

AN OVERVIEW OF SUSTAINABLE ENTREPRENEURSHIP AND FUTURE RESEARCH DIRECTIONS

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ABSTRACT

This paper provides an insightful overview of current research on sustainable entrepreneurship, exploring diverse perspectives, key themes, and future research directions. It reviews various conceptualizations of sustainable entrepreneurship and discusses pivotal topics such as ethical considerations, stakeholder dynamics, accountability, and the triple bottom line. Additionally, the paper highlights promising aspects of sustainable entrepreneurship, including its role in fostering innovation, driving social wealth generation, transforming unsustainable practices, promoting job creation, establishing eco-friendly businesses, and addressing issues like climate change, energy consumption, greenwashing, and digital sustainability. Lastly, the paper raises thought-provoking questions for further investigation, serving as avenues for future research and inquiry.

INTRODUCTION

In recent decades, the concept of sustainable entrepreneurship has emerged as a focal point in both academic discourse and practical business endeavors. (Halberstadt et al., 2024; Sharma et al., 2021; Anand et al., 2021; Certo & Certo, 2019; Kraus et al., 2018). Defined broadly as the pursuit of economic growth while concurrently addressing social and environmental concerns, sustainable entrepreneurship represents a fundamental shift in the way businesses conceptualize their role within society. This paper aims to provide a review of sustainable entrepreneurship research, exploring diverse perspectives, defining key themes, and identifying future directions for inquiry. Sustainable entrepreneurship is significant in integrating economic, social, and environmental value creation for future well-being (Muñoz & Cohen, 2018; Hockerts & Wüstenhagen, 2010, O'Neill et al., 2009) and balancing economic, environmental, and social objectives, serving as models for creating social and environmental wealth (Tilley & Young, 2009).

The term "sustainable entrepreneurship" has garnered increasing attention and importance in response to mounting global challenges, such as climate change, resource depletion, and social inequality (Halberstadt et al., 2024). Recognizing the interconnectedness of economic, social, and environmental systems, scholars and practitioners alike have sought to develop innovative approaches to business that prioritize long-term sustainability over short-term profit maximization.

However, defining sustainable entrepreneurship presents a complex challenge, as the concept encompasses a broad range of perspectives and interpretations (Gu et al., 2022). Scholars have

proposed various definitions, highlighting elements such as market success, environmental stewardship, societal impact, and ethical considerations (Schaltegger & Wagner, 2011; Cohen & Winn, 2007). Despite this diversity of definitions, a common thread emerges sustainable entrepreneurship entails more than just financial success; it involves a holistic approach to business that considers the well-being of people, planet, and profit (O’Neill et al., 2009).

Theoretical foundations of sustainable entrepreneurship further illuminate its multifaceted nature. Some scholars emphasize the role of market failures in motivating entrepreneurial action, suggesting that opportunities for sustainable innovation arise from gaps in traditional market mechanisms (Dean & McMullen, 2007). Others focus on ethical dimensions, exploring how sustainable entrepreneurs navigate complex moral dilemmas and integrate sustainability principles into their decision-making processes (Muñoz & Cohen, 2018).

Stakeholder dynamics also play a crucial role in sustainable entrepreneurship, as businesses interact with a diverse array of actors, including government agencies, non-governmental organizations (NGOs), consumers, and competitors (Muñoz & Cohen, 2018). Understanding these interactions and their implications for sustainable business practices is essential for fostering collaboration and driving positive social and environmental change.

Sustainable entrepreneurship is significant in integrating economic, social, and environmental value creation for future well-being (Hockerts & Wüstenhagen, 2010) and balancing economic, environmental, and social objectives, serving as models for creating social and environmental wealth (Tilley & Young, 2009).

