

**MICRO ENTREPRENEURS AND SUSTAINABILITY: BARRIERS AND
OPPORTUNITIES IN FRYSLÂN**

MASTER THESIS

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ABSTRACT

The need for sustainable entrepreneurship gets increasingly more recognised, both in practice and in research. However, so far the literature and best practices for smaller enterprises remain scarce, especially for micro entrepreneurs. This research takes place in the context of Fryslân, where both the need for sustainable entrepreneurship and the amount of micro entrepreneurs are relatively high. In this exploratory research both barriers and opportunities for sustainable entrepreneurship are uncovered. The resulting barriers and opportunities are then placed in a wider context, with highlighting recommendations for practitioners as well as avenues for future research.

INTRODUCTION

One of the biggest problems of our society is the increasing exploitation of the earth system (Steffen et al., 2015). Sustainable entrepreneurship, through simultaneously delivering economic, social, and environmental benefits, aims to turn the tide (Hart, Milstein & Caggiano, 2003). However, this so-called triple-bottom line is hard to achieve in practice because it has to compete with traditional businesses that only focus on profit. It is therefore important that these sustainable initiatives are supported, but there is lack of knowledge in how to achieve this. There exists a gap in both research and practice about the integration of sustainable business practices, especially regarding small (micro) entrepreneurs. In recent years there has also been an increased interest in the role context plays, and can play, in this (Welter & Baker, 2021).

This study takes place in the Frisian context. Fryslân is a province in the Netherlands where both Frisian and Dutch are spoken. According to a recent report by the Fries Sociaal Planbureau (2021), the own language, rich culture and strong connection with the province make Fryslân a province with its own identity. But the province also faces challenges. The province is dealing with a population decline. This effect is worsened by the fact that it is mainly young adults who are leaving the province to work and study elsewhere, while the migration of older people to the province is actually positive. This brings along many problems, such as the disappearance of facilities, the closing of schools, vacancy, the departure of highly educated people and the emergence of heavily aging villages. This is on top of the fact that economic development is already lagging behind in Fryslân. Given these climate-, demographic- and economic challenges, change is needed in Fryslân. But it also provides the province with an opportunity to reinvent itself for a better future. Sustainable entrepreneurship could address these challenges, and help to create, renew and reify the province (McKeever, Jack & Anderson, 2015).

Previous literature has mainly focused on sustainable entrepreneurship in large companies. Research on small and medium-sized enterprises (SMEs) remains scarce and largely undeveloped, research on micro entrepreneurs even more so, especially in the Frisian context. In Fryslân, 18% of the working force is self-employed, versus just 12% in the Netherlands, and only 10% in the EU (Centraal Planbureau Statistiek, 2022). This ranks Fryslân at the top in the EU, with only Greece having a higher percentage (21%). The sector of micro entrepreneurs could play a vital role in the transition towards sustainability. Recent research on the role of SMEs shows how important they are in local job creation, sustainable innovation and social well-being (Jenkins, 2009; Rizos et al., 2016). However, micro entrepreneurs are largely overlooked in sustainable business research. It is important to close this research gap in order to address the challenges the province is facing, as well as to provide a clearer perspective of micro entrepreneurs in a North-European setting. The research question is therefore: what obstacles do micro entrepreneurs in Fryslân face in becoming more sustainable? The aim of this research is to provide an overview of these obstacles, and to point towards possible opportunities to overcome them. The identified obstacles and opportunities form the basis for future research, to further close the research gap, and to support sustainable entrepreneurship.

THEORY

Following the (simplified) definitions set by the European Commission (2020), micro enterprises have less than 10 employees, small enterprises have less than 50 employees, medium enterprises have less than 250 employees, and large enterprises have 250 employees or more. According to the European Commission (2020), SMEs are the engine of the European economy, with nine out of ten enterprises being an SME, and SMEs generating two out of every three jobs. SMEs play a

crucial role in fostering competitiveness, employment and innovation. Despite this, most of the research has been focused on large enterprises. And the research that is focused on smaller enterprises has targeted the SME sector as a whole. Despite being part of the same category, with a range between 0 and 250 employees, there exist considerable differences between these enterprises. Research that specifically focuses on micro enterprises is lacking, and the research that can be found is mainly conducted in a non-western setting (Anderson & Obeng, 2016; Wierenga, 2020; Yessoufou, Blok, & Omta, 2018). The aim of this research is therefore two-fold: to address the gap on micro entrepreneurship as a whole, while also addressing it in a non-western context. This study takes place in the context of Fryslân, the Netherlands.

