

**Gordon Institute  
of Business Science**  
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**Critical resources and capabilities of sustainable entrepreneurial  
orientation and its linkage to strategic decision-making**

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## ABSTRACT

Multiple strategic orientations are management philosophies and practices that assist organisations with internal preparation for quicker responses to external environmental changes. An organisations ability to integrate and foster a Sustainable Entrepreneurial Orientation (SEO) into their business strategies, organisational routines, culture and leadership values is yet to be studied. In view of this, this study responds to this unique research gap through exploring the critical resources and capabilities which enable organisations to intentionally foster SEO and identifying its linkage to strategic decision-making. Establishing which organisational components have considerable influence on SEO will enable organisations to recognise opportunities and constraints of their internal contexts and better equip themselves to enact sustainability and innovation focused activities in response to the grand economic, social and ecological challenges facing society and business. The choice of methodology is qualitative research which used one-on-one in-depth interviews with interview respondents in an emerging market context (South Africa) and a developed market context (Italy) which triangulated the data of this phenomenon. The results indicated that intangible, human-centred resources such as leadership, culture and human capital are the most critical resources for SEO to be fostered which must work systemically in combination with each other and through strategic decision-making organisations can gain competitive advantage, firm performance, new resources and capabilities and a continued licence to operate in society. Market context affects this relationship. The study generated the Integrated Sustainable Entrepreneurial Strategy (ISES) Model which can be used by strategic managers and executives to foster SEO within their organisations.

**Keywords: sustainable entrepreneurial orientation, resources and capabilities, sustainable entrepreneurship, strategic decision-making, multiple strategic orientations**

## **DECLARATION**

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

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**Kim Clare Sanssoucie**

**11 March 2020**

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## GLOSSARY OF TERMS

ACADEMIC TERM	LITERATURE DEFINITION
<b>Sustainable Entrepreneurship</b>	This construct is focused on the preservation of humanity, human survival and ecological assets in order to identify strategic opportunities for future goods and processes for both economic and non-economic gains to enrich the economy, society and individuals. (Muñoz & Cohen 2018)
<b>Strategic Orientations</b>	Philosophies and practices of strategic management which direct the activities and routines within the organisation to ensure firm performance and viability. (Krzakiewicz & Cyfert, 2019).
<b>Strategic Posture</b>	The rationale of a chosen organisational strategy in relation to the current or future state of an industry. (Courtney, Kirkland & Viguerie, 1997)
<b>Entrepreneurial Orientation (EO)</b>	An orientation that encompasses innovativeness, proactiveness and risk-taking attitudes and behaviours within an organisation which creates value through exploring and exploiting opportunities, decentralising decision-making and encouraging entrepreneurial behaviours inside the organisation. (Gupta & Wales, 2017; DiVito & Bohnsack, 2017; Criado-Gomis Cervera-Taulet, & Iniesta-Bonillo, 2018; Covin & Wales, 2019).
<b>Sustainable Orientation (SO)</b>	An orientation with environmentally focused organisational objectives which seek to preserve ecological well-being and pursue emergent opportunities in response to highly ambiguous, volatile and uncertain social or economic problems. (Divito & Bohnsack, 2017).
<b>Sustainable Entrepreneurial Orientation (SEO)</b>	A higher-order construct of EO and SO. This construct is contextualised within the dynamic capabilities approach and multiple orientations perspective as it represents adaptive capacity, sustainability goals and the capability to sense and seize emergent opportunities. (Criado-Gomis et al., 2018; Kraus, Burtscher, Vallaster, & Angerer, 2018; Salvato & Vassolo, 2018, Engelen, Kube, Schmidt, & Flatten, 2014).

## CHAPTER 1: PROBLEM DEFINITION AND PURPOSE

### 1.1 Introduction and Description of the Problem

The reconfiguration of management practices through innovative behaviours, strategic decision-making and sustainability mind-sets is a necessity for 21<sup>st</sup> century organisations in response to the complexity, volatility and uncertainty of the current environment which is facing unprecedented economic, social and ecological challenges. (Calabrese, Costa, Levaldi, & Menichini, 2019; De los Rios & Charnely, 2017; Schrette, Hinz, Scherrer - Rathje, & Friedli, 2014). Within the academic literature, the topics of sustainability and entrepreneurship as solution-drivers for complex problems is growing. Sustainable entrepreneurship is becoming more prominent in its triple bottom line rubric to not only promote profit maximization as the end goal of business but is simultaneously encouraging the integration of social and ecological business objectives whereby organisations innovatively resolve their short-term needs without compromising long-term developments that may require the human and natural resources within their surrounding context. (Muñoz & Cohen, 2018; Jayanti & Gowda, 2014; Villar & Miralles, 2019). Organisations and individuals understand the global imperative to integrate a triple bottom line approach into their practices and philosophies in a strategic and deliberate way for future longevity and advancement. However, integrating sustainability or innovative managerial structures into an organisations current business strategy requires deeper change which includes changing behaviours of stakeholders inside and outside the organisation, the organisational culture and individual interests. (Amui, Jabbour, de Sousa Jabbour & Kannan, 2017; Jones, Harrison, & Felps, 2018).

The recognition amongst scholars of entrepreneurship as a solution to social inequality and ecological devastation has manifested sustainable entrepreneurship as an area of high value research and substantive global impact. (Muñoz & Cohen 2018). In real-world situations, country leaders are looking specifically to entrepreneurship, innovation and small business ventures as an opportunity to foster economic growth and success. The growing scientific evidence of climate change as an ecological, economic and social crisis as well as stakeholder awareness thereof, is coercing business to prioritise and maintain resource conservancies for future generations. (Jayanti & Gowda, 2014; Mani, Gunasekaran, & Delgado, 2018; Provasnek, Sentic, & Schmid, 2017).

The evidence of this exists in the structural mechanisms available to 21<sup>st</sup> century businesses to harness sustainable and entrepreneurial orientations. The Global Entrepreneurship Monitor (GEM) represents a tool for high quality data and reporting, focusing on the transformative effects of entrepreneurship (GEM, 2019) and The Global Entrepreneurship and Development Institute (GEDI) echoes this sentiment in that the creation of new enterprises drives innovation and economic growth, noting that entrepreneurial success is dependent on the available eco-system and geophysical environment. (GEDI, 2019). UN Global Compact (UGC) which inspires CEOs commitment to environmental change and the importance of corporate sustainability initiatives for the greater good of communities (UGC, 2019), is another global body that solidifies the business case and theoretical congruence of sustainability and entrepreneurial orientations.

The imminence of sustainable development and its magnitude, as a call to action for civil society, business and governments, is legitimised through the United Nations (UN) Sustainable Development Goals for 2030. These global goals represent inclusive and well-researched objectives for a common sustainable future taking into consideration global challenges such as poverty, inequality, economic growth and climate degradation. (United Nations, 2019). This call to action is not new. The Bruntland Report of 1987 was a policy probe that brought attention to the proximity of economic practices and environmental outcomes in order to create an agenda for present business and societal activities to not hinder the capabilities of future generations. (World Development Commission on Environment and Development, 1987). The role of sustainability in business, economics, ethics and entrepreneurship has become a vital discourse in these complementary fields in response to the grand challenges of economic, social and ecological ruin faced by the global community. (Villar & Miralles, 2019; Jayanti & Gowda, 2014). With the rapid growth of technological industrialisation and digitalisation of business and industries, the negative externalities on both the business and ecological environments has catapulted the sustainability agenda to high-level relevance.

In light of this international state of affairs regarding sustainable development, the ability for organisations to identify opportunities within the interaction of sustainability and entrepreneurship has become a major challenge and has emerged as a topic of notable debate amongst scholars. (Criado-Gomis, Cervera-Taulet, & Iniesta-Bonilla, 2017; Shepherd & Patzelt, 2017; Miles, Munilla, & Darroch, 2009). However, research on the strategic approach of organisations to deal with this interplay through a particular

strategic orientation for sustainable development is rare at most and contributions to the literature are mainly theoretical and conceptual. (Criado-Gomis et al., 2017). Organisations need to integrate sustainability into strategic decision-making for long-term benefits and competitive advantage. (Calabrese et al., 2019). The prominence of theoretical contributions only poses an inherent problem and highlights the need for more empirical findings. Business requires more sustainability-oriented strategies and society needs substantive change and real sustainability impact. The current research focusing on dynamic capabilities for sustainability is scarce and the importance of understanding firms' routines and competences in responding to sustainability challenges need more insights. (Amui et al., 2017).

Strategic orientations are principles of strategic management which direct the activities within the organisation to ensure firm performance and viability. (Krzakiewicz & Cyfert, 2019). These orientations are used in management strategies to create a focused alignment between the organisational vision and the firm activities. The constructs of entrepreneurial orientation (EO) and sustainable orientation (SO) are current constructs of relevance amongst scholars across strategic management, entrepreneurship, sustainability and economics but the idea that entrepreneurship can solve sustainability issues is still debated in the literature. (DiVito & Bohnsack, 2017). EO refers to an individual or firm's level of proactiveness, opportunity recognition, risk tolerance and innovation capabilities whilst SO refers to an individual or firm's strategic action in the combination of sustainable philosophies and practices which must be apparent throughout its 'green' supply chain, socially conscious initiatives and across all business activities. (Muñoz, Cohen 2018; Criado-Gomis, Cervera-Taulet, Iñiesta-Bonillo, 2018 Rego, e Cunha, & Polónia, 2017). For sustainable entrepreneurs, there lies an inherent tension and duality between EO and SO within sustainability decision-making trade-offs between value creation and value capture (DiVita & Bohnsack, 2017; Santos, 2012) and yet, from a dynamic capabilities' perspective, these seemingly paradoxical orientations have an inherent reciprocity for outstanding business performance. (Criado-Gomis et al., 2017; Amui et al., 2017).

Recent research supports the integrated analysis of different strategic orientations as having pronounced value than only employing a single orientation, creating a multiple orientations approach. (Krzakiewicz & Cyfert, 2019; Criado-Gomis et al., 2018). The explicit combination of EO and SO as a multiple strategic orientation is still developing in the literature and this combination of constructs suggest that organisations foster

sustainability-orientated interests into their operations, resource base, culture and strategy, recognise opportunities, innovate for new products and new markets as well as gain strategic renewal within the organisation. (Criado-Gomis et al., 2017; Kraus, Burtscher, Vallaster, & Angerer, 2018). Considering this, the study will add to the nascency of the field by empirically testing this multiple strategic orientation because there is evidence and rationale for its theoretical significance. Through the adoption of these strategic orientations, firms will elevate their firm performance, firm profitability, increase their contributions to sustainable development and improve the macro-effects of the economy. (Kraus et al., 2018). This imperative for multiple strategic orientations has resulted in scholars' integration of a third order construct - sustainable entrepreneurial orientation (SEO), which has been contextualised within the dynamic capabilities approach and multiple orientations perspective. (Criado-Gomis et al., 2018; Engelen, Kube, Schmidt, & Flatten, 2014).

SEO is chosen as the key concept for this study as it highlights the importance of organisations having multiple strategic orientations in order to respond adequately to the current complexity of environmental demands and garnering a proactivity to anticipate changes in the future. (Kraus et al., 2018; Criado-Gomis et al., 2018). This contribution will add to the field of strategic management in that it confirms strategic efficiency regarding sustainable entrepreneurial orientation through interrogating path dependencies for decision-making. Identifying and understanding the critical resources and capabilities in the fostering of SEO within organisations will enable business to have a timely and substantive response to the global call to action for sustainable development that is within their control. (Engelen et al., 2014; Calabrese et al., 2018). The opportunity for business to gain these strategic and sustainable capabilities provides the urgency and integrity for why this problem was selected to be explored.

Criado-Gomis et al (2017) have identified a few variables for empirical testing with SEO as a key concept. They have explicitly identified organisational resources and capabilities as a variable to be further researched on SEO. This study aims to further explore this particular knowledge gap in a qualitative discovery of the critical roles of resources and capabilities in fostering SEO and its linkage to strategic decision-making. In order to better understand organisational behaviours, routines and the role of different resources and capabilities in influencing greater strategic decision-making which integrates sustainability and entrepreneurship, the proposal of variables gives researchers the opportunity to test SEO's relationship therein. (Criado-Gomis et al.,

2017; Schrettle et al., 2014). Using these explicit knowledge gaps identified in the literature, an adapted theoretical framework has been created by the researcher (See Figure 1). The study aims to explore which resources and capabilities are the most critical in fostering SEO within an organisation as a future strategic posture and the linkages of SEO to strategic decision-making. In order to support the scope of this study, resource-based theory (RBT) and dynamic capabilities (DC) approach is the lens through which the research problem is adequately addressed.

The main question of the study is framed within an international perspective of an emerging market context (South Africa) and a developed market context (Italy). DCs and sustainability research suggests that there is a substantial lack of emerging market perspectives and comparative perspectives of multiple contexts. (Amui et al., 2017). This research gap encouraged the comparative assessment taken on emerging and developed market contexts within this study to triangulate the data from different market perspectives. The researcher also had convenient geographic proximity (Etikan, Musa, & Alkassim, 2016) of physically being in both South Africa and Italy within the available time frame of the study being conducted.

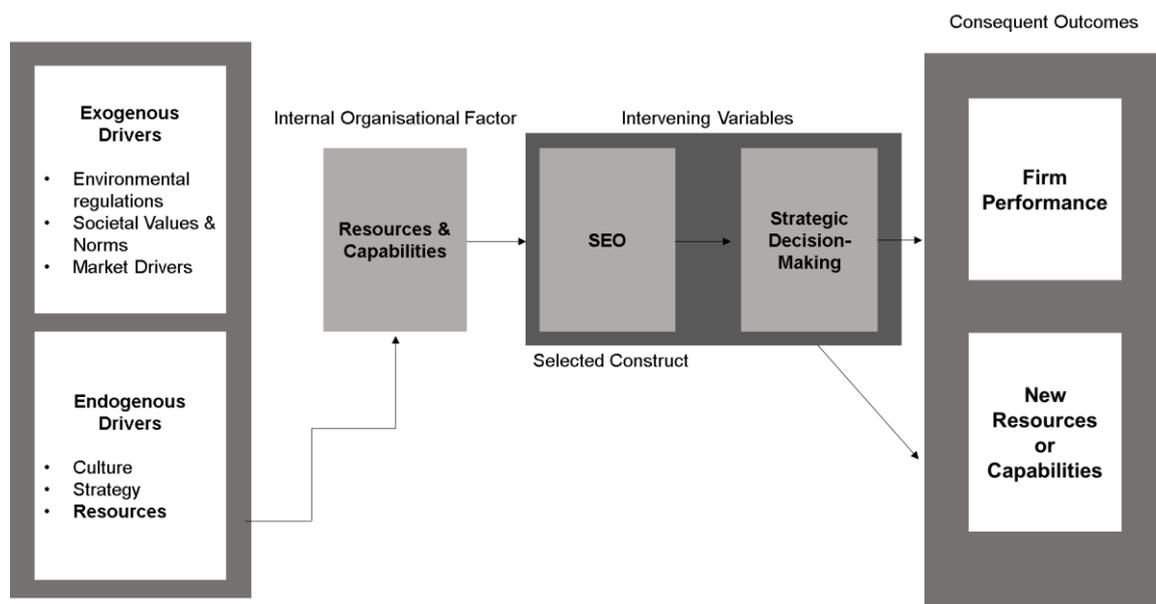
Schrettle et al (2014) suggest a decision-making framework for firms which identifies the drivers of sustainability, path dependencies for strategic decision-making and the potential outcomes. The exogenous drivers are environmental government regulation, markets and societal norms while endogenous drivers include organisational strategy, culture and resources. Once the drivers of sustainability were acknowledged, the path dependencies for making particular decisions were then identified. Past performance, firm size and current environmental action (Schrettle et al., 2014) create the specific path dependencies for sustainability decision-making. Adapting this framework along with Craido-Gomis et al (2017) Proposal of Variables for SEO, this study will aim to provide the results and analysis of the critical resources and capabilities that foster SEO within organisations. The systemic literature review on EO in turbulent environments presented by Engelen et al (2014) reveal a large focus on internal independent variables such as organisational structure and industry life cycle whilst less is known about intangible resources, social capital, network capabilities or sustainability postures. Neessen, Caniëls, Vos, & De Jong (2019) and Falola, Salau, Olokundun, Oyafunke-omoniyi, Ibidunni, & Oludayo (2018) support this notion whereby they identified that the internal factors that allow for the emergence of EO in a firm are management support, rewards, resources and organisational structure.

