



Towards a social-ecological understanding of sustainable venturing



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ABSTRACT

Leveraging social-ecological systems literature and an exemplar case, the Panamanian-American venture *Planting Empowerment*, we introduce the notion of entrepreneurial synchronicity, emerging from an inductive approach, as a key concept for advancing sustainable entrepreneurship theory. Through an exploration of timing and rhythm of the new venture we can start to better explain and understand the degree of connection between the venture and its surrounding human and biophysical contexts.

1. Introduction

Sustainable ventures are commercially viable ventures that advance the causes of environmental protection and social justice (Muñoz and Dimov, 2015). As the volume of, and interest in, sustainable entrepreneurship research increases, the field's boundaries set by entrepreneurship literature can no longer hold the expansion, facing the need of taking the inevitable step forward and crossing the border into its natural fellow field, namely sustainability science. In this paper we seek to take that step forward by deepening our reflection on the sustainable entrepreneurship journey and rhythmic-societal and biophysical-patterns. Doing so inevitably forces us to explore the following conundrum: if nature and society have their own rhythmic patterns and sustainable entrepreneurship is a subset process of these two (presumably more connected to nature and society than other types of entrepreneurial activities), what is the rhythmic pattern of sustainable entrepreneurship (if there is any) and how does the process whereby it comes into being interconnect with broader social-ecological systems?

Drawing on an inductive case-study in Central America and social-ecological systems literature (Ostrom, 2009), in this paper we propose a new way to frame and understand the sustainable entrepreneurial process. We do so by elaborating on the notion of entrepreneurial synchronicity within social-ecological systems. Although embeddedness has been previously tackled in SE literature (e.g. Kibler et al., 2015; Shrivastava and Kennelly, 2013), the concept of synchronicity “within a place” adds to the ongoing – and still emerging – SE discussion by looking beyond the inner “opportunity development” narrative and market interaction (Muñoz and Dimov, 2015), towards considering the rhythmic patterns of the entrepreneur and its venture together with those of the economies, societal groups and natural ecosystem sustainable entrepreneurship relies on. While extant companies interested in advancing their sustainability aspirations are required to developed temporal ambidexterity (Slawinski and Bansal, 2015), we argue that sustainable entrepreneurship, in the act of creating, is uniquely positioned to synchronize their emerging activities with the natural cycles of their social and ecological contexts. This opens up the field to a new set of concepts and constructs, and also to reconsidering the theories we currently use to capture and explain antecedents, processes and outcomes of (sustainability-oriented) entrepreneurial behavior, while adding further depth to our growing understanding of entrepreneurial embeddedness.

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2. Sustainable entrepreneurship and social-ecological systems

Social and environmental threats are at the heart of sustainable entrepreneurial action, as they provide the context for the emergence of perceived venture opportunities (Muñoz and Dimov, 2015). While the entrepreneurship process whereby SE creates social, environmental and economic value has been previously examined in depth by numerous scholars (Hall et al., 2010), the intimate connection between their enterprising actions and the human and biophysical contexts is absent. Social and environmental contexts are frequently treated as the sources of problems, the beneficiaries of the solution or the institutional environments facilitating or constraining entrepreneurial action (Dean and McMullen, 2007; York and Venkataraman, 2010).

