



EMERALD POINTS

DEVELOPING THE PROSOCIAL ENTREPRENEUR

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INVESTOR IN PEOPLE

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INTRODUCTION

ABSTRACT

This chapter discusses the growing expectation that businesses will address some of society's challenges and how there's an increasing interest among business owners in becoming ethical and sustainable. It introduces the central question posed in the PhD research upon which the online training intervention for business owners is based: How can an intervention be developed that leads to increased levels of prosocial behaviour in entrepreneurs? This chapter goes on to explore the need to develop a greater understanding and awareness of entrepreneurs as individuals and how they can be encouraged and supported to act in ways that benefit themselves, their business, society and the planet. The journey from the initial research question to creating relevant, fit-for-purpose learning materials that will change the way people do business is outlined in this chapter, as are the current gaps between learning and practice in entrepreneur education and how the online training intervention detailed in this book will fill those gaps.

Keywords: Entrepreneurship; prosocial behaviour; ethical business; sustainability; entrepreneur education; business education

While capitalism is often touted as the cause of many societal problems, entrepreneurship is increasingly being seen as a solution.

In these times when businesses are expected to help address some of society's greatest challenges, they also face pressure to maximise stakeholder returns (Holmes et al., 2022).

That's why there's a growing interest among entrepreneurs in becoming ethical and sustainable. Not only is it the right thing to do, it also helps businesses gain a competitive edge. Post-pandemic in particular, many entrepreneurs from the United Kingdom's 5.86 million small and medium enterprises (SMEs) are making contributions through prosocial behaviour to the building of a better post-pandemic society (Stephan et al., 2020).

If entrepreneurship is to address some of society's biggest challenges, it becomes crucial to governments across the globe. The need for research that informs key decisions is greater than ever ([Global Enterprise Monitor, 2019-2020](#)).

The central question behind the research that led to the creation of this book was "How can an intervention be developed that leads to increased levels of prosocial behaviour in entrepreneurs?"

The aim of asking the question was to develop a greater awareness and understanding of entrepreneurs as individuals. In particular, their lived experience of acting in ways that are prosocial to better understand how they might be encouraged and supported to act in ways that benefit themselves, their business, society and the planet.

Answering the question and taking a deep dive into the world of the entrepreneur demanded an engaged approach. Engaging with the ecosystem that supports entrepreneurs, business advisers, commercial trainers and academics allowed us to harness their opinions, insights and experiences into how learning and development interventions could be better designed.

The journey from the initial research question to creating relevant, fit-for-purpose learning materials that will change the way people do business has involved several important steps. There was an online survey, individual interviews, focus groups, adaptive trials of materials and proof of concept stage which has culminated in the co-creation of the learning materials.

When it comes to entrepreneur education, there's often a gap between learning and practice. There are countless courses, workshops and webinars on topics like writing a business plan, marketing and managing cash flow. However, to date, entrepreneur education that takes into account the needs of the individual entrepreneur, their well-being, their purpose and contribution to the societal 'bigger picture' is lacking. This is a gap that we hope this research and the intervention will fill.

This book is designed for use as a companion to the online intervention for entrepreneurs, which we hope you will find relevant, useful and accessible.

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FOUNDATIONS: CORE CONCEPTS AND RESEARCH

ABSTRACT

This chapter examines how entrepreneurs are addressing some of society's greatest challenges by taking over some of the functions of government and charities. It's driving change, but is it the kind of change we want to see? The chapter examines the growing body of literature on entrepreneurship which looks at this question and focuses on some key areas. These areas, including entrepreneur values and motivation, prosocial behaviour, entrepreneurial education and more form the concepts that underpin both the research and the online training intervention I've developed. The chapter highlights one of the most important findings from a review of the existing literature; that the world needs people with prosocial values and motivations, and entrepreneurs as a group could make a significant contribution to society. In the chapter, there's also a discussion about what needs to happen to enable them to make that contribution and an examination of what the existing research says.

Keywords: Values and motivation; prosocial values and behaviour; prosocial behaviour; stress and resilience; mindfulness-based interventions; entrepreneurship research

Entrepreneurship is addressing some of society's greatest challenges. It's taking over some of the functions of government and charities in some areas of society and becoming a real mechanism for change. But is it the kind of change we want to see?

The growing body of literature which has investigated entrepreneurship looks at this very question and focuses on some key areas. These key areas form the concepts that underpinned both the research and the intervention that was born out of it.

One of the most important findings from a review of the existing literature was that the world needs people with prosocial values and motivations, and that entrepreneurs as a group could make a significant contribution to society. So what needs to happen to enable entrepreneurs to make that contribution?

To answer that question and plan the direction in which the intervention would go to support entrepreneurs, it was necessary to look at what the existing research in these areas said.

