



Place attachment and social legitimacy: Revisiting the sustainable entrepreneurship journey

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ABSTRACT

This paper revisits the sustainable entrepreneurship journey by introducing a 'place-based' sustainable venture path model. We suggest that distinguishing between emotional ('caring about the place') and instrumental ('using the place') place attachment of sustainable entrepreneurs deepens our understanding of how place-based challenges of sustainable venture legitimacy are managed over time. We conclude with avenues for future sustainable entrepreneurship research.

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1. Introduction

Recent research on sustainable entrepreneurship highlights the role of social norms in prompting alternative paths for the development of sustainable ventures (Muñoz and Dimov, 2014). The authors demonstrate that early-stage sustainable venturing emerges either under a supporting social environment, characterized by the presence of social legitimacy, or against a social environment that is not conducive to sustainability ideals, characterized by the absence of social legitimacy. Both paths rely on the social legitimacy as a stimulus to develop sustainability ideas, actions and exchange relationships, either reacting to it (insurgent) or simply using it as an enabler (conformist). Although the authors have opened up the black box of sustainable venturing by emphasizing the effect of social legitimacy, we argue that further examination is needed regarding the role of territorial embeddedness in shaping the sustainable entrepreneurship journey.

In this paper, we explore the distinct journeys of two high-growth sustainable ventures. They belong to the same industry and were located in the same rural community at the time of venture foundation. The journey, however, was different. In order to understand such divergence, we set to examine both high-growth venturing paths in light of the critique of the 'placeless' character of sustainable enterprising research (McKeever et al., 2015; Shrivastava and Kennelly, 2013). Our study tackles the latter by examining how place attachment matters in explaining alternative development paths of sustainable ventures?

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We draw from the notions that sustainable social practice is by definition linked to place (Seghezzo, 2009) and that place-based enterprises are more likely to engage in sustainable value creation, as they explicitly mobilize place-bound norms (e.g. solidarity, autonomy, traditions) for their entrepreneurial operations (Lang et al., 2014). In addition, as their core resource bases and production activities are anchored in a particular locality, such enterprises are more likely to pursue environmental protection and social justice, i.e. sustainability (Shrivastava and Kennelly, 2013).

Our findings suggest that, alongside the challenges related to place-based social legitimacy, the emotional and instrumental place attachment of sustainable entrepreneurs is decisive in explaining the sustainable venture journey. Conformists and insurgents do exist as dominant sustainable venturing paths, yet these paths change depending on the entrepreneur's place attachment and received social support in the operating place. By doing so, we extend our understanding of the sustainable entrepreneurship journey by introducing a 'place-based' path model focusing on the interplay between emotional and instrumental place attachment and place-based norms of legitimacy. We conclude the paper with avenues for future sustainable entrepreneurship research.

2. Background literature

Sustainable ventures are commercially viable businesses that advance the causes of environmental protection and social justice (Hall et al., 2010; Shepherd and Patzelt, 2011). In sustainable enterprising, the social context matters because social norms act as an enabling environment for the creation of sustainable value beyond profit. It has been demonstrated that social norms of legitimacy affect sustainable decision-making and behavior of entrepreneurs, and moreover mediate the effect of centralized incentives (Meek et al., 2010). In this sense, authors argue that only relevant social conditions may lead to producing sustainable outcomes (Pacheco et al., 2010).

Despite its relevance, we know little about how the sustainable entrepreneurship journey unfolds, particularly in a local context, where entrepreneurs face different place-based expectations and thus different degrees of social legitimacy in their operating place (Kibler et al., 2014). While scholars have recognized that entrepreneurs operate as embedded actors within social systems, they have only begun to incorporate the potential for entrepreneurs to be strongly embedded in place (McKeever et al., 2015). It is argued that place-based enterprises, in contrast to conventional placeless businesses, are more likely to engage in sustainable practices (Seghezzo, 2009). On one hand, place-based entrepreneurs directly rely on place-bound norms and social identities of places, for instance to overcome market and institutional constraints which are imposed at local, regional or national levels (Marquis and Battilana, 2009). On the other hand, the operating locality often reflects the main resource and knowledge base for place-based entrepreneurship. This increases the likelihood of sustainable value creation, through the protection of local ecological resources and the enhancement of social local conditions (Shrivastava and Kennelly, 2013).

We argue that in order to capture the influence of place-based norms of legitimacy for sustainable entrepreneurial behavior, we need to look at the degree and nature of the entrepreneur's attachment to the place, i.e. how much she or he cares about the local community within which the venturing activity is embedded (Lang et al., 2014). Our main rationale is that the absence or presence of place-based social legitimacy (Kibler et al., 2014) shapes the emergence of sustainable entrepreneurship, but that a sustainable entrepreneur's place attachment (Giuliani, 2003; McKeever et al., 2015) influences their ambitions and ways of managing legitimacy challenges in a local community. Therefore, we observe the phenomenon through a particular, more appropriate lens to examine forms of place attachment, which we argue enables us to revisit current models and subsequently to extend our understanding of the development of sustainable ventures in the reacting to or conforming with (Muñoz and Dimov, 2014) the social norms and support prevalent in a particular place.

3. Methods

Our study uses a comparative case-study design (Yin, 2009) to analyze the development paths of two, purposively selected, high-growth sustainable ventures. With the support of the local chamber of commerce and the University of Lüneburg, we initially identified five sustainable, high-growth ventures from Lüneburg Heath, which we contacted for a phone interview. Based on the information collected from these screening interviews and our selection criteria, we selected two firms: 'Deerberg' and 'Werkhaus'.

Both firms offer ecologically-friendly, fair-trade consumer products and initially starting their business in the same small, rural community in the region Lüneburg Heath, part of Lower Saxony, West Germany. Overall, the regional district suffers from weak technological and social infrastructure, and rural depopulation resulting in one of the lowest population densities in Western Germany. The local economy relies primarily on agriculture with a GDP per capita slightly over 75% of the EU-average. In the last 8 years, it has received almost €0.8 billion from the ESF European Social Fund due to its critical economic underdevelopment. In this setting, our sustainable venture cases represent exceptions to the rule. At Deerberg, founded in 1986 by a couple from the rural community, nearly 400 employees produce timeless shoes and fashion for the European market. Deerberg applies a holistic approach to fashion, which is not just about comfort, they seek to set a benchmark for taking a responsible and versatile approach to people and to nature. Werkhaus was founded in 1992 by the Danneberg family, who were born and raised in the local community. Currently, 140 employees produce a vast range of

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