This evidence pertaining to the gap in our knowledge regarding tangible and intangible resources and capabilities in relation to EO has strengthened the theoretical case for this study to interrogate the higher order construct of SEO in relation to these organisational components. These findings have legitimised sustainable development activities such as green initiatives, social transformation programmes or even equitable human resource policies which contribute considerably to business philosophy. These findings give managers and organisations practical insights into the critical resources and capabilities needed to foster SEO for competitive advantage, firm performance and new resources and capabilities with regards to the global call to action for sustainable development business practices.

With sustainable development becoming an important part of human existence, undertaking research to discover more about the way in which business and humanity can be moved forward is of utmost importance. (Kraus et al., 2018; Muñoz & Cohen, 2018). This study aims to contribute to the ontological assumptions, which regard the nature of reality (Saunders & Lewis, 2018) within emerging and developed market contexts through the discovery of the interplay between SEO and organisational resources and capabilities. Previous literature suggests that there is a lack of empirical knowledge around SEO and its relationship with resources and capabilities, dynamic capabilities and integration of sustainability into organisational routines and the need for sustainability and innovation in managerial practices and strategic decision-making. (Criado-Gomis et al., 2017; Amui et al., 2017; Calabrese et al., 2018).

**Figure 1**

*Adapted Proposal of Variables from Criado-Gomis et al (2017) and Decision-making framework in the context of sustainability from Schrettle et al (2014)*



## **1.2 Purpose of Research**

The purpose of this research is to identify and understand the resources and capabilities that are the most critical in fostering SEO within an organisation in order to facilitate strategic decision-making. Establishing which organisational components have considerable influence on SEO will enable organisations to recognise opportunities and constraints of their internal contexts and better equip themselves to enact sustainability and innovation focused activities. It is essential for society and business to supervise and control its economic, social and natural capital through innovative strategies and management methods as the lack of this could result in negative outcomes and its effects, irreversible. (Criado-Gomis et al., 2017; McDougall, Wagner, & MacBryde, 2019; Calabrese et al., 2018). The role of sustainable entrepreneurial orientation at the strategic business level lacks consensus from many academics and there is a need for more contributions constructed from empirical models that provide validity and reliability for conceptual propositions due to the nascency of the field. (Kraus et al., 2018; Criado-Gomis et al., 2017; Belz & Binder, 2017). Considering this need, the study poses research questions that arose from the literature and thereafter generated a hypothetical model using the literature reviewed, the empirical findings and research insights. The hypothetical model and research questions matter as they further contribute to the theoretical proposals within this field and practically enable businesses, in both emerging and developed markets, to use the hypothetical model as a rudimentary tool to audit their internal context, SEO and strategic decision-making. This assists in the formation of strategies, accumulation or even termination of certain resources and capabilities in order to better equip organisations for the future and consistently renews their licence to operate.

## **1.3 Research Problem**

The aim of the research is to gain a deeper understanding of how organisations can foster a sustainable entrepreneurial orientation through the presence and exploitation of certain resources and capabilities in order to make deliberate decisions and strategically prepare for the future state of our world and our industries. Using the Resource-Based View of the firm and Dynamic Capabilities to position the internal context of an organisation's resources and capabilities, the research questions were produced and

includes other literature insights for more robust results. This study asked the following research questions. Each of these research questions have a unique knowledge gap identified within the literature. (See Table 1).

**Table 1**

*Mapping of Research Questions and their unique knowledge gaps*

Research Questions	Unique Knowledge Gap
<p>1. Identify and establish what are the organisational resources and capabilities that encourage the adoption of SEO in an organisation?</p>	<p>Criado-Gomis et al (2017) explicitly state the variables of organisational resources and capabilities in their proposal of variables for future research of SEO. Amui et al (2017) reiterate this unique gap within their research on DCs and sustainability in that an organisation's capability to integrate sustainability orientation into strategies or transform it into a business asset has yet to be studied.</p>
<p>2. Through the lens of resource-based theory, determine which tangible or intangible resource(s) are considered the most influential for the emergence of a firm's perceived sustainable entrepreneurial orientation (SEO)?</p>	<p>Neessen et al (2019), Engelen et al (2014) and Falola et al. (2018) suggest internal factors such as management support, rewards, resources and organisational structure generate the emergence of EO in a firm. The role of specific resources, how they interact, and which one is the most influential, specifically for SO, is a unique gap in the knowledge.</p>
<p>3. From a dynamic capabilities' perspective, understand the relationship between the identified resources and how (if so) they are reconfigured, integrated or adapted within a process to adopt SEO, and the consequences thereof.</p>	<p>A sustainability orientation as a strategic core competence and what constitutes the skills and knowledge for this to take place needs more empirical research. (Amui et al., 2017). Engelen et al's (2014) systematic literature review reveals internal factors such as organisation structure and network capabilities being studied in relation to EO but not a dedicated focus on specific intangible or tangible resources and their relationships in fostering EO.</p>
<p>4. Explore and examine the differences and similarities in the relationship between organisational resources &amp; capabilities and SEO in an emerging context and a developed context?</p>	<p>The opportunity of accessing these different markets can be generalisable but not inferred (Etikan et al, 2016). This will provide primary insights and triangulation of data points whereby South Africa and Italy have the potential to be proxies for other emerging and developed market contexts.</p>

This paper is organised as such; a comprehensive literature review which will focus on unpacking the concept of sustainable entrepreneurship, the key constructs of EO, SO and SEO, interrogating the paradigm of the Natural Resource-based View (NRBV), outlining Resource-based theory (RBT) and Dynamic Capabilities (DC) as the selected approach in scoping the research questions, the incorporation of sustainability and entrepreneurship into strategic decision-making and stakeholder management, exploring the role of contextual market effects and unpacking the complexity of corporate sustainability and legitimacy. This literature review will be applied to the research problem. This is followed by the research methodology and design and justification of the methodology choice, the presentation of the results, discussion of results, presentation of the hypothetical model produced by the researcher and final conclusion. The appendices include a consistency matrix, interview schedule and research ethics clearance letter of approval.

## CHAPTER 2: THEORY AND LITERATURE REVIEW

### 2.1 Introduction

“Sustainability is both a mindset and a megatrend”, (Hitchins, Sinha, Nandan, 2019, p.16) which gives it the ability to be acknowledged as transient and trendy by some and non-negotiable by others. However, the literature suggests that sustainability should be integrated into organisations business actions, strategic vision and processes to gain competitive advantage as those organisations who do not integrate it run the risk of engendering negative impacts on society and the environment. (Calabrese et al., 2018; Criado-Gomis et al., 2017; Jayanti & Gowda, 2014). Sustainability is a 21<sup>st</sup> century imperative for all organisations and can be seen as a leading opportunity and untapped source of success for businesses today. (McDougall et al., 2019). The tension of prioritising value capture; or profit-driven activities, over the responsibility of value creation; or purpose-driven activities (Santos, 2012) has revealed deep complexity for organisations within the context of sustainability. This has resulted in the rise of entrepreneurial-orientated mindsets and innovative activities in business, as well as organisations commitment to sustainability philosophies and behaviours. Businesses need to create an internal readiness for the rapid external shifts in our new world of work.

Strategic orientations are necessary for change, organisational performance and viability by influencing activities that are composite of organisational routines and practices. (Krzakiewicz & Cyfert, 2019). Stakeholder awareness, expectations and personal values drive sustainability efforts in organisations. (Provasnek, Sentic, & Schmid, 2017). However, if businesses modify their processes, products or business models towards sustainability or innovation based on stakeholder demands without a strategic orientation in place, they risk involving themselves in activities that are not mission critical or aligned with their core business or strategic intent. (Calabrese et al, 2018). Understanding the interconnectedness of stakeholders and their influence on how organisations will engage with sustainable entrepreneurial strategies and activities is an important consideration. In light of this, strategic orientations are imperative in mitigating these possible risks.

Within the context of sustainability and innovation, the role of the employee is changing. (Neessen et al., 2019). Decision-making is more decentralised which promotes firm innovation and employees have more responsibility whilst being expected to be proactive, innovative and adaptable in their thinking and their practical contributions to their organisations. (Li, Sun, & Dong, 2018). Employees are now required to adopt entrepreneurially orientated ways of working to mitigate the changes in the environment and management needs to create open communication and resource supervision for this orientation to flourish. (Neessen et al, 2019; Falola et al., 2018; Van Wyk & Adonisi, 2012). This micro-level entrepreneurship can occur within the strategic orientations of the organisation and on the individual level whereby employees are actively participating in entrepreneurial activities inside the organisation. (Criado-Gomis et al, 2018).

In order to better understand the role of resources and capabilities in fostering sustainable entrepreneurial orientation, the literature review highlights the rise of sustainable entrepreneurship as a growing field of study, unpacks the key constructs used, the choice of exploring sustainable entrepreneurial orientation as the major construct that gives meaning to 21<sup>st</sup> century strategic decision-making for competitive advantage, why resource-based theory and dynamic capabilities were chosen as the selected approaches; the integration of sustainability and entrepreneurship into strategic decision-making and stakeholder engagement within organisations, exploring the role of market contexts on sustainable entrepreneurial practices and the complexity of legitimacy in corporate social responsibility (CSR) as a paradigm of corporate sustainability to further unpack the argument around strategic sustainable entrepreneurial activities. This will encapsulate the importance of this study and why empirically exploring the critical resources and capabilities of SEO will give rise to businesses shifting towards a multiple strategic orientation for long-term success, competitive advantage and maintenance of an organisation's environmental response capability. (Criado-Gomis, 2018).

## **2.2 Sustainable Entrepreneurship**

The Bruntland Report (1987) defines sustainability as "... development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (World Development Commission on Environment and Development, 1987, p. 43). This conceptual definition of sustainability culminates the essence of the triple

bottom line as a theoretical definition of sustainability; profit, planet and people (Elkington, 1994; Tate & Bals, 2018), an important strategic managerial consideration whereby profit maximization is no longer the driving factor of an organisation's success and sustainability becomes the part of the overall management philosophy. (McWilliams, Parhankangas, Coupet, Welch, Barnum, 2016; Jansson, Nilsson, Modig, Vall, 2017). The concept of sustainable entrepreneurship in this study, is further unpacked within these definitions in its rise to importance since the release of the Bruntland Report over three decades ago. Business sustainability aligns with this overall definition as it emerges in organisations who use innovation to solve short-term challenges without compromising its future evolution. (Jayanti & Gowda, 2014). Therefore, it can be concluded that a common understanding of sustainability within society and business is supported.

The current sustainability challenges within the global sustainable development agenda requires the reconfiguration of management practices whereby a firm's social wellness and its competitive advantage become integrated, has considerable implications on strategic decision-making within firms. (Schrettle et al., 2014; Calabrese et al., 2019). This study recognises sustainability according to the triple bottom line; economic, ecological and social development (Elkington, 1994; Schrettle et al., 2014; Hussain, Rigoni, & Orij, 2016) and refers to this integration of aspects when discussing sustainable orientations and strategic decision-making. The connection between sustainable entrepreneurship and innovation in adapting to new organisational behaviours by integrating the triple bottom line, theoretically and practically, can be seen in the literature over the past 20 years.

Early explanations of Sustainable Entrepreneurship defined it as the innovative behaviour of organisations or individuals functioning in the private sector who perceive the core objective of environmental and social imperatives as a force for competitive advantage. (Gerlach, 2003). Considering this, Schaltegger and Wagner (2011) collate and conduct a meta-analysis of other conceptual approaches within the literature that focus on the duality of sustainability and entrepreneurship, to delineate the differences between four identified constructs; ecopreneurship, social entrepreneurship, institutional entrepreneurship and sustainable entrepreneurship which can exist in both private and public sectors. Within this compare and contrast approach, the research emphasises that the core motivation of sustainable entrepreneurship occurs through the mechanism

of successful business practices that solves for societal and environmental issues where the economic goal is a means and an end.

Current literature, Criado-Gomis et al (2017) identifies additional approaches such as, environmental entrepreneurship, green entrepreneurship and enviro-capitalism; and builds on past definitions by the addition of entrepreneurship needing opportunity recognition as a binding process. Muñoz and Cohen (2018) echo this sentiment in their most recent definition of sustainable entrepreneurship which is focused on the preservation of human existence and ecological resources to identify opportunities for future products and processes for both economic and non-economic gains to the economy, society and individuals. Villar and Miralles (2019) accept the current definitions but heightens it philosophically by suggesting that sustainable entrepreneurship is exceedingly personal and is in fact an individual endeavour which strives to effectively manage grand challenges such as natural disasters, wars and terrorism, societal inequality and displacement through creating market transactions that focus on the opportunities to problem-solve critical social challenges versus a market focused on generating economic value alone.

This global focus on sustainable development is pervasive in business as well as higher education institutions and business schools. The significance of this field has increased the amount of higher education institutions engaging with the subject in so far as creating curriculums, operational strategies and research agendas in order to educate future professionals in the field of sustainability where they factor sustainable development as an indicator of success and transfer this outlook onto society. (Ploum, Blok, Lans, & Omta, 2018).

Sustainability has become an important area of focus and a critical component for organisations strategic undertakings. (De Clercq, Thongpapanl, & Voronov, 2015; Schrette et al., 2014; Calabrese et al., 2019). This study aims to contribute to the sustainable entrepreneurship and strategic management literature through empirically exploring the organisational resources and capabilities that foster a sustainable entrepreneurial orientation, and in so doing, critically investigate SEO and its linkage to strategic decision-making. In order for strategic decisions to take place, the relationships between stakeholders will be important for success of implementing those decisions. (Calabrese et al, 2019; Provasnek et al., 2017). The next area of the literature review will describe and explain the key strategic orientations used in the study.

## **2.3 Understanding Key Constructs**

In order for the outcomes of the study to maintain integrity and clarity, understanding the key constructs applied in the study is vital. This has assisted the reader to embed meaning and contextually understand the phenomenon being studied. The key construct used in the study is sustainable entrepreneurial orientation (SEO) which is a multiple strategic orientation presented by Criado-Gomis et al (2017) who suggested future research on the organisational resources and capabilities and their role in fostering SEO.

### **2.3.1 Multiple Strategic Orientations**

Conceptually, strategic orientations are management philosophies that enable the organisational strategy to be operationalised whilst generating certain organisational behaviours that is intended to improve performance. (Krzakiewicz & Cyfert, 2019). In response to the current global challenges towards sustainability and the importance of innovation for positive change, adopting strategic principles provides a framework for opportunity recognition and problem-solving. The current literature on strategic orientations values the interrelatedness of different strategic orientations in order to get different perspectives of the organisation's strategy and these integrated orientations, or multiple strategic orientations, are recommended to be instituted by an organisation to avoid minimizing the responsiveness to external situations. (Criado-Gomis et al., 2017; Krzakiewicz & Cyfert, 2019). The strategic decisions taken by an organisation's internal stakeholders, their values and practices should align with the organisation's external stakeholders, communication and reputation. These must be monitored and evaluated consistently to achieve greater firm performance and strategic alignment. The external environment plays a significant role in reshaping the relationship between strategic orientations and firm performance through factors that include ecological volatility, organisational culture, uncertainty, global convergence and economic development within different socio-political market contexts. (Krzakiewicz & Cyfert, 2019).

Subsequently, strategic orientations are also important for the internal environment of an organisation and "in essence, a form of corporate culture that could be argued to have an impact on corporate decision making". (Jansson et al., 2017). This argument was tested in the study to discover the linkage between SEO and strategic decision-making.

A new internal culture of an organisation can be activated through new strategic orientations but it's a complex implementation process and the entire employee body needs to be involved where failure, continuous improvement and experimentation is essential. (Criado-Gomis, 2018; Jansson et al., 2017). Being tolerant of failure, allowing for risk-taking and conducting pilot testing of products or services to the served markets may assist strategic renewal whereby all stakeholders are included.

The study contributed to the nascent research perspective of multiple strategic orientations as a necessity within strategic decision-making and investigated sustainable entrepreneurial orientation (SEO) as the key construct which has a direct consequence on business performance. (M'zungu, Merrilees, & Miller, 2017; Criado-Gomis et al., 2018). The various dimensions and empirical validation of SEO discovered by Criado-Gomis et al (2017) has contributed to sustainable development, business venturing, strategic management and organisational development literature through empirical testing of this multi-level construct and the proposed variables.

The phenomena of entrepreneurial orientation (EO) and sustainable orientation (SO) has been documented in a fragmented way. Using an integrated approach to the research agenda of Schrette et al's (2014) decision-making framework in the context of sustainability and Criado-Gomis et al's (2017) proposed multi-dimensional construct of SEO, the next section of the literature review unpacks these constructs. It also reveals further the conceptual position of the study and builds its business case.

