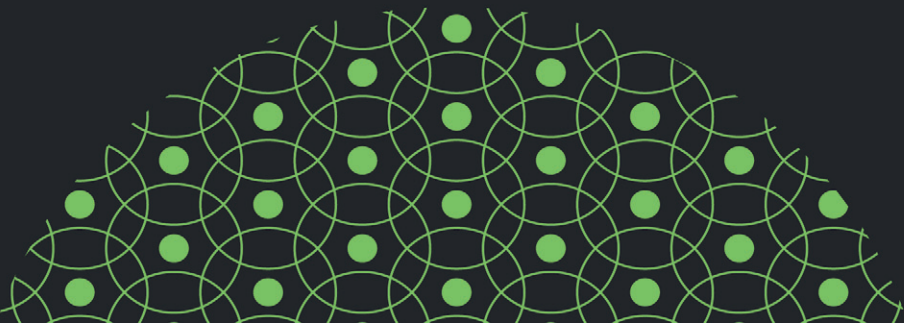




EMERALD POINTS

**HOW  
ENTREPRENEURS  
ARE DRIVING  
SUSTAINABLE  
DEVELOPMENT**

**DANIELA GIMENEZ-JIMENEZ**



# HOW ENTREPRENEURS ARE DRIVING SUSTAINABLE DEVELOPMENT

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# HOW ENTREPRENEURS ARE DRIVING SUSTAINABLE DEVELOPMENT

BY

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INVESTOR IN PEOPLE

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# FOREWORD

Gimenez allows us to dive into the dynamic world of entrepreneurship from several new angles, from family enterprises leading the change toward environmental responsibility, to the impact created by female entrepreneurs, giving voice to diverse entrepreneurial experiences. In this insightful book, she explores the inspiring journey of immigrant entrepreneurs finding fulfillment as they navigate the challenges of starting their businesses, leveraging their unique perspectives to create positive impacts on both local and global scales, the role of female entrepreneurs in reshaping corporate goals with sustainable values, driving societal change with innovation and determination and delves into the uncharted territories of family entrepreneurship shaping sustainable goals, societal contributions, and community-based enterprises. Written in a very structured and didactic way, Gimenez illuminates the intersection of business, sustainability, and societal progress. A must-read for anyone passionate about forging a brighter, more inclusive future through the transformative power of entrepreneurship.

*Patricia Gabaldón*  
IE University

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I am grateful to Lauren, Iram, and Daniel for their support during the development of this book. I also appreciate Sudenur's assistance with editing. This book is dedicated to my mother, father, sister, and husband. I am grateful for their unwavering support.

Thank you all  
*Daniela Gimenez-Jimenez*

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## ABSTRACT

*For decades, multilateral organizations, politicians, activists, and academics have searched for solutions to achieve sustainable development that meets the needs of current and future generations. This book explores the role of entrepreneurship forms in contributing to sustainable development. It emphasizes the significance of balancing economic and noneconomic gains in business ventures as different types of entrepreneurship can contribute to sustainable development. The book comprises five chapters. In the first chapter, I conduct a problematizing review to understand how the literature has considered the relationship between entrepreneurship and sustainable development. Throughout this review, I also observe the antecedents and outcomes of businesses pursuing economic and noneconomic gains. Social, ecological, and sustainable entrepreneurship have frequently been cited as key drivers of sustainable development in the literature. However, other types of entrepreneurship, such as university, community, indigenous, and academic entrepreneurship, have also been identified as important contributors to sustainable development. This finding highlights the need for further research to explore the role of various types of entrepreneurship in promoting sustainable development. By incorporating a broader range of entrepreneurial activities, we can better understand their potential impact on sustainable development. The subsequent chapters are dedicated to investigating these different types of entrepreneurial activities, such as those undertaken by family businesses, female entrepreneurs, and migrant entrepreneurs, which could help to achieve sustainable development. Using a variety of databases and quantitative approaches, I show the extent to which entrepreneurs alleviate grand societal challenges through their businesses. In every chapter of my book, I offer several suggestions that aim to help businesses overcome the challenges that they face while pursuing both economic and noneconomic gains. This book highlights the importance of this topic, and I hope that it will encourage others to contribute to this relevant conversation by using entrepreneurship types.*

