

# Sustainable Entrepreneurship: Innovating Value Through Environmental and Social Responsibility

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## ARTICLE INFO

## ABSTRACT

The objective of this paper is to provide an overview of the state-of-the art in research on Sustainable Entrepreneurship. The paper explores the literature related to Sustainable Entrepreneurship, including the terms used across multidisciplinary fields. The purpose of this paper is to review for understanding how various differentiating concepts and terminologies under the pretext of sustainable entrepreneurship contribute to similar goals i.e., Ecopreneurship, Social Entrepreneurship and Ecological Entrepreneurship, etc. The paper identifies research areas that have contributed to the development of the concept of Sustainable Entrepreneurship and contributes to current body of knowledge by providing an overview of the contemporary understanding of the concept, its attributes and associated qualities. It outlines implications for practice and how the concepts can be linked to other concepts in Sustainable Development Research. The business of sustainability requires a fundamental change in how we think about sustainability, from an approach of minimizing unwanted dependencies to a more focused approach of maximizing the value that products and services can deliver to society and the environmental ecosystems. Businesses and products can be transformed through innovation by becoming more eco-efficient, less resource-intensive, and less wasteful. Increasing populations and finite resources make such innovations essential. The sustainable development paradigm can provide us with opportunities to innovate in a more sustainable way, thus opening up new business opportunities. Established companies and new ventures have the responsibility of developing a sustainable business environment. Investing in Sustainable Entrepreneurs is of extreme importance for the future of the planet. Social Entrepreneurs will be the business leaders of the 21st century. This paper discusses various aspects of sustainability and Sustainable Entrepreneurship.

**KeyWords:** Sustainability, Sustainable Entrepreneur, Innovation, Environment, Eco-system, Entrepreneurship

## INTRODUCTION

The excessive and rapid extraction of the planet's natural resources along with its inhabitants has created a social and ecological deficit which has destabilizing effect on life-supporting systems in the process. Industrialization is destroying the health of life-sustaining systems. It is imperative that we find another way of satisfying the accelerated demands for food, labor, and energy. Several societal stakeholders must play a central role in advancing the sustainability agenda, and business has an important role to play as sustainability is not a set of requirements but an optimal outcome.

There has been a massive boom in the popularity of the buzzword sustainability. The fact that a Google search comes up with more than 2160 million results (as on 25<sup>th</sup> of Sept 2022) shows how businesses and environment are intertwined when it comes to a sustainable future.

Sustainability refers to the use of a renewable system in a way that ensures that the system is maintained in its basic characteristics and it can renew itself naturally (Wikipedia, March 2013). Sustainability is integrating the *ecological* and *social* factor into the economic model of the business for developing intelligent solutions of transforming a non-sustainable society into a sustainable society. It is a multidimensional concept that extends beyond environmental protection to economic development and social equity.

#### **Sustainability in context of business means:**

- a. Using sustainable materials in the manufacturing process
- b. Optimizing supply chains to reduce greenhouse gas emissions
- c. Relying on renewable energy sources to power facilities
- d. Sponsoring education funds for youth in the local community on the environment, society, and the community. It makes good business sense to pursue sustainability initiatives, as they have the potential of increasing revenue, improving costs, and add valuing to the overall Organization. Sustainability is not what an organization is, rather what an organization does over time in becoming sustainable. Sustainability is a journey. According to Stankeviciute and Savaneviciene, sustainability is:

- a. The systematic, long-term use of natural resources so that they are available for future generations. This concept was defined by the Brundtland Commission (Development is “sustainable” when it meets the needs of the present without compromising the ability of future generations to meet their own needs).

- b. The modality of development enabling countries to progress economically and socially, without abolishing their environmental resources.

- c. The type of development which is ethically acceptable, morally fair, socially just, and economically sound.

- d. The type of development where environmental and social indicators are as important as economic indicators. Many business models have attempted to incorporate sustainability, including Michael Porter's "Five Forces," Alexander Osterwalder's "Business Model Canvas," and W. Chan Kim and Renée Mauborgne's "Blue Ocean Strategy. These business models emphasize competitiveness and profit maximization but failed to capture the concept of sustainability as they focus on environmental and social compliance. These business models have failed in striving to maximize the environment and conserve natural resources while enhancing people's quality of life. These models ensured that the organizations are merely environmentally compliant and more socially responsible in their conduct – The ‘Greenwashing’ facade.