### **2.3.2 Entrepreneurial Orientation and Sustainable Orientation**

EO gives rise to organisations creating value through exploring and exploiting emerging opportunities and fostering decentralised decision-making, managerial attitudes and entrepreneurial behaviours by capturing innovativeness, proactiveness and risk-taking capabilities. (Gupta & Wales, 2017; DiVito & Bohnsack, 2017; Criado-Gomis et al., 2018; Covin & Wales, 2019). These three identified capabilities of entrepreneurially-orientated employees cultivate the taste for change, taking initiative, innovation and an appetite for risk with positive outcomes for the organisation and all stakeholders. EO research reflects that firm performance is a critical output of EO and EO becomes a capability for competitive advantage giving organisations the skills to effectively use their internal resources and efficiently utilise external resources. (Amankwah-Amoah, Danso, &

Adomako, 2018; Gupta & Wales, 2017). An entrepreneurial approach in organisations, which enables strategic innovation, can exist in five different aspects of the organisation; the business model, strategy, products, stakeholder markets served, internal processes, competences and systems. (Covin & Wales, 2019). This study will be focusing on the resources and capabilities (internal processes), in part, for the presence of EO characteristics within the combined construct of SEO. EO gives rise to organisations being discerning about which resources and capabilities to innovate in order to compete in the market because resources are the foundation on which activities and routines can occur, resulting in EO being resource-consuming. (Miao, Coombs, Qian, & Sirmon, 2017).

SO instigates the perspective of an organisation to be goal orientated towards preserving ecological well-being and the pursuit of opportunities within highly ambiguous social or economic problems. (Divito & Bohnsack, 2017). When companies effectively integrate their sustainable philosophies and practices into their corporate culture, strategic decision-making, tactical and operational strategies and resource base; they demonstrate SO which becomes rooted in their business philosophy. (Criado-Gomis et al., 2017, Schrettle et al., 2014). EO and SO are not necessarily fixed characteristics of an entrepreneurial organisation but can be deliberately fostered strategic orientations, even within a traditional firm, which enables future success and firm performance. EO and SO are strategic orientations that can be learned and cultivated within an organisation.

### **2.3.3 Sustainable Entrepreneurial Orientation**

The third order construct - sustainable entrepreneurial orientation (SEO) - has been developed through the integration of previously explained strategic orientations, EO and SO. This construct is contextualised within the dynamic capabilities approach and multiple orientations perspective where it combines adaptive capacity, sustainable interests and the capability to recognise and exploit emergent opportunities. (Criado-Gomis et al., 2018; Kraus et al., 2018; Engelen et al., 2014). More than ever before, markets expect business to move humanity forward through inclusive innovation whilst simultaneously being socially and environmentally responsible through activities such as, but not exclusive to, corporate social responsibility. (Hutchins, Sinha, & Nandan, 2019).

Current research not only defines conceptual strategic orientations such as entrepreneurial, learning, branding or sustainable orientations but also philosophical orientations such as orientations avoiding difficult problems or orientations for the future. (Covin & Wales, 2019). Using the philosophy of orientations for the future, the study explored SEO as a multiple strategic orientation determining the resources and capabilities that enable it to be fostered and through empirical evidence discovered whether it is an orientation that should be adopted for the future. The fundamentals of SEO, which require a long-term view and dedication to responding to current and future stakeholders, supports meeting the needs of the present without compromising needs of the future. Considering this, the empirical exploration of SEO as an orientation for the future was appropriate for the study. (World Development Commission on Environment and Development, 1987; Criado-Gomis et al., 2017; Covin & Wales, 2019). Holding a business view that includes SEO fundamentals allows organisations with these orientations to effectively and consciously contribute to sustainable development over the long-run. The resources and capabilities that assist SEO to be adopted by organisations were explored in the study and assessed through two theories: resource-based theory and dynamic capabilities.

## **2.4 Resource-based Theory**

Resource-based theory (RBT) is one of the most significant theories in strategic management and focuses on the role of resources and capabilities in attaining competitive advantage. (Monteiro, Soares, & Rua, 2017). However, RBT ascertains that ownership of particular resources is not sufficient to achieve competitive advantage but effective reconfiguration and exploitation of those resources is more competitively valuable. (McDougall et al., 2019). Organisational resources can be segmented into tangible resources such as physical space or equipment and intangible resources such as knowledge and skills. Resources are assets that can be owned, controlled and accessed by the organisation. (Monteiro, 2017). Barney (1991) describes firm resources to include all assets, capabilities, knowledge, information and attributes that improve efficiencies and effectiveness when implementing strategies that are formed through ownership of these resources. There are four aspects of resources, according to Barney (1991), that make a firm have substantial competitive advantage in relation to its competitors, these include being valuable, rare, inimitable and non-substitutable.

Valuable in that the resources can be used to explore and exploit opportunities; Rare in that resources are not popularly possessed by competitors; Inimitable in that resources must be unique enough that competitors are unable to copy it which are usually attained through historical conditions or social complexity that makes replication almost impossible and; Non-substitutable in that resources have no comparable valuable resource that can replace it. (Barney 1991, Sanchez 2003). Within the literature, organisational resources are categorised into human, financial, technological, physical and information resources which should have the ability to create profits and prevent losses which instigates the incorporation of an organisation's capabilities along with these organisational assets as strategically significant in attaining competitive advantage. (Monteiro et al, 2017). This study uses this definition of resources to further investigate and explore the research problem. The adaption, reconfiguration and reshaping of resources and capabilities will be also be empirically explored within the research questions as the orchestration of resources for competitive advantage has been largely underrepresented in the literature. (McDougall et al., 2019).

#### **2.4.1 Natural Resource-based View**

The natural resource-based view (NRBV) of the firm was first defined by the seminal work of Hart (1995) which later proposed that RBT was insufficient in its omission of the relationship between an organisation and its natural environment. (Hart & Dowell, 2011). NRBV suggests that firms can achieve a superior basis for competitive advantage by operating in an environmentally conscious way and that NRBV thrives by solving environmental and social issues through new, innovative strategies. (Amankwah et al., 2018, McDougall et al., 2019). NRBV is a provoking approach but will not be used as the approach for this study as it does not effectively represent the triple bottom line which needs the inclusion of economic value as a means to facilitate strategies and operations of which results in profit-seeking efforts. This exploratory study seeks to discover the organisational resources and capabilities that allow SEO to be fostered and as such RBT is sufficient in its internal focus. NRBV critiques RBT in its disregard for the effects of the natural environment on organisations, however any singular theory will objectively fall short in completely explaining a relationship between paradigms. (Hussain, Rigoni, & Orij, 2016). Sustainable entrepreneurial orientation considers the resources that a firm maintains and the capabilities that a firm can perform through the organisational routines

and resources it possesses (Hart & Dowell, 2011) in order to better understand the decision-making behaviours for SEO to be fostered.

## **2.5 Dynamic Capabilities Approach**

In light of the definition previously explained that organisational resources must have the ability to drive efficiency and effectiveness as well as generate benefits or profits whilst avoiding losses (Monteiro et al., 2017), the capabilities of the firm become an integral part of this process. Dynamic capabilities (DC) can be defined as a firm's capacity to sense and seize opportunities by adapting, integrating and reconfiguring resources to respond to a changing environment. (Teece, Pisano, & Shuen, 1997; Salvato & Vassolo, 2018). The production of DCs are made when certain task routines are specifically arranged in order to generate knowledge and solutions in order to become a long-term capability. (Amui et al., 2017). The urgent call to action for sustainable orientations and sustainability mindsets in business, substantiates the use of dynamic capabilities as the perspective through which SEO is constructed and as the selected approach which explored the research problem. Dynamic capabilities not only allow businesses to build adaptive capacity for changing environments but encourages the emergence of new resources and capabilities that can shape the business environment for the better. (Teece, 2018). This also aligns with the Schumpeterian approach of 'creative destruction' which replaces new competences and destroys the old through innovation of resources and capabilities within the firm. (Teece et al., 1997).

DC permit organisations to simultaneously explore and exploit opportunities and the ability to achieve innovative forms of competitive advantage considering path dependencies and market position. (Salvato & Vassolo, 2018). Focusing on dynamic capabilities for sustainability can assist firms in formulating and implementing strategies that respond to the sustainability challenge (Amui et al., 2017) and RBT suggests that observing those resources affects how that strategy is formulated, implemented and consequently affects firm performance. (Miao et al., 2017). In order to facilitate this practical implication for business and managers, the study empirically explored what these resources and capabilities are, how they are adapted, reconfigured or integrated in order to foster SEO and how this may differ in developing markets and developed markets. There are differences in cultural norms, institutional triggers and demands in an emerging context compared to a developed context and within different countries or

national contexts, stakeholder responsibilities are considered and implemented differently. (Jain, Aguilera, & Jamali, 2017; Jayanti & Gowda, 2014; Wieczorek, 2018).

## **2.6 Stakeholders and Sustainable Entrepreneurial Actions**

Stakeholders are individuals or a collective of individuals who impact and have effect on organisational outcomes, giving the organisation licence to operate whilst also being affected individually by the organisation itself. (Erina, Shatrevich, & Gaile-Sarkane, 2017). Stakeholders include a business's external consumers, the shareholders, competitors, suppliers, the government and its legislations, employees or internal consumers, unions, civil society at large, board members, the leadership and management layer of the organisation. (Carroll & Buchholtz, 2008). Stakeholders encompass the political, technological, economic, social and business environments of a market context. The social aspect of stakeholder engagement is becoming a leading reason for organisations to adapt to more sustainable and innovative ways of delivering to their stakeholders (both internally and externally) where a social licence to operate exists when stakeholders give their approval to an overall broad view of a company's activities and the company aligns their values with that of the society within which they operate. (Provasnek et al., 2017; Mani et al., 2018).

Not every stakeholder will contemplate sustainable or entrepreneurial pursuits as being of great concern, so finding compatible stakeholder relationships is imperative for long-term success. A firm's capability to find high-quality stakeholders that have the willingness to reciprocate knowledge sharing for sustainable competitive advantage is necessary to achieve high levels of voluntary cooperation from stakeholder engagement. (Jones et al., 2018). Examples of this could be that shareholders may be concerned with the immediate return on investment even though consumers may demand more sustainable products; the industry may have corporate governance legislations on carbon emissions but leadership does not value pollution prevention and so they do not participate in best practice because there are no legal implications. This is a very complex relationship between civil society and business. Each stakeholder group has their own set of values of what they believe to be important, what they believe to be the truth and what they believe to be a major cause for discomfort. Having this limited stakeholder support results in institutional adversity for the organisation. (Provasnek et

al., 2017; De Clercq et al., 2015). This will inevitably influence how stakeholders react to sustainable entrepreneurial activities.

The alignment of values and ideals is of utmost significance when considering stakeholders and sustainable entrepreneurial actions. In human capital management, hiring personnel with the same entrepreneurial values as the organisation or leadership is seen as more important than the actual proficiencies or competencies of the potential employee; building on social capital to mitigate liabilities increases the drive towards partnerships and networks for improved communication and adoption of sustainable activities. (Gast, Gundolf, & Cesinger, 2017). Human resources are important for the long-term wellness of an organisation along with management attitudes that promote change and adaptive capacity. (Fabio & Peiró, 2018). Leaders, as top management stakeholders, play a significant role in how employees or followers will be affected in sustainable entrepreneurial practices and organisational culture. Leaders become 'role-models' and 'belief managers' for their followers who will match the behaviours of the leaders or the behaviours of past employees within a particular context and this pro-social behaviour is indicative of belief systems as being fundamentally constructed by leadership (Gächter & Renner, 2018). Therefore, it can be concluded that it is ultimately the responsibility of an individual to establish behavioural changes for sustainable entrepreneurial activities and practices to thrive.

Externally, as society and legislation move towards greater sustainability efforts, the consumer has simultaneously demanded higher responsibility from business. Especially the 'green' consumer who has placed sustainable needs at their highest priority level and can be identified through individual willingness to change, openness to variations or transformations around them, positive environmental attitudes and self-transcendence. (Verain, Bartels, Dagevos, Sijtsema, Onwezen, & Antonides, 2012; Jayaratne, Mort, & D'Souza, 2019). These individual drivers of behaviour and personal values are vital components of social integration and human behaviour which affect decision-making, value alignment and adaptive capacity of both the company and the consumer. (Jayaratne, Mort, D'Souza, 2019). Any company that is market sensitive and stakeholder-orientated will be at the forefront of responding to the external demands on sustainability (Jansson et al., 2017; Sheth & Sinha, 2015), however without a clear intention and strategic goals, businesses will not be successful in responding to those external stakeholders. This suggests an appropriate indication that a sustainable

entrepreneurial orientation could facilitate the intent of the chosen strategy for future success and firm performance.

### **2.6.1 Market Contexts in relation to Sustainability and Entrepreneurship**

The effects of organisations existing within an emerging market context or a developed market context has differing effects on that particular setting with regards to sustainability and entrepreneurship. There are many components that affect emerging markets and developed markets differently such as historical events, politics, socio-economic challenges and cultural norms. Generally, emerging market contexts do not tend to have as high an environmental stewardship as developing countries do but the pressures of having finite resources and livelihood constraints in emerging markets generate social movements and opportunities to innovate that push emerging markets to similar standards of developing markets when it comes to sustainable entrepreneurial actions. (Jayanti & Gowda, 2014).

Developed markets tend to have infrastructures, access to cost-effective technologies and greater trans-national networks that gains them access to markets and resources for sustainability actions whereas in emerging markets poverty, inequality, norms, values and cultures affect, in a pivotal way, how sustainability transitions can take place. (Wieczorek, 2017). Different national contexts will make decisions based on past experiences, economic viability and what the government and communities deem to be of greater concern. The transitional likelihood of emerging or developed markets into sustainable entrepreneurial action is contingent on path dependences whereby developing markets do not seek to be innovative because of longstanding infrastructures and systems which is not ideal for the rate of change for sustainability requirements and emerging markets are dealing with greater socio-political challenges like government corruption, discriminatory urban planning and social injustices that inhibit transitions into sustainability or problem-solving innovation. (Wieczorek, 2017, Swilling, Musango, & Wakeford, 2016; Furlong, 2014). The study gathered primary empirical insights encompassing emerging and developed market contexts regarding its influence on sustainable and entrepreneurial action, mind-sets and due diligence.

## 2.7 Strategic Decision-Making

Integrating sustainability into an organisation's strategic decision-making practices needs to place stakeholder engagement at the forefront by prioritising stakeholder demands and the internal capabilities to implement the demands. (Calabrese et al., 2019). Understanding each stakeholder's different needs and values will enable the strategy formulation and implementation to be better aligned through adequate knowledge sharing. The strategy formulation, implementation and the chosen orientations is orchestrated by top management through carefully considered resource allocation and the exploitation of human capital and leadership capabilities. (Gächter & Renner, 2018). The downfall of top management is formulating sustainability strategies that do not align with the overall organisational strategies and require innovative management methods to achieve this alignment. (Calabrese et al., 2019). Innovative management methods can be congruent with organisational strategy once the strategic typology has been identified. Miles and Snow (1978) presented a seminal strategic framework that identifies four different strategic typologies, which typically have alignment with resource-based theory, as solutions to reduce conflict and address the affinity of an organisation and its environment known as an adaptive choice. (Gnjidic, 2014). The definition of strategy has, over time, culminated into being a set of integrated choices and actions, intentional or unintentional, that aligns management practices, capabilities and resources with its external environment; and there is an interdependence between these attributes and distribution of power which inevitably makes the strategy an adaptive instrument. (Desarbo, Di Benedetto, Song, & Sinha, 2005; Gnjidic, 2014, Grimmer, Miles, Byrom, & Grimmer, 2017).

The four strategic typologies originated from Miles and Snow (1978) include Prospectors, these are the risk-taking and innovating organisations who are seek new markets and create new products. Defenders, these organisations usually transpire within mature markets and focus on efficiency and cost-cutting within their existing market and existing products. They experience the lowest amount of uncertainty comparatively to other typologies. Analysers, these strategically combine the aspects of Prospectors and Defenders and can simultaneously defend their place in the market whilst being open to new markets. Reactors lack a specific strategy or have none at all as they simply react to market changes by perceiving the changes but not having the capabilities to effectively respond to them. (Grimmer et al., 2017; Gnjidic, 2014, Desarbo

et al., 2005). For an organisation to adopt any strategic orientation, such as a sustainable entrepreneurial orientation, deciphering its strategic typology will indicate the readiness and fit of the strategic orientation to the organisations strategic type. Incorporating an orientation that involves integrating sustainability and innovation, in accordance with the triple bottom line, into the business strategy or innovating the business model is fundamental in sustained competitive advantage and overall welfare of all stakeholders and society. (Calabrese et al., 2018; Criado-Gomis, 2017; Ammar & Chereau, 2018).

