Sustainable entrepreneurship
- Ein kursorischer Einstieg in die Diskussion

Prof. Dr. Stefan Schaltegger

Centre for Sustainability Management (CSM)
Leuphana Universität Lüneburg
www.leuphana.de/csm

schaltegger@uni.leuphana.de
Entrepreneurs and entrepreneurship

- **Entrepreneurs** as “individuals who crucially engage in a process of discovery, evaluation, and exploitation of arbitrage opportunities.” (Thompson et al. 2011, 204)

- **Narrow** definition of entrepreneurship (e.g. Ripsas 1997)
  - The formation of new businesses, …
  - …which aims at economic growth…
  - …and includes creating, realising and using market potentials

- **Broader** view: „Entrepreneurship is a human act that builds something of value from practically nothing. It is the pursuit of opportunity regardless of the resources, or lack of resources, at hand. It requires a vision and a passion and commitment to lead others in the pursuit of that vision. It also requires a willingness to take calculated risks“(Timmons 1994, 48).
Views on sustainable entrepreneurship

Basic assessment of phenomenon

- Negative (entrepreneurial capture of sustainability agenda)
- Positive (contributing to sustainable development)

Scope

- Niche/individual special phenomena
- Movement from niche to mass market
What is sustainable entrepreneurship?

■ **Actor** perspective: Actors who change organizations and society for the better perform sustainable entrepreneurship

■ **Process** view: „the process of discovering, evaluation, and exploiting economic opportunities that are present in market failures which detract from sustainability“ (Dean & McMullen 2007, 58; )

■ **Perspectives** of sustainability view: entrepreneurship which considers all perspectives of sustainability (Schaltegger & Wagner 2011)

■ …
Focus on (exceptional) **individuals** (i.e. initiators of new ventures, introducers of new techniques, new organizations) or **individual initiatives** (e.g. radical (re)shaping of organizations; creating new markets) rather than on “ordinary” managers administering existing companies.

Focus on **entrepreneurial spirit** rather than on the organisational aspects
- Understanding problems as challenges and (economic) potentials
- Strive for independence

**Strong market and growth/economic success** orientation

Importance of **innovation**
- Entrepreneurs introduce innovations to the market; they offer new solutions to existing problems
- Entrepreneurs create competitive advantages with these innovations
Characteristics of sustainable entrepreneurship

- **Durability of the organisation**: No sufficient condition for sustainability (e.g. nuclear industry, combustion engine, film based camera)

- **Contribution**: How can organisations contribute to an environmentally, socially and economically sustainable development of society?

- **Process perspective - importance of „creative destruction“ (Schumpeter 1952)**: Creation of new “things” (organizations, products, services, networks, etc.) which may destroy existing structures as a constructive process (e.g. replacement of nuclear and fossil energy by renewable energy)

- …
Core Elements for Defining Sustainable Entrepreneurship

- Sustainable entrepreneurship goes **beyond usual sustainability management** (beyond just reducing negative consequences of economic activities).

- Solving social and/or environmental problems is at the **core of the offer and organization** of sustainable entrepreneurs and sustainability is thus inherently linked to the core business by definition (**sustainability driven**). Sustainable entrepreneurs introduce sustainable innovations to the market, which **aim and/or effect to contribute to the solution of social or environmental problems**.

- **Intention and/or effect**

- **Process perspective**

- **Innovation driven: Innovation rather than invention**

- **Sustainable entrepreneurship can be interpreted as the most far reaching form of corporate sustainability management.**

- **For profit, non-profit and hybrid**

- ...
Forms of sustainable entrepreneurship

Distinguishing according to the **scope**

- **Intrapreneurship**: Entrepreneurship within an organisation

- **Interpreneurship**: Entrepreneurs creating networks, i.e. linking organisations and (before not or only loosely connected) individuals

Distinguishing according to the **sustainability perspective**

- Social entrepreneurship (often includes environmental issues, too)

- Ecopreneurship/environmental entrepreneurship (often includes social issues, too)

- Sustainable entrepreneurship (either as umbrella term or only if all perspectives are considered to a large extent)
Research foci so far primarily

- Arguing that phenomenon exists
- Arguing that entrepreneurs can contribute effectively to sustainable development and that it can be relevant for society at large
- Classifications and conceptual developments
- Case-studies illustrating phenomenon
- Some first specifications of phenomenon (bottom of the pyramid, ecopreneurship, social entrepreneurship, climate change entrepreneurs, etc.)
Research gaps include…

- Theory of sustainable entrepreneurship or applying theories to the phenomenon of sustainable entrepreneurship?
- Large scale quantitative empirical research
- Better understanding of impact on markets and society (what is the benefit of sustainable entrepreneurship, exactly?)
- New, different and innovative forms of sustainable entrepreneurship
- Organisational forms of sustainable entrepreneurship (for profit, non-profit, hybrid)
- Theory-lead analyses of motivations, perceptions, etc. of entrepreneurs (cognition theories)
- Theory informed analyses of processes of influence, factors of success and obstacles
- ….