

SUSTAINABLE ENTREPRENEURS' MOTIVATIONS AND THEIR INFLUENCE ON
FIRM GROWTH DECISIONS

Master thesis, Msc Sustainable Entrepreneurship

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ABSTRACT

In order to make the world economy more sustainable, the establishment and growth of sustainable enterprises is important. However, sustainable enterprises are less likely to grow in comparison to traditional enterprises. This is partly influenced by the sustainable entrepreneur and its motivations. This research aims to better understand the relationship between established sustainable entrepreneurs' motivations and their decisions to grow their business. It uses regulatory focus theory to structure the data regarding motivation and to dig deeper in the underlying processes of goal attainment.

The results of this research are based on seven interviews with sustainable entrepreneurs that started their business more than five years ago. The main findings suggest that sustainability becomes more important to sustainable entrepreneurs through the years and that sustainable entrepreneurs tend to work more on internal affairs rather than on growing their business. The conclusion of this research states that in the years after starting their business, sustainable entrepreneurs take on a stronger prevention regulatory focus, resulting in more focus on internal affairs rather than growth. This shift is induced by the changes mentioned in the results.

INTRODUCTION

Making the world economy more sustainable is perhaps the most prominent challenge for businesses currently. The world's ecosystem is losing its balance as a result of human activities, presumably resulting in catastrophic changes to the way we live on this planet (Steffen et al., 2015). In order to change the world economy, businesses will need to fundamentally reinvent their way of doing business: from focussing on economic returns to including social and environmental impact in their organizational missions (Ploum, Blok, Lans, & Omta, 2018; Thelken & De Jong, 2020). However, conventional businesses are slow and sometimes reluctant in introducing environmental and social activities that sufficiently contribute to sustainable development. They still have economic success and the profit of shareholders as their main goal (Schaltegger, Lüdeke-Freund, & Hansen, 2012).

This change in business can be accelerated by the establishment and growth of new sustainable businesses with the help of business leaders with truly sustainable motivations. These business leaders can steer their enterprises towards creating economic, social and environmental value. This could result in a more sustainable economy by traditional businesses being replaced by sustainable ones or being pressured into conforming to a new sustainable norm due to strong sustainable competition (Pinelli & Maiolini, 2017). In short, the growth of sustainable business is important in the process of making the economy more sustainable.

It has been shown that sustainable businesses are less likely to grow in comparison with traditional businesses (Palomares-Aguirrea, Barnett, Layrissé & Husted, 2018). The underlying factors influencing this lack of sustainable business growth have been researched

from multiple levels of analysis. This paper focuses on the micro level: the motivations of the individual entrepreneur.

Increasingly, academic research examines sustainable entrepreneurs' motivations towards creating sustainable development (Fischer, Mauer & Brettel, 2017). However, this research is oftentimes built on the assumption that sustainable entrepreneurs want to grow their enterprise. This idea seemingly stems from the fact that most research into this subject is focused on the early stages of the entrepreneurial process, before and right after establishing the business (Ploum et al., 2018; Thelken & De Jong, 2020; Brockner, Higgins & Low, 2004). The assumption that they want to grow in later phases of the process can be questioned, as more established sustainable entrepreneurs can have vastly different motivations than when they were just starting their business. This leaves room for research into the motivations of sustainable entrepreneurs in regards to firm growth, beyond the starting stage of the entrepreneurial process.

The aim of this research is to better understand the relationship between sustainable entrepreneurs' motivations and their decisions to focus efforts on growing their business. This is formulated in the following research question:

'How do sustainable entrepreneurs' motivations influence their decisions to grow their enterprise?'

The following *Theory* chapter presents different factors influencing the growth of sustainable enterprises, leading into the subject of this research: the motivations of sustainable entrepreneurs. The chapter concludes with an exploration of the regulatory focus theory in

order to better understand personal motivation. The *Methods* chapter shows the way this research was done by presenting the research perspective, qualitative research design and the methods used to collect and analyse the data. Subsequently, the *Results* chapter presents the findings of this research by covering respondents' evolving thoughts and feelings on sustainability, firm growth and motivation. The final section of the chapter discusses how the regulatory foci from the *Theory* chapter are recognized in the data. The report concludes with conclusions, recommendations, limitations and options for further research in the *Discussion* chapter.

THEORY

This chapter covers theory relevant for the research subject in order to ground the research problem in relevant literature. The first section *Sustainable venture growth* explores sustainable venture growth literature on multiple levels of analysis, narrowing down to the level of this research: the entrepreneur. Additionally, the section provides a definition of firm growth. The second section *Regulatory focus theory* dives into the motivations of sustainable entrepreneurs by presenting the theory of regulatory focus and its application to the field of sustainable entrepreneurship research. The chapter zooms in from the context of the enterprise to the inner workings of sustainable entrepreneurs, while explaining both parts of the research: sustainable entrepreneurs' motivations and sustainable enterprise growth.