PERSPECTIVES ON SUSTAINABLE ENTREPRENEURSHIP

Definitions and Conceptualizations

The conceptualization of sustainable entrepreneurship is multifaceted, reflecting the diverse perspectives and approaches adopted by scholars and practitioners in the field. One prevailing view characterizes sustainable entrepreneurship as the pursuit of economic growth while simultaneously addressing social and environmental concerns (Halberstadt et al., 2024). This definition emphasizes the integration of sustainability principles into entrepreneurial endeavors, recognizing the interconnectedness of economic, social, and environmental systems. Sustainable entrepreneurship thus entails a holistic approach to business that seeks to create value not only for shareholders but also for society and the environment. Scholars have proposed several nuanced definitions of sustainable entrepreneurship, each emphasizing different aspects of the concept. Sustainable entrepreneurship was defined as the extension of market success to instigate societal change, underscoring the role of entrepreneurs in driving innovation and social progress (Schaltegger & Wagner, 2011). In this view, sustainable entrepreneurship entails not only economic success but also the promotion of broader societal goals, such as environmental protection and social equity.

Dean and McMullen (2007) define sustainable entrepreneurship as spotting and seizing economic opportunities in areas where market failures threaten sustainability. They highlight how these failures can actually be opportunities for sustainable entrepreneurs to tackle sustainability issues, especially those with environmental impacts. Ploum et al. (2019) stress the need to include moral competencies in entrepreneurship education to connect entrepreneurial ambition with sustainability. Their research proposes a framework that connects moral competencies with recognizing opportunities and sustainable entrepreneurship, highlighting ethics' role in guiding actions toward sustainability. Halberstadt et al. (2024) address the link between moral skills and entrepreneurial actions, proposing a model that connects these skills to sustainable entrepreneurship. They highlight the importance of ethics in tackling challenges within sustainable entrepreneurship, advancing the understanding of ethical decision-making in this area.

Moreover, extant research provides several typologies aimed at better understanding sustainable entrepreneurs: for example, their motivations (Nhemachena & Murimbika, 2018) and entrepreneurial capabilities (Obrecht, 2011). Identifying, developing, and utilizing opportunities to introduce future goods and services with environmental and social benefits are crucial in sustainability entrepreneurship (Bacq & Jansen, 2011; Cohen & Winn, 2007). This perspective underscores the importance of technological advancement and disruptive innovation in driving sustainable entrepreneurship forward. By harnessing new technologies and business models, sustainable entrepreneurs can create solutions that address pressing social and environmental challenges. Patzelt and Shepherd (2011) offer a broader definition of sustainable entrepreneurship, emphasizing the creation of goods and services that sustain both the natural and communal environment. They argue that sustainable entrepreneurship involves not only economic value creation but also the preservation of ecosystems and communities. By integrating environmental and social considerations into business activities, sustainable entrepreneurs can generate positive outcomes for both people and the planet. Binder and Belz (2015) presented a different view of sustainable entrepreneurship, focusing on the concept of "recognition." They described it as the scholarly study of identifying, developing, and utilizing opportunities for future goods and services, considering their economic, social, and ecological impacts. They stressed that recognition is vital because it enables the identification and creation of opportunities.

In addition to these conceptualizations, sustainable entrepreneurship is often linked with the notion of the triple bottom line, which encompasses economic, social, and environmental dimensions (Certo & Certo, 2019; Rajesekaran, 2013). This framework highlights the importance of balancing financial profitability with social responsibility and environmental stewardship, emphasizing a holistic approach to business practices. By considering the triple bottom line, sustainable entrepreneurs can create value that extends beyond monetary gains, benefiting society and the environment. The triple-bottom-line perspective plays an increasingly important role in SE research (Majid & Koe, 2012), emphasizing the interconnectedness of economic health, social equity, and environmental resilience (Kuckertz & Wagner, 2010). In this context, the integration of the triple-bottom-line is sequential rather than simultaneous (Belz & Binder, 2017). Environmental entrepreneurs may develop into sustainable entrepreneurs over time. Furthermore, it's worth noting that the triple-bottom-line performance and wider societal impacts of SE activity are difficult to capture and to evaluate (Aguinis & Glavas, 2012). For instance, there are challenges in measuring and comparing social and ecological aspects in the triple bottom line approach (Slaper & Hall, 2011), while Norman and MacDonald (2004) question its substantive sustainability

framework status, suggesting it might be more of a marketing strategy due to issues like data applicability and comparability.