Due to the limited research that specifically focuses on the subject of micro entrepreneurs, the underlying theory is drawn from the SME literature. This is mainly done by comparing large enterprises versus smaller ones (SMEs). Overall, the barriers discussed below have been found to be even higher for micro entrepreneurs than they are for SMEs.

Corporate Social Responsibility (CSR) is mostly about reputation, and often only has a limited connection to the business. This makes it harder to maintain, and thus its impact is usually only limited (Porter & Kramer, 2011). A sustainable business ‘meets the needs of its stakeholders without compromising its ability to meet their needs in the future’ (Hubbard, 2009). Sustainability is part of CSR, but a sustainable business exceeds mere CSR, and may therefore be even harder to achieve. Despite these difficulties, sustainable business practices are steadily becoming more prevalent, with an increasing number of firms viewing sustainability as an important aspect in business. Small entrepreneurs engage in sustainability for many of the same reasons as large enterprises do (Brammer, Hojmosr, & Marchant, 2012; Heras & Arana, 2010). However, the approach to actually achieve sustainability may differ. Parhankangas, McWilliams & Schrader

(2015) conclude that large, established firms are likely to focus on CSR, and thus not fully integrate sustainability into their business model. Small entrepreneurs are more likely to pursue sustainability as a strategy, by incorporating it into their business model, to achieve a durable competitive advantage. Parhankangas et al. (2015) state that “Established firms do well by doing good, while small entrepreneurs do well by doing better”.

However, despite the intention to become more sustainable, many companies face considerable challenges in integrating sustainability into their business. Though this is the case for both small and large companies, this problem may be especially pressing for small entrepreneurs, because many lack the required resources. A lack of time, financial- and human resources, and technical- and sustainability expertise have typically been found to be most relevant (Gadenne, Kennedy, & McKeiver, 2009; Nicholas, Ledwin, & Perks, 2011; Schulz, Kraus, & Demartini, 2011). For example for small entrepreneurs with only a few employees, or even none at all, there is often no room to have a dedicated sustainability staff. In addition, small entrepreneurs are often already pressed with the day-to-day business, and therefore it is difficult for them to expand their expertise in other matters. In their pursuit of sustainability, SMEs have to effectively utilise the limited resources they have, and prioritise accordingly (Hsu, Chang & Luo, 2017). For the purpose of this study, the difficulties that entrepreneurs experience in trying to become more sustainable are termed as barriers for sustainable entrepreneurship.

As noted, the province of Fryslân faces climate-, demographic- and economic challenges. Change is needed in Fryslân, but it also provides the province with an opportunity to, through sustainable entrepreneurship, reinvent itself for a better future. In addition, the province aims to become the most circular region in the European Union. Given the relatively large number of self-employed (micro) entrepreneurs in Fryslân, this research also seeks to contribute towards these

efforts, and thus to contribute to practice. By identifying and providing an overview of the existing barriers and possible opportunities in becoming more sustainable, practitioners may be able to take more suitable action. For example, by how to support micro entrepreneurs better in their sustainability efforts. Finally, through these theoretical and practical contributions, this paper aims to contribute to society by supporting sustainable business initiatives, and thus decrease the exploitation of the earth system.

METHODS

In this research, a qualitative approach has been adopted. Semi-structured interviews were used because they allowed to gather in-depth data, to understand the interviewees' perception of their reality, beliefs, and behaviours, and to apprehend the specific context in which they evolve (Gill, Stewart, Treasure, & Chadwick, 2008). The selection criteria for the interviewed micro entrepreneurs were: they had to be (largely) active in Fryslân, and have 10 or less employees. For the consultants there was one additional requirement, namely that consultancy on sustainability should make up the majority of their work. The cases were found through the internet. The companies were first screened to check whether they complied with the requirements. If they did, they were contacted. In total 21 companies were approached, of which 7 responded positively and were consequently interviewed. The interviewees all held a position as managing director in their respective company, which in all cases also coincided with (co-)ownership of the company. For the interviewees that spoke in the local language, Frisian, the interviews were held in Frisian. When the native language of the interviewee was Dutch, the interview was held in Dutch. Speaking in the native language simplified the contact with the interviewer and interviewee, and also increased the authenticity of the exchange. With this method and problem, it is possible to take a

constructivist approach to the research subject. In fact, participants are perceived as agents rooted in a certain social, economic, historical, and political context and they give meaning to their environment from these positions (King, Horrocks, & Brooks, 2019).