According to Schrette et al's (2014) strategic decision-making on sustainability, exogenous factors that drive sustainability are government legislation on environmental issues, market orientations and cultural or societal norms whilst endogenous drivers include organisational resources and capabilities, business strategy and internal culture. Firm size, current environmental activities and past performances of the organisation result in the path dependencies for sustainability decision-making. Calabrese et al (2019) echo this by concluding that without innovative leadership practices, sustainability will not be properly integrated into the strategic decision-making of the organisation, which amplifies the notion of SEO and its linkage to strategic decision-making.

Shared Value as determined by Porter and Kramer (2011) outlines that societal and economic issues can be addressed from a value perspective of organisations (benefits in relation to costs) and through integrating operating models and practices that create competitiveness, organisations will uplift society and the economy in which it operates. Organisations must prioritise actions towards sustainability through innovative management techniques and consistent focus towards stakeholders, resources and capabilities that are needed to foster sustainability and innovation with the purpose of engendering shared value. (Calabrese et al., 2018; Porter & Kramer, 2006). In view of these concepts within the literature, a sustainable entrepreneurial orientation within organisations can generate shared value to achieve an equitable triple bottom line as a strategic decision. However, noting that each organisation may have different values or needs on what is sustainable will affect where that shared value is produced.

Materiality in sustainability suggests that a firm's decision-making will be affected by its particular impacts socially, ecologically and environmentally, which become of interest to stakeholders in that it will impact the future across items like reporting, investment decision-making and management practices. (Maniora, 2018). Dependent on where an organisation is geographically, what industry it inhabits, the life-cycle of that industry, the

organisational values, the stakeholders and its market orientations will affect what portions of the triple bottom line it may focus more than others. (Khan, Serafeim, & Yoon, 2016). Acknowledging the plethora of components within the complex system of materiality in sustainability assists with strategic decision-making for specific circumstances and contexts. Management focus on certain issues within the triple bottom line will fluctuate with its materiality and pursuing the right business strategy can deter mismanagement of sustainability issues. (Maniora, 2018, Calabrese et al., 2018). SEO focuses on integrating sustainability, adaptive capacity and opportunity recognition within a social, ecological and economic framework. This must be supported by the alignment of stakeholders and a deeper organisational purpose towards strategic sustainability and innovation. Without an organisation being purpose-led and inclusive of all stakeholders, concerns regarding legitimacy and mismanagement become apparent.

## **2.8 Corporate Sustainability and Legitimacy**

Before an organisation can adopt a sustainable entrepreneurial orientation the significance of being transparent, genuine and suitable, to society's expectations of sustainable and entrepreneurial practices, has to be addressed. The pushback from communities on social and sustainable development has risen to boiling point where business has no choice but to listen and act accordingly. Many reputable organisations, such as Microsoft, Tesla and Unilever, have proven their ability to remain profitable and grow billion-dollar businesses whilst addressing the importance of sustainable development issues and building credible reputations with consumers and other stakeholders. (Williams, 2015). However, many other companies have lost resolve in activating sustainable measures and have fallen victim to "green-washing" where the organisation is not practically portraying the principles of sustainability but is only paying lip service to the movement by overstating their environmental qualities and initiatives. (Hutchins, Sinha, & Nandan, 2019). Legitimacy is the first step in organisations building a positive standing with stakeholders in proving authentic sustainability practices. Having a legitimacy social contract between business and society is both implicit and explicit consisting of how the organisation should behave and operate within the boundaries of that particular society. (Fernando & Lawrence, 2014).

In order for an organisation to embrace a legitimate licence to operate within its community, it should adopt an approach to corporate sustainability. Corporate

sustainability can be defined as an organisations long-term, transparent efforts in being accountable to stakeholders through all actions or practices that include environmental stewardship, economic prosperity and social welfare. (Provasnek et al., 2017). This definition implies that the efforts of an organisation must be long-term and integrated into the business strategies for corporate sustainability to be achieved.

Whereas corporate social responsibility (CSR) which grew from societal philanthropy extended its scope into, an organisations moral undertaking and understanding the impact that its actions and processes have on society. (Hutchins et al., 2019). The terms corporate responsibility and corporate sustainability has, over time, become convergent, with sustainability in the 1990s mostly intersecting environmental issues and profits and responsibility intersecting society and profits; yet by the 2000s research shows both constructs intersect society, profits and environmental issues. (Bansal and Song, 2017). CSR is not a legal obligation in most countries in the world. It is considered best practice in certain industries for stakeholders, consumers especially, to see that the organisation is 'doing good and giving back'. In South Africa, for example, for profit companies receive a tax rebate from the government for CSR initiatives which blurs the intention of why the private sector participates in it. However, CSR is legislated in some countries in the world, for example, India, which contributes to the debate of whether the purpose of an organisation is only to produce profits for shareholder value or have wider social and environmental goals but conversely reflects the absence of concern for social responsibility in the first place. (Jain et al., 2016). Organisations tend to only deliver on the positive aspects of their CSR initiatives and not the negative impacts and this affects overall legitimacy (Fernando & Lawrence, 2014) and perhaps could be addressed through more intensive reporting guidelines and longitudinal internal research on their CSR efforts.

Within developing and emerging contexts, corporate sustainability or aptitudes for change differ due to its dependency on socio-cultural norms and economic political history. Academics analysing these propensities for change suggest the North of the world influences the South of the world to absorb the change however insights don't differ greatly whereby change is affected by technological viability, national policies, institutions, public-private alliances, conflict, geographical and structural conditions and dominant logic. (Wieczorek, 2018). In emerging markets, the influence of international market pressures, governments and global parent companies drive management behaviours towards greater corporate responsibility. (Jain et al., 2016).

There is a deeper complexity that exists in how countries with different national contexts respond to the global call to action for sustainability movements and innovation management. The national discretion that is used for each country in the world will differ, but emerging and developed market contexts can, to an extent, be proxies for each other due to the similarities of their social and economic environments. The study has delivered on primary insights regarding the impact of being in an emerging context and a developed context and the literature has created a boundary for the insights that were empirically gathered regarding SEO and different market contexts.

## **2.9 Conclusion**

The need for this research study on exploring and examining the resource and capabilities that foster SEO and its linkage to strategic decision-making has been made explicit through the literature review. Sustainability and entrepreneurship are constructs that represent the broader spectrum of how business needs to operate in the future. Fostering adaptive capacity, opportunity recognition and integrating sustainability objectives and innovative management practices into the business strategy, are strategic orientations of the future. (Criado-Gomis et al., 2017; Calabrese et al., 2018). The global ecological, social and economic challenges that are being faced by society and business can only be addressed through an inclusive triple bottom line, multiple strategic orientations integrated into business strategy, holistic stakeholder management and authentic legitimacy between organisations, its activities and its community which enables it to retain its social licence to operate for the greater upliftment of the global society.

## CHAPTER 3: RESEARCH QUESTIONS

Each research question was constructed through the comprehensive review of literature across the fields of strategic management, sustainability and entrepreneurship and is the consequence of the literature studied for the purpose and scope of this research.

### 3.1 Research Questions

#### **Research Question 1: Identify and establish what are resources and capabilities that encourage the adoption of SEO in an organisation?**

This research question aims to identify what are the key resources and capabilities that allow an organisation to foster a sustainable entrepreneurial orientation. Strategic postures are described by Courtney, Kirkland and Viguerie (1997) as characterizing the purpose of a strategy in relation to the current or future state of an industry. Furthermore, this research question aims to identify how individuals within this study - who have experience in strategy, sustainability and innovation - understand and define organisations with a sustainable entrepreneurial orientation (SEO) and if they believe it to be important as future strategic postures.

#### **Research Question 2: Through the lens of resource-based theory, determine which tangible or intangible resource(s) are considered the most influential for the emergence of a firm's perceived sustainable entrepreneurial orientation (SEO)?**

The identified resources and capabilities are then explored through this research question. This question will aim to establish which resources and capabilities individuals perceive to be the most influential for an organisation to strategically focus on sustainability and entrepreneurial efforts inside their organisation. The focus is not only on which are perceived to be the most influential but also an enquiry into how or if there are combinations of resources and capabilities that work well together or perhaps can work in isolation in order to gain insights into the relationships between the identified resources and capabilities.

**Research Question 3: From a dynamic capabilities' perspective, understand the relationship between the identified resources and capabilities and how (if so) they are reconfigured, integrated or adapted within a process to adopt SEO, and the consequences thereof.**

This research question aims to understand the implementation practices and organisational mechanisms in place, according to the individuals perceptions and lived experiences in order to understand how these resource and capabilities are identified as relevant and significant and further looking at how they can be reconfigured to be effective in an organisation adopting more sustainable and entrepreneurial practices.

**Research Question 4: Explore and examine; what are the differences and similarities of resources & capabilities and SEO in an emerging market and a developed market?**

This research question aims to explore and examine the influence of market context (emerging and developed) in fostering SEO. This intends to define preliminary data triangulation and insights on the phenomenon in different market contexts by allowing for postulation of a potential relationship between these specific market contexts and whether they assist in an enabling environment for SEO to be fostered. This research question allows for the opportunity to provide tentative suggestions on the influence of market context on SEO for future research.

## **CHAPTER 4: PROPOSED RESEARCH METHODOLOGY AND DESIGN**

### **4.1 Introduction**

This section will focus on the research methodology and design used for this study. The literature review created the point of departure for the research methodology and design as well as the basis for the interview guide that was created. Exploratory research is about discovering why a phenomenon is taking place and providing new information unknown to researchers through tentative answers to these preliminary questions. (Saunders & Lewis, 2018). This study used a qualitative, exploratory approach. Qualitative research depends on multiple subjective data points and examines people in their natural environments in specific situations. (Christensen, Johnson, & Turner, 2015). Using individual interview respondents from two different countries aligned with this recommendation of what qualitative research relies on to be accurately applied.

### **4.2 Research Methodology and Design**

#### **4.2.1. Rationale for the chosen method of research**

Qualitative research involves developing questions and unfolding discoveries of the meaning social beings give to a problem. The researcher will interpret the consequences of the data, investigate the context of the participants and validate the accuracy of the findings. (Creswell & Poth, 2017). The rationale of a qualitative, exploratory method was chosen as this is a nascent field of study which makes exploration the most appropriate method. The phenomena of sustainable entrepreneurial orientation unfolding as a strategic management posture for competitive advantage has little presence in the literature. (Criado-Gomis et al., 2017). Considering the time constraint of the programme, a cross-sectional study has been administered, which provides a 'snapshot' of the research findings being taken at one moment in time and not over a longer period where change can be identified. (Saunders & Lewis, 2018).

The purpose of this study was to contribute to the gap in the literature where there is very little empirical research on resources and capabilities and its role in fostering SEO - a high-order construct which was developed recently by scholars. The study aims to gain a deeper understanding of the role of resources and capabilities in fostering SEO and

created a preliminary hypothetical model from the findings which can be used for future research. Hypothetical modelling is a process that plays an important role in theoretical and practical action, creative thinking and as a basis for decision-making. (Gladun, 1997). Gaining a deeper understanding of our complex social contexts has made qualitative research more relevant because of the pluralisation of our lived experiences and socio-cultural contexts which requires a new sensitivity in research encouraging more inductive strategies. (Flick, 2010).

The philosophy used for this research study is interpretivism. Interpretivism highlights the interaction of multiple components and factors within a complex arrangement and observations emerge from these composite relationships. (Ang, 2014). The focus of an interpretivist approach is specific and assumes a socially constructed reality that has multiple futures and perspectives. (Saunders & Lewis, 2018). This can be seen in the exploratory, qualitative outlook of the study.

Considering this, the study explored resources and capabilities and its relation to SEO by seeking the observable internal phenomena of organisations (Saunders & Lewis, 2018) through the perspectives of individuals employed within those spaces. Thereafter, the study critiqued how institutional, organisational, structural and social constraints or triggers within their natural environment has affected organisations adoption and maintenance of SEO. (Saunders & Lewis, 2018; Christensen et al., 2015). The economic and cultural context of emerging and developed market contexts affected the outcomes, which deserves future research. The study aimed to interpret organisational resources and capabilities in fostering SEO in both South Africa and Italy with identified individuals with strategic experience who are employed in organisations who self-report in having an orientation towards either sustainability and/or entrepreneurial activities to varying degrees. Criado-Gomis et al (2017) interpret an organisation with SEO having adaptive capacity, sustainable interests and opportunity recognition capabilities will be used as a control for self-reporting organisations within the sample.

This study has contributed to the growing and relevant literature in sustainable entrepreneurship, strategic management and organisational development through its empirical findings. In addition to developing an understanding of the role of resources and capabilities and its relationship to an organisation's SEO, this research contribution over the long-run, will arguably impact implementable strategies for business to respond to change and the global sustainable challenges. It may also empower entrepreneurial

orientated employees with dynamic capabilities to identify and seize internal opportunities and mitigate rapid external changes for substantive global value.

### **4.3 Population**

The applicable population identified for this research study were leaders within sustainable entrepreneurial orientated organisations who have strategic expertise and have implemented strategy in corporate, entrepreneurial, innovation or sustainable activities. This has included corporate strategy, social development programmes, product development, human-centred design projects, turnaround strategies, green initiatives, circular economy initiatives or organisational equity policies. The individuals within the sample group had strategic expertise on sustainable or entrepreneurial activities which suggested adequate to high knowledge on the role of resources and capabilities on their SEO and were able to identify the components of their internal context that trigger or constrain their SEO. Leaders included managing directors, CEOs, heads of corporate strategy and circular economy, sustainability consultants, senior managers in innovation, product development, sustainability or entrepreneurship, management consultants, and entrepreneurial employees inside the organisation.

### **4.4 Unit of analysis**

The unit of analysis was individuals within organisations who self-report as being sustainable entrepreneurial orientated firms. The choice of individuals in senior positions as the unit of analysis to explore the resources and capabilities that assist in fostering SEO coincided with Yin (2014) who suggests that the choice in the unit of analysis must be reconcilable with the phenomena being investigated. Through the trawling of the individual sentiments, perceptions and views of interviewees regarding resources and capabilities in fostering SEO, data was gained and explored. This corroborates the research objectives in exploring and interpreting the relations, tensions, reconfiguration and interplay of an organisation's resources and capabilities and its SEO. This has been achieved through the one-on-one, in-depth interview process.

## 4.5 Sampling method and size

Being a qualitative study, the chosen sample consisted of 12 individuals who were in sufficiently senior positions (See Table 2). Being in senior positions indicated their expertise in strategic decision-making and proficiency in strategy implementation. The study used non-probability techniques of purposive sampling and snowball sampling. Purposive sampling required the researcher to make a judgement on which sample members were used for the purposes of the research and snowball sampling was used for sample members within the sustainable entrepreneurial realm to open access to other experts in the field as these leaders were simple to identify but difficult to access. The researcher utilised informal and personal networks of individuals who were easily accessible. (Saunders & Lewis, 2018; Christensen et al., 2015). Because of the use of this sampling technique, the sample was selected across different industries, specific industries were not equally represented in the sample, but all the individuals were considered due to appropriate experience and knowledge they possessed irrespective of industry. These individuals worked currently or previously in organisations who self-reported as having a sustainable entrepreneurial orientation to varying degrees; with orientations in certain organisations being more focused on sustainability and some more on entrepreneurial activities, and less than a third of the sample having the capability of both. The 8 different sectors included Professional Services, Telecommunications, Energy and Gas, Apparel and Retail, Finance, Fast-Moving Consumer Goods, Media & Entertainment and Agricultural Non-Profit. Further details of the sample will be provided in Section 5.2.