Overall, the various definitions and conceptualizations of sustainable entrepreneurship underscore its complex and multifaceted nature. From integrating sustainability principles into business practices to addressing market failures and promoting innovation, sustainable entrepreneurship encompasses a wide range of activities and approaches. By exploring these perspectives, scholars can gain a better understanding of sustainable entrepreneurship and its potential to bring about positive changes in society and the environment.

Ethical Considerations

Ethical considerations are fundamental to sustainable entrepreneurship, guiding entrepreneurs' actions and decisions as they navigate complex economic, social, and environmental challenges. Within this ethical landscape, sustainable entrepreneurs often encounter various dilemmas, requiring them to balance economic goals with social and environmental responsibilities. This balancing act extends to engaging with stakeholders and being accountable for the social and environmental impacts of business activities.

Sustainable entrepreneurship operates within a complex ethical landscape, necessitating careful consideration of moral principles and values in entrepreneurial decision-making (Dean & McMullen, 2007). Entrepreneurs often encounter ethical dilemmas when balancing economic goals with social and environmental responsibilities (Dean & McMullen, 2007). These dilemmas require entrepreneurs to prioritize actions that maximize social and environmental benefits while minimizing harm, reflecting a commitment to ethical decision-making in pursuit of sustainability objectives (Dean & McMullen, 2007).

Ethical entrepreneurship entails active engagement with stakeholders and accountability for the social and environmental impacts of business activities (Schaltegger & Wagner, 2011). Sustainable entrepreneurs are accountable to a broad range of stakeholders, including shareholders, employees, customers, and the community (Schaltegger & Wagner, 2011). By considering stakeholder interests in decision-making processes, entrepreneurs can build trust, foster collaboration, and enhance organizational legitimacy, reflecting ethical principles of transparency, fairness, and inclusivity (Schaltegger & Wagner, 2011).

By adopting a Triple Bottom Line (TBL) approach, sustainable entrepreneurs integrate ethical considerations into their business models and decision-making processes, striving to create economic, social, and environmental value. The TBL approach provides a framework for integrating ethical considerations into business models and decision-making (Elkington, 2000). Sustainable entrepreneurs aim to create economic, social, and environmental value through ethical business practices that promote long-term sustainability and stakeholder well-being (Elkington, 2000). By adopting TBL principles, entrepreneurs can balance profit motives with social and environmental responsibilities, reflecting a commitment to ethical leadership and corporate citizenship (Elkington, 2000).

Corporate Social Responsibility and Sustainable Development

Corporate Social Responsibility plays a crucial role in promoting ethical business practices and sustainable development (Cohen & Winn, 2007). Sustainable entrepreneurs aim to create value for society while minimizing negative impacts on the environment through CSR initiatives that prioritize social and environmental well-being (Cohen & Winn, 2007). By embracing CSR principles and integrating sustainability into core business strategies, entrepreneurs can contribute to positive social change and environmental conservation, reflecting ethical imperatives of social justice, environmental stewardship, and community engagement (Cohen & Winn, 2007).

Environmental Stewardship and Ethical Innovation

Ethical entrepreneurship entails a commitment to environmental stewardship and responsible innovation (Fellnhofer et al., 2014). Sustainable entrepreneurs prioritize environmental conservation and seek to minimize ecological footprints through ethical innovation that promotes sustainable technologies, products, and processes (Fellnhofer et al., 2014). By developing and implementing sustainable solutions, entrepreneurs can mitigate environmental degradation and promote responsible consumption patterns, reflecting ethical imperatives of environmental integrity and intergenerational equity (Fellnhofer et al., 2014).