Sustainable venture growth

Academic research has looked into multiple factors influencing the growth of sustainable ventures. These factors can be categorized into three groups, based on their levels of analysis: macro, meso and micro. The macro level refers to the context in which the enterprise operates, while meso level factors involve organization level components such as employees, products and the business case. Some macro and meso level factors are presented first in order to give context to the environment of a sustainable entrepreneur. Secondly, the section describes some micro level factors, which involve the sustainable entrepreneur as the unit of analysis. Finally, a definition is provided for firm growth.

Academic research into sustainable venture growth on the macro/meso level has provided some insights into the environment surrounding a sustainable enterprise and entrepreneur. The institutional environment, for instance, provides barriers to sustainable enterprise growth. For example, financial institutional barriers, as described by Hoogendoorn, van der Zwan & Thurik (2019), are difficulties attracting investments and measuring firm performance. The

institutional context also provides non-financial barriers in the form of market failures, industry norms, legislation and expectations from stakeholders about what is considered legitimate conduct (Hoogendoorn et al., 2019). Sustainable entrepreneurs need to actively make changes in the institutional context in order to overcome these barriers.

This institutional view is shared by Davies, Haugh & Chambers (2019). They add the barrier of consumer behavior, referring to difficulties changing routine customer buying behavior. The authors provide two additional types of barriers to growth. On the meso level, business model barriers consist of little access to human resources and identity authenticity. The latter refers to differences in identity between suppliers and the enterprises. Sustainable enterprises' legitimacy is linked to ethical sourcing and quality of raw products. This is oftentimes less important to suppliers, resulting in difficulties to find a consistent supplier that provides the information the sustainable enterprise needs.

Relationships with stakeholders also come forward in the micro-level values-based barriers to growth. Davies et al. (2019) and Shepherd et al. (2013) describe sustainable entrepreneurs' conscious decisions to not work with suppliers and distributors that do not align with their ethical values. The relevancy of this micro level analysis of barriers to sustainable enterprise growth is demonstrated further by Davies et al. (2019). They elaborate on the factors *growth philosophy* and *ethical principles*. The former refers to values that guide attitudes toward growth. Many sustainable entrepreneurs stress the importance of achieving financial growth, but will not pursue it at the expense of environmental and social value creation. *Ethical principles* refer to the acknowledgement of social- and environmental fairness as an important factor in purchasing and partnering decisions. The perceived fairness of policies

and practices of stakeholders influences the decisions of sustainable entrepreneurs to work together with another company (Davies et al., 2019).

Paradoxically, beside being a barrier to sustainable enterprise growth, the ethical values of sustainable entrepreneurs are an important factor driving entrepreneurial intentions. Vuorio, Puumalainen & Fellnhofer (2018) describe altruism and intrinsic rewards as the most important drivers of attitudes toward entrepreneurship and sustainability. In short, a factor driving the entrepreneurial intentions of a sustainable entrepreneur turns into a factor hurdling the growth of the enterprise in the long term. This barrier is enhanced by the fact that sustainable entrepreneurs are less motivated to achieve financial goals than traditional entrepreneurs (Kirkwood & Walton, 2010).

Furthermore, the research by Hoogendoorn et al. (2019) presents the factor of risk attitudes. According to this research, sustainable entrepreneurs are not significantly more or less willing to take risks, compared to traditional entrepreneurs. However, the authors did find *“evidence that sustainable entrepreneurs fear personal failure to a greater degree than regular entrepreneurs”* (Hoogendoorn et al., 2017: 1148). The hypothesized cause for this is the idea that sustainable entrepreneurs will leverage their social ties in terms of credibility, trustworthiness and reputation to achieve their goals. A dichotomy is formulated involving sustainable and established entrepreneurs, the latter turning to more formal relations in the form of contracts and agreements.

Since this research is concerned with firm growth, it is important to define the term growth, as this term has multiple meanings. In sustainable entrepreneurship literature, venture growth is increasingly seen as the combination of commercial venture growth and sustainable impact

growth (Davies et al., 2019). Commercial venture growth mainly includes “*economic gains, for instance to increase market share, competitiveness, profits, and employment opportunities.*” (Davies et al., 2019: 1616). Sustainable impact growth refers to an increase in the societal and/or environmental impact as a result of the activities and output of a sustainable enterprise.