Because of the exploratory nature of the research, a multi-stakeholder approach was taken. Several different stakeholders were interviewed: five micro entrepreneurs and two sustainability consultants. The interviewees were categorised using business focus and number of employees. This overview, along with a short description of the company's activities, is provided in table 1. The interviewees were coded to provide anonymity. The micro entrepreneurs were codes E1 until E5, and the sustainability consultants were coded C1 and C2. The duration of the interviews ranged from about 25 to 75 minutes.

The micro entrepreneurs were asked about the possible difficulties they encountered in trying to become more sustainable. The interview guide for the micro entrepreneurs can be found in Appendix A. However, these may only be what they *perceived* to be the reasons. Sustainability consultants were also interviewed about their interactions with entrepreneurs, to get a more nuanced view. The interview guide for the sustainability consultants can be found in Appendix B. It was possible that the entrepreneurs were still in the process of becoming more sustainable, or had yet to even make a start. Whereas the sustainability consultants had already helped entrepreneurs become more sustainable, and could thus reflect on the process in hindsight. There might be a difference in the perceived reasons, and the actual reasons. In addition, because the sustainability consultants had worked with many entrepreneurs, they were able to reflect experiences from many more entrepreneurs than could be individually interviewed for this research, thus providing a more complete picture. All in all, a multi-stakeholder approach was

adopted to be able to present a more complete picture, because none of the individual stakeholders were expected to be able to present all of the (underlying) reasons.

The semi-structured interview approach offered a certain flexibility to adapt the questions during the interviews, while still having a structured guideline to keep it in the right direction. This method also allowed the emergence of new concepts during the interviews that were not anticipated beforehand, and was thus a good fit for this exploratory research. At the time of this research, the world was dealing with the COVID-19 situation. Despite this all the interviews were held in person. The in person interviews allowed for accurate and genuine interaction, for example through the possibility to more clearly communicate the intonation and body language.

In preparing the interviews ethical considerations were addressed. A participant information sheet and consent form were written and sent to the interviewees. These documents informed the respondents on the aim of the study, gave them information on their rights, and asked them for their consent to record the interview. Through these forms the interviewees' anonymity was also assured. Before, during and after the interview, the interviewees' had the opportunity to ask any questions. The interviews were transcribed using both software and manual input, and each interview was proofread. To extract significant findings out of the data, a thematic analysis with three cycles of coding was used (King, Horrocks, & Brooks, 2019). The first cycle of coding was used to find descriptive themes. During the second cycle, the descriptive themes were regrouped according to their meaning of interpretation to create interpretative themes. And, in the same logic, interpretative themes were regrouped under overarching themes (or tertiary codes) which highlighted key concepts of the analysis, and helped build the theory.

Enterprise	Business focus	No. of employees	Main business activities	Activities for sustainability
E1	Learn- and care farm	6	Provides care and education to children with special needs Provides elementary school children with farm education	Use of renewable energy Use of sustainable farming practices Motivate and educate children about sustainability
E2	Interim project manager	1	Provide production optimisation by management and coaching	Use of renewable energy
E3	Business signage	4	Provide vehicle-, building- and interior graphic designs for businesses	Use of renewable energy
E4	Insurance- and mortgage broker	8	Provide working clothing Provide advice and arrange insurances and mortgages	Use of renewable energy
E5	Human resources training	2	Provide HR-departments and managers with training and coaching to improve the work culture	Use of renewable energy Increase the happiness of the employees
C1	Innovation- and sustainability consultant	1	Organise networks where companies can mutually learn from each other Consultancy	Use of renewable energy Sustainable purchasing policy Help other firms become more sustainable
C2	Sustainability consultant	1	Host specialised programs to boost sustainability, on a local level Consultancy	Use of renewable energy Sustainable purchasing policy Help other firms become more sustainable

Table 1: Interviewees overview

RESULTS

Sustainability

With regard to sustainability, all interviewees indicated that they incorporated at least some form of sustainability in their company. However, sustainability had a different meaning for everyone. Most viewed sustainability only in terms of the impact on the ecological environment. E5 for example mentioned that: “Sustainability has in my experience, and in my work field, it really goes mainly about the environment.” She said that she did not link the work they do to sustainability, they just called it “working smarter” or “making the work more fun”.