Stakeholder Dynamics

Stakeholder dynamics within the realm of sustainable entrepreneurship play a crucial role in driving sustainable development practices (Schaltegger & Wagner, 2011). Understanding the interactions and behaviors of various stakeholders is essential for comprehending the broader impact of sustainable entrepreneurial endeavors. Sustainable entrepreneurship aims to address environmental degradation and social injustice by providing market-oriented solutions for sustainable development (Belz & Binder, 2017; Binder, 2017).

Schaltegger and Wagner (2011) emphasize the importance of stakeholders in driving sustainable development practices. They argue that sustainable entrepreneurs address the needs of a broad range of stakeholders, whose interests extend beyond mere financial gains for shareholders. These stakeholders actively support sustainable development practices, which are essential for sustainable entrepreneurship. Often, market failures prompt entrepreneurial efforts aimed at enhancing societal and environmental well-being (Schaltegger & Wagner, 2011).

Moreover, stakeholders such as local government, competitors, suppliers, and NGOs play significant roles in influencing and shaping the behavior of sustainable entrepreneurship (Muñoz & Cohen, 2018; Schaltegger et al., 2012). Understanding the dynamics of these interactions is crucial for sustainable entrepreneurship ventures to navigate complex regulatory environments, access necessary resources, and gain social legitimacy.

Local governments, in particular, can impact sustainable entrepreneurship through policy frameworks, incentives, and support mechanisms (Muñoz & Cohen, 2018). By fostering an enabling environment for sustainable businesses, governments can encourage entrepreneurial initiatives that contribute positively to societal and environmental well-being.

Competitors also influence sustainable entrepreneurship by setting industry standards, driving innovation, and shaping market dynamics (Muñoz & Cohen, 2018). Sustainable entrepreneurs must carefully analyze competitor behavior and market trends to identify opportunities for differentiation and competitive advantage.

Suppliers play a vital role in sustainable entrepreneurship by providing access to sustainable inputs, materials, and technologies (Muñoz & Cohen, 2018). Collaborating with suppliers who share similar values and sustainability goals can enhance the sustainability performance of entrepreneurial ventures throughout the supply chain.

Non-governmental organizations (NGOs) often act as advocates for sustainability and can provide valuable support, resources, and networks for sustainable entrepreneurs (Muñoz & Cohen, 2018). Partnering with NGOs can amplify the impact of sustainable entrepreneurship initiatives and foster positive relationships with communities and stakeholders.

Government policies are increasingly pushing businesses to adopt more environmentally friendly practices. As a result, businesses are actively implementing various corporate environmental and sustainability initiatives, programs, and management systems (Cohen & Winn, 2007). These efforts extend beyond mere compliance with regulations and have the potential to address environmental issues such as pollution, while also enhancing overall business performance. This concept, often referred to as the triple bottom line, underscores the importance of considering the three dimensions of people, profit, and planet in sustainability entrepreneurship research. By embracing this approach, businesses can contribute to improving community well-being by creating cleaner living environments and protecting vulnerable ecosystems (Cohen & Winn 2007).

Impact on Society and Environment

Sustainable entrepreneurship initiatives have garnered attention for their potential to yield significant positive impacts on both society and the environment (Gast et al., 2017; Muñoz & Cohen, 2018; Sarango-Lalangui et al., 2018). By strategically addressing pressing social and environmental challenges, sustainable entrepreneurs not only contribute to the well-being of communities and ecosystems but also foster economic development (Muñoz & Cohen, 2018).

Sustainable entrepreneurs prioritize long-term goals and strive to achieve more with fewer resources, actively working towards improving ecosystems and societal well-being (Gast et al., 2017). Additionally, sustainable entrepreneurs are expected to play a significant role in inspiring future generations to embrace and promote sustainability (Burch, 2018). By integrating sustainability principles into their business models, sustainable entrepreneurs aim to create value

that extends beyond financial gains to encompass social and environmental benefits (Bocken et al., 2014).