**Table 2**

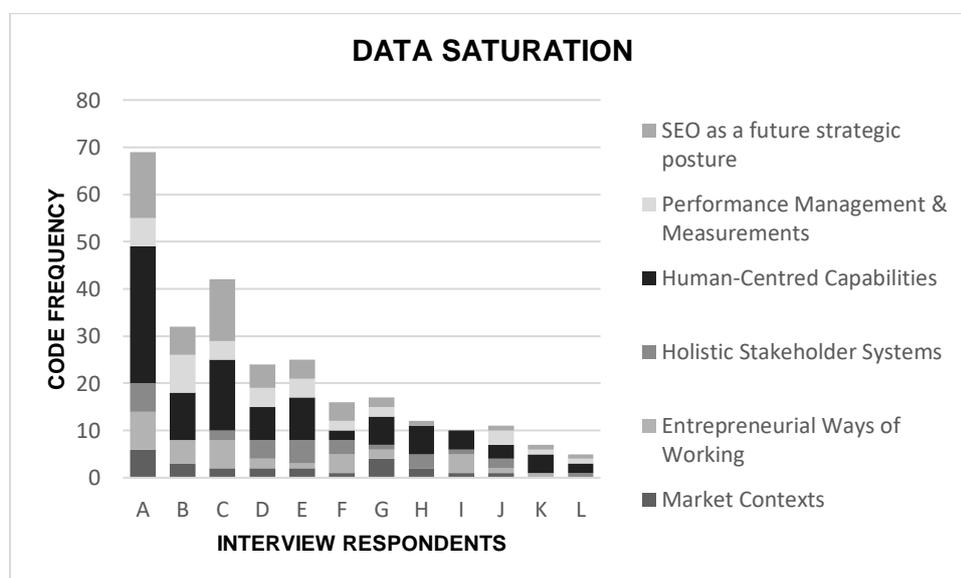
*Brief Description of the Chosen Sample*

INDUSTRY	ORGANISATIONAL ORIENTATION	LOCATION	RESPONDENTS
Finance	Entrepreneurial	South Africa	1
Professional Services	Entrepreneurial	South Africa	3
Telecommunications	Entrepreneurial	South Africa	2
Apparel & Retail	Sustainable and Entrepreneurial	Italy	2
Fast-Moving Consumer Goods	Sustainable	Italy	1
Energy and Gas	Sustainable and Entrepreneurial	Italy	1
Media and Entertainment	Entrepreneurial	South Africa	1
Agricultural Non-Profit	Sustainable and Entrepreneurial	South Africa	1
<b>Total</b>			<b>12</b>

This research did not need to seek organisational consent for data access; only individual consent was needed as individuals were the unit of analysis. In purposive sampling, data saturation can be reached through the increase in sample size and not through the statistical power of the sample increase as seen in convenience sampling. (Etikan et al, 2016). Data saturation occurs when there are no new or substantial insights from participants and the richness of the data collected is no longer present. (Saunders & Lewis, 2018). Once this occurred, interviews ceased.

From 51 codes, 6 code groups were thematically categorised. The 6 themes included SEO as a future strategic posture, Performance Management and Measurement, Human-centred Capabilities, Holistic Stakeholder Systems, Entrepreneurial Ways of Working and Market Contexts. Using ATLAS.ti, the data code frequency of the thematic categories and the 12 individual interview transcript data was exported into a graphical representation (See Figure 2). This graphical representation shows the number of new codes per interview over time. The code frequency decreases over time which indicates that no new or appropriate insights, within the scope of the study, were being recorded from interview respondents, which tentatively indicates that data saturation was reached. Intuitively, the researcher noticed that the responses were becoming predictable, similarly to previous ones, which effected the richness, uniqueness and newness of the data.

**Figure 2**  
*Data Saturation within Sample Interviews*



## 4.6 Data Collection Tool

For an exploratory study, the most appropriate data collection tool was semi-structured, in-depth interviews which were recorded and transcribed. Since qualitative methods are subjective, interviewer and interviewee biases were considered, and measures were taken to mitigate opportunities for skewed data points, such as open-ended questions, making sure interviewees knew there was no right or wrong answer and further in-depth questions outside of the structured questions to interrogate further considerations of the interviewee. Khajeheian (2019) notes that a research model explains the relations and connections in how a phenomenon performs. Post the data analysis, this study has constructed a hypothetical model to further interrogate the relations, tensions or complimentary actions between the resources and capabilities and SEO for future longitudinal research. This model aims to assist business to better audit their SEO and to better equip them with knowledge to enact their sustainable activities integrated within their strategy in the future.

The interview guide included introductions, broad contextual conversation, detailed questions, tangential, interrogative questions and concluding comments. The research questions, developed in Chapter 3, were mapped against the interview questions for consistency; of which the literature review has framed the immediate business and theoretical need for the study. The design and purpose of the interview questions were developed to uncover new insights and to discover the resources and capabilities which are critical in fostering SEO and its linkage to strategic decision-making. The questions were also designed with the intent of constructing a hypothetical model for future research and this data would validate its construction. See Table 3 for the interview questions mapped against the research questions. It must be noted that these questions were used in a semi-structured way and guided the conversation. Not all questions were asked and answered in chronology or at all, since the interviewee may have answered it through another initial question or tangential questioning because they were encouraged to have open dialogue from their own perspectives. (Saunders & Lewis, 2018). The semi-structured interview guide is presented in Appendix 1.

**Table 3**

*Mapping of Research Questions against Interview Questions*

Research Questions	Interview Questions
<p><b>Research Question 1:</b></p> <p>Identify and establish; what are the resources and capabilities that encourage the adoption of sustainable entrepreneurial orientation (SEO) in an organisation?</p>	<ol style="list-style-type: none"> <li>1. What is your understanding of an organisation that has an orientation towards sustainability and entrepreneurship?</li> <li>2. Do you believe an organisation should adopt orientations towards sustainability and entrepreneurial ways of doing things inside the organisation? Why?</li> <li>3. Which resources and capabilities do you believe enable an organisation to adopt a sustainable entrepreneurial orientation (SEO)?</li> </ol>
<p><b>Research Question 2:</b></p> <p>Through the lens of resource-based theory; which tangible or intangible resource(s) are considered the most influential for the emergence of a firm's perceived sustainable entrepreneurial orientation (SEO)?</p>	<ol style="list-style-type: none"> <li>4. Of these identified resources, which do you believe to be the most influential in enabling an organisation to adopt SEO?</li> <li>5. Which of the identified resources and capabilities do you believe work in combination with each other and which ones work in isolation, in order to trigger SEO emergence?</li> </ol>
<p><b>Research Question 3:</b></p> <p>From a dynamic capabilities' perspective, what is the relationship between the identified resources and capabilities and how (if so) are they reconfigured, integrated or adapted within a process to adopt SEO, and the consequences thereof?</p>	<ol style="list-style-type: none"> <li>6. How are these resources and capabilities reconfigured, integrated or adapted in order to be effective?</li> <li>7. What mechanisms are in place to allow these resources and capabilities to be identified as relevant or significant?</li> <li>8. How would you rate each of these resources and capabilities out of 100 for their level of influence? (e.g. Pie chart percentages)</li> </ol>
<p><b>Research Question 4:</b></p> <p>Explore and examine what are the differences and similarities of resources and capabilities and SEO in an emerging market and a developed market? <i>Note: South Africa is the emerging market and Italy is the developed market.</i></p>	<ol style="list-style-type: none"> <li>9. Do you consider being in an (emerging/developed) market contributes to the emergence of SEO? Why?</li> <li>10. What are the advantages or disadvantages of being in an (emerging/developed) context in regard to SEO?</li> </ol>

**4.7 Data Collection**

Data was gathered through semi-structured, open-ended, one-on-one telephonic interviews with 12 individuals within sustainable entrepreneurial orientated organisations. Qualitative interviews are reliable and valid if done face-to-face, telephonically or via internet video services. (Saunders & Lewis, 2018). Current literature proves that traditionalist face-to-face interviews show no significant difference comparatively to telephonic interviews and in fact telephonic interviews may have better responses as individuals feel freer to be more open with responses, there is more distribution of power as they can reschedule as they see fit and interviewees appreciate

being given the choice. (Farooq & De Villiers 2017). This was seen to be the outcome within this study as telephonic interviewing encouraged ease of sharing and open dialogue. These individuals included CEOs, managing partners, senior managers, heads of department and consultants that formed part of the chosen sample. (Saunders & Lewis, 2018). The nature of semi-structured interviews is a method that uses predetermined questions within specific themes that allow for open dialogue and for the flexibility of additional questions or omission of others depending on the interviewee. (Saunders & Lewis, 2018). This simple method was chosen as it highlights the nature of the study being exploratory and, due to pluralisation of social and cultural contexts, specifically in regard to sustainability efforts, sensitising the participants to the constructs were necessary. (Flick, 2010).

Prior to the data collection process, a pilot interview process was held in order to test the interviewer's techniques and the interview schedule. A pilot investigation is helpful in allowing the researcher the opportunity to review any challenges or obstacles within the interview process and allows for improvements to be made before conducting the actual interviews. (Saunders & Lewis, 2018). One interview was conducted, recorded and hand-written notes were taken with a senior management consultant who has experience in research interviews and analysis. Not only was the structure of the questions tested but the researcher was given feedback on the techniques used and how to improve on them for the optimal use of time, increased listening and avoid leading the interviewee. The main issue that was identified was that the questions were structured too theoretical with academic jargon that could potentially be intimidating or misunderstood. The questions needed to sound more open-ended, conversational and simplified for all interviewees irrespective of their first language not being English and academic background. This was well considered, and the researcher adjusted the questions accordingly, so the essence was not lost, ethically remained the same but was slightly altered and positioned in a less intimidating or convoluted way.

After the formal introductions and the interviewer briefly created a context for the intent of why the study was being conducted, the construct of sustainable entrepreneurial orientation (SEO) was introduced as a theoretical construct, sustainable development through the triple bottom line and the perceived responsibility of business by stakeholders therein, as it has been evidenced by the literature, was discussed. Once this occurred, 10 open-ended, non-leading questions were asked, mostly in chronological order, and an open dialogue was encouraged. The interviewees were

encouraged to use their own personal lived experiences, perceptions and opinions and insights based on past or current work experiences. Interviewees were encouraged to know that there were no right or wrong answers, which encouraged an open conversation and sharing. Both handwritten notes and recordings were used and extrapolated for insights. Audio recorded data was initially transcribed using the transcription software Otter.ai, edited again manually by the researcher for quality control and added rigour, then coded using ATLAS.ti to gain results.

#### **4.8 Data Analysis**

Thematic analysis was used whereby codes were produced, themes were codified, and a frequency analysis was used for further support to respond adequately to the research questions. (Braun & Clarke, 2006). CAQDAS (Computer-Aided Qualitative Data Analysis Software) was used for the analysis of the themes and a personal strategy was incorporated for the interviewer regarding the resources, type of data and time allocation for analysis was considered specifically due to the researcher physically being in both Italy and South Africa within the time period of the conducted research schedule. CAQDAS analysis allowed for making the coding explicit and supported specific thematic structures but it is limited in that it is a tool and not a method. (Flick, 2010). The CAQDAS of choice was ATLAS.ti. Further theoretical and observable analysis was undertaken to support this limitation.

For this study, resources and capabilities are defined through resource-based theory and dynamic capabilities which provides a structured point of departure for segmenting an organisation's resources and capabilities and the analysis thereof. These findings were layered onto the three pillars of sustainability; economic, social and ecological as identified by the seminal work of Elkington (1994) to further scrutinise these relationships within this nascent field. A rudimentary analysis was conducted of emerging market data collected and developed market data collected to interrogate the differences and similarities to primarily suggest future research opportunities as well as data triangulation of the phenomenon as experienced by those within an emerging context and those within a developed context. The insights that were produced from a thematic analysis were mapped against the research questions. The six phases of thematic analysis were utilised which included familiarisation with the data, coding, searching for themes,

reviewing themes, defining and naming themes and writing up. (Braun & Clarke, 2006). In analysing data, the arguments made must be supported by the findings logically and explicitly. (Saunders & Lewis, 2018).

Each interview took approximately 4 hours to analyse in full following the thematic analysis process, which totalled 48 hours of completed analysis.

#### **4.9 Data Validity and Reliability**

A classic criterion for assessing the process and results within qualitative research is applying validity and reliability.

Reliability is based on the quality of recording and documenting over interpretation and therefore standardisation of notes and ensuring transcription is consistent, is imperative. The reliability of telephonic interviews was increased through the researchers expertise in leveraging technological devices, ability to form connections with new people, previous relationships with some of the individuals in the sample and discovered the ease and comfortability that individuals experienced and were able to be explicitly open about their organisational experiences without the discomfort or lack of anonymity that face-to-face interviews may conjure. (Farooq & De Villiers, 2017). Test interviews and methods of coding can provide increased reliability. (Flick, 2010; Saunders & Lewis, 2018). A test interview with a senior manager who has extended experience in research and data analysis was conducted for this study. The possibility of interviewer, interpreter or respondent bias possibly has a presence when conducting the interviews or within the data analysis. (Saunders & Lewis, 2018). This was carefully considered in order to mitigate biased data and so standardisation was implemented across questions, notes and transcription and was adhered to, to the best of researcher's ability using artificial intelligence software as well as verifying through manual transcription.

Validity evaluates and monitors the trustworthiness and credibility of the data. Validity was increased through the transparency that CAQDAS offers in how the researcher created categories and themes. Validity is a sense-making process that requires transparency and notation of the different relationships at play such as context and behaviours, point of view and interpretation, the issue of rhetoric and the reader's participation in the final product. (Flick, 2010). Using the primary data from the South African data set and Italian data set and using contextual inference through triangulation,

the means for unfolding convergence of the data was achieved. (Creswell & Poth, 2017). If any responses from the interviewees gave the researcher any doubts about the validity of the data, whether through concessions, retractions or notable hesitations, that data was not analysed.

#### **4.10 Research Limitations**

Qualitative research is subjective and by its very nature of using perceptions and opinions of interviewees personal experience, interview respondents will give unstructured responses with little direction from the researcher and use their personal frame of reference which incites many biases. (Saunders & Lewis, 2018).

Limitations for this research study included the geographic bias of the individuals in the South African and Italian sample whereby their geographic limitations could have affected their responses. The sample size itself, as this only included senior managers or leaders with strategic expertise within self-reporting sustainable entrepreneurial orientated firms. The individual biases and frame of reference that come with subjective questioning limits the data and the academic generalisability being possibly compromised. The study is cross-sectional and for an exploratory study this presents initially as being a limitation and in order to gain further insights and conclusions with regards to resources and capabilities and SEO, a longitudinal study must be conducted.

The subjective nature of qualitative research allows it to be affected by numerous biases from the both the researcher and the respondents. (Saunders & Lewis, 2018). There is an inherent bias in choosing purposive sampling in that there is a restriction in the variation of possible comparison. (Flick, 2010).

## **CHAPTER 5: RESULTS**

### **5.1 Introduction**

In this chapter, the findings from the interviews that were conducted in the field are presented. These are presented according to the Research Questions laid out in Chapter 3. This section will disclose the findings of the 12 individuals interviewed through their perceptions, opinions and insights into the resources and capabilities that are influential, critical and relevant in order for an organisation to foster a sustainable entrepreneurial orientation as a strategic posture. This introduction is followed by the summary description of the sample group used and the presentation of the findings. The interview questions were developed from a consistency matrix that mapped the Research Questions with their unique literature gap which ensured provisions for consistency between the literature review, the research questions, the data collection process and the method of analysis.

### **5.2 Description of Sample**

The chosen sample was collected through purposive and snowball sampling. This mixed method of sampling was chosen as the researcher used their personal network in South Africa which was more significant; and due to the researchers limited network in Italy, snowball sampling increased the access. DCs and sustainability research suggests that there is a considerable lack of comparative perspectives of multiple contexts. (Amui et al., 2017). This instigated the comparative assessment taken on emerging and developed market contexts within the study to triangulate the data from different market perspectives. The researcher was physically in both countries used for the sample within the research schedule timelines and used this situational geography to further enrich the study. Due to this geographical proximity of the researcher, the sample group consisted of 8 South Africans and 4 Italians. Table 4 below is a summary of the individuals in the sample and their current job designations, the organisation description, the organisation self-reported orientation towards sustainability and entrepreneurship, and the location. The individuals in the sample have between 5 to 20 years management experience and all hold senior positions within their current organisations.

**Table 4**
*Summary of the Chosen Sample*

<b>INDUSTRY</b>	<b>JOB DESIGNATION</b>	<b>ORGANISATION</b>	<b>ORGANISATIONAL ORIENTATION</b>	<b>LOCATION</b>
<b>Finance</b>	Senior Strategist - Corporate Strategy	Development Finance Institution	Entrepreneurship	South Africa
<b>Professional Services</b>	Managing Partner – Africa	Global Management Consulting Firm	Entrepreneurship	South Africa
<b>Professional Services</b>	Principal – Specialises in operating models & supply chain management	Global Management Consulting Firm	Entrepreneurship	South Africa
<b>Professional Services</b>	Principal – Specialises in enterprise resource planning	Global Management Consulting Firm	Entrepreneurship	South Africa
<b>Telecommunications</b>	Principal Specialist Vertical Propositions	Mobile Communications Company	Entrepreneurship	South Africa
<b>Telecommunications</b>	Independent Consultant	Mobile Communications Company	Entrepreneurship	South Africa
<b>Apparel &amp; Retail</b>	Senior Business Analyst	Family-owned shoe company	Sustainability	Italy
<b>Apparel &amp; Retail</b>	Sustainability Manager	Global apparel and footwear company	Sustainability & Entrepreneurship	Italy
<b>Fast-Moving Consumer Goods</b>	Sustainability Consultant	Multinational Food Company	Sustainability	Italy
<b>Energy and Gas</b>	Head of Circular Economy	Multinational Energy Company	Sustainability & Entrepreneurship	Italy
<b>Media Entertainment</b>	Senior Strategist	Pay TV Broadcaster	Entrepreneurship	South Africa
<b>Agricultural Non-Profit</b>	CEO	Agricultural Development Agency	Sustainability & Entrepreneurship	South Africa

### 5.3 Presentation of Results

The findings from the qualitative data collected from interviews with the sample group in 5.2 will be presented according to each Research Question presented in Chapter 3 as well as aligning with the interview questions which derived from the Research Questions in Table 2. It is a deliberate research choice of this study not to explicitly compare and

contrast the Italian sample sub-set with the South African sub-set as this is not the main intention of the study and interview respondents were given ethical anonymity. However, comparative tables of the results (See Table 8, 9 and 10) will address triangulation of the data and the emerging and developed context responses specifically for Research Question 4. For further anonymity and confidentiality of the sample group, the interviewees identifiers from A – L in this section do not correspond with the sample group chronology of the table or industry in 5.2. which preserves interview respondent confidentiality and research ethics codes.