The use of renewable energy was the most often found form of sustainable activity. This ranged from buying green energy and limiting total energy use, to also having solar panels and using electric cars. When asked about his sustainability efforts, E2 said: “For example, I drive an electric car, we use green energy.” For most, sustainability was about limiting their impact on the environment. In another comment, E2 mentioned: “So in that sense, yeah, I try to consume as little as possible. And when I consume, then as green as possible.” Of the entrepreneurs, only E1 went beyond this viewpoint of ecological sustainability. Whereas others were only trying to limit their impact, E1 was trying to actually have a positive ecological impact. For example, by repurposing 6 hectares of farmland back to nature he was able to increase nature and biodiversity. When asked about his sustainability efforts he remarked: “There is a lot of talk about it. Well, when I see how biodiverse it is here. The frogs croak in the ditch. And yeah, I grow trees on a plot where there was supposed to grow grass. And then I think, is that sustainable? Yes, in my opinion it is.” The sustainability consultants shared this viewpoint. When asked about what sustainable entrepreneurship means to him, C2 remarked: “It is mainly about future-proofing. So on the one hand making sure that your impact on the planet is not negative, but that it becomes positive. And

at the same time also ensure that you as a company also have... continuity.” To him, companies that cannot demonstrate what their added value is to the world and to society, no longer have a right to exist.

Local (sustainability)

Many entrepreneurs indicated the importance of locality in their business. E3 for example remarked that “Yes, we have a very large network here in (...). We work for many companies, we visit them, in all kinds of different industries. Yes, you have contacts everywhere. (...) if we need something, we first look at our own customer base, who could supply that.” E4 talks about how their embeddedness in the local area is their strength, compared to larger competitors. And that they get the majority of their customers through word-of-mouth. Even stating that: “Yeah, we actually don’t even want that, to become so big. We want to remain local.” C2 also sets up his sustainability projects in a particular region, with the intention to let the participants cooperate. “And it’s nice that they pull together too. They just make each other excited, so that’s nice too.” Later adding: “And then they can already learn a lot from each other, from all the results. And exchange ideas.”. As an example he gave one project where companies in different parts of the same business chain collaborated. “So in that collaboration a number of new products were launched on the market (...). It was set up in a very local way, with short chains so to speak.”

The data yielded two main categories of barriers: organisational barriers and contextual barriers.

Organisational barriers

The organisational barriers affect how the company is structured, these barriers exist within the company. The main organisational barrier that was identified was a lack of financial funds to dedicate to sustainability. This barrier was relevant for all companies, though for some more than others. Most entrepreneurs indicated that they lacked the resources to make their company more sustainable. E3 was for example in the process of improving the sustainability of their energy use by taking various measures. “Last year we invested in a new ceiling, and this year we are going to tackle the façade. Maybe that we can start with solar panels next year. But we cannot do it all at once, it also has to be paid.” They mentioned that the Corona pandemic hit them especially hard, since the products they offer were among the first expenses that businesses cut. They noted: “And to invest, yeah, then you have to generate turnover. It’s that simple.” In his consultancy work, C2 expressed similar experiences regarding sustainability and Corona: “(...) because Corona put things on hold a bit. So people didn’t pay much attention to sustainability in the Corona period. Companies were trying to survive (...)”. Consultant C1 saw not only her customers face this lack of financial funds, but also herself. “Well, money is a big obstacle. So I just don’t have enough money. Because otherwise I could just invest in a software platform, then I could hire people.” She mentions that this limits the sustainable impact that she can achieve. “(...) it also means that you just don’t get any further, that you don’t make progress.”

Another organisational barrier, though less prevalent, was the lack of time available to dedicate to becoming more sustainable. E1 stated that he was just too busy with the day-to-day business to further develop his sustainability efforts. “Yes, that was my job, taking care of the children. But I had very different things in mind.” Eventually he felt like he could no longer adequately combine the two, and decided to separate the tasks and hire additional personnel. “I

have now said for one year I don't do any day-to-day work, to try and find out how I can do things differently. A sort of sabbatical year." Consequently, he stated that he was now able to come up with much more ideas to become more sustainable than previously. C1 also mentioned that she felt like she had not enough time to carry out all her ideas regarding sustainability. She had for example the idea for an incubator for start-ups with new sustainable products and ideas, which given her background, she felt could be really successful. But, given the earlier mentioned financial constraints, she did not have the ability to hire additional personnel to focus and act on them. For her, these time constraints prevented her from acting on these ideas.