One of the paramount societal impacts of sustainable entrepreneurship lies in the creation of job opportunities, particularly within local communities (Sarango-Lalangui et al., 2018). Sustainable ventures often prioritize local hiring practices and may invest in training programs aimed at enhancing the employability of community members, thereby facilitating poverty reduction and socioeconomic development (Sarango-Lalangui et al., 2018).

Moreover, sustainable entrepreneurship initiatives have demonstrated the potential to lead to improvements in public health and overall quality of life (Muñoz & Cohen, 2018). By championing clean energy solutions and sustainable agricultural practices, these initiatives effectively mitigate air and water pollution, consequently reducing the prevalence of respiratory diseases and enhancing community well-being (Muñoz & Cohen, 2018).

From an environmental standpoint, sustainable entrepreneurship plays a pivotal role in natural resource conservation and climate change mitigation efforts (Muñoz & Cohen, 2018). Through prioritizing resource efficiency, waste reduction, and the development of renewable energy technologies, sustainable ventures significantly minimize their ecological footprint and contribute to the transition towards a low-carbon economy (Muñoz & Cohen, 2018).

Moreover, sustainable entrepreneurship ventures often prioritize stakeholder engagement and collaboration, fostering positive relationships with local communities, governments, and non-governmental organizations (NGOs) (Schaltegger & Wagner, 2011). By incorporating stakeholder perspectives into decision-making processes, sustainable entrepreneurs can ensure that their initiatives align with community needs and aspirations, leading to more inclusive and sustainable outcomes.

FUTURE RESEARCH IN SUSTAINABLE ENTREPRENEURSHIP

Sustainable entrepreneurship is an emerging field that holds promise for addressing contemporary challenges while fostering economic growth and environmental stewardship (Orth et al., 2020). However, despite its growing importance, there are numerous unanswered questions and research gaps in this field that necessitate further exploration. Here are some promising areas for future research:

Understanding Factors Influencing Sustainable Entrepreneurship

Research in sustainable entrepreneurship aims to understand the factors influencing entrepreneurial behavior and outcomes. Cohen & Winn (2007) emphasize the importance of investigating demographics, nationality, and prior work experience in shaping entrepreneurs' capacity to recognize sustainable business opportunities. This inquiry seeks to clarify the

contextual conditions fostering sustainable entrepreneurship (Dean & McMullen, 2007). Understanding these factors can provide valuable insights into the mechanisms driving sustainable entrepreneurial behavior. Additionally, analyzing the alignment of the TBL framework with sustainable entrepreneurship and its effectiveness in guiding entrepreneurial practices (Muñoz & Cohen, 2018; Dixon & Clifford, 2007) can further enhance our understanding of the field.

Implications of New Venture Creation for Social Wealth

Key variables contributing to social wealth creation through sustainable entrepreneurship endeavors need identification (Nhemachena & Murimbika, 2018; Obrecht, 2011; Majid & Koe, 2012). Although acknowledging the significance of new venture creation for generating social wealth, comprehensive research on these contributing variables is lacking (Cohen & Winn, 2007). Understanding these variables is crucial for assessing the broader socio-economic impact.

Business Models for Sustainable Entrepreneurship

Understanding innovative business models and their role in sustainable entrepreneurship is crucial for comprehending how sustainable ventures operate within economic frameworks (Neumeyer & Santos, 2018; Bocken et al., 2014). Additionally, investigating the diffusion rates of sustainable innovations, both with and without business models, can shed light on the effectiveness of different entrepreneurial strategies (Hockerts, 2017; Boons & Lüdeke-Freund, 2013). Furthermore, exploring how sustainable entrepreneurs utilize their business models to navigate public policy and mitigate risk remains an important area for investigation (Tekala et al., 2024). Despite acknowledging the diversity of sustainability entrepreneurs and the significance of business models in sustainable entrepreneurship, further exploration of innovative business models is necessary (Neumeyer & Santos, 2018; Bocken et al., 2014; Schaltegger et al., 2012).