In order to narrow the scope of this research and to make the results comparable to research into traditional entrepreneurs, it was decided that it would focus on commercial venture growth. Specifically, growth in the form of turnover and profit and organizational growth in the form of the number of employees. This enhances the relevancy of the research, as it makes the outcomes more specific and easier to use in comparison with similar research into traditional entrepreneurs.

Regulatory focus theory

As mentioned, the aim of this research is to better understand the relationship between sustainable entrepreneurs’ motivations and their choice to focus efforts on growing their business commercially. Motivations are complex: people can be motivated by external and internal triggers, motivations can be contradictory and do not always lead to action. To structure this complex concept, this research uses the regulatory focus theory by Higgins (1997). It provides two principles underlying the basis of human motivation, going further than understanding how people are motivated. Regulatory focus theory explains how people pursue their goals (Fischer et al., 2017), making it more practically useful than other motivation theories. In short, the use of this theory helps to structure the complex concept of motivation and yields a pathway to practical utility of this research’s results.

The mentioned basis of human motivation is the hedonic principle: people are motivated to approach pleasure and avoid pain. This principle has been widely used in psychology research to better understand people's motivation (Higgins, 1997). The paper by Higgins (1997) presents the regulatory focus theory as a way of explaining the approach and avoidance processes underlying the hedonic principle.

The theory focuses on self-regulation toward a desired end-state. This is the human practice of attempting to reduce discrepancies between current states and desired end-states, by generating thoughts, feelings and actions (Higgins, 1997). Desired end-states can be categorized in two groups: *ideals* and *oughts*. Ideals are grounded in hope, wishes and aspirations. Oughts are beliefs about an individual's duties, obligations and responsibilities (Higgins, 1997).

Regulatory focus theory proposes that self-regulation in relation to ideals uses a *promotion focus*, while ought self-regulation uses a *prevention focus*. In the paper by Higgins (1997), this is illustrated by how children learn self-regulation through interacting with caretakers with either a promotion- or a prevention focus. A caretaker with a promotion focus encourages good behavior by providing good outcomes (i.e. by complimenting) and discourages bad behavior by abstaining from providing good outcomes. The message to the child is that attaining accomplishments or fulfilling hopes is what matters. A caretaker with a prevention focus will make the child experience pain through the presence of negative outcomes, for instance by correcting bad behavior. Pain and pleasure are experienced by the kid as the presence and absence of pain. The parent's message is that safety, obligations and behaving responsibly are important (Higgins, 1997). These examples show that there are different types of self-regulation, related to different types of desired end-states. People learn

to regulate themselves through either promotion-focus ideals (aspirations and accomplishments) or through prevention-focus oughts (responsibilities and safety) (Higgins, 1997).

People with a strong promotion focus are eager to attain advancement and gain, while people with a strong prevention focus direct attention towards ensuring safety and non-losses.

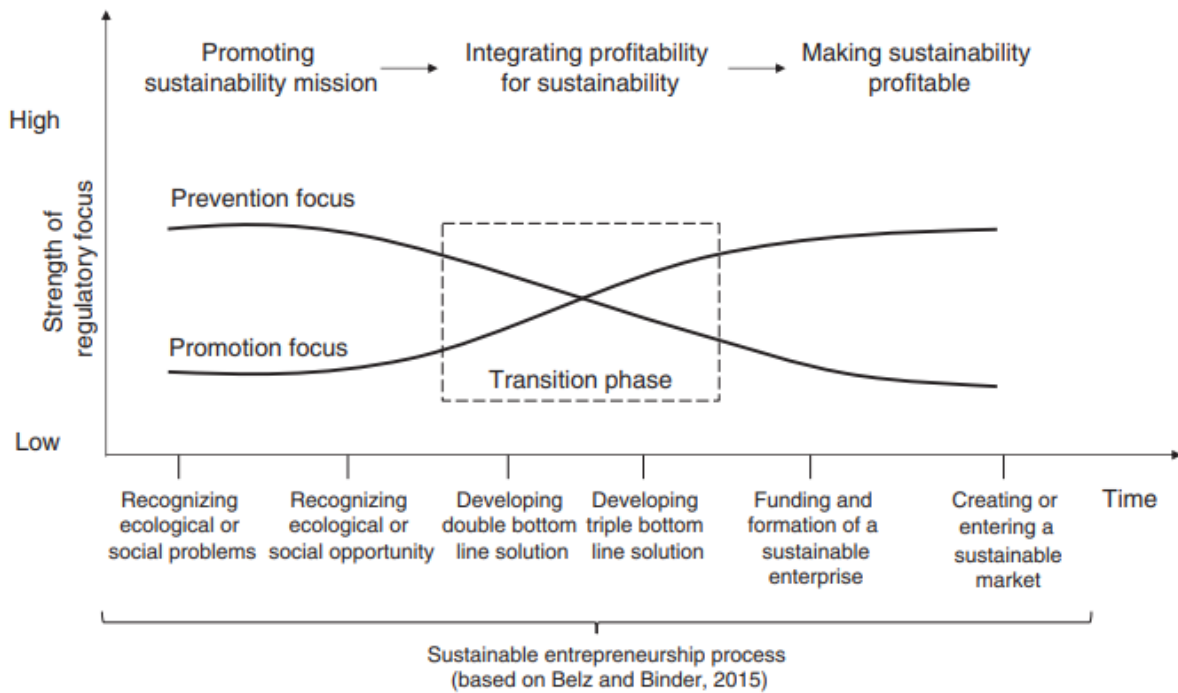
Higgins (1997) states that people with a promotion focus are more risk taking, while people with a prevention bias are more conservative and risk-averse.