Contextual barriers

Companies exist within a context or ecosystem. While a company has the ability to directly influence and control certain factors in business, it can only indirectly (or not at all) influence others. These are the contextual barriers. The main contextual barriers that were identified are: government policy and regulation, overall lack of support, and no 'demand' for sustainability. They are all also closely related to each other.

Regarding government policy and regulation, E1 was especially vocal. He mentioned that he was always trying to make his company more sustainable, but that the government often hindered his progress. For example, in addition to his solar panels he also wanted to make use of wind energy. He wanted to build a specialised, small wind turbine for this. Only, in the province of Fryslân these turbines were not allowed. While in the province next to Fryslân it was allowed. Only after multiple years it was also allowed in Fryslân. Reflecting on his experiences with governmental agencies he said: "Well, one way or another, I always say they make it so

complicated with bureaucracy... That, that at a certain moment you just say, well, screw it.” He reflected that without these governmental difficulties he would be able to have a more sustainable company. C2 encountered similar experiences in the food industry, where certain legislation required the use of single use packaging. “So all kinds of laws and regulations that get in the way.” On the ability for sustainable innovation in this area he later added: “Well, that is often difficult because you are still stuck with legal requirements that you have to meet.”

Entrepreneurs not only felt a lack of support from the government, but also from the market and society overall. In an effort to find a way to generate more energy on his farm, that could then be supplied to other residents and businesses in the local area, E1 asked his fellow villagers if anyone was interested. In the end he could not find anyone. For a different idea he had to get a larger company involved. In his experiences, these larger companies either did not respond at all, or said to him: “Your idea is correct, however it’s too small scale for us.” And for yet another idea, involving an education institution, he remarked: “Well, yeah, those people are busy, so they are not waiting for me at all.” In her efforts to make companies both more efficient and more sustainable, C1 said: “And I have also experienced that people just didn’t believe it, that I was actually laughed at (...)”. And: “People just don’t believe it.”

This lack of support for sustainability is also visible on the demand side, with many firms indicating that there is almost no demand for sustainable goods and services. When asked about whether customers ask about sustainability E4 remarked: “No, that is not a subject that we often hear.” E3 had similar experiences after switching to organic cotton for some of the working clothes they sell. “You have to indicate that you have that. People don’t really ask about it yet, they don’t really talk about it yet.” After sharing his experiences in helping a fashion store become more sustainable C2 said: “While the clothing industry is not one of the most sustainable, his customers

still never really asked about it or something like that.” On the other hand, some of the interviewed businesses did not take sustainability into account in their purchasing policy either. E3 remarked that: “A foil supplier for example, I will not choose him based on whether they work sustainably or not.”

Opportunities

Various opportunities also came forward. Sometimes indicated by an entrepreneur, but most often mentioned by the sustainability consultants. The main identified opportunities are: bringing people more in contact with sustainability, and communicating more clearly about sustainability efforts.

The first identified opportunity was to bring people more in contact with the environment and sustainability. E1 believes that some may say that his approach to sustainability is too small scale, that it is meaningless. He disagrees with this viewpoint, saying that it is important to bring children into contact with it. “Well, then come the projects such as tiny forests, school gardens and vegetable gardens. Then I think yes, that’s where it starts.” Later adding: “You can’t blame it on them, because if you have never learned it, how would you know?” In his sustainability projects C2 also remarked how companies often started with small, more practical issues like making their energy use more sustainable. But that once they got to work, they quickly broadened their perspective on sustainability. “It often starts with small steps, but eventually we do always make them think about... So what is the essence? What are the big steps to where we have to go?”

Another opportunity is to improve the way entrepreneurs communicate about their sustainability efforts to their customers. C2 found that this aspect was especially lacking in small firms, where he sometimes identified certain forms of sustainable entrepreneurship, but which the

firm was not clearly communicating to their customers and suppliers. “In the final phase we work on communication about sustainability, so we explain how you can best communicate about sustainability. You know, that often goes very badly in SMEs. They do all kinds of things, but they have no story at all.” C2 then helps them create a good, coherent story that they can communicate, for example through their website or social media. On the other hand, he also sometimes experiences greenwashing, which was not always intentionally. So he also learns them about how they can prevent greenwashing.

