced carbon footprint, recycling and reuse, fair treatment of employees, and charitable giving, among other considerations. Some mission driven companies are dedicated to being socially responsible from their inception.

Literature Review

Dees (1998) who is considered as the father of social entrepreneurship opined in a study that the role played by social entrepreneurs as the change agents in the society cannot be ignored. They function by adopting a mission to create and sustain social value, recognizing and relentlessly pursuing new opportunities to serve that mission, continuously innovating, adapting and learning and also acting boldly without bothering about the limitations being posed by the resources currently in hand.

Characteristics of Social Entrepreneurs: -

Dees (1998) has helped in identifying the characteristics of social entrepreneurs. There is a beautiful blend of the many characteristics which makes social entrepreneurship outshine amidst other things. First of all, social entrepreneurs like entrepreneurs are “opportunity obsessed.” They constantly look for opportunities to add value to the lives of their customers and prospective customers. These opportunities are seen as a means to advance their mission, social and/or environmental, thereby enhancing the lives of their target beneficiaries.

Secondly, the concept of entrepreneurship is synonymous with innovation as the focus of the entrepreneurs is always upon implementing inventions which could be a new theory or concept propounded by them or could be an extension of the one given by others. In doing so they lookout for issues related to affordability, quality, durability, accessibility. In much the similar manner a social entrepreneur works for the benefit of the society and environment at large.

Social entrepreneurs use the resources of others in the concept of growing their business with an aim to utilize the strength of the compelling mission. Their unwavering focus on the benefit of the society is what makes them stand out. Accountability and its extent also distinguishes social entrepreneur from business entrepreneur. In the case of social entrepreneurship the extent and degree of accountability is much higher in comparison to business entrepreneurship. The businesses are accountable to their customers and shareholders but a social entrepreneurship venture is accountable to a much larger group of people who have invested in the business in both financial and emotional manner. The beneficiaries here are mostly the closely held enterprises and hence the social impact and transparency is what matters a lot to them.

Likewise the evaluation of the performance of a social enterprise is much more complex than it is for a commercial business. In the case of a commercial business its performance can be measured. The aspects like quality of life and well being of people are not quantifiable in nature.

In the opinion of Cohen and Winn (2007) there is an increasing awareness done in the area of sustainable entrepreneurship due to global sustainability disputes. The stakeholders in an enterprise expect the entrepreneurs to create economic, environmental and social value but the entrepreneurs are gradually more confronted with social and environmental challenges (Urban and Nikolov, 2013). There is an increase in the political debate for sustainable entrepreneurial

initiatives (Dyllick and Hockerts, 2002). Awareness of sustainable development grows in society which is expected to increasingly realize the value of natural and social resources boosting economic value (Cohen and Winn, 2007). Such an entrepreneurial renaissance will spur innovation and economic growth (Audretsch, 2004).

Molina-Azorín et al. (2012) suggested mixed methods to improve sustainable entrepreneurship. Adoption of mixed methods in the research field can help in the field of sustainable entrepreneurship and also stimulate the analysis of questions. In order to contribute to the aspect of sustainability, innovation is an important driver (Djellal and Gallouj, 2009; Ben Mahmoud-Jouini et al., 2010; Hockerts and Wüstenhagen, 2010; Schaltegger and Wagner, 2011 Kardos, 2012; Spitzack et al., 2013; Gabrielsson et al., 2014).

Sustainable development has emerged as an increasingly dominant concept in managerial and academic settings. Sustainability has become a foundation of corporate approach. In many contexts hence the term “corporate sustainability” is used in place of “corporate social responsibility” (Muhammad and Mine, 2013).

Research Methodology

In order to generate an overview of the structure and development of the field of sustainable entrepreneurship the present study presents a structured review of extant literature. In order to study the applied research methods in sustainable entrepreneurship comprehensive literature review is done by (Behzadian et al., 2010) which aims at uncovering, classifying and interpreting the current research. The extent to which the literature has dealt with an application focus is studied through social entrepreneurship by Kraus et al., 2013.

Sustainability as an integral part of entrepreneurship

In the present study the notion of entrepreneurship as an innovative process of creating market disequilibria given by Schumpeter (1962) is used (Schumpeter, 1934). In this context sustainable entrepreneurship is defined as the discovery and exploitation of economic opportunities through the generation of market disequilibria which further leads to a transformation of a sector towards

an environmentally and socially more sustainable state (Cohen and Winn, 2007). In the opinion of Hockerts and Wüstenhagen (2010) sustainable entrepreneurship is linked to product and process innovation.

Future Prospects for Research

Though this paper offers various insights into the areas of future research there are possible gaps in the area of research which has been identified by the study and can be used as an input in the future research. The first gap which is identified is the gap between the social and environmental entrepreneurship to sustainable entrepreneurial innovation. The relationship between the same is not clear. It is because of this reason that the question remains open as to why few entrepreneurs have the potential for creating sustainable economies and others do not.

A mixed research design shows a greater possibility for addressing sustainable entrepreneurship questions adequately (Molina-Azorín et al., 2012). An understanding of the research topic is essential to contribute to the further development of the sustainable entrepreneurship field. Research by Kraus et al. (2013) concerning social entrepreneurship builds a basis for this open research gap. Studying aspects like this will help in discussing the important questions which will help us to make progress in the field of sustainable entrepreneurial thinking.

The new literature on the concept of “entrepreneurial opportunity” provides a framework with applications to improve the entrepreneurial applications. (e.g. Ardichvili et al., 2003; Harms et al., 2009; Kraus et al., 2011). The diffusion of sustainable innovation poses few additional challenges and barriers for the firms. Only few cross-country studies have been conducted which poses limitation to the results. Enough literature exists which indicates towards achievement of sustainable development with respect to the strategic and entrepreneurial implications.

Conclusion

The concept of sustainable entrepreneurship is not defined very clearly and has emerged as an influential concept for entrepreneurship. There is an uncertainty regarding the fundamental basis or premise on which the entrepreneurship is based and hence enough efforts need to be put in the direction to critically evaluate the aspects which have been studied in the field of entrepreneurship and what has been left out. Enough need remains for greater ties between the more environmentally-oriented sustainable development and entrepreneurship literature. This

paper has aimed at delivering with a better understanding of entrepreneurial dynamics for sustainable development by outlining a more accurate picture of sustainable entrepreneurship. Qualitative methods are being portrayed as less reliable, less accurate, less powerful and less credible than quantitative methods and hence the central message of the paper is that well-done work based on mixed research method can provide scientifically valuable and intellectually helpful ways of adding to the stock of knowledge.

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