The systems in which these entrepreneurs operate are multi-dimensional comprising socio-cultural, institutional and natural contexts (Shrivastava and Kennelly, 2013). The dynamics within such contexts are commanded by attributes of the community, rules in use and biophysical conditions (McGinnis and Ostrom, 2014). Actors operating within the social-ecological system (SES), such as sustainable entrepreneurs, seek to achieve their goals bounded by ubiquitous biophysical constraints and social dilemmas. As such, social, institutional and biophysical factors are inputs to as well as boundaries for the decisions and actions of sustainable entrepreneurs. These contexts are semi-independent but interact and reinforce each other, affecting long-term ecosystem dynamics (Redman et al., 2004). The decisions and actions of actors operating within each of the contexts get intertwined creating patterns of interactions (McGinnis and Ostrom, 2014). The systems where actors are embedded are complex, multivariable, nonlinear, cross-scale and continuously changing (Ostrom, 2007). In making sense of what happens within a given social-ecological system (prospective home for the sustainable entrepreneur), Ostrom (2007) proposes a nested, multitier framework comprising resource systems (e.g. forest), resource units generated by the system (e.g. teak plantation), actors that participate in the system (e.g. smallholder farmers) and governance systems (e.g. farming cooperatives or subsistence farming) that set the rules for actors. These four components of any particular social-ecological system “jointly affect and are indirectly affected by interactions and resulting outcomes achieved at a particular time and place” (Ostrom, 2007:15181).

Most notably, while human and organizational actions are malleable, the behavior of the biophysical world is mostly immutable, yet we have grown the entrepreneurship field without that principle in mind. As such, although these immutable exogenous forces drive changing circumstances and are not under the control of the actor, entrepreneurial decision-making and practice still rely on the idea that natural and social resources are out there to be used and disposed at the pace required by the purpose of the emerging venture, or in the case of sustainable entrepreneurs, with as minimal impact on social-ecological systems as possible. Despite the inherent interconnectedness between contexts and the fact that all human (and entrepreneurial) activity is embedded in complex, social-ecological systems, our thinking is still compartmentalized and the underlying fields do not combine easily (Ostrom, 2009), requiring a further examination of whether and how sustainable entrepreneurship can interconnect with broader social-ecological systems.

3. Research methods

The coauthors of this paper have been engaged in a multi-year qualitative research program exploring different dynamics of sustainable entrepreneurship. We have conducted extensive interviews with more than three dozen sustainable entrepreneurs since 2012 in the UK, United States and Latin America. Our research for this project draws on a single case-study design and qualitative inductive techniques for data collection and analysis. *Planting Empowerment* is a Panamanian-American forestry company founded in 2006 that works with Panamanian farmers living on deforested land to re-forest and generate sustainable household income. It practices tropical forestry in a way that empowers local communities in Panama to profit sustainably from their natural resources. *Planting Empowerment*, we argue, is an exemplar case that provides evidence of a growing stream of sustainable entrepreneurs articulating entrepreneurial practice aligned with SES rather than pre-defined sequences of actions aimed at efficiently moving ideas to markets or scaling their enterprises.

The data stems from a series of interviews with one of *Planting Empowerment*'s co-founders, documentaries, video recordings of Panamanian villagers, testimonials of international investors and an extensive review of documents, such as: internal and external reports, media articles, blog entries and local reports documenting the impact of the venture. Data was collected between 2012 and 2015 (Appendix A). In making sense of the various data, we draw on the Gioia Methodology, which is a systematic approach to new concept development and grounded theory articulation (Gioia et al., 2013). This method emphasizes the delineation of first-order codes, themes, and conceptual categories as a researcher works recursively between the data and emerging themes. In the first part of the analysis, we used open and axial coding to reveal practices connecting the venture, nature and society and then examine the similarities and differences among the many emerging categories. Subsequently, we aggregated the first-order codes into themes, where we identified two clear streams related to the relevance of place and time. Based on the preliminary understanding of the venture journey within social-ecological systems, we conducted a detailed examination of first-order codes and second order themes by looking at those elements or instances where the venture connects to the rhythmic patterns of its societal and biophysical contexts. Finally, we raised the level of abstraction to show the aggregated theoretical dimension grouping the themes (Shepherd and Williams, 2014), which resulted in the emergence of the two conceptual categories: embeddedness and synchronicity, which we consider to be the main underlying principles driving venture's decisions and actions. Fig. 1 illustrates our inductive reasoning leading to these two conceptual categories.

In the next section, we present a more thorough case narrative supporting the emergence of the two conceptual categories, followed by a discussion of embeddedness and synchronicity and their implications for our understanding of sustainable entrepreneurship.

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