A true sustainable organization focus on the needs of society and the environment, and accordingly develop business model around them, shifting focus from maximizing profits to maximizing the positive *societal* as well as *environmental* impact. Sustainability as Core Business can involve enlargement measures for raising corporate social and environmental standards. In fact Sustainability initiatives can help organizations in improving their financial performance while encouraging public support with high Environmental, Social, and Governance ratings. Sustainable businesses consider range of environmental, economic, and social factors when making business decisions. They monitor the impact of their operations to ensure that short-term profits don't turn into long-term liabilities.

According to Brundtland Report “Sustainable development is a process of change in which the exploitation of resources, the direction of investments, the orientation of technological development, and institutional change are all in harmony and enhance both current and future potential in meeting the human needs and aspirations.”

### **RESEARCH METHODOLOGY**

An all-inclusive method of a synthetic literature review was employed. The method applied to this research was a critical and comparative analysis of the existing published research results. Relevant papers were identified and classified. Research methods and sampling were analyzed and put into a perspective of the Sustainable Entrepreneurship concept development and based on that, recommendations for future research are presented. A comprehensive screening of the term “Sustainable Entrepreneurship” was done in the databases of (i) Science Direct, (ii) Emerald Insight and (iii) Scopus.

The Literature review process:

1. Searching literature for the term "Sustainable Entrepreneurship" in Science Direct, Emerald Insight and Scopus.
2. Searching literature for the term "Sustainable Entrepreneurship" in abstract and headlines
3. Screening literature for the term “Sustainable Entrepreneurship” in abstract and conclusion for the concept presented on Sustainable Entrepreneurship.

A list of 25 most cited articles is extracted from the results and analyzed for underlying themes and trends in current research. Research articles were listed according to their citation count

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and “Ecopreneurship” was conducted in the databases of (i) Science Direct, (ii) Emerald Insight and (iii) Scopus.

Author	No. of Citations
1. Ardichvili et al. (2003)	2250
2. Dyllick and Hockerts (2002)	2155
3. Zahra et al. (2009)	1050
4. Cohen and Winn (2007)	655
5. Dean and McMullen (2007)	510

A list of 25 most cited articles is extracted from the results and analysed for underlying themes and trends in current research. Research articles were listed according to their citation count. Some of the most cited articles in the field of Sustainable Entrepreneurship research are mentioned above.

## SYSTEMATIC LITERATURE REVIEW

“Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.” (Hauff 1987)

Sustainable development is going to be one of the biggest business opportunities in the history of commerce for the emergence of Sustainable Entrepreneurship (Hart & Milstein, 1999, p. 25). The concept of sustainable development emphasizes the need to use renewable resources as much as possible, and extend the viability of non-renewable resources. According to Hall et al. (2010) sustainable development must recognize that “all natural systems have limits and that human well-being depends on living within the limits of those systems”.

### Sustainability and Triple Bottom Line

In the 1980s, sustainability became part of strategic management when organizations were argued to achieve a “sustainable competitive advantage” by employing resources that are valuable, rare, imperfectly imitable, and hard to substitute in a way that would improve their economic sustainability. According to Brundtland Report “Sustainable development is a process of change in which the exploitation of resources, the direction of investments, the orientation of technological development, and institutional change are all in harmony and enhance both current and future potential in meeting the human needs and aspirations.” Sustainability refers to *equitable distribution and utilization of resources*. However the idea of fairness or Justice between generations is difficult to formalize. So in 1995 John Elkington first defined the concept of Triple Bottom-Line (TBL) in his book, *Cannibals with Forks: Triple Bottom-Line of 21st Century Business*. Elkington incorporated measures beyond the traditional accounting measures of profit, ROI and shareholder value by focusing on the broader environmental and social dimensions (Slaper & Hall, 2011).