## **5.4 Results for Research Question 1**

### **Research Question 1: Identify and establish what are the resources and capabilities that encourage the adoption of sustainable entrepreneurial orientation (SEO) in an organisation?**

The three questions that were drafted for Research Question 1 were to first establish what the interviewees understood by an organisation with an orientation towards sustainability and entrepreneurship, if they believed this to be important for all organisations to adopt as part of their strategic futures and thereafter what resources and capabilities they believed allowed this kind of orientation to be fostered. Furthermore, the question aimed to confirm that the main components of SEO which are collectively adaptive capacity, opportunity recognition and sustainable interests (Criado-Gomis, 2017) were in fact identified in the empirical data when identifying organisations to be sustainable or entrepreneurial.

#### **5.4.1 Understanding what constitutes sustainable entrepreneurial organisations**

Interviewees were questioned on what their understanding and perceptions of an organisation with orientations towards sustainability and entrepreneurship were. It was imperative that before delving into the resources and capabilities needed for SEO to emerge or be fostered in an organisation, that interviewees could develop a common outline but not necessarily a concise definition however they needed to be able to adequately articulate their personal perception of an organisation who has an orientation towards sustainability and entrepreneurship. The data that emerged from this question

clearly showed that the concepts of sustainability and entrepreneurship are still very separated as conceptual and even practical notions. Some interviewees were explicit about separating the concepts while others had to be nudged by the researcher to describe their understanding of either sustainability or entrepreneurship as an orientation as they would immediately focus on the one orientation that was more apparent in their organisations.

Interviewees who immediately separated the concept;

*Let's start with the sustainability angle.*

*-Interviewee F*

*You use these two terms together but, in most organisations, they are not used together. In the world of business, sustainability is still growing.*

*-Interviewee E*

*I would separate them.*

*-Interviewee D*

*I separated it into two things – one on the sustainability element, and then the entrepreneurship. And I'll try and explain.*

*-Interviewee C*

Four of the 12 individuals mentioned that sustainability and innovation - which some used interchangeably with entrepreneurship - can be considered as one construct and are only effective if they are connected. The definition of Entrepreneurial Orientation (EO) within the literature in Chapter 2 includes the attitudes of being risk-taking, proactive and innovative. (Covin & Wales, 2019; Criado-Gomis, 2018). Therefore, the use of the interviewees understanding of being entrepreneurial as being innovative, proactive or risk-taking was accepted by the researcher. However, when it came to a consensus on organisations who are entrepreneurial as being risk-taking there were inconsistent views.

Interviewees who understood EO as innovation and proactiveness;

*So, an organization that is intentional about sustainability acts in a proactive way in order to reduce their impacts. And so, it's proactive and not reactive. It does not wait for NGOs or consumers or other stakeholders to implement a sustainability strategy.*

*– Interviewee G*

*I'm using entrepreneurship and innovation interchangeably and hoping that it's fine to make the points that I'm making.*

*-Interviewee A*

*For the internal part, to encourage entrepreneurship, it's very much about your innovation processes. How do you do you encourage your staff to develop new products? Or do you create space for them to do it? Do you encourage it? Do you reward it internally? Those sort of things, maybe softer functions become quite important.*

*-Interviewee F*

Interviewees inconsistent views on entrepreneurial organisations being risk-taking;

*Entrepreneurship is about looking around [at your external environment] in my opinion. And looking around entails, innovation and, and sometimes taking risks, but I will not say that if you do not take risks that you're not entrepreneurial.*

*-Interviewee B*

*It [entrepreneurial ways of working] does imply risk-taking, it does imply being agile, it does imply being innovative... So, there are organizations that do it, but it's not for every industry. I should put a disclaimer that if certain industries were taking a risk, it can lead to loss of life. And the whole basis of their operations, you know, is around reducing the chances of people being hurt. So, let's say for example, you aim to try and introduce an entrepreneurial culture to the aviation industry then maybe it's not such a smart thing. You know, you may want to think carefully around how or what entrepreneurship means in that kind of environment - risk taking and rewarding risk-taking. But if you're talking about a company, which relies on coming up with new products and services on a regular basis to remain competitive, you want people to be reward0ed for coming up with ideas, even if their ideas don't work. Right?*

*-Interviewee A*

*Entrepreneurialism - is a company which structures itself in order to embrace risk at the company level and the level of the division and at the individual level and continually tries to enter into new areas of business to reinvent itself, ultimately with a purpose of reaching whatever goals that company sets for itself - be that shareholder return, stakeholder return, environmental impact or however they define their goals.*

*-Interviewee D*

*I think you have to have an appetite for risk. I don't know if it's a risk taking, necessarily, I think, I think if you have an appetite for it, and you can tolerate it, and you're comfortable with operating with a bit of risk, that creates the space... So, I think it could very well be about which part of my value chain do I accept risk in. It may be only in the sales and marketing side or maybe in the way my processing plant operates.*

-Interviewee F

The debate around whether risk-taking is in fact entrepreneurial and whether industry, market expectations, type of organisation and perhaps only taking risk on parts of your value chain extended into Interviewee F further delving into the extreme of a culture of risk-taking and what may need to be avoided by some organisations when fostering a sustainable entrepreneurial orientation as the chosen strategic posture.

*If you had to look at it with Silicon Valley where risk taking and promising value ahead of actually having a product is probably the way you operate - I mean, the faking it till you make it mentality...that's just the way they operate. I mean, a good case of maybe being too entrepreneurial that didn't work is maybe the WeWork business case. A good example is also the company called Theranos - the lady who wanted to create the blood testing kits. Basically she faked it continuously and basically lied, for the most part – this is the kind of - the extreme of that sort of [risk-taking entrepreneurial] culture.*

-Interviewee F

When defining an organisation that has an orientation towards sustainability, the majority of the responses given reflected that sustainable organisations are ones who want to minimize their environmental or social impacts on society. Interviewees also considered organisations who have a long-term view or strategy for the longevity and relevancy of the companies' existence as ecology, talent, consumer and business needs change; the treatment of your staff as individuals and not as numbers along with employee wellness initiatives; organisations who have changed their indicators of success from financial sustainability to integrating social and mental sustainability; the ability to listen and have a multi-sectoral approach to sustainability by looking at the external environment and responding accordingly; and making sure that sustainability efforts are not just about external communication but that the organisation has congruency internally and externally.

One interviewee created a spectrum of sustainability whereby organisations can slide between sustainability being instated because it's a mission critical, purpose-led choice and the binary opposite of the spectrum is that sustainability is instated because it has been mandated by industry or government regulation. This was supported by other interviewees who validated that organisations choose to have a sustainable orientation dependent on their purpose versus regulatory coercion. A third of the interviewees believed that there are no clear definitions of sustainability that are collectively agreed upon which makes defining exactly what a sustainable organisation is, rather difficult;

with one interviewee, who is a sustainability expert, choosing to use the terms 'responsible' business over the terms 'sustainable' business because the definition and indicators of sustainability is yet to be universally agreed upon by all sectors. Organisations having to change their business models in order to become more sustainable was mentioned by a few interviewees with the caveat that it was not a simple process of change, but it was necessary for substantive sustainability efforts. Some responses included corporate social responsibility as part of sustainability efforts whereas some others debated sustainability needed to be done and reported in an integrated way to be effective and once off initiatives for CSR projects were not real sustainability orientations.

Interviewees understanding of sustainability orientation within organisations;

*So, on the sustainability side...the kind of social and environmental side of things. Also, it's really around, just ensuring the longevity of the company and everything that they stand for and their product, their values so those can be effective...And that the companies still has that kind of licence to operate within the community and the environment that we're in. And as it changes, which is something that keeps on happening with in all of those elements are changing, people's requirements and the values are change. The pool of talent will be coming into the companies are changing. So, from a survival perspective, that for me is the sort of the end to end from a sustainability perspective. All kinds of companies are thinking about something like that, they want to be here in the future as well.*

*-Interviewee C*

*An organization that has an orientation towards sustainability - it seeks to minimize its environmental footprint and has a positive environmental impact and it seeks to maximize its community or social impact. And I think there are weak cases and strong cases. A weak case one - it's done within the requirements of regulation and perhaps going somewhere beyond that. And there are strong cases where it's the core mission of the organisation and everything orients around that.*

*-Interviewee D*

*Well, I think what stands out for me is that such an organization will have a long term view around sustainability. So it is not just about short term profits and short term gains, but there's a longer term picture so it almost like it's a business was a cause – almost like activism – that is a strong word, but it is a business with a cause in other words, I see a very long term picture then they try to fit in the profit seeking objective into that...So, I think it is a definitely a business that not just uses sustainability as a PR tool but is a business that has a long-term, holistic view on its future growth.*

*-Interviewee I*

*From a sustainability perspective, it's about businesses pivoting their strategy in order to consider people, planet and profit. Sustainability needs to go further than external communications but also how they treat their people internally and the environment. The 'green' culture is something that is growing substantially not just about what people are eating but how they are treating the planet. If they have a more sustainable business model, their strategies internally will also take into account recycling, for example, and having healthy mental development within the business and caring about people a bit more. Externally, the way they communicate and the CSI initiatives that they align themselves too.*

*-Interviewee K*

*It's very important in order to change a traditional business model, to have the capability to listen and to see what's going on outside. And I think that sustainability, it's a good example, because it is relatively new as a topic, but it pushed companies to open their eyes, and try to understand what's going on outside and become part of international working groups. For example, Consumer Goods Forum, or UN Global Compact. And then have the ability to be flexible to promptly adapt to the structure - the internal structure - in order to meet the new challenges... So, it's important not to only look at competitors, competitors are not always the best [for sustainability matters] - no matter what a company says - but competitors are always the first point of reference and everyone tries to see what their best competitor is doing and then trying to adopt their strategy is actually not a good approach, because most of the time the best examples are in other sectors.*

*-Interviewee J*

*I think the strongest limit in the sustainability topic, in my opinion, is that there are not enough or let's say not very clear indicators about what sustainable [pursuits] mean.*

*-Interviewee B*

Interviewees who believed that sustainability and entrepreneurship (or understood as innovation) are interconnected constructs;

*I firmly believe that if you want to build a sustainable organization, one that is sensitive to sustainability matters and in respect to the triple bottom line reporting, and performance on reporting, you have to be innovative. You can't do it any other way... I think it's impossible to deliver on that professional mandate without innovation without entrepreneurship of some level... An organization that has an orientation towards sustainability, without some level of entrepreneurial culture is undermining its ability to deliver on sustainability*

*– Interviewee A*

*If you're a business and you're not entrepreneurial, you will die. Just like many companies like Kodak or Nokia, you name them, have not had very successful journeys, once they lost their edge have been reinventing themselves, looking for new opportunities to grow, looking for innovation. And without that*

*culture, you just don't, you know, you just don't live for a long sustainable time. So, from a financial sense, entrepreneurship and sustainability are quite strongly linked.*

*– Interviewee E*

*Sustainability is really a condition for a business to stay in business in the mid-term and of course, there is a sustainability self is quite a general concept and for us, we don't see it as being separate but connected - sustainability and innovation. That's why our division is enabling both innovation and sustainability together. Systemic innovation is the key to make the business both competitive and sustainable. This is something that has to be addressed from the beginning so it's not business as usual and then you add something sustainable to it. It has to reimagine the business from the beginning.*

*– Interviewee H*

*I was part of research in 2014/ 2015 that discovered that sustainability and innovation are inextricably linked. Companies that have a sustainability culture are far more successful and innovative.*

*Innovation can't stop at the front doors but should extend to the back office, your management, resource management and procurement. The minute it gets into this paradigm it becomes a purpose - led organisation. Employee wellness is important. Knowing and caring about the tiny components of the people in your organisation and what they may be going through.*

*-Interviewee L*

#### **5.4.2 Establishing Sustainable Entrepreneurial Orientation as an orientation of the future**

As discussed in Chapter 2, in the strategic framework presented by the seminal work of Miles and Snow (1978) there are prospectors, analysers, defenders and reactors. Within the second question, it was asked of the interviewees if they believed that this orientation towards sustainability and internal entrepreneurship was in fact important for organisations to adopt and why they believed so. 11 of 12 interviewees explicitly stated their answer to be 'yes' and believed that organisations needed to adopt this orientation in order to remain relevant and in order to continue to operate in society in the future. Only one interviewee felt that not all organisations necessarily needed to be entrepreneurial and that it was largely dependent on their industry, location in the world – contextual market needs and organisational vision and mission. But that all organisations must adopt an orientation towards sustainability whether it is because they are coerced into by government legislation or if sustainability is intrinsically part of their

core mission. Most indicated that the rapid changes of stakeholder needs and the urgency of larger environmental needs required this orientation to be adopted. Some indicated that we have a duty to contribute to this change not only as business but as individuals as it directly affects our lives.

Interviewee that did not agree that all organisations should adopt SEO;

*Not all organizations should be entrepreneurial. The organizations that do have an entrepreneurial orientation is right and applicable for the right sort of company and the right sort of markets. On the sustainability side, I think most companies should be adopting some form of sustainability orientation, weakly or strongly, according to the position of the company.*

-Interviewee D

Interviewees who believed that SEO would be a necessary strategic posture as a future state and that organisations have no choice but to adopt it;

*Yes, absolutely. Nowadays you really don't have a choice just given the pace of change and those pressures that all organizations are having both internally and externally. Everything from competition from the traditional, your traditional competitors, but also these new competitors coming in. Customers have changing needs, and those needs are being strained from, you know, a spending perspective, they now want to spend on a whole lot more things.*

-Interviewee C

*...this is a mission critical thing. You don't have a choice if you want to continue to operate in this society, in this country, in this continent, in the world.*

-Interviewee A

*Yes, I think so. I definitely think so...So, in order for you to, to be successful, you know, and continue being successful. You almost you don't have a choice anymore. It's not a choice anymore. It's certainly something that you have to be doing if you want to be relevant in the business world today.*

-Interviewee E

*And it must be incentivized and encouraged in some sort of way. So, they almost have to change. They almost have no choice.*

-Interviewee F

*Absolutely. Yes. Because nowadays, being sustainable and innovative is not just a point of leadership but it's a point of parity with the other companies in the area. If you don't have a sustainable and entrepreneurial mindset, you are cut off from the market.*

-Interviewee G

*Yes, I think that is a precondition to stay in business because if you have a negative impact on the environment proceeding environmental regulation and the environmental expectation of people and in our time of critical problems that the world is facing; and the business continues to pursue a negative contribution in that direction, they bear a risk that is getting higher and higher, because it isn't a sustainable approach.*

*-Interviewee H*

*I don't think they have a choice really. I think that is the way the industry is going and if they don't adapt, they will die.*

*-Interviewee K*

*I strongly agree with that. Because the current model is proven to be wrong and we have mismanaged something, made some mistakes. So, we have to change, we have to adjust the method of managing companies.*

*-Interviewee B*

*Yes, I definitely do... but it's not going to be that quick and that easy to implement...our specific industry has its own challenges.*

*-Interviewee I*

### **5.4.3 Identifying the resources and capabilities that allow organisations to foster an orientation towards sustainability and entrepreneurship**

The data has explicitly stated that organisations have no choice but to adopt SEO as a strategic posture in order to continue operating in our current socio-economic and environmental circumstances. The third question in discovering the results for Research Question 1, looked how this strategic posture, if discovered as important and relevant, could be fostered and attained by all organisations, irrespective of their current orientations towards entrepreneurship and sustainability.

The results of the data collected presented that the resources and capabilities that are necessary to foster SEO included ten categories: Culture, Leadership, Processes and Systems, Human capital or Talent, Incentives and Rewards, Technology, Strategy & Long-Term Views, Networking and Partnerships, Financial Resources and Supply Chain Optimization. The frequency of each of these categories being mentioned by each individual's response to question three of Research Question 1, are represented in Table 5. Human Capital and Talent was identified by 8 of the 12 interviewees and

gained the highest frequency, with Culture and Leadership second in frequency. These are the top three perceived factors that foster SEO in organisations.