Brockner, Higgins & Low (2004) suggest that the presence of both the promotion and the prevention focus are necessary for entrepreneurial success. A stronger promotion focus is advantageous when generating new ideas, while a prevention focus works better when screening ideas. Research into social entrepreneurs has shown that social ventures are mostly started by individuals with a prevention focus (Fischer et al., 2017). They feel a certain responsibility to society to work on societal issues through their business, also promoting this prevention focus to their customers through stimulating their concerns regarding responsibility and protection (Fischer et al., 2017).

Fischer et al. (2017) examine the role of regulatory focus in the sustainable entrepreneur's process. Their goal is to better understand how sustainable entrepreneurs pursue goals and what motivates them in the early stages of firm development. The results of the Fischer et al. (2017) paper suggest that sustainable entrepreneurs are triggered to start a sustainable enterprise from a sense of duty and obligation to mitigate existing problems. This suggests a strong prevention focus, coming from an ought end state. This regulatory focus shifts to a

stronger promotion focus when the individual assesses the feasibility of their ideas by adding a second and third bottom line, as shown in the following figure.

Figure 1. A model of regulatory focus in sustainable entrepreneurship (Fischer, Mauer & Brettel, 2017, p. 418)



This stronger promotion focus is activated by a sense of hope and their goal of enacting real sustainable change. The entrepreneur produces a concrete business case to work on a specific environmental issue. The stronger promotion focus continues during the establishment of the sustainable enterprise and the entering or creation of a market (Fischer et al., 2017).

The Fischer et al. (2017) paper also provides some insights on how these regulatory foci influence sustainable entrepreneurs' priorities regarding firm growth. According to the paper, founders with a stronger underlying promotion focus will make venture growth their priority. Founders with a stronger underlying prevention focus will be dominated by a feeling of responsibility, making them more critical towards growth opportunities.

This research adds to the body of knowledge regarding regulatory focus theory applied to sustainable entrepreneurs by widening the perspective to more established sustainable entrepreneurs. It provides new information about the ways in which regulatory foci work and shift prominence in the heads of more established sustainable entrepreneurs. More established entrepreneurs undoubtedly face vastly different day-to-day activities, worries and opportunities than the ones that just started. These different experiences, thoughts and feelings can impact their internal motivations and regulatory foci in ways that have not yet been researched.

METHODS

In this chapter, the methodology of this research is presented. The chapter starts with a description of the research design. Considerations on the research perspective and research approach are included in this chapter. The second part of the chapter is focused on the reality of this research: selection criteria, data collection and data analysis are covered.

Research design

This research uses a qualitative interpretive research method. The goal of the research is to better understand how motivations influence the decision of sustainable entrepreneurs to grow their business. A qualitative method of research and an interpretive approach fits this objective. This is substantiated further in the next two sections.

Qualitative research method

The relationship between the two concepts as presented in the research question is complex and is influenced by other factors such as ethical values, personal conditions and the nature of the sustainable enterprise. To better understand the underlying mechanisms of motivation within sustainable entrepreneurs and their thoughts and feelings about firm growth, in-depth qualitative data is needed. Qualitative research allows the researcher to get more comprehensive data on how these processes work and what intricacies characterize the relationship between the two concepts.

Using this research design will aid the discovery of new information, as it allows for interaction between the participant and the researcher (Bell, Bryman & Harley, 2019). By way of asking follow-up questions, the researcher is able to dig deeper into the motivational processes of research participants and their linkages to firm growth (Bryman, 2016).

Interpretative approach

This research takes an interpretive approach to academic research. This approach was adopted because of the personal nature of the research subject. Motivations, and especially their underlying processes are particularly personal. As these are dependent on the way a person views their environment, it is not possible, nor appropriate to seek an objective truth. The researcher agrees with the notion that there is a social reality consisting of human interaction and interpretations that should be understood, rather than explained (Bell et al., 2019). The goal of this research is to better understand the relationship between the two concepts, rather than quantifying and measuring it.