Transformation of Unsustainable Practices through Sustainable Technologies and Innovation

Exploring the complexities of sustainable entrepreneurship is essential, particularly in understanding how it facilitates the transformation of unsustainable practices through the introduction of sustainable technologies. This research aims to uncover how sustainable entrepreneurship drives innovation and replaces unsustainable practices with environmentally and socially responsible alternatives. Further studies are needed to examine how sustainable entrepreneurs establish successful businesses with innovations (Lüdeke-Freund, 2020) and transition existing businesses into sustainable or eco-friendly enterprises (Hoogendoorn et al., 2017). By investigating these aspects, researchers can gain insights into how sustainable entrepreneurship promotes the adoption of sustainable technologies and advances more sustainable business practices. Despite recognizing its potential, more research is needed to understand how

this process fosters innovation and replaces unsustainable practices with eco-friendly alternatives (Sreenivasan & Suresh, 2023).

Relationship Between New Ventures and the Triple Bottom Line (TBL)

Further analysis is needed to assess how well the Triple Bottom Line (TBL) framework aligns with sustainable entrepreneurship and guides entrepreneurial practices (Muñoz & Cohen, 2018; Dixon & Clifford, 2007). While the TBL concept is recognized in sustainable entrepreneurship, additional critical examination is necessary to determine its compatibility with the complexities of the field and its effectiveness in guiding entrepreneurial actions (Dhahri & Omri, 2018; Dixon & Clifford, 2007; Hall et al., 2010). Moreover, more research is required to understand the intricate relationship between new ventures and their impacts on financial prosperity, social well-being, and environmental sustainability (Muñoz & Cohen, 2018).

Identification of Key Areas for Future Research

Future research should focus on investigating climate change (Ye et al., 2020), energy consumption (Aghelie et al., 2016), greenwashing (Ik & Azeez, 2019) within sustainable entrepreneurship, and digital sustainability and entrepreneurship (George et al., 2021). Exploring these areas, along with social entrepreneurship, innovation, impact investing, and the intersection of the plastic industry with the triple bottom line, holds promise for funding and grant success (Ploum et al., 2019). It's crucial to develop comprehensive typologies that empirically capture the diversity of sustainability entrepreneurs, considering various criteria to avoid oversimplification and stereotyping.

Understanding Decision-Making Processes and Moral Competencies

Research should explore how moral competencies influence sustainable entrepreneurial actions and decision-making processes (Halberstadt et al., 2024). Understanding how sustainable entrepreneurs make decisions can inform the development of theories about their personality traits. This research is crucial for refining educational programs to meet society's increasing expectations from entrepreneurs, especially with the rise of eco-friendly businesses. It's important for entrepreneurs to understand how to meet societal needs, drive economic growth, and create innovative products/processes that reduce environmental impact. The research highlights gaps in understanding sustainability entrepreneurship, particularly regarding typologies and the process of idea development. Although the concept of "innovative" behavior is introduced, quantitative evidence supporting its prevalence and characteristics is lacking (Halberstadt et al., 2024).

Clarification of Sustainable Entrepreneurship Concepts and Processes

Further research is needed to address several unclear aspects of sustainable entrepreneurship. For instance, there is a gap in distinguishing between regular entrepreneurs and sustainable entrepreneurs (Kraus et al., 2018). Additionally, empirical validation is required to confirm the prevalence and characteristics of “innovative” behavior in sustainable entrepreneurship (Muñoz et al., 2018). Quantitative studies are necessary to investigate the sequential integration of triple-bottom-line goals in idea development within sustainability entrepreneurship. Moreover, exploring concepts like “innovative” behavior and the sequential integration of triple-bottom-line goals in idea development within sustainability entrepreneurship requires further investigation (Muñoz et al., 2018; Ploum et al., 2019). Another area requiring research is cost containment issues in sustainable entrepreneurship (Saebi, 2018). As innovations progress, their costs typically increase, posing challenges for widespread adoption. Research should focus on determining the types and quantities of materials to use in innovations to prevent excessive costs due to material factors, ultimately benefiting society. Additionally, research on cost control for sustainable businesses is needed to ensure innovations are affordable for customers yet lucrative enough to sustain business operations (Jimenez, 2019).