The concept of the triple-bottom line implies that the long-term sustainable growth and success of businesses depends on satisfying conditions related to: Environmental integrity, Economic prosperity, and Social equity. The aim of the concept was to combine traditional pursuits of economic profits with identifying and meeting a wide range of stakeholder needs and concerns.

Triple bottom line incorporates social, environmental and economic measures (slaper & hall, 2011). TBL is a framework for gauging and measuring performance in three dimensions (Economic, Financial, and Environmental). “The TBL incorporates all the values, issues, and processes that companies must address if they are to create economic, social, and environmental value and minimize damage caused by their activities.” The TBL framework measures social and environmental value and the impact of business operations on all stakeholders including shareholders, customers, employees, business partners, governments, and local communities. Triple Bottom Line measures and quantify organization’s economic activities and performances that had a direct impact on society and the environment. TBL is a type of scorecard that attempts to measure the balance between economic, environmental and social aspects - the 3P’s (People, Profit and Planet). These are the fundamental aspects of the triple bottom-line.

**People:** This aspect focuses on how companies respond to social and ethical concerns such as treating employees fairly and promoting social harmony i.e. the Social Measure.

**Planet:** This aspect measure and manage the impact of business activities on natural resources and the landscape i.e. the Environmental Measure. These includes measures for air and water quality, energy usage (e.g., electricity and fossil fuel consumption), and waste production (e.g., hazardous and solid waste management).

**Profit:** This aspect recognizes that long-term value for Planet and People can only be achieved if they are financially viable and sustainable i.e. the Economic Measure.

The Triple Bottom-Line definition provided a more practical direction for balancing the three dimensions of sustainability: the economical, the human and the environmental systems. According to a survey 60% of the Fortune 500 companies within the next few years have plans of expanding their strategic goals to reflect Triple Bottom-Line issues. The concept of Triple Bottom Line acts as a Catalyst for Eco-Innovation, Eco-Efficiency and Social Equity.



### The interconnection of the elements of the Triple Bottom Line concept

Source: Anastasiia Dalibozhko and Inna Krakovetskaya

A.I. Grishin, M.S. Mel'nikov, I.A. Stroganov, Academy's Herald, 1, 9-15 (2015)

### Manifestation of Sustainable Entrepreneurship

#### a. Social Entrepreneurship

(Lead beater, 1997; Bandura & Locke, 2003; Alvord of Entrepreneurship, Management and Sustainable Development et al., 2004; Mair & Martí, 2009),

#### b. Entrepreneurship And Environment

(Rennings, 2000; Hoffmann et al., 2003; Chappin, 2008).

#### c. Entrepreneurship And Social Capital

(Tötterman & Sten, 2005; Liao et al., 2005)

All three concepts above offer a unique perspective on understanding the occurrence of environmental entrepreneurship within the confines of social economy from a methodological, theoretical, and practical standpoint. There is a need for an overview of definitions and concepts from relevant literature. A clear picture of Sustainable Entrepreneurship or green community entrepreneurship will be provided.

### Social Entrepreneurship

The concept of Social Entrepreneurship was first investigated in the 1990's (Galaskiewicz, 1985; Waddock & Post, 1991; Selsky & Smith, 1994). A Social Entrepreneur measures success by addressing societal needs, creating societal capital, and changing society. A 'traditional' business entrepreneur measures (basic) performance on return and profit, whereas a 'social entrepreneur' measures performance on social change, not the economy (Bornstein, 2004 p.15). By challenging the status quo and addressing economic, health and environmental concerns embedded in their venture actions, social entrepreneurs provide innovative solutions to society's problems.



According to Leadbetter (1997) profit making is not the primary goal of a Social Entrepreneur. Mair and Marti (2006) suggested that 'while economic value creation is seen as a necessary condition, it is more important to ensure financial viability and business longevity'.

According to Dees (1998) Social Entrepreneurs "plays the role of change agents in the social sector, by adopting a mission to create and sustain social value (not just private value), by recognising and relentlessly pursuing new opportunities to serve that mission, engaging in a process of continuous innovation, adaptation, and learning, acting boldly without being limited by resources currently in hand, and exhibiting heightened accountability to the constituencies served and for the outcomes created".