Research methods

The answer to the research question is based on qualitative interviews with sustainable entrepreneurs. In this section of the paper, the research methods are presented. First, the selection criteria of the research participants are covered, followed by a description of the data collection and data analysis.

Selection criteria

Research participants were selected on the following criteria:

- The sustainable entrepreneur has to be a majority owner of a sustainable enterprise.

This criterion is adopted due to relevancy and validity concerns. A majority owner is able to decide on the activities and goals within the firm. Because of this, their considerations and conclusions in regards to firm growth are actually relevant.

Furthermore, a majority owner will presumably regularly think about the future of the firm (in regards to firm growth), enhancing the chances of them providing valid information.

- The sustainable entrepreneur needs to have started their enterprise more than five years ago. This ensured that the enterprise had established itself in a market and thus, enhanced the external validity of the research.
- The enterprise needs to be a sustainable enterprise. The ventures in the sample had to offer a sustainable product or service. Their goal had to be the creation of social, environmental and financial value. Enterprises that have grown into sustainable enterprises are also eligible.

The research participants were found through:

- responses to a call for sustainable entrepreneurs on the LinkedIn page of the researcher;
- personal contacts of the researcher;
- mentions in the Sprout newsletter;
- the site of Social Enterprise NL, and
- recommendations by research participants.

They were approached through personal email, company email or a LinkedIn message. The subject and aim of the research was mentioned in the first contact and all participants signed an informed consent form before the interview.

Data collection

The data collection consists of conducting semi-structured interviews. This fits the complex and interrelated nature of the concepts being researched. Semi-structured interviews leave room for the interviewee to mention subjects or ideas not mentioned or considered by the interviewer (Leech, 2002). As the relationship explored in this research has not been covered by many academic researchers, this will help the internal validity of the research (Bell et al., 2019).

In total, seven interviews were conducted with seven different sustainable entrepreneurs, all owners of their own sustainable business. Relevant data regarding the characteristics of the respondents are included in the following table:

Table 1. Characteristics of respondents

	R1	R2	R3	R4	R5	R6	R7
Business age	7 years	18 years	13 years	8 years	6 years	9 years	21 years
Industry	Office supplies	Water treatment	Hospitality	Paper	Consultancy	Office furniture	Consultancy
Double/triple bottom line at start?	Yes	No	Yes	Yes	Yes	No	No
Number of employees	9	4	45	2	1	35	70
Growth ambition?	Yes	No	No	Yes	No	Yes	Yes

The interviews were all held through Google Meets and recorded through a recording option in the Google Meets call. The calls lasted between 30 and 60 minutes and were all in Dutch. The interviews started with a brief personal conversation and a second time informing the respondent about the subject and aim of the research. The researcher asked if the respondent had read and understood the informed consent form and if they were ok with having the interview recorded, transcribed and coded.

After this, four questions (excluding follow-up questions) were asked about firm growth. The goal of these questions was to get a clear picture of the current state of the business and the entrepreneurs' current ideas about business goals, growth and important challenges. The

interviewer ended this section of the interview by stating that these were the business questions and that it was now time to cover more personal matters.

Next, the interviewer asked four questions (excluding follow-up questions) about personal motivations with the aim of uncovering the motivations to start their business. In most interviews, this section became a quite personal conversation on what was and is important to the entrepreneur.

The third section consisted of four questions regarding changes the respondent did or did not feel since starting the business regarding their thoughts and feelings on sustainability, profit, business vision and important stakeholders. The aim of these questions was to make the respondents reflect on their internal motivational changes through years of running their business. In this section of the interview, statements from earlier could be mentioned in order to nuance them or to show changes through the years. For most respondents, this became a pleasant exercise of reflection.

Finally, the interviewer asked the respondent if they wanted to receive the research afterwards and if it would be ok to contact them again for further clarification. The full interview guide is attached as [Appendix A](#).

Data analysis

Transcripts from the interviews were uploaded in ATLAS.ti 8. First, they were coded according to the sections in the interview (business growth, personal motivations and changes) and the two regulatory foci (promotion and prevention). Next, the researcher derived themes from the quotes under the *changes* code and compared this to quotes under the *promotion* and *prevention* codes. These comparisons lead to different theories that were

tested with information from quotes under other codes. This resulted in a fairly nuanced and carefully weighed answer to the research question in the form of the *Conclusion* section.

RESULTS

In this chapter, the empirical results of this research are presented. First, findings regarding the themes sustainability, firm growth and motivation are offered. These sections illustrate respondents' thoughts, feelings and considerations regarding the themes at the start of their business and currently. After this, factors influencing changes in respondents' thoughts, feelings and considerations regarding the themes are displayed. Finally, a section explains the way promotion- and prevention bias are observed in the qualitative data.