DISCUSSION

The purpose of this research was to identify the main barriers that micro entrepreneurs in Fryslân face in becoming more sustainable, and to also point towards possible opportunities. By combining the experiences of both entrepreneurs themselves and also the consultants that have specialised in helping entrepreneurs become more sustainable, various barriers and opportunities have been observed during this research. In the next section the results are combined and further discussed. In addition, some concrete recommendations for various actors, including government, are given. Finally, some areas for future research are also indicated.

As the results show, and previous research also indicates ((Gadenne, Kennedy, & McKeiver, 2009; Nicholas, Ledwin, & Perks, 2011; Schulz, Kraus, & Demartini, 2011), entrepreneurs determine the financial constraints as the most important limiting factor in their sustainability efforts. However, for some this was a larger barrier than for others. E1 spent more on sustainability than the other entrepreneurs that were interviewed. When discussing his ability to do so, he mentioned: “And because I worked more hours myself, and I don’t really have to pay

myself, so what I earn with the work I do, I can invest elsewhere.” “(...) because every time I think, I don’t need the money myself. They like sustainability, so I just keep investing in it.” He mentioned he worked up to 80 hours a week, and that others said he was crazy. But to him, it did not feel like work. Other entrepreneurs who only focused on sustainable energy use did not make similar remarks. How one looks and thinks about sustainability may therefore also be important. The financial constraints may be as much ‘physical’ as they are ‘psychological’. So in addressing these financial constraints for sustainability, the focus should not only be on measures such as subsidies and loans. To encourage more sustainable entrepreneurship, it may also be useful to support programs that help businesses develop a wider point of view on sustainability and the place their business takes in society. C2 finds success using a similar approach in helping businesses become more sustainable. “(...) it often starts with concrete questions that they have, but eventually, the project looks at sustainability from a very broad perspective.” Mentioning that sustainability is not just about energy and the environment, but that it is for example also about circularity, creating social value, and chain responsibility. He concludes: “So, well, actually the whole spectrum of the SDGs.” The goal is to help companies find a way that they can first limit their negative impacts, and to eventually help them generate a positive impact. Because without this, he argues that they have no place in society, that they have no right to exist. Actors in the sustainable business field and in the policy field may therefore want to focus on enhancing the current narrow view of sustainability that they support. In addition, this would also be an interesting area for further research. To research how much of the (perceived) financial constraints for sustainability measures are down to real monetary constraints, versus how much is down to a different allocation of the funds. I.e., what is the relationship between the perception of sustainability and the willingness to spend money on sustainability.

Where other research (Gadenne, Kennedy, & McKeiver, 2009; Nicholas, Ledwin, & Perks, 2011; Schulz, Kraus, & Demartini, 2011) found sustainability expertise to be a significant barrier, none of the entrepreneurs interviewed for this research indicated that that was a barrier for them. This may be down to the differences in size. The subjects in the previously mentioned research were larger companies, while the companies in this research were micro entrepreneurs (with 10 or less employees). E2 indicated that he was self-employed, had a home-office, drove an electric car and used green energy. “My footprint is not that big. My biggest footprint is driving to and from my customers. (...) And I don’t have the feeling that burden the environment that much (...).” The required sustainability expertise for this is of a different magnitude than what is required for a company with hundreds of employees, multiple branches, production facilities and more. To some extent, there is only so much you can do when your business scope is that small. So that sustainability expertise did not come up as a barrier does not seem out of the ordinary. However, on the other hand this may also lead into a ‘false sense’ of sustainability. C2 described it as: “We have a few solar panels, so we are sustainable.” He also made a comparison and distinction between CSR and sustainability: “But if you look at it in a narrow sense, then if you say corporate social responsibility: don’t do crazy things, separate waste a bit, save some energy, then I’m fairly CSR. (...) But in the end it is much more about the future-proofing of your company.” When you have taken a few of such measures, it becomes easier to feel like you are sustainable. But as both consultants described it, are you then really sustainable? They argue you are not. But this danger was also visible in the interviews. When asked to judge their efforts regarding sustainability in their business, most indicated that they were fairly sustainable. Even when the only measures they had taken were energy saving ones. However, besides the consultants themselves, none of the companies measured their impact on the environment and society, at all. C2 sees great

opportunities here for firms to take action. One of the first things he does is have the companies at least measure their CO2 impact. This then also allows to set concrete goals, for example like wanting to become CO2 neutral in 2030. Having such a target makes it easier to make a detailed plan of approach. What are we going to do? Who is responsible for this within the organisation? Which are the steps we are going to take? How can we accurately measure it to ensure that we also actually achieve it. Then sustainability is not about making some small, separate steps. It becomes an approach, an integral part of the company. In his experiences, C2 finds that by taking such an approach, the sustainability measures that firms take have much more impact than one without such guidance. Given that governmental policy and regulation was also identified as a barrier, policy makers and the likes could for example try to more actively incorporate such approaches in their programs. This is also an area for future research, which could try to find out whether such an approach is actually supporting sustainability. Or how such an approach could best be designed.