**Table 5**

*Resources and Capabilities that foster SEO in organisations*

Rank	Resources and Capabilities	Frequency
1	Human Capital & Talent	8 of 12
2	Culture	7 of 12
2	Leadership	7 of 12
3	Processes & Systems	5 of 12
3	Strategic Capabilities & Long-term View	5 of 12
4	Technology	4 of 12
4	Incentives and Rewards	4 of 12
5	Financial resources	3 of 12
6	Networking and Partnerships	1 of 12
6	Supply Chain Optimization	1 of 12

The most frequently mentioned resources and capabilities were aligned with human-centred capabilities - talent, leadership and culture. The importance of organisational culture as the being attached to human behaviour in any kind of change initiatives was mentioned often and the views were consistent in that culture would essentially drive how technology, processes and strategy are implemented. Some interviewees believed leadership was of utmost importance because the values of the leadership filter into what the organisation will prioritise as imperatives for change and that leaders themselves have direct influence on the culture inside organisations. The most frequently mentioned resources and capabilities that allow SEO to be fostered in organisations fixated on human capital whether that was through the recruitment of talent, retention of talent, agile resourcing, multi-disciplinary or cross-functional teams or the education and skills of the workforce. The views of some of the interviewees assessed that organisations needed people with specialised skills, but others believed that skills needed to be congregated into cross-functional teams as an imperative in allowing SEO to be fostered. These human-centred organisational constructs were identified as the most frequently mentioned resources and capabilities needed to ensure that organisations, wanting to foster sustainable entrepreneurial orientations, needed to place most of their focus on when cultivating this strategic posture.

The need for increased strategic decision-making was indicated by interviewees who mentioned that issues of top executives (principal decision-makers) disregarding sustainability or innovation initiatives due to cost-savings or lack of knowledge on the subjects. Thereafter these bad decisions have the potential to result in job loss and restructuring. Other issues include; employees working in silos and not knowing what other units key performance indicators (KPIs) or targets are which entitles only certain executives to make decisions thereby minimizing decision rights; a lack of accountability, delegation, trust and transparency results in a culture of blaming, fear, micro-manging and slow decision-making processes that cannot respond fast enough to changing needs. It was indicated that employees need to be empowered to make decisions and practice individual accountability. Lump sum budget allocations are not strategically viable for continuous improvement and sustainable innovation and iterative metered funding should be considered. One interviewee explained metered funding as funding that is being given in phases as the project accelerates evidence of its value, proof of concept and need in the market. When making decisions, being inclusive of your community and stakeholders was also of major importance with many responses indicating that society gives us the licence to operate and there needs to be mutual respect and shared value for your stakeholders in order to remain relevant and in business.

Interviewees on their perceived resources and capabilities to enable SEO;

*Well, I think the individuals within an organization have to be equipped to spot those opportunities in the market...These challenges are big and there's no way that one single person can be a jack of all trades here and be able to spot all the opportunities. The individuals working for [company name] have to all be equipped and specialized. So, that is the first thing, the entrepreneurial spirit within the company comes from those individuals who have got their ears to the ground and they know what's happening and they can identify potential gaps in the market.*

*-Interviewee I*

*There needs to be a big organisational culture change within large enterprises. So, they need to go through a change management process and look at more agile environments... They[should] create smaller working teams, with people that have multiple functions and those groups will deliver on particular projects like product development, customer service, innovation and change.*

*-Interviewee K*

*Culture is the people and the behaviours that you build internally. Because if you don't have the right culture, you can say as much as you want about what you build around sustainability. But if you don't change the people inside or change what behaviours are rewarded, which ones are not - and you*

*drive that kind of entrepreneurial sustainability orientation in your organisation - there's no way you're going to do it.*

*-Interviewee A*

*The leadership really needs to buy into this and to the extent that they are willing for their KPIs (key performance indicators) to be driven by this as well. Because a lot of the time, people will, you know, in terms of allocating resources and stuff, will trip up when leadership is not fully boarded. The second thing is talent. So, the people that you have in your company, you need people that can actually believe in this and also adapt and change as quickly.*

*-Interviewee C*

*What you've tended to find was that a lot comes down to the culture. The culture of the company can be can pro-sustainability, it can be enlightened and liberal and nothing will change. You can find people at the centre of the company who want to make a change and they want to have, let's say, co2 emissions reducing activity. That means that those people that have to have programs they have to have resources dedicated to that activity, to change the pattern of their investment. They can do all of the planning they want. They can put all the partnerships together they want but It will go nowhere unless it has the backing of the CEO.*

*-Interviewee D*

*I mean, at the risk of sounding like I don't think finance is important, I think it is important to have money to effect change that that is definitely a fact...I think that comes secondary, I think you can allocate 20% of your EBITDA or your net profit to sustainability. But if you don't change the mindset and culture of the organization, you will not get anywhere in my view. Money doesn't fix things. It enables you, I guess, accelerate the impact of things...or the strategic direction that you've taken*

*-Interviewee A*

Interviewees on the need for increased strategic decision-making in organisations;

*There is an avoidance of risk. Whereas this [entrepreneurial way of doing things] says let's embrace risk. Because there is stuff that we don't know. So being risk-averse means we don't know, so we plough through so much research to try and know everything and become experts in this area before we make a decision, and then people end up with the whole analysis paralysis thing. And then find that I'm not yet comfortable to make a decision. Because once we've done that, once we've made that decision, it's tough to take it back.*

*But here [with metered funding] you can... So, for decisions rights, there needs to be some delegation, of course, but teams need to be empowered ones. And then they work within their level of delegation...with metered funding, if you say, "Look, we're going to do it the old way, here's 100 million" – it's more difficult now for the team to decide how and when to spend that money. But if you*

*gave them 10 000, it doesn't really matter if they choose to test the customer, put something on paper, print a news brief or build a wireframe mock up...it doesn't really matter because you can afford to lose that so you can easily let go of the control. And once they've convinced you that this actually seems to work, you can give them a bit more work by doing that.*

*-Interviewee C*

*[In] our company there are several approval procedures or committees for any disbursement. And we've been criticized for our long turnaround times, for going through all of these governance issues and committee system. And there's been several suggestions for how that can be fixed... [a better] delegation matrix which allows head of departments to approve up to a certain amount, or whatever it might be. But that in itself increases the risk. If something goes wrong with an investment, it will come back to the head of that department there's no longer the committee that all together decided that this is a good idea now it's a single individual. So, the risk on that person is much bigger. And that means that the executive in charge of that division is also [in trouble] if something goes wrong. So, it's a risk aversion thing that needs to change, and a blaming thing that needs to change...But, again, it comes back to leadership, what kind of leadership do we have? Are they open to that type of risk? How do they react when something goes wrong? Is there a protection for the individual that made the decision...but now it's turned out bad? So, leadership needs to become more risk averse.*

*-Interviewee I*

*In my opinion, sustainability has to be integrated within the strategic topics. I mean so what entails sustainability - like social impact and environmental impact - should be placed at the same level of importance as the legal department or the financial department. So that when you take decisions, you weight them with equal importance.*

*-Interviewee B*

*They [a client] asked us to help them set up their sustainability unit because they are taking more seriously their carbon emission targets. They postponed the decision over two months...then they decided not to award this piece of work. Somewhere something has gone wrong. I don't know. You've got smart people at the top and some of them are not applying their minds...it's more about how silly [decision-making] is at the EXCO level, like 15, bright people sitting around, and they say no let's put building our sustainability unit on hold. Because we want to save some costs... society gives businesses its mandate to operate. They have to earn the right to operate in society. Society gives them that right. And if you don't have a sustainability orientation, be aware that at some point society will say we actually don't want you to operate anymore, [because your carbon emissions are affecting us negatively]. Thing is, this will come back to bite them in so many ways. And they'll have to spend more money, and people will say why didn't you do it in the first place? And then they'll have to fire some people for making bad decisions.*

*-Interviewee A*

*Our shareholders become stakeholders and our stakeholders become communities and then the environment we work in...and if there's resistance from community, we will not be able to make those financial returns. So, we need to take a step back and say what are the things we want to do, right, what's valuable? What is the shared value we want to create?*

*-Interviewee E*

*The way things work now in most companies is that people want to make [their own] decisions and they've been looking forward to being in that position...for the longest time. They were in the position where they needed someone else to make a call...Now that they're there [in a position of power], they can't relinquish that and let everyone else run their own show...[It's due] partially to fear and lack of transparency. So, if you don't know something, there are all these Chinese walls, right? Super "top secret projects" and everyone is doing their own thing in those silos. So the only people that really know what's happening across the entire business are those executives; so if you're going to do something it has to filter up to them to make the decision, based on their knowledge of how it is this actually going to impact all the other areas in the business. So, if you don't know what's happening in all the other areas, you can't make that decision.*

*-Interviewee C*

## **5.5 Results for Research Question 2**

**Research Question 2: Through the lens of resource-based theory, determine which tangible or intangible resource(s) are considered the most influential for the emergence of a firm's perceived sustainable entrepreneurial orientation (SEO)?**

The aim of Research Question 2 was to further interrogate the identified resources and capabilities given by the interviewees. The focus within this section, is not only on which are perceived to be the most influential but also an investigation into what are the combinations of resources and capabilities that either work well together and those which can work in isolation. This was drafted in order to gain deeper insights into which resources and capabilities can trigger SEO emergence and those resources and capabilities that perhaps increase a long-term fostering of SEO by being the most influential, according to the data received from the chosen sample group of the study. Using resource-based theory, resources and capabilities will be accepted by the researcher and presented through the lens of the resource-based view of the firm in that they must have the capacity to promote efficiency and effectiveness and create benefits in relation to losses. (Monteiro et al., 2017). Identifying and establishing these resources

and capabilities as being significant to achieving competitive advantage is beyond the scope of this study. However, identifying SEO as an important strategic posture for the future state of business is within the scope of this study.

In order to gain a thorough understanding of which resources and capabilities, tangible or intangible, could potentially trigger SEO emergence in organisations, the study needed to determine one resource or capability as explicitly more important than the others as a place to begin the conversation. Discovering what interviewees perceived to be the most influential resource or capability would specify the catalyst resource or capability that would be the minimum requirement for a sustainable entrepreneurial orientation to emerge. Thereafter, the fifth interview question demonstrated the relationship and interplay between resources and capabilities in order understand which ones need to work in combination with each other and if there are any which can work in isolation when fostering a sustainable entrepreneurial orientation.

### **5.5.1 Identifying which resource or capability is the most influential**

When this question was asked to interviewees, most could quickly identify one that they perceived to be the most influential, with one individual conceding to two resources and capabilities as having an equated level of influence. This individual indicated culture, an intangible resource, as most influential along with a tangible resource, the performance management system, as the other. Some interviewees had difficulty with choosing one upfront and would conclude they were equally important but then would, without the researcher's nudge, choose one eventually. Only one individual abstained from identifying any resource or capability as the most influential and believed that all need to work in a systemic approach for a sustainable entrepreneurial orientation to be achieved. Even though human capital was the most identified resource, when it came to interviewees classifying which they believed to be the most influential in enabling an organisation to adopt SEO, there was a shared first ranking of human capital and leadership.

Aligning with the Research Question 2, the most influential resource or capability were intangible resources being human capital and leadership. The intangible nature of good leadership behaviours and values were expressed as influential in that these values and behaviours would filter down into the organisation giving priority to a sustainable entrepreneurial orientation within the overall firm strategy, the objectives of the individual

employees and how processes and technology are enabled. Human capital, which was expressed in different ways encompassing the education levels of the workforce, resilience within teams and increased incubation and mentorship of talent, was equally ranked as the most influential resource in SEO emergence. Both human capital and leadership was accepted by the researcher in line with the resource—based theory in that both these resources can drive efficacy and effectiveness within the organisation which can be seen in the literature and will be discussed further in Chapter 6. The results of the resources and capabilities influence ranking is presented in Table 6.

**Table 6**

*The Most Influential Resource and Capability for enabling SEO*

Rank	Resource and Capability	Construct Expressed As
1	Human Capital	Human Resources
		Resilient Teams
		Highly Educated Workforce
		Talent Incubation
1	Leadership	Leadership
		Top Management
2	Culture	Willingness to change
		Culture
3	Culture and Performance Management	Culture and Performance Management
4	Systemic Approach	Systemic Approach

Other interviewees vehemently stressed that leadership was without a doubt the most influential and that a top-down approach was the only way to influence a change towards more sustainable activities and more entrepreneurial ways of working. With one interviewee believing that the culture of the leader transfers to the culture of the organisation. When asked tangentially if a bottom-up approach could work in promoting SEO some interviewees said that it wasn't impossible but that it would be too difficult unless there was a sponsor who would give backing to the bottom layers and be their support to onboard top management. When asked this question one interviewee believed that in the past, they believed that tangible resources like the technology or processes would have been the most influential but with more experience they believed that the intangible resources like the mind-sets of people mattered more. Other interviewees felt that even though human capital was the most influential resource for the emergence of SEO in an organisation, the caveat was that the calibre of people employed had to have individual, personal values aligned with sustainable or entrepreneurial ways of working to elevate the orientation in being more effective and the organisation had to also create an enabling environment with the right reward systems for the people to push the status quo.

Interviewees on their most influential resource or capability;

*It's all down to leadership. You don't need many resources in order to ask people to fly less and take the train more. You don't need really - seriously - any resources in order to look at your supply base and then find the most sustainable suppliers. This comes as I said, with the caveat or a filter that strongly depends on the market in which you're operating...But again, because you're in a competitive market, you're only going to be able to apply those to the extent that your competitors do because of the regulatory environment within which you operate. You know, where or how you operate enables that so maybe that's another thing. You know government backing is absolutely fundamentally important but ...it's still going to need the buy in of senior management, senior management are the ones who are then going to go to the government.*

*-Interviewee D*

*So, I would have said a year ago that it was technology or processes but now I think it's a willingness to change which is culture and is probably the most important. You can have all the technology in the world and the processes to match that but if you don't have the culture to nurture innovation or that entrepreneurial spirit, then your probability of success is very low.*

*-Interviewee K*

*Well, from a personal point of view, I would say it's the human capital. It's the type of people that you employ. There has got to be a shared value. When you have people and they have excellent IT capabilities or excellent financial capabilities, but there's not a shared value in terms of sustainability - maybe like environmental issues – there will be misalignment.*

*-Interviewee I*

*So if you've got the right sort of people, you've got the right mix of people, you've got to enable them in their environments, you've got to reward them for doing the kind of thing that you'd like to see happening, for taking risks, for exploring new ways of doing things, for understanding that we have to take on the subjective norms.*

*-Interviewee A*

*The leadership one is the key thing when people want to make decisions and people feel safe, and not fearing that my bosses are looking over me and allowing them to become entrepreneurial within boundaries and not micromanaging.*

*-Interviewee C*

*Maybe these aspects can be summarized within the leadership approach... A leader for me is a person that is capable of not only creating a culture but also has the capability to, let's say, engage the people working for him or her into this new culture and vision. And a good leader is one that is also capable of listening to what's going on outside the organisation and can adapt the business model in order to meet long-term goals.*

-Interviewee J

### 5.5.2 Understanding the Dynamics and Interplay of Resources and Capabilities

This interview question was drafted in order to further interrogate the dynamics between the identified resources and capabilities that are perceived to trigger an emergence of sustainable entrepreneurial orientation as a strategic posture for organisations. The question posed asked of interviewees to think about which of the identified resources and capabilities did they believe worked in combination with each other or which ones could work in isolation, in order to trigger SEO emergence and why they perceived it this way. This was explicitly unanimous with everyone in the sample believing that the resources and capabilities they identified had to work in combination with each other and that there was not a single resource that had the potential to work in isolation in order for SEO to emerge or sustain itself within an organisation. The integration of a purpose-led strategy and leadership with sustainable entrepreneurial values worked in combination with changing culture and responding to the changing needs of the human capital. Once these resources and capabilities were harmonious this would influence the dynamics of implementing and enabling financial resources, technology, processes and systems, rewards and incentives, networks and partnerships and supply chain optimization. The interplay between leadership, culture, strategy and human capital were recognised as initial components of this complex system to function optimally.