Sustainability

Half the respondents started their businesses with a double or triple bottom line (3, 4, 5).

Respondent 3 specifically with a social mission, respondents 4 and 5 had clear sustainability goals. The other half started their business with a single bottom line, not having a clear social or environmental mission complementing their monetary mission (1, 2, 6, 7).

All respondents stated their firm's current social and/or environmental mission clearly. When asked what sustainability meant to them personally, respondents gave differing answers. Most respondents referred to the notion that they wanted to leave the world in the same or better shape than when they were born (4, 5, 6, 7). Also, respondents talked about making conscious choices based on the impact they might have (1, 6), using products for a longer time (2, 6), and working smaller and more locally (3, 5).

Respondents 2, 3, 4 and 5 explicitly described a sense of responsibility to work towards a more sustainable economy and world. These respondents seemed to have deeply rooted sustainability values related to a sense of duty towards the world, their kids or their grandkids:

“Now we have corona, we find that awful already, but in the end it is not that bad if you compare it to the lives of people in Afghanistan. So I have always had the feeling of, well, as a human we have the duty to to share part of that wealth with others.” (R5).

Respondents seemed to have differing thoughts and feelings regarding sustainability, varying in radicality and ferocity. Some appeared to approach the subject with a more practical lense, while others felt more intrinsically bound to the subject.

Firm growth

In the beginning phase of the firm, all respondents were focused on growing revenue. Proving feasibility of the business case and realizing income to live off were the main priorities:

“Interviewer: What was the business vision when you started your business? Interviewee: Uhm, well, in the core actually quite simple, like, making money for my house and providing income for my family.” (R6).

When asked about business goals and -growth currently, four out of seven respondents stated their ambition to grow their business (1, 4, 6, 7). R1 stated the desire to expand internationally and to become a standard in its industry. R4 stressed the importance of increasing profits to fund a production line in the Netherlands in order to lower the price and prove the feasibility of its product. R6 is making a concerted effort towards workforce growth in a professional way in order to facilitate healthy growth. Finally, R7 is keen on growing its impact. Growth of the firm would be a logical result of that. Respondents 2, 3 and 5 did not currently have growth ambitions. Some different underlying causes were provided by the respondents, which will be presented in the *Changes* section.

Every respondent with growth ambitions linked those ambitions with social and/or environmental ambitions. Growing their turnover, number of employees and/or profit would result in more social and/or environmental impact. Most respondents with growth ambitions explicitly stated that financial growth served as a means to the end of increasing their sustainable impact:

“The goal is to contribute as much as possible to a better world. That has always been our goal and we are doing that already. However, the more you grow, the more you can contribute” (R4).

In summary, respondents were split regarding firm growth ambitions. Firm growth seemed to not be top priority to any of the respondents and always appeared to be linked with a social and/or environmental ambition.

Motivation

For most respondents, the choice to start their own business was fueled by multiple motivations. The first motivation is entrepreneurial opportunism combined with a perceived opportunity (1, 2, 3, 6, 7). These respondents saw a business opportunity and felt motivated to exploit it. Securing personal and professional freedom and -independence was also mentioned by some respondents (2, 4, 5, 6). R4 explicitly stated that a sense of responsibility to solve a sustainability issue was the main motivator to start its business. For most respondents, losing their job or feeling friction with their employer (i.e. sustainability values or management disagreements) gave them the final motivation to start their business (2, 4, 5, 6).

When asked about current goals and motivations, many respondents talked about the professionalization and (financial) strengthening of the firm (1, 2, 3, 4, 6). All respondents started their business more than five years ago and most respondents had more than five

employees (1, 3, 6, 7). Respondents stated that this more established phase of the firm demands more attention to internal processes and structures in order to mature the firm, continue its activities and make the business future proof. The respondents stressed the importance of standardizing business practices, balancing costs and turnover, hiring managers and dividing tasks and responsibilities:

“So we grew very rapidly and this has taxed me the last 5 to 6 years, that we grew so fast. It was very busy and I was still organizing a lot myself, so I needed to mature the business rapidly by managing staff members, so by hiring managers. So I had to develop my one-man business rapidly through becoming a manager and an entrepreneur.” (R6).