Social Entrepreneurship Dees (2003) lays emphasis on innovation and is consistent with the Schumpeterian thoughts on Entrepreneurship, which has been linked to social innovators (Casson, 2005; Certo & Miller, 2008).

Bornstein (2004) in his book on Social Entrepreneurship has stated that business entrepreneurs are for the economy and Social Entrepreneurs are for social change who are "the creative individuals questioning the status quo, exploiting new opportunities, refusing to give up and remake the world for the better." The concept of social entrepreneurship describes the creation and management of ventures or the management of existing organizations in a creative and innovative way to enhance social wealth." Social Entrepreneurship is about creating social impact.

The concept of social entrepreneurship is getting increasingly more attention by the scientific community within the sustainable entrepreneurship field Fellnhofer et al. (2014)

### **Ecopreneurship**

Isaak (2002, p.81) defines Ecopreneurship as, "A person who seeks to transform a sector of the economy towards sustainability by starting up a business in that sector with a green design, with green processes and with a life-long commitment to sustainability". The concept of Ecopreneurship has extensive theoretical background, with several related terms referring to Entrepreneurial behaviours conducted with an environmental focus (Schaltegger, 2005):

- a. Eco-entrepreneurship (Randjelovic et al. 2003)
- b. Environmental Entrepreneurship (de Bruin and Lewis, 2005; Schaltegger, 2005)
- c. Enviropreneurship (Menon and Menon, 1997)
- d. Green Entrepreneurship (Berle, 1991)
- e. Green-Green Businesses (Isaak, 1997)

Walley and Taylor (2002) defined Ecopreneurship as "Entrepreneurs who found new businesses based on the principle of sustainability. Ecopreneurs are Entrepreneurs who start for profit businesses with strong underlying green values and who sell green products or services". According to Dixon and Clifford (2007), Ecopreneurship is driven by environmental, social, and economic factors

Ecopreneurs are effectively decisive change agents, enabling the world to change its path (Cohen & Winn, 2007). They are highly motivated in making a difference and displacing unsustainable means, and playing an important transitional role in sustainability. They assess the potential and availability of resources through an environmental commitment and vision that examines an eco-friendly initiative (Keogh & Polonksy, 1998). They have the ability to foresee a "demand for fundamental innovations in traditional markets. Utilizing the resources at their disposal, they develop solutions to environmental problems. As a result, they seek to introduce a solution that will result in financial turnover, influence market structures, and even result in creative destruction. Ecopreneurs understands market opportunities for sustainable products and services (Kirkwood & Walton, 2010). Ecopreneurs plays an important role in building environmentally friendly products, processes, and services that contribute to sustainable development.

### **Sustainable Entrepreneurship**

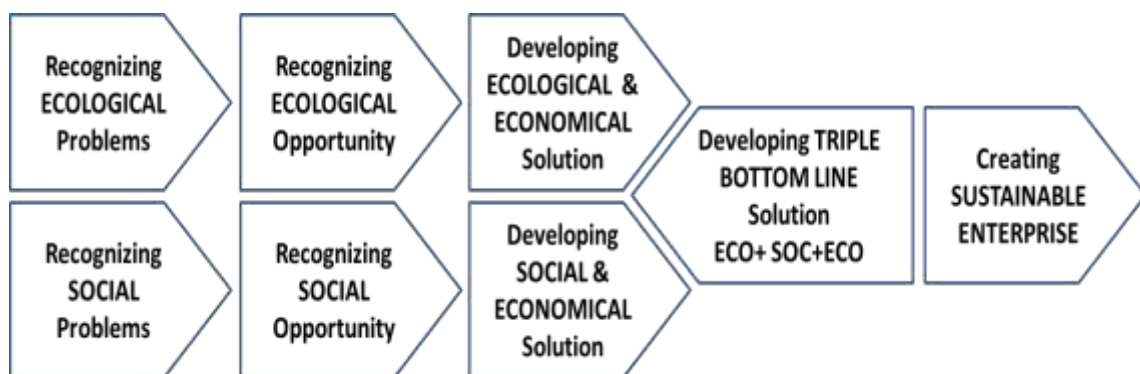
Sustainability Entrepreneurship as a concept integrates environmental and social aspects and the Triple Bottom Line – TBL (Larson, 2000; Kyrö, 2001; Strothotte and Wüstenhagen, 2005; Cohen et al., 2008; Cohen and Winn, 2007). Ecopreneurship and Social Entrepreneurship are closely related concepts. It is these similarities that have led to the emergence of the concept of Sustainable Entrepreneurship. Both Ecopreneurship and Social Entrepreneurship aims to solve either an environmental or societal problem and entail entrepreneurial means to reach their objectives, through the introduction of innovative products, services and processes. An eco- and social entrepreneur identifies market gaps and unmet consumer needs by combining value across the three P's: people, planet, and profit. As a result, Sustainable Entrepreneurship can be defined as the act of recognizing the intrinsic link between business and social capital, leveraging differences, and achieving a quantifiable gain while creating a new, enduring, and sustainable strategic business model.