Exploration of Hotly Debated Topics

There is a need to delve into hotly debated topics within sustainable entrepreneurship, such as supply chain management, sustainable business practices, and entrepreneurial marketing for small and medium-sized enterprises (Sreenivasan & Suresh, 2023). Focused inquiry into these areas can contribute valuable insights and scholarly contributions to the field, addressing pressing challenges and opportunities in sustainable entrepreneurship.

Addressing Data Limitations and Understanding Sustainable Firm Impacts

The main challenge in sustainable entrepreneurship research is the limited size of available data samples (Hockerts, 2017; Gast et al., 2017; Kolk & Pinkse, 2008). To enhance the reliability of findings and avoid drawing incorrect conclusions, it's essential to utilize larger data sets in future research (Reynolds & Holt, 2021; Fors & Lennerfors, 2019; Hockerts, 2017; Gast et al., 2017). From these expanded data sets, it's crucial to determine the impact of sustainable firms on communities and society, as well as compare the success rates of individuals who have undergone sustainable entrepreneurship programs versus those who haven't (Gast et al., 2017).

Tailoring Learning Approaches and Education

Future research should prioritize developing better theories and educational approaches tailored to the distinct competencies and characteristics inherent in sustainability entrepreneurs, enriching sustainability entrepreneurship education (Halberstadt et al., 2024). Moral competencies, such as normative and strategic action competence, emerge as pivotal in steering individuals towards sustainable practices and fostering investment in sustainability. Integrating these competencies into entrepreneurship education is paramount, heralding a shift towards embracing the triple bottom line ethos. However, to comprehensively understand how moral competencies shape entrepreneurial actions, empirical studies correlating output measures to actual behavior are imperative (Halberstadt et al., 2024). This underscores the urgent need for further exploration of sustainability entrepreneurship through rigorous empirical investigations that offer both scientific insights and practical implications (Pinna, 2020).

Exploring Ethical Considerations and Moral Reasoning

Research has relatively overlooked the ethical considerations and moral reasoning of sustainable entrepreneurs (Muñoz & Cohen, 2018). This gap is notable considering that sustainable entrepreneurship aims to enhance the world's well-being. Given the significant global challenges such as climate change, famine, disease outbreaks, and environmental degradation, it's crucial to investigate how sustainable entrepreneurs address these issues. By examining the solutions devised by sustainable entrepreneurs during such world-changing events, researchers can gain insights into their complex decision-making processes and ethical considerations (Muñoz & Cohen, 2018).

Analyzing Stakeholder Interactions, Regional Dynamics, and Understanding Sustainable Firm Impacts

Various stakeholders interact with sustainable entrepreneurs and their ventures. These include local government, competitors, suppliers, and NGOs (Muñoz & Cohen, 2018). Studying these interactions can enhance society's understanding of actions and behaviors that contribute positively to improving the world. It's crucial for influential individuals not to obstruct initiatives aimed at bettering the world (Muñoz & Cohen, 2018). Additionally, research should explore how different locations impact sustainable entrepreneurs. Variances in markets, territories, and social systems can influence the process of sustainable entrepreneurship (Muñoz & Cohen, 2018). By comprehending these regional differences, society can better support sustainable entrepreneurs and their efforts to enact positive change (Muñoz & Cohen, 2018).