Changes

For most respondents, sustainability has become an increasingly important subject in their lives and business since starting their firm (1, 3, 5, 6, 7): *“I think it has gained weight as I have gotten older. Previously, it was more an ideology... An addition you could do to be better than others. Now, it is more of a necessity and... I am more aware of the world and the situation we are approaching. Yes, so now, it is a way deeper notion and an absolute must to improve ourselves.” (R3)*

This change was mostly influenced by an increased awareness of sustainability problems. R1, R2 and R6 were influenced by their employees and/or customers to think about sustainability more often. R3 and R7 became more aware of sustainability problems as a result of becoming older and getting children. It made them reflect and think about what possibilities they had to positively impact their sphere of influence. As suggested in the *Sustainability* section of this chapter, four respondents added a second and/or third bottom line years after starting their business (1, 2, 6, 7). This was done as a result of working with more radical employees (1), personal reflection and reorientation (7) or market demands (6, 2).

For R3 and R5, this increased awareness changed their thoughts on financial growth. They started feeling that endless economic growth was not a sustainable option and that continuity should be the goal of the business. As a result, R5 halved its financial goal: *“I can make ends meet fine, so yes, I now have an average yearly turnover of 60.000 EU. Well, that is fine. I mean, my wife also has an income, so we can easily make it work with that combined income, yes.”* (R5).

Another factor influencing changes in respondents’ attitudes and thoughts about firm growth came from said firm growth. As mentioned in the *Firm growth* section of this chapter, all respondents were focused on firm growth at the start of their enterprise. Through the years, this changed for most of them. As their businesses became more established, growth and the risks attached to it became less attractive. This seemed to be the case especially when the number of employees grew. The entrepreneurs felt a responsibility to nurture their existing business in order to make it future proof: *“In the beginning, you are busy thinking about your little world of your few employees (...) and now there are way bigger cash flows going around in the business, so it gives a way broader view and with that also... a greater feeling of responsibility and ways of influencing your surroundings.* (R3).

Additionally, firm growth seemed to become less desirable in regards to the activities that are attached to it: *Well, and I thought this size was enough, because then you have freedom and time to do other things, just trying some things”* (R2).

Well, I have decided to not hire people, because (...) I have seen that having employees is quite a big extra task with responsibilities and definitely not only fun things. (R5)

“Also just because, that also plays a role, that I have four children, so I am also at home. My time is limited, so... I can see myself working on making my family and my business as beautiful as possible for the next ten years, if it stays this size.” (R3)

Promotion and prevention

In the data, both regulatory foci were found. This section will specify how the foci are defined in the data. As mentioned, people are either self-regulating towards an ought end state or an ideal end state. A ought end state and the related prevention focus were observed in the data when a respondent described feeling a sense of duty, obligation or responsibility to make something happen: *And also two years before that, because of financial worries, like, we have to focus on organizing the firm now. I should not be outside too much, because inside has to stand firmly (...) At the end of the day, that is what I have to give off as the owner, it still says ... on the building, so if ... is inside, the business is moving (R6)*

So I have always had the feeling of, well, as a human we have the duty to to share part of that wealth with others.” (R5).

A promotion focus towards an ideal end state was observed in the data when respondents referred to hopes, wishes and aspirations. Quotes relating to an eagerness to attain accomplishments and advancement were recognized as promotion focus: *“So I saw a lot of opportunities to start something better than already existed, something unique.” (R3)*

“Yes, but I was just completely in a flow the first two years: blasting, ramming and making a lot of money. Yes, growth, growth, growth, and everything is possible.” (R6)

DISCUSSION

This concluding chapter acts as a way to wrap up this research. Firstly, the results are embedded in literature in the *Conclusion* section, resulting in an answer to the research question:

'How do sustainable entrepreneurs' motivations influence their decisions to grow?'

Secondly, the *Recommendation* section gives a recommendation to practitioners, in particular, sustainable entrepreneurs. Additionally, the chapter includes a section on the limitations of this research and a section describing future research options.

Conclusion

The aim of this research was to better understand the relationship between sustainable entrepreneurs' motivations and their decisions towards commercially growing their business in later stages of the entrepreneurial process. The regulatory focus theory by Higgins (1997) and Fischer et al. (2017) was used to denote motivations of the respondents. As suggested by Brockner, Higgins & Low (2004), both regulatory foci were observed in every respondent.

Additionally, the suggested link between a dominating promotion focus and prioritizing venture growth (Fischer et al., 2017) is supported by this research. Sustainable entrepreneurs with a strong promotion focus will see venture growth either as their priority, or as the best way to achieve other (sustainable) goals of the enterprise. Sustainable entrepreneurs with a strong prevention focus tend to be more cautious regarding firm growth and refer to growing risks, responsibilities and demands that come with a growing business.