A Sustainable Entrepreneurial concept combines sustainability and entrepreneurial business strategies for increasing business and social value. Sustainable Entrepreneurship is aimed at realizing sustainability innovations that benefit a greater part of society by targeting the mass market. Sustainable Entrepreneurship is an Entrepreneurial approach to developing business solutions to address the most urgent social and ecological needs and challenges. It is an on-going commitment by businesses to contribute to economic development while at the same time improving the quality of life of societies and the environment (World

Business Council for Sustainable Development 2012). Sustainable Entrepreneurship is an innovative and proactive management concept that describes Entrepreneurial and business-driven view on business and society. It focuses on solutions and ecological innovations that provide value to society and mass market. Sustainable Entrepreneurship is based on creative destruction (Schumpeter, 1942) as a qualification and is a major force for the transition towards a sustainable society. According to Schaltegger and Wagner (2011) Entrepreneurs or individuals or companies driven by sustainability within their core business contributing towards a sustainable development are called as Sustainable Entrepreneurs. According to (Belz, Shaping the future: Sustainable innovation and entrepreneurship, Social Business, 2013, Vo.1 3, No. 4) Sustainable Entrepreneurship is the introduction of unique products and services that satisfy customer needs and continuously improve the socio-ecological performance along the whole life cycle in comparison to conventional or competing offerings.”

According to (Belz) characteristics of Sustainable Entrepreneurship are

- a. Novelty
- b. Customer Satisfaction
- c. Triple Bottom Line
- d. Life-cycle orientation
- e. Significant improvements
- f. Continuous improvement
- g. Taking into account conventional or competing offers



**Figure 1.** Characteristics of Sustainable Entrepreneurship. Source: Belz & Binder

According to (Porter and Kramer 2011) Sustainable Entrepreneurship is concept of defensible business strategies that focuses on increasing the **shared value** (social and business value) of business activities. An opportunity for social and environmental progress with financial gain is known as the **shared value opportunity**. Shared Value means that doing well can directly influence a company's ability to do well and hence shared value practices have been adopted by many businesses. Sustainable Entrepreneurship is based on the concepts of shared value instead of mere shareholder value. Sustainable Entrepreneurship is a progressive approach of generating new products and services, management systems, markets and organisational processes for increasing the shared values (social and the environmental) of business activities. Sustainable Entrepreneurship is the creation of viable, profitable, and scalable firms for creating self-replicating and mutually enhancing innovation networks and knowledge clusters (Innovation Ecosystems), leading toward robust competitiveness. (E.G. Carayannis, International Journal of Innovation and Regional Development 1(3), 235–254, 2009)

Entrepreneurship is about

- a. Creating profitable, growing business models, that approach zero or even net-positive environmental and social impact
- b. Enabling suppliers and customers in achieving positive environmental and social impact.