ENTREPRENEUR VALUES AND MOTIVATION

What motivates entrepreneurs to do what they do? Despite what the stereotypes say, they are not solely motivated by profit. They need plenty of other things to flourish. Such as the autonomy, competencies and relatedness which facilitate intrinsic motivation, growth and well-being (Deci et al., 2017). Psychologists have developed models to describe this, for example, in the PERMA Model, Seligman (2011) outlined the five dimensions of human flourishing as positive emotions, engagement, relationships, meaning and accomplishments and related this to vitality, life satisfaction and physical health.

Entrepreneurs need more from their businesses than just money. They need a sense of purpose and contribution; that all-important ‘why.’

This is perfectly illustrated in the Barrett (1998) Seven Levels Model which links values and motivation to the themes of building a strong foundation through viability, stable relationships and effective performance, continuously evolving through autonomy and growth, and finally working towards achieving purpose through authenticity, collaborating with others to achieve a shared purpose, and contributing to a greater good.

The Barrett Model was the framework for the design of the intervention supporting the development of prosocial values and behaviours in entrepreneurs. It clearly outlines a pathway to how entrepreneurs could flourish and change the way they do business.

PROSOCIAL VALUES AND BEHAVIOUR

So we’ve touched on what motivates entrepreneurs to do what they do, what then, motivates them to act in ways that are prosocial? That is, to help others,

out of a concern for their rights, feelings and welfare? (O'Callaghan & Caputo, 2024).

If we dig deeper into the research on prosocial behaviour, we see that psychologists have suggested the reasons why people might act prosocially include evolutionary influences, personal benefits and reciprocal behaviour.

Evolutionary psychologists say that you're more inclined to help members of your own genetic family to improve its chances of survival in order to pass on its genes.

Prosocial behaviour was also seen as being motivated by personal benefits that include improving self-image. After all, it feels good to do good, doesn't it? Other reasons included reciprocal kindness and altruistic reasons.

Some research found that many prosocial behaviours are developed in childhood and adolescence, and are encouraged by adults (Combe, 2021). So somewhere in all of us, the desire to do good is there from an early age. However, given the increasingly prominent and important role entrepreneurs are playing in tackling societal challenges, it's more important than ever that prosocial behaviours are developed and nurtured in this section of society.

PROSOCIAL BEHAVIOUR IN BUSINESS – MORE THAN JUST PHILANTHROPY

The acts of philanthropy of wealthy owners of multinational businesses are well documented. But what about entrepreneurial owners of SME businesses?

Mickiewicz et al. (2016) investigated if entrepreneurial-orientated small and medium enterprises (SMEs) are likely to be involved in philanthropic activities. They posited that philanthropy was not just the responsibility of the very rich after economic wealth has been generated but could also be seen as a way for entrepreneurial SMEs to build legitimacy in their communities and to express their altruistic values.

As well as the wider benefits of being able to 'give something back', a later study investigated prosocial behaviour during the Covid-19 pandemic in multiple countries. Using an online survey that investigated the impact of the first lockdown in 2020, researchers found that prosocial behaviour was frequently reported, that this was associated with better well-being and that predictors of prosocial behaviour included high levels of social support, followed by high levels of perceived stress, positive affect and psychological flexibility (Haller et al., 2022).

COMMERCIAL VS SOCIAL ENTREPRENEURS

Different motivations distinguish the commercial entrepreneur from the social entrepreneur. Social entrepreneurs are motivated by a cause and social emotions, which have long been associated with helping behaviours (Batson & Shaw, 1991).

Government, industry and academia all acknowledge the increasingly important role of social entrepreneurs in addressing complex societal challenges. That's why it makes sense that if we have a better understanding of social entrepreneurs and what motivates them, it would help them, the policymakers and investors to build businesses that would benefit communities and the business owners themselves (Bacq & Janssen, 2011; Ruskin et al., 2016).

The non-financial motives in entrepreneurship are important, but so is recognising that entrepreneurs can be motivated to make a profit and to act in ways that are prosocial. The two are not mutually exclusive.

ENTREPRENEURIAL EDUCATION

The world is becoming increasingly volatile, uncertain and complex, and so the need for entrepreneur education, that is, fit for purpose has increased (Priestley, 2010).

Entrepreneur education is highly influenced by educators, students, consultants and researchers who design, plan, execute and assess learning, but the field is finding it difficult to explain the practices involved in entrepreneur education and the impact they have (Pittaway & Cope, 2007). There is also a lack of in-depth knowledge around the day-to-day experiences of the entrepreneurs as well as factors like character strengths, motivation and personality (Cooper et al., 2004).

If we are to really move away from the 'cookie cutter' approach to entrepreneur education that solely focuses on things like the business plan, finance and marketing towards helping entrepreneurs build businesses that benefit them and the wider society, what needs to happen?

Recent research argued the urgent need to humanise entrepreneur education (Pereira & Costa, 2020), and for education providers to foster entrepreneurs who are able to act in ways that are prosocial. No examples could be found of interventions that focused on helping entrepreneurs to use their creativity, innovation and resilience and that enabled them to care for others,