The main new conclusion of this research is that in the process of their business becoming more established, sustainable entrepreneurs seem to develop a greater prevention focus. In the years after creating or entering a sustainable market (Fischer et al., 2017), sustainable entrepreneurs slowly feel more responsibility to make certain choices, rather than looking for opportunities to seize. This shift is fueled by multiple changes in (the context of) the entrepreneur. These changes are presented in the order in which they were presented in the *Results* chapter. Firstly, as the business and the entrepreneur become older, sustainability gains importance. The entrepreneur internalizes a sense of responsibility to make a sustainable impact with its firm. This change is fueled by employees, market demands or by an internal process of reflection. It seems like the more an entrepreneur has radical sustainability values, the more the entrepreneur has a prevention focus and the more the entrepreneur will be hesitant about firm growth.

Secondly, as the business grows with more turnover and employees, the entrepreneur feels more responsible for the continuation of the business. Running a growing business comes with greater risks and a failure will impact the lives of more and more people. This influences the entrepreneur to become more risk-averse and to think more in terms of obligations rather than opportunities. Additionally, running a growing business comes with greater demands from inside the business. For instance, employees ask for guidance or accountants ask for better financial management. This growing demand from inside the business seems to add to a feeling of responsibility to keep everyone safe and reassured.

These two changes through the years seem to add to a more prominent prevention focus in the motivations of sustainable entrepreneurs. This results in sustainable entrepreneurs being more wary about further growth and deciding to shift focus inwards by bettering business

practices. This effect is amplified by sustainable entrepreneurs' desire to spend time with their families, hobbies or other professional activities.

Recommendation

Following the results and conclusion of this research, a recommendation can be made to sustainable entrepreneurs. As suggested by Brockner, Higgins & Low (2004), the presence of both the promotion and the prevention focus are necessary for entrepreneurial success.

However, a stronger promotion or prevention focus will work better in different settings. For instance, a stronger promotion focus is advantageous when generating new ideas, while screening ideas requires a stronger prevention focus. Sustainable entrepreneurs should be aware of this, as it pertains to their effectiveness in different circumstances.

This research has shown a tendency for sustainable entrepreneurs to develop a stronger prevention focus in later stages of the entrepreneurial process mainly as a result of stronger sustainability considerations and growing demands from the business. When sustainable entrepreneurs sense this shift, they should take time to reflect on their motivations and what triggers their shift in regulatory focus. A person with a pure prevention focus should not be the 'brainstormer' and a purely promotion focussed person should not be in charge of HR. These people will not be effective, but most importantly, will not be happy in this position. By reflecting, sustainable entrepreneurs will be better able to align their position in the firm with their personal motivations. People change and peoples' motivations change. It is important to think about this, be aware of this and make choices based on this. This will make sustainable entrepreneurs more effective and happier in their role as owner and will make them better understand the motivations of others.

Limitations

Like all research designs, this research has some limitations. These should be kept in mind when forming a take-away from the results and conclusions of this research. The first one has to do with the reliability of the results. Half of the respondents did not start their businesses with a double or triple line. This might have influenced the reliability of the interview data, as theory suggests that sustainable entrepreneurs begin their enterprise from a prevention focus. This failed to come forward clearly from the interviews, suggesting a possible pollution of the research group.

Furthermore, regulatory focus theory is a complex psychological construct and can be different in certain circumstances, but also regarding different subjects. This proved to be difficult during the data analysis phase, when determining the dominant regulatory focus. Effort was made to quantify quotes per subject (sustainability, firm growth, firm goals, personal values, etc.) in order to fully capture the scope of regulatory focus within the respondents, but this resulted in more confusion. Readers of this research should therefore keep in mind that this research did not fully manage to capture and understand the workings of self-regulation within the respondents.

Lastly, this research did not put a maximum on the age of the enterprise the respondent owned. This decision improved the diversity of the research group, but it possibly negatively impacted the reliability of the statements about the beginning of the firm by respondents with older firms. They might have forgotten some information or misremembered their motivations, thoughts and feelings at that time.

Further research options

As there has been little research done on regulatory focus theory in regards to more established sustainable entrepreneurs, there are many avenues for further research. This section will cover two. The first one would be a comparison between the changes in regulatory foci within sustainable and traditional entrepreneurs. A research like this would be able to compare the factors influencing the increase in prevention focus over time as proposed in this research. This way, it would become more clear if these factors are distinctive for sustainable entrepreneurs or not. Naturally, this will enhance knowledge on differences between sustainable and traditional entrepreneurs and their impact on firm growth.

The second avenue for further research proposed by this research is to look into the differences in regulatory foci between sustainable entrepreneurs that started their business with a double or bottom line and those who did not. It became clear through this research, that the dominance of a regulatory focus was highly dependent on the person. Possibly, entrepreneurs that started with no double or triple bottom line would have a higher promotional focus, as their start will be more motivated by seeing an opportunity, rather than feeling responsibility to do something about a perceived problem.

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