The Academic and scholarly community refers to Sustainable Entrepreneurship as:

- a. “Breakthrough discipline for innovation” (Fussler 1996)
- b. “Source of creative destruction” (Hart and Milstein 1999)
- c. “Next industrial revolution” (McDonough and Braungart 1998; Levins and Hawken 1999; Senge and Carstedt 2001).
- d. “Corporate social innovation” Kanter (1999)

Dyllick (1999), Schaltegger and Wagner (2008) proposed that the ambition to transform an industry is a defining element of sustainable entrepreneurship, implying that sustainable entrepreneurial firms do not only see sustainability as central to core business activities, but at the same time aim for mass-market transformation beyond the eco-niche. Sustainable Entrepreneurship at its core is a proactive search for future

trends and business opportunities. Sustainable Entrepreneurship, according to the Brundtland Commission, is the on-going commitment of businesses to act ethically and contribute to economic development while improving the quality of life of the workforce, their families, the local and global community, and future generations. Sustainable Entrepreneurship is related to creation of profitable enterprises for achieving certain environmental and/or social objectives, by pursuing and achieving the double bottom-line or triple bottom line. It 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 understood to include economic and noneconomic gains to individuals, the economy, and society. Bell and Stellingwerf defined Sustainable Entrepreneurship as “start-ups that introduce an innovation, with the aim to solve a sustainability-related market failure, which initiates the transformation of an industry toward sustainability.

Sustainable Entrepreneurs focuses on creating business and societal value, or **SHARED VALUE** (Porter and Kramer 2011). It gives strategic direction to societal perspective of the company that serves as a source for attaining a competitive business advantage and at the same time contributing to societal progress. Sustainable Entrepreneurship solves societal and environmental problems through the realization of a successful business venture (Schaltegger and Wagner 2011). Sustainable entrepreneurship is about creating shared value which is close to the core business of the company.

### ACADEMIC & SCHOLARLY CONTRIBUTIONS: SUSTAINABLE ENTREPRENEURSHIP

“Innovative behavior of single or organizations operating in the private business sector who are seeing environmental or social issues as a core objective and competitive advantage” Gerlach (2003, p. 3)

“The continuing commitment by business to behave ethically and contribute to economic development, while improving the quality of life of the workforce, their families, local communities, the society and the world at large, as well as future generations. Sustainable Entrepreneurs are for-profit entrepreneurs that commit business operations towards the objective goal of achieving sustainability” Crals and Vereeck (2005, p. 1)

“The process of discovering, evaluating, and exploiting economic opportunities those are present in market failures which detract from sustainability, including those that are environmentally relevant”. Dean, & McMullen (2007, p. 58)

“The examination of how opportunities to bring into existence future goods and services are discovered, created, and exploited, by whom, and with what economic, psychological, social, and environmental consequences” Cohen and Winn (2007, p. 35)

“Create profitable enterprises and achieve certain environmental and/or social objectives, pursue and achieve what is often referred to as the double bottom-line or triple bottom-line” Choi and Gray (2008, p. 559)

“The discovery and exploitation of economic opportunities through the generation of market disequilibria that initiate the transformation of a sector towards an environmentally and socially more sustainable state” Hockerts & Wüstenhagen (2010, pp 482)

“An innovative, market-oriented and personality driven form of creating economic and societal value by means of break-through environmentally or socially beneficial market or institutional innovations” Schaltegger & Wagner (2011, pp. 224)

“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, pp. 142)

Sustainable Entrepreneurship is the process of discovering, creating, and exploiting of entrepreneurial opportunities that contribute to sustainability by generating social and environmental gains for others in society (Hockerts and Wüstenhagen, 2010; Pacheco et al., 2010; Shepherd and Patzelt, 2011).

Sustainable Entrepreneurship definitions have evolved over time to include aspects of balancing environmental and social concerns. From the definitions of Ecopreneurship and Social Entrepreneurship, it is clear that Sustainable Entrepreneurship is all about strategically managing and orienting environmental and social objectives, specifically by guiding business objectives through the financial goals.

Ecopreneurship does not incorporate the development of non-economic gains for individuals, communities and societies at large (Shepherd & Patzelt, 2011) and therefore Ecopreneurship is not synonymous to Sustainable Entrepreneurship. Ecopreneurship is an entrepreneurial action that targets the sustainability and preservation of the natural environment.

Sustainable Entrepreneurship encapsulates an environmental problem and strives to transform a sector towards an environmentally sustainable state by solving the particular environmental goal. This is directly linked to Ecopreneurs efforts to act environmentally friendly with the introduction of 'green' products, processes and services. Sustainable Entrepreneurs aim to create impact through creating environmental value (Pascual et al, 2011).