For the contextual barriers, it was mainly about a lack of support for sustainability that the entrepreneurs felt. From a governmental position, as well as from the business side and consumer side. Given their role in society, and their ability to steer behaviour, regarding sustainability the government has to step up. As E1 indicated, at the moment he felt more hindered by governmental policies than supported. Due to new EU legislation, from 2025 onwards it will become mandatory for large enterprises (250 employees and more) to report on sustainability. And while this is a step in the right direction, this research clearly indicates that this is not enough. It can be expected that because these large enterprises have to report on it, that some of their smaller suppliers may also have to get on board. But a large part of the smaller enterprises does not supply to these large companies, and therefore remains out of this scope. Given the relative abundance of micro entrepreneurs in Fryslân, this may be especially relevant there. As argued earlier, measuring and

reporting about sustainability can boost overall sustainability efforts. Governments may therefore choose to extend their scope to smaller companies as well. But given the lack of financial-, time- and human resources of micro entrepreneurs, as shown in this research, the standards should be less strict for them. In addition, and as also argued in this discussion section, perhaps this could then be combined with the approach that C2 takes in creating local sustainability. On the one hand governments can (and should) set certain standards that firms have to comply to regarding sustainability. On the other hand, governments should also be supportive. E1 put it like this: “They have to appoint people that... take work of your hands, so to speak.” This then also plays into the lack of time for sustainability that some entrepreneurs indicated. By making contact with the government less bureaucratic, this could then free up time for entrepreneurs to spend on sustainability. And by being more responsive and active, governments could also (partly) address the lack of support that entrepreneurs encounter for sustainability. E1 stated it as: “I think you should make it so that if someone has a question, he will have an answer tomorrow, and the day after that you will carry it out.”

One particular area of interest was that both consultants indicated that they preferred to work with frontrunners in the sustainability field, with pioneers. Those which for a large part were already enthusiastic about sustainability. They preferred these businesses in the first place because those were also mainly the ones that were willing to pay for their sustainability consultancy services. But also because they were unable to connect to the businesses that were lagging behind regarding sustainability, to their attitudes. C1 stated it as: “They actually prefer to do as little as possible with regard to sustainability.” And this did not work well with their approach to sustainability. C2 estimated that approximately 20 to 30 percent of the total amount of companies were actively working on sustainability, meaning that a large amount of companies are lagging

behind. Given the huge environmental and societal issues that we face, and the rate at which change is required, it is important to get as much businesses and people to become more sustainable as possible. In this sense, this large amount of laggards is problematic. However, it also gives rise to possibilities. As the results from this research show, locality is an important factor for the businesses in Fryslân. This may be due to the rural characteristics of Fryslân, as well as the relatively small scale. This was also stated by E1 when talking about Fryslân: “It has remained small scale, so to speak.” A local embeddedness and a strong network are almost requirements to do business in Fryslân. It was mentioned by the entrepreneurs that trust is an important part of these networks. E4 stated that to some extent, they had become a confidant or consultant, even for matters that were outside the scope of their own business. Consequently, E4 would then bring these customers in touch with other businesses within their own network. It could then be argued that if one or a few of the businesses within such a network could become sustainability frontrunners, that it would then be easier to get other businesses to go along as well due to the trusted reputation of businesses in these local networks. So that a few businesses could impact the whole chain, or at least get them more interested in sustainability. This approach may be more effective than if the lagging businesses were approached by an outside party. As C1 captured in her experiences with approaching some of the lagging businesses: “People just did not believe it.” Future research, as well as practitioners, could look into how to best design such an approach.

In this approach, it may be important to do it in small steps, and to first mainly focus on the financial side of sustainability, and the rapid financial benefits that can be obtained while simultaneously making their company more sustainable. When asked about the reason for investing in things such as LED lighting and better insulation, E3 stated: “Purely financial. You run a business, the costs are already skyrocketing. So you try to cut as much as possible

everywhere, so to speak.” Still, both C1 and C2 encountered a certain ignorance around this topic, with many companies still not taking advantage of the opportunities that are there. C1: “Well, the first steps for a lot of companies are things like solar panels and electric cars. So actually, especially in these times of high prices, financially it works out for most, in terms of return.”