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# SUSTAINABLE DEVELOPMENT AND ENTREPRENEURSHIP: TACKLING GRAND SOCIAL CHALLENGES THROUGH NEW BUSINESSES

## KEY TERMS IN THIS CHAPTER

- *Entrepreneurship*: This refers to the discipline that studies “the sources of opportunities; processes of discovery, evaluation and exploitation of opportunities; and the individuals who discover, evaluate and exploit these opportunities” (Shane & Venkataraman, 2000).
- *Sustainable development*: This is defined as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (World Commission on Environment and Development [WCED], 1987).
- *Economic and noneconomic gains*: This research recognized the importance of personal economic gain for entrepreneurs as well as the gain for the natural (the physical world, comprising the earth, biodiversity, and ecosystems) and communal environment (communities in which entrepreneurs live or grow up) (Patzelt & Shepherd, 2011b).

## INTRODUCTION

Given the current societal challenges (e.g., social inequalities, poverty, food insecurity, climate crisis, pollution in oceans and rivers, and destruction of the ecosystem), increasing attention has been paid to finding solutions. Sustainable

development aspires to reduce the current societal challenges by creating wealth for everyone within the limit of the planet's productive capacity (Bansal, 2019), in this way ensuring that future generations can meet their needs. This is largely because sustainable development refers to "development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (WCED, 1987). Sustainable development is a complex matter and involves five equity principles: inter-generational equity – futurity, intra-generational equity – social justice, geographical equity – transfrontier responsibility, procedural equity – treating people openly and fairly, and inter-species equity – the importance of biodiversity (Haughton, 1999). Such principles provide a summary of human relations. While futurity involves the needs of future generations, social justice covers fairness and openness to others regardless of their gender, race, class, and so on or their location, respecting the life of humans and other living species (Giddings et al., 2002).

In 2012, during the United Nations Conference in Rio de Janeiro, the sustainable development goals were established because the United Nations wanted to produce a set of universal goals that involved environmental, social, political, and economic challenges (United Nations). After a transparent and exhaustive process of development, in 2015, the United Nations launched 17 sustainable development goals (SDGs), which summarize the societal challenges faced by the world. These societal challenges are interconnected and interrelated such that achieving one goal influences the other goals (United Nations, 2015). Due to the broadness and complexity of the SDGs, 169 actions were provided for their actionability and achievement. Thus, different actors (e.g., activists, corporations, non-governmental organizations, and politicians) must be involved in achieving sustainable development.

Academics and policymakers have also recognized the potential of entrepreneurs to tackle the current societal challenges through their businesses because they can fill the voids left by other individuals and organizations. Even though great advances have been made regarding the topic of entrepreneurship for sustainable development (see Johnson & Schaltegger, 2020), the main focus of the literature seems to have been social, environmental, green, or sustainable entrepreneurship, missing other types of entrepreneurs. By conducting a problematizing review, my purpose was to find additional insights and identify these missing types of entrepreneurs who can further contribute to achieving sustainable development. Therefore, I was interested in understanding the types of entrepreneurships that relate to sustainable development and the relationship between sustainable development and entrepreneurship.