Sustainable Entrepreneurs improve the quality of their processes while ensuring their environmental and social impact is limited and minimised (Choi & Gray, 2008). Sustainable Entrepreneurship attempts to find the right balance within economic, social, cultural and ecological environments.

Sustainable Entrepreneurship embraces Social Entrepreneurships core objectives i.e. creating social impact, solving societal problems and enhancing social wealth.

Social Entrepreneurs are creative individuals who are driven by questioning the status quo, refusing to give up, with the objective of exploiting new opportunities for making the world a better place (Bornstein, 2004).

In contrast to Ecopreneurship, Social Entrepreneurship is not motivated nor does not include sustaining the current state of the nature, sources of life support, and community (Shepherd & Patzelt, 2011).

Sustainable Entrepreneurship embodies the objective to enhance social wealth, with the goal to create profit, and to ensure financial viability to pursue other opportunities that may arise to be exploited outside the realm of the social objective. Sustainable Entrepreneurs are for-profit entrepreneurs Crals and Vereeck (2005).

Choi and Gray (2008, p. 559) state, "Sustainable Entrepreneurs create profitable enterprises, but also achieve environmental and social objectives".

Sustainable Entrepreneurship incorporates both environmental and social objectives, with the goal to be profitable and economically viable. This gives them a competitive advantage over Ecopreneurs and Social Entrepreneurs, who are by definition limited to focusing on a single core sustainable issue either environmental or social, that may or may not be financially driven.

### **Sustainable Entrepreneurship & Sustainable Business**

New approaches to integrating innovation into societal and environmental roles within the company have opened new concepts of "**Shared Innovation**" (Escudero et al. 2012b). Corporate growth and societal prosperity can be achieved with the concept of shared innovation, as it aims to redefine the interplay of business and societal needs. Shared Innovations can lead to new approaches and solutions driven by competitive advantage and disruption. Sustainable Entrepreneurship can only be reconstructed adequately if both the individual component of 'profit' (Business case) and the social role of 'create added value for society' (Social case) of the organization are given equal importance.

Businesses are viewed as solutions to pressing problems. With the sense of Sustainable Entrepreneurship and the organizational realignment of organization, the economy can contribute to society's sustainable development. This will not only enhance the Organizational competitiveness but also nurture the wellbeing of future generations. A holistic development of business is based on a system of universal ethical values that are embedded in the local environment, which are actively practiced by Entrepreneurs, managers, and corporate stakeholders. (Elkington 1994) has linked the concepts of Sustainable Entrepreneurship and of Sustainable Development with the holistic development of business.

Holistic development is a multi-dimensional concept that is translated into diverse socio-competitive contexts for creating shared value (Porter and Kramer 2011), contributing to the common good and to collective progress, starting with the local community in which these businesses are an integral part (Spence 2000; Spence et al. 2003, 2004; Argiolas 2006; Zamagni 2007). Every decision and action is the result of an orientation aimed at producing economic results built with the sensitivity to the impact that decisions have on the company's stakeholders, and the system of values, on the development of understanding, on the professionalism of individuals and groups, on social cohesion, and on the socio-economic and environmental system surrounding the company (Spence and Schmidpeter 2003).

Sustainable Entrepreneurship and Social Innovation can only be successful if there is a strong link to the core business. It might have a humanitarian angle but it is not a sustainable Social Innovation. Successful Social Innovations driven by Sustainable Entrepreneurship must communicate the societal impact of the product or service. The EU Commission defines Social Innovation as "Innovations that are both social in their ends and in their means. Social Innovations are new ideas (products, services and models) that simultaneously meet social needs (more effectively than alternatives) and create new social relationships or collaborations" (EU-Commission 2012a).

Social Entrepreneurs focus on the importance of using Inventions to achieve social change. They manage to be extremely resourceful with explicit focus on social value creation (Weber 2007). Social Entrepreneurship solves societal problems and creates value for society.