CONCLUSION

As noted, the province of Fryslân faces climate-, demographic- and economic challenges. Change is needed in Fryslân, but it also provides the province with an opportunity to, through sustainable entrepreneurship, reinvent itself for a better future. Given the relatively large number of (micro) entrepreneurs in Fryslân, this research sought to contribute towards these efforts, and thus to contribute to practice. By identifying and providing an overview of the existing barriers and possible opportunities in becoming more sustainable, practitioners may be able to take more suitable action. For example, by how to support micro entrepreneurs better in their sustainability efforts. Finally, through these theoretical and practical contributions, this paper aims to contribute to society by supporting sustainable business initiatives, and thus decrease the exploitation of the earth system.

However, several limitations have to be taken into account. One limitation is the diverse sample size that has been examined. Given the wide scope of interviewed entrepreneurs, i.e. not from one specific sector, it is possible that the identified barriers and opportunities may be more or less relevant for certain entrepreneurs or sectors. But to some extent this is always the case, considering that every firm is different. The relatively small sample size is another limitation. However, because of the involvement of two sustainability consultants that have experiences with

hundreds of different companies, the obtained data extends far beyond the individual 7 entrepreneurs that were interviewed. Therefore, for the region of Fryslân overall, the arguments can be made. In addition, given the particular characteristics of Fryslân, for example the relatively rural character and the distinct culture, the results of this research may not extend, or extend to a different degree, to other regions. Finally, given that 21 entrepreneurs were approached but that only 7 entrepreneurs were willing to participate in this research, it is possible that some form of self-selection may have occurred. Considering that there were no selection criteria regarding sustainability for the micro entrepreneurs, it is possible that those with at least some interest responded positively to participating, while those with no interest in sustainability did not. However, it was clearly communicated that the data obtained from the interviews would be anonymised, thus the entrepreneurs did not face any risk of reputation damage resulting from their participation and answers. In addition, a few entrepreneurs that had only a very minimal approach to sustainability were also present in the sample. So it is expected that there is no (large) bias of self-selection. All these limitations are relevant. However, they are not out of the ordinary for the scope of this research, which had to be conducted in a short time frame.

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APPENDICES

Appendix A: Interview Guide Micro Entrepreneurs

INTRODUCTION

- Could you tell a bit more about yourself and your company? What is it that you do?
- How did this company arise?
- What are your experiences with running a business in Fryslân?
- Do you notice particular trends in your business and/or local area at the moment?
- (Room for questions on the spot based on responses from interviewee)

SUSTAINABLE ENTREPRENEURSHIP

- What is your definition of sustainable entrepreneurship?
- How does sustainability affect your company?
- What is the reason that you (yes/no) choose sustainability?
- How does this manifest itself in your business? Do you have examples?
- How would you rate yourself at this moment regarding sustainability?
- Do you have plans to become more sustainable in the future?
 - o Why (yes/no)? Do you experience barriers? Which ones?
 - o Would you need help to become more sustainable? Which help?
- (Room for questions on the spot based on responses from interviewee)

CONCLUSION

- Are there things that you feel I have missed that might be important? Are there things that come to mind?

Appendix B: Interview Guide Sustainability Consultants

INTRODUCTION

- Could you tell a bit more about yourself and your company? What is it that you do?
- How did this company arise?
- What are your experiences with running a business in Fryslân?
- Do you notice particular trends in your business and/or local area at the moment?
- (Room for questions on the spot based on responses from interviewee)

SUSTAINABLE ENTREPRENEURSHIP

- What is your definition of sustainable entrepreneurship?
- What sort of companies make use of your services (sector, size, culture, etc.)?
 - o Do you actively have to approach them, or do they come to you?
 - o Does network play a role? Why (not)?
 - o Does trust play a role? Why (not)?
 - o With which difficulties do companies most often approach you?
 - o How are you able to help them?
 - o Are the initial difficulties also the real reason? Or are there in your experience other difficulties than the ones they first approach you with?
 - o Where are in your opinion the biggest opportunities for sustainability?
- (Room for questions on the spot based on responses from interviewee)

CONCLUSION

- Are there things that you feel I have missed that might be important? Are there things that come to mind?