This analysis of the literature allowed me to observe where the literature stands out and provides future research directions in the field. I have added to the debate by showing that other forms of entrepreneurship, besides environmental, green, social, and sustainable entrepreneurship, contribute to sustainable development. I have taken an in-depth look at the current state of the literature on how various entrepreneurship types contribute to the entrepreneurship field in two ways. First, I explored how businesses pursuing economic and noneconomic goals to alleviate the current societal challenges are the key to achieving sustainable development. I investigated how the connection between other forms of entrepreneurship and sustainable development provides insights into the role of sustainable development as an antecedent and an outcome of entrepreneurial activities. Second, I produced a theoretical model that sheds light on the antecedents that lead to businesses pursuing economic and noneconomic gains and their outcomes for sustainable and regional development. The resources facilitating or weakening these relationships and the role of sustainable development in fostering entrepreneurship are presented. Overall, the review aimed to complement previous works and show the importance of continuing to add further types of entrepreneurs to achieve sustainable development. Thus, the goal of this book was to answer some of these open questions and call for further work to advance the topic in the field of entrepreneurship.

## SCOPE OF THE LITERATURE REVIEW

Entrepreneurial activity is an important component of economic growth (Carree & Thurik, 2008). Given this approach, entrepreneurial activities have been categorized as a source of environmental degradation and social inequalities. The existing research has focused on understanding the motivations, processes, and outcomes of these businesses. Several streams of literature on this topic have been developed, among which one can highlight social entrepreneurship, environmental or green entrepreneurship, and sustainable entrepreneurship.

Social entrepreneurship refers to "... the process of identifying, evaluating and exploiting opportunities aiming at social value creation by means of commercial, market-based activities and of the use of a wide range of resources" (Bacq & Janssen, 2011, p. 388). Sustainable entrepreneurship has been defined as follows: "Sustainable entrepreneurship is focused on the preservation of nature, life support, and community in the pursuit of perceived

opportunities to bring into existence future products, processes, and services for gain, where gain is broadly construed to include economic and non-economic gains to individuals, the economy, and society” (Shepherd & Patzelt, 2011, p. 156). Environmental entrepreneurship refers to “the process of defining, evaluating, exploiting economic opportunities that are present in environmentally relevant market failures” (Dean & McMullen, 2007).

Even though these literature streams differ from each other (Vedula et al., 2022), they share commonalities in the goals and outcomes of entrepreneurial activities, which include not only financial or economic gains but also noneconomic gains for others, such as the environment, society, and the economy. Another commonality is the way in which these committed individuals tackle societal challenges by creating new businesses and engaging in innovation of new products or services. Therefore, these fields differ from the traditional perspective, according to which entrepreneurs only focus on economic gains.

In this book and chapter, I followed the definition by Johnson and Schaltegger (2020), who referred to entrepreneurship for sustainable development “as the discovery, creation, and exploitation of opportunities for (future) goods and services that simultaneously sustain the natural and social environment and provide economic and noneconomic gain for others” (Dean & McMullen, 2007; Patzelt & Shepherd, 2011b). The definition of entrepreneurship for sustainable development incorporates previous concepts because it can “simultaneously sustain the natural and social environment and provide economic and noneconomic gain for others” (Johnson & Schaltegger, 2020, pp. 1141–1142). In addition, it includes the classical definition of entrepreneurship that relates to “the examination of how, by whom, and with what effects opportunities to create future goods and services are discovered, evaluated and exploited” (Shane & Venkataraman, 2000, p. 218). Johnson and Schaltegger’s (2020) definition offers a broader perspective on the traditional idea of entrepreneurship that entrepreneurial activities are the results of opportunities to sustain the natural and social environment and lead to economic and noneconomic gains for others.

## METHOD

Given the scope of this literature review and the widespread interest in sustainable development in all study fields, I considered studies published in the top journals in the management and entrepreneurship fields. Because previous

studies have undertaken exhaustive reviews of this topic, in this chapter, a problematizing review of selective literature is reported (Alvesson & Sandberg, 2020). I aimed to observe which other types of entrepreneurs are linked with sustainable development and what the process is. The main insights were derived from the analysis of the selected contributions, and an overarching framework was developed to integrate them comprehensively. As a result, the gaps in this literature can be highlighted. I conducted my search using three databases, Business Source Premier (EBSCO), Ecolint (EBSCO), and Web of Science (Clarivate).