The EU Commission defines Social Innovation as “Innovations that are both social in their ends and in their means. Social Innovations are new ideas (products, services and models) that simultaneously meet social needs (more effectively than alternatives) and create new social relationships or collaborations” (EU-Commission 2012a). Social innovation can transform organisations in improving their bottom line while also creating societal value. Social Innovation is enriched with a societal goal. Collaboration is critical to the success of Social Innovation, with an increasing emphasis on Innovation.

Innovation is the act that endows resources with a new capacity to generate wealth (Drucker 1985) can be the specific instrument of Entrepreneurship. The concepts of innovation include the process of transforming an idea or an invention into a solution that creates value for stakeholders such as customers, shareholders or societies. Entrepreneurs use innovation as a special tool for staying ahead of change and use it as an opportunity to provide a distinguished product or service.

Climate change presents business and investors with challenges and opportunity. Innovative products and new technologies are emerging to help mitigate pollution, reduce reliance on fossil fuels and limit the overall impact on the environment – all the while creating new markets, job opportunities and growth potential. Companies who take advantage of these opportunities will be best positioned to thrive in a resource-constrained economy.

### FINDINGS & OBSERVATIONS

There is unclear conceptualization regarding the DEFINITION and CORE ASSUMPTIONS of Sustainable Entrepreneurship (Shepherd & Patzelt, 2011; Hockerts and Wüstenhagen 2010).

Financial crisis, scarcity of resources, climate change, demographic development, political upheaval, and technological progress are increasingly dominating our social development. One of humanity's main concerns in the twenty-first century is the transition of society toward sustainable development. Growth and its connection with the success of the economy and welfare have been taken for granted throughout the history of industrialization.

In a world with finite resources and increasing population innovations are crucial. The shift to a more sustainable corporate environment requires accountability from both established businesses and fresh start-ups. With sustainable development paradigm in mind, new business opportunities are more likely to flourish with opportunities to innovate in a more sustainable way. Sustainability does not mean sacrificing profitability rather an opportunity for (new) profitability.

We must aim to balance our efforts to contribute to economic prosperity, social justice, and social cohesion, as well as environmental protection in the future. Creating sustainable business is progressively being faced by a changing set of realities as the lines between social issues and business are blurring. In order to achieve widespread prosperity and growth, a business needs to be more grounded in its values, better aligned with society's needs, more focused on innovation and entrepreneurship, and more willing to leverage its influence. This is the right time for Entrepreneurship, Economy and Sustainable development to join hands with each other and produce a new approach of Sustainable Entrepreneurship for the economical welfare. Earth is in urgent need of sustainable entrepreneurs—the business leaders of the twenty-first century.

### CONCLUSION

Businesses have played a pivotal role in developing products and services that have improved quality of life, health, and economic conditions for people and nations. As a society, we have been interacting with nature for producing goods and services that are focused on short-term gains at the cost of the long-term health of our planet. Facts indicate that global sustainability challenges demand urgent attention now and for the foreseeable future. There is compelling need of finding alternate ways of satisfying the accelerated demand for food, water, and energy.

The trends are not sustainable. We are on the brink of destroying our life support systems. A lack of sustainable use of natural resources has created an ecological deficit. Governments and businesses are increasingly concerned about social and environmental issues. Businesses and their stakeholders need to work together for developing innovative business solutions in becoming sustainable. Significant progress in the field of sustainability can only be achieved through partnership with governments and non-profit organizations.

Changing business environments, driven by economic, social, and environmental factors, have challenged traditional business practices. Scarcities of resources, climate change, economic globalization, connectivity and communications, etc., have put pressure on companies to fine-tune their business strategies for tackling the new risks and challenges. It is thus imperative for businesses to adopt proactive and innovative actions to meet these forces and uncertainties. Moreover, they must explore social responsibility and environmental sustainability to expand their business.

Business organizations in order to reduce negative externalities need to do more than just eliminate the ones that are already there. As a responsible business they need to sell green and clean products and acknowledge that doing less harm is not the same as doing well. They need to proactively maximize the positive impacts on

society and the environment. Focusing on maximizing positive impacts is more complicated and challenging than minimizing damage. More and more Businesses are identifying and pursuing sustainability opportunities that hold the highest value potential.

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