Empirical Validation and Structural Models in Sustainable Entrepreneurship

Conducting empirical studies to validate theories and utilizing structural models are essential components of advancing research in sustainable entrepreneurship (Halberstadt et al., 2024; Reuther et al., 2023). Empirical validation provides a robust foundation for theoretical frameworks (Halberstadt et al., 2024), enhancing the reliability of findings and gaining deeper insights into sustainable entrepreneurial actions. Additionally, structural models offer a systematic approach to understanding the complex interactions within sustainable entrepreneurial ecosystems (Reuther et al., 2023). By employing both empirical validation and structural modeling techniques, researchers can develop more accurate and comprehensive understandings of sustainable entrepreneurship dynamics, contributing to both theoretical advancement and practical applications in the field.

Expansion of Research Beyond Educational Contexts

Expanding research beyond educational contexts will capture the full spectrum of sustainable entrepreneurship (Halberstadt et al., 2024), informing policy and practice to promote sustainability and address societal and environmental challenges effectively.

Exploring Economic Impacts and Market Dynamics

Experts must gain a better understanding of how sustainable entrepreneurs influence economies to address critical market issues (Hall et al., 2010). Conducting detailed research in this field can enhance effectiveness in promoting sustainable innovation in business, benefiting society, the economy, and the environment.

Advancing Theoretical Frameworks in Sustainable Entrepreneurship

Future research should focus on developing better theories explaining the motivations and actions of sustainable entrepreneurs (Reuther et al., 2023). This includes exploring alternative perspectives on value creation beyond the triple bottom line theory (Muñoz & Cohen, 2018), such as the triple-embedded view proposed by Muñoz & Cohen (2018), which emphasizes the interconnectedness of sustainable entrepreneurs with social and natural systems.

Addressing Business Challenges

Understanding the challenges encountered by startups and large corporations in pursuing sustainability efforts and exploring the strategies used to overcome them is crucial (Hockerts &

Wüstenhagen, 2010). This understanding is essential for both startups and large corporations, commonly referred to as 'Davids' and 'Goliaths' respectively, to effectively achieve their sustainability goals.

Exploring Job Creation Potential

Understanding the job creation potential of sustainable entrepreneurship is crucial for comprehending its broader socio-economic impact and contribution to addressing unemployment challenges (Sarango-Lalangui et al., 2018; Rajesekaran, 2013; Certo & Certo, 2019). Research in this area needs a deep understanding of how entrepreneurial activities create jobs, showing how sustainable entrepreneurship boosts the economy while meeting societal and environmental needs.

Key Research Questions and Future Directions in Sustainable Entrepreneurship

The exploration of sustainable entrepreneurship raises several thought-provoking questions that warrant further investigation. Understanding these questions can deepen our comprehension of the complexities and implications of sustainable entrepreneurship on economic, social, and environmental dimensions. The following questions serve as avenues for future research and inquiry:

- Under what circumstances do entrepreneurial ventures, rather than established firms, tend to offer sustainable products and services?
- To what extent do the complexities arising from sustainability considerations worsen issues of limited rationality, potentially placing new ventures at a disadvantage?
- How much do entrepreneurs feel motivated to pursue sustainable ventures, and are there obstacles preventing sustainable ventures from capturing economic rents?
- Do entrepreneurs focused on sustainability differ from conventional entrepreneurs, and what characteristics are solely specific to sustainable entrepreneurs?
- How strongly are entrepreneurs driven by non-financial incentives such as social norms or personal values?
- Do sustainability-focused entrepreneurs exhibit different risk preferences or opportunity costs compared to traditional entrepreneurs?
- Under what circumstances can entrepreneurship promote both economic growth and social/environmental goals simultaneously?
- When is entrepreneurship beneficial rather than harmful to welfare, especially when considering all external factors?
- Under what conditions does public policy have a positive impact on promoting sustainable entrepreneurship?
- To what extent can entrepreneurs create sustainable economies, and what are the characteristics that only sustainable entrepreneurs have?
- How might new products and services in sustainable entrepreneurship create new social and environmental challenges?

As we delve into sustainable entrepreneurship, it's clear that there's much more to explore. Building on our discussion of current research, the following section outlines key areas where more investigation is needed to advance our understanding and practice in sustainable entrepreneurship.

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