### Journal and Article Selection Criteria

The starting point for the systematic literature review was a search for published articles in management and entrepreneurship journals. Following a similar strategy to Shepherd et al. (2015), I focused on the main management journals – *Academy of Management Journal*, *Academy of Management Review*, *Administrative Science Quarterly*, *Journal of Management*, *Journal of Management Studies*, *Management Science*, *Organization Science*, and *Strategic Management Journal* – and the main entrepreneurship journals – *Entrepreneurship Theory and Practice*, *Journal of Business Venturing*, *Journal of Small Business Management*, *Small Business Economics*, and *Strategic Entrepreneurship Journal*. I decided to include *Entrepreneurship and Regional Development*, *Journal of Business Research*, *Research Policy*, and *Technological Forecasting and Social Change* because these journals have a high impact in the field and aim to study entrepreneurial issues. To select articles at the interface of entrepreneurship and sustainable development, I searched for articles written in English before November 2023. These articles had to include the following words: (Entrepreneur\* OR New business\* OR New venture\* OR New enterprise\* OR Startup\* OR Start-up\*) AND (SDG\* OR Sustainable development OR Sustainable development goals\* OR Sustainability principles OR Grand societal challenges). I obtained a sample of 8,744 scholarly articles. Then, I identified 4,491 duplicated articles. On this sample, I performed a first screening to assess the journals; 4,276 were eliminated. Afterward, the titles, abstracts, and keywords were assessed to determine whether they contained my keywords. Then, I conducted a second screening to evaluate eligibility, analyzing those articles that discussed entrepreneurship and sustainable development as their main theme, either conceptually or empirically. Then, the full-text articles that met the inclusion criteria were retrieved. As the final step, I conducted the “snowball” methodology (Patton,

1990); additional articles meeting the inclusion criteria were found by examining the bibliographies of the sources identified in the secondary screening or checking each of the journals. The final sample thus included 22 articles.

### Analytical Approach to Systematizing the Sampled Articles

I consolidated the final sample in an Excel spreadsheet, in which I extracted two types of information from the detailed reading: descriptive and theoretical background. For the descriptive elements, I included the articles' basic information (e.g., year, authors, journal, keywords, and abstract) and other categories that provide insights into their methodological approaches (conceptual vs. empirical), the research regions and sample information, the level of analysis, and the results. This process helped me to establish the current stock of contributions in the field. The theoretical elements involved topicality (entrepreneurship, social entrepreneurship, environmental entrepreneurship, or sustainable entrepreneurship), the theoretical perspective used (e.g., economics/management or psychology/sociology), and the focus (the sustainable development dimension as an antecedent or outcome of entrepreneurial activities). The latter categorization was relevant for shedding light on the role of sustainable development in entrepreneurial activities.

## FINDINGS

Table 1 presents the journals with their respective impact factors and the number of articles published per journal. It can be observed that the *Journal of Business Venturing* is the leader in publications on the topic, followed by *Entrepreneurship: Theory & Practice*. These two journals are the major journals in the entrepreneurship field and are usually classified as A journals. The *Strategic Entrepreneurship Journal* is another important journal in the entrepreneurship field and contains a publication on the topic. These findings indicate that the topic has become more notable. The *Academy of Management Journal* is a highly recognized top journal in the field of management and has one publication on this topic. This shows that the topic is of interest to a broader audience, such as the entire management field.

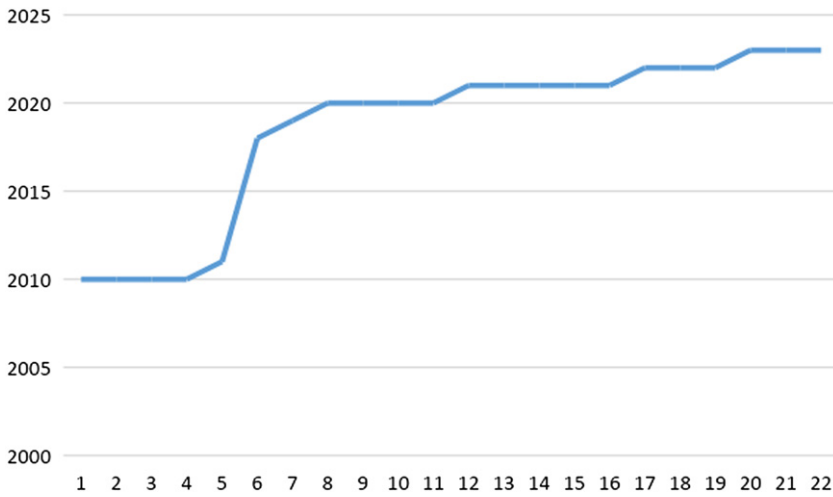
Concerning the type of articles published, the majority of publications are conceptual studies, accounting for nine publications. Three introductions to special issues in the *Journal of Business Venturing*, *Small Business Economics*, and *Entrepreneurship and Regional Development* are among these

**Table 1. List of Journals.**

Journals	Impact Factor	Number			
		of Articles	Conceptual Article	Quantitative Studies	Qualitative Studies
<i>Journal of Business Venturing</i>	8,7	5	3		2
<i>Entrepreneurship: Theory &amp; Practice</i>	10,5	4	3		1
<i>Technological Forecasting and Social Change</i>	12	4		2	2
<i>Journal of Business Research</i>	11,3	3		1	2
<i>Small Business Economics</i>	6,4	2	1		1
<i>Academy of Management Journal</i>	10,5	1			1
<i>Entrepreneurship &amp; Regional Development</i>	5,6	1	1		
<i>Research Policy</i>	7,2	1		1	
<i>Strategic Entrepreneurship Journal</i>	6,3	1	1		

publications. In addition, a systematic literature review on the specific topic of entrepreneurship for sustainable development appears in this selection. The sample contains nine empirical qualitative studies. A variety of empirical qualitative approaches, such as multiple-case studies, single-case studies, fuzzy set qualitative comparative analysis, and the Delphi method, have been used. In the sample, only four empirical quantitative studies can be found. Scholars have used partial least squares, the agent-based model, principal components, and the VECM Granger causality method. Interestingly, the empirical studies have used data from specific countries, such as Canada, China, Germany, India, Poland, Spain, and the United States, as well as multicountry data.

Fig. 1 shows the trend of publications. Since 2015, the number of publications has strongly increased. This finding may be related to the launching of the United Nations' SDGs in 2015. Overall, increasing attention has been paid to this topic and a positive tendency is observable.



**Fig. 1. Trend of Publications.**

The articles contain a plethora of types of entrepreneurships and the role of sustainable development in entrepreneurial activities. In particular, I categorized the types of entrepreneurships to discuss the role of sustainable development in entrepreneurship analytically. [Table 2](#) provides an overview of these articles.

### Types of Entrepreneurships

Diverse entrepreneurship types have been used to investigate how sustainable development influences entrepreneurial activities. It should be noted that scholars have differed in their way of studying sustainable development in their articles. Some studies have examined one aspect only, such as the economic aspect (Kim & Kim, 2022; Packard & Bylund, 2018), while others have tackled two aspects of sustainable development, environmental and economic perspectives (Cervelló-Royo et al., 2020; Pacheco et al., 2010). Meanwhile, in other articles, sustainable development has focused on the three pillars of economic, environmental, and social aspects (Sieg et al., 2023), and others have incorporated the SDGs into their work (Diaz-Sarachaga & Ariza-Montes, 2022).

Some scholars have investigated conventional entrepreneurship, and others have used specific types of entrepreneurships. In the former case, some scholars have examined the relationship between opportunity-driven and sustainable development entrepreneurship (Cervelló-Royo et al., 2020), whereas others