Interviewee responses on why resources and capabilities had to work in combination in order for SEO to emerge within an organisation;

*You need the all of them. Because you need a strategy, you need integration. I don't think that you can separate them...I would say that you need to have a systemic approach. And then a corporate global strategy and you have to have a multidisciplinary approach and so on.*

-Interviewee H

*I think they kind of work together. I don't think there is one that works purely in isolation. I mean, it's hard to explain, but maybe I can do it with a metaphor. A chair. It's got the four legs and it is supported by the four legs. But from time to time, if you are rocking on the chair you can lean on one side, and just put more stress on one but only for a short time. You're gonna have to come back and balance on all four legs. If you remove one, you could sit on that and then be leaning on a couple, but you can't do that forever, and sooner or later you're gonna fall, right? So, depending on what's*

*happening in the company at the time, you might call for, you know, stronger leadership to come in and drive a certain agenda. You might need to get some new talent, and that'll change things up.*

*-Interviewee C*

*No, they cannot be in isolation of each other. Everything comes from the leader from the top.*

*-Interviewee D*

*I think they all have to be harmonized... So, let me give you an example. If you now want to say we as a company are taking sustainability seriously and you look at your investment decision making process and there isn't a scoring criteria for investments, that looks at sustainability, whether that it whether that investment is going to increase your contribution to sustainability or decreases it. If you don't have that as one of your scores when evaluating any investment opportunities. It won't work, right? If you're not interviewing people, and ask them, what do they think about sustainability in your interviewing process, then it's not going to work. If you're not putting onto a scorecard triple bottom line performance onto every single executive, it's not going to work. Right? If the systems that you use are not moving towards carbon neutral type approaches, or at least exploring how to reduce your carbon footprint in certain areas, then it's not going to work. You have to harmonize everything.*

*-Interviewee A*

### **5.6 Results to Research Question 3**

**Research Question 3: From a dynamic capabilities' perspective, understand the relationship between the identified resources and capabilities and how (if so) they are reconfigured, integrated or adapted within a process to adopt SEO, and the consequences thereof.**

Dynamic capabilities encompass the ability of organisations to sense and seize opportunities, have the adaptive capacity to respond quickly to changes in the environment and give organisations the ability to achieve innovative forms of competitive advantage considering path dependencies which is current decision-making limited by past decisions whether they lose relevancy or not; and market position. (Teece, Pisano, & Shuen, 1997; Salvato & Vassolo, 2018). Research Question 3 aims to understand the implementation practices and organisational mechanisms available for effective reconfiguration of these resources and capabilities. Using this lens, interviewees were asked how the resources and capabilities that they identified could be reshaped for purpose, combined or adapted, in order to be effective when fostering a sustainable entrepreneurial orientation. Some interviewees were unsure that they were able to

understand the meaning behind the question. In response to some uncertainty from interviewees, this question was further adapted by the researcher for clarity within the interviews and created a scenario where interviewees were asked to consider a traditional organisation, with legacy resources and capabilities and historical path dependencies, how would they reconfigure, adapt or reshape their resources and capabilities in order for the organisation to become more effective. This scenario assisted some interviewees in better answering and understanding the question posed.

### **5.6.1 Effective implementation of SEO through reshaping resources and capabilities**

Most interviewees commented on having a deliberate philosophy first and a top-down approach as the most effective way for these resources and capabilities to be reconfigured or adapted, which is reminiscent of leadership as the most influential resource for SEO emergence. They indicated that most of the resources already existed in organisations and that with increased commitment and if the leadership encouraged the reshaping or adaptations that it would be effective, faster. Another proposition for reshaping is aligning sustainability key performance indicators with CEO incentives and making sustainable entrepreneurial outcomes directly connected to top executives' key performance indicators (KPI). Other interviewees debated the idea that a top down approach was the most effective in reshaping resources and capabilities to foster SEO and believed that the reshaping process starts with individuals and their mind-sets while one other supposed radical restructuring of human capital that were not on board with the change, this is reminiscent of human capital as the most influential resource for SEO emergence. The importance of strategic objectives and goals were highlighted as a point of departure in order to reshape an organisation towards SEO and overall, the identification of organisations having adaptive capacity, agility, openness to failure, willingness to break routines and openly communicating sustainable entrepreneurial goals became a guiding point of discussion for any kind of reconfiguration of resources and capabilities to take place. This was reminiscent of SEO as an imperative future strategic posture.

Interviewees on the most effective way of resources and capabilities being reshaped for purpose, combined or adapted towards a sustainable entrepreneurial orientation;

*It must be top down driven. So, in terms of the strategy of the organisation, the business model, essentially, how do we make money? And then how do we operate? I think from a strategy and a structural perspective, very much top down driven. So, I think some sort of alignment between all of that is critical and important. Because I think you can't just say, we want to support entrepreneurial activity, immediate community or a supply chain that doesn't link to your strategy in some way, it doesn't link to the way in which you make money in the way you operate...that function could never succeed at doing it. So, I think it's critical that it comes very much top down, aligns very well with how the business operates and how they see themselves making money.*

*-Interviewee F*

*A good case study of how organizations are trying to shape - and how they've adapted their capabilities to suit their drive towards sustainability and entrepreneurship would be Nandos... They have this mantra of Shared Value...So, they believe that they can only do the initiatives that enhance the ability to create more shared value. And so they work with suppliers who are some shape or form underprivileged and they try to incorporate variety into their supply base, they look at replenishment of ingredients... this philosophy doesn't always quite work because...it comes across as almost being too utopian, but not really because they still want to drive significant profits. But I think they have reshaped and refined capabilities to drive this purpose of a shared value approach...I know the CEO... and they are very much a sustainability oriented person and pretty much entrepreneurial in their mindset as well. And they hire certain people and they drive each of their businesses along those lines.*

*-Interviewee A*

*I think that the first thing is that they need is to be aligned with the overall company strategy, right. And that strategy as well, can't be static. It also needs to be continuously adapted and aligning to the corporate values at the time. It needs to be responding to all those external forces that we were talking about - the competition, the market, environment, the talent that's available, what your customers want, their values – you need to keep on adapting it. And all these resources and capabilities must be aligning with that strategy all the time as well. I think that's where a lot of companies fail, in my opinion, because either they don't even have a strategy... [or] have a strategy that doesn't say anything meaningful, that no one actually believes in it. That it's just a document that, you know, has some high sounding words but doesn't actually work.*

*-Interviewee C*

*You fire the people who are not on board with your strategy and goals number one - first thing you've got to do. Then you promote the good people in your team - good both technically and in terms of their motivation and you train everybody. Then the next thing you do is you look at the incentive structure. So, you look at the key performance indicators, and how people's performance is managed. You make sure that that fully reflects your performance goals, and you get sustainability indicators onto the scorecard of the CEO. Nothing else makes a difference like that. So, you wake up the*

*CEO...and I've done that. So, I put together this big sustainability program and we got the points onto the CEO scorecard which was linked to their bonus. And three quarters of the way they looked at it and was like "Oh no I haven't addressed this!" and it was this huge commotion. That's really important, then the next thing is you need to work out how to deliver whatever sustainability measures you want to achieve through the organisation. So, people need to be empowered.*

*-Interviewee D*

*The biggest change that needs to happen is management mindset change. You know, the people in the organization will take the cue from managers and from executives...there needs to be a free communication flow...between the specialist on the ground and the executives. And I think the executives need to be open for that kind of conversation so that is more than just fighting fires all the time on executive level making sure there's money in the bank and that kind of thing, but also paying attention to other emerging issues that's coming up in the world.*

*-Interviewee I*

*It's really important to look at the purpose and the vision and take it down to a granular level where every person in that organisation is part of a rich ecosystem. Being agile is another element – what agile is means is that you have to continually learn and that requires failure. Failure in corporates of yester-year was unacceptable but failure now of today and tomorrow is becoming fail fast, adjust, move forward...Think about the agility factor...and the learning culture, the learning moves back onto the individual and not the corporate, the corporate becomes the support mechanism and enabler.*

*-Interviewee L*

*To re-shape, I think that is a new trend that is accelerating now because multi-disciplinary teams and multi-sectorial innovation is nothing new. What has changed is the level of commitment you need to have on it ...What has changed with the circular economy is that now it is becoming a must...It's not about reshaping your purpose but you have to reimagine the boundaries of what you're doing... In a linear model you have your input and your output, and you don't care about anything else. In a circular model you have to think about what comes before and what comes after; what are the synergies you have across the process? You have to have a 360 degree view.*

*Interviewee H*

## **5.6.2 Identifying the organisational measurement tools or mechanisms available that substantiate the identified resources and capabilities as being relevant.**

The seventh question was drafted in order to consider what organisational mechanisms such as performance measurement tools or reporting instruments exist to monitor and evaluate the identified resources and capabilities. The importance of identifying these

mechanisms as relevant and significant in alignment with the resources and capabilities identified, gives greater understanding towards SEO's potential or irrelevance in being defined as a strategic posture for organisations in a future society that has changing needs socially, environmentally and ecologically.

Interviewees identified mechanisms that exist from international level compacts such as the United Nations Global Compact that encourages CEOs to make a commitment to universal sustainability; to organisational key performance indicators for sustainability and entrepreneurship given to all employees; to individual personal development plans. However, some interviewees believed that the indicators that existed were still not enough to define sustainability across sectors. These results consisted of interviewees recognising the available mechanisms that already exist but are perhaps not holistically used such as integrated reporting, corporate social responsibility (CSR) reporting, innovation indexes, sustainability reporting and employee happiness indexes. For most South African interviewees, when discussing sustainability reporting tangentially, there was a common assertion that within the emerging market context only two of the three bottom line reporting mechanisms were made to be relevant. These only supported social and economic sustainability such as broad-based economic empowerment (BEE) ratings and annual financial reporting. The interviewees believed that substantive ecological sustainability (not narrowly CSR that focuses on 'green' initiatives) was not a priority for many organisations in emerging markets and therefore environmental sustainability or 'green' supply or value chain incentives were not as common within the South African business sector. Whereas within the developed context, Italian respondents referred to many different sustainability certifications that were made available for the private sector to actively participate in more environmentally sustainable supply chains, as an example.

Interviewees on the mechanisms, measurement tools, reporting instruments and certifications available that indicate that these resources and capabilities are relevant;

*There are emissions indicators, of course, there are pollution indicators, there are social indicators...there is still not enough, in my opinion, ways to measure being sustainable and how that affects the life of the enterprise in the long-term.*

*-Interviewee B*

*Make it [SEO] a staff function but put the indicators into normal core staff reporting requirements. Yeah, because if you want to look at electricity consumption, for example, it's gonna be the engineers. If you want to reduce fossil fuel investments in the portfolio, it's going to be in the portfolio managers*

scoresheet, if you want to extend the number of people who are below some level of income who will have access to a telephone network. It's got to be in the marketing people's scorecard...the requirement of the shareholders are really, really important. Because, say, they will expect to see certain things and if they start divesting because you're performing poorly in your sustainability management that really makes a difference...companies will then be forced to spend more time not just reporting but then starting to invest in the company to get the indicators right, which takes you back to things like driving renewable energy up, like it reducing emissions, like improving your water management. So that these are sort of interface mechanisms with your shareholders. And then those converts into the KPI cascade. This is a capital allocation. Your capital allocation mechanism and your capital allocation strategy is also really, really important...Also, how to enable senior management to communicate to middle management then to junior management structures. You have things, compacts and principles you can sign up to – For example the UN Global Compact, you've got the Equator Principles, you've got World Wildlife Fund, which has a set of principles.

-Interviewee D

Organisations have to establish the ability to do the same sort of accounting and rigor that you have on the finance side that they have on the social and environmental side, so that they can also measure these things and monitor these things and manage them to the point where they connect and achieve the same kind of objectives because you only get what you measure. If you don't measure these things, you're never going to get them. If you measure financial targets, you'll get them. If you measure environmental targets, you'll get them. Right. So that kind of visibility, analytics and KPIs and performance management is probably another area of capabilities that they need to have in place in order for them to make this happen.

-Interviewee E

...in my experience, if you want your employees to really do it as well and contribute to it, it's quite often hard without having some sort of measure in place. And that could be out of their development plans or incentive structures. Unless you find a way to kind of measure - whether it be quantitative or qualitative - if you don't find some sort of measure to be able to track it and monitor it into a kind of hard drive you won't get the right sort of behaviour from your employees. You want, at least to make it consistent.

-Interviewee F

...we obviously have the usual Balance Scorecard and several frameworks and that we subscribe to, the GRI [Global Reporting Initiative] and the integrated reporting framework. We have internally developed a Development Scorecard. So, we have several tools that we use within metrics to make sure that the things that are important to us and our strategy and mandate, we address those.

-Interviewee I

Innovation is nothing if it doesn't result in meaningful change. What we don't have on the current scorecard of corporate governance is the happiness factor – how many of your employees are happy.

*If you come up with meaningful metrics of how your company has contributed to the greater lives of the community you operate in.*

*-Interviewee L*

*...measuring company culture and sentiment within the company, measuring your company innovation compared to similar companies in your industry, so there are measurements that you can put in place. We have a company NPS (net promoter score), so you can rate leadership and rate the happiness of your employees, the efficacy of your culture and your bottom line. If you can maintain or grow market share; if you listen to your customer and diversify your product offering, essentially you will be creating alternative revenue streams and you will see impact to your bottom line. If you are listening to your external and internal stakeholders, you can measure it with your bottom line.*

*-Interviewee K*

### **5.6.3 Establishing the Level of Influence of Resources and Capabilities**

This question was created in order to get a numerical weighting of how interviewees perceived the resources and capabilities that they had identified to be important. This was conducted in asking the interviewees to rate each of the identified resources and capabilities out of 100 for their level of influence and having to distribute it accordingly in order for an organisation to foster SEO. Most interviewees were able to give their chosen resources and capabilities different weightings in a carefully considered and reliable manner. Collating quasi-numerical results assisted the researcher in a more consistent and reliable analysis of which resources and capabilities were seen to be more influential in relation to the others.

Two interviewees struggled with the notion of having to choose weightings. One conceded and gave the three identified 33% across all and one other reluctantly distributed weightings after first announcing that leadership was 100%. In light of this, their weightings were not considered within the analysis. The researcher believed that their final weightings allocated were not well thought out and therefore considered them to be potentially unreliable. One interviewee abstained from giving weightings and acknowledged that getting the culture, impact and consistency right needed a quantitative measurement attached to it. Within this analysis, 9 reliable scores were analysed and counted.

Table 7 below presents the results of the allocated numerical weightings given by the 9 reliable responses of the 12 interview respondents. Scores were weighted out of 100 for each respondent's identified resources and capabilities. The scores that represent the weighted importance of resources and capabilities that foster SEO ranked Leadership, Human Capital and Culture as the top three resources and capabilities which aligned with the previous ranking in influential resources and capabilities that create the enabling environment for sustainable entrepreneurial orientation to be promoted and nurtured.

**Table 7**

*Scores representing the Weighted Importance of Resources and Capabilities*

Rank	Resource or Capability	Total Score
1	Leadership	265
2	Human Capital	140
3	Culture	135
4	Processes & Systems	110
5	Technology	75
5	Finances	75
6	Strategy	30
7	Rewards & Incentives	25
8	Supply Chain Optimization	20
9	Network and Partnerships	15
10	Business Model	10
<b>Total</b>		<b>900</b>

Giving a numerical value to the resources and capabilities that were mentioned, encouraged interviewees to make solidified decisions on the level of importance of resources and capabilities in relation to each other. Not only which resources and capabilities they found to be enabling of SEO, but interviewees had to analyse why those were important in relation to the others. Having a weighted importance question assisted the researcher in understanding the relationships between resources and capabilities and assisted deduction of the which ones are the main drivers and which ones support the integrated system.

Interviewees perceptions of the interplay of the resources and capabilities;

*Leadership is the top one at 40% and the others an equal distribution. So, even if you can introduce this (SEO) into the company you want - even if you want more diversity right, if the leadership itself isn't diverse then they don't see the value. It's never gonna happen. Okay, if they say we need to be sustainable, more environmentally friendly; we need to improve our environmental footprint. Let's have more recycling bins and I need 5000 to do that. Even if it's an insignificant amount. If the leadership doesn't believe in those values they'll be like; "Why? It's not our job to do that we are in the business of whatever. Why should bother with cans and bottles?"*

-Interviewee C

*I honestly think strategy and leadership are critical, right? So, if you don't start there, and you don't get that, right, you can just forget about it...And then the next sort of big element is the culture piece, right. And I don't think you can disassociate too much the performance management and the culture system, because I think one drives the other...So, if you don't get the leadership and the strategy right and you don't get the culture and performance management right, then nothing will work. 80% of the journeys failed. Right? So, you've got to get those right.*

*-Interviewee E*

*I would say, I mean, it is pretty much the based on case by case but I would say more than a percentage that you need to work on the culture, have consistency and have impact and make sure it is a quantitative assessment.*

*-Interviewee H*

*I think that leadership can either make or break a company. And even make or break a vision for change. If your leadership is weak and not behind the idea of cultural or organisational changes or has pivoting strategies in order to adapt to market requirements, you'll never be able to achieve what you need to achieve. Leadership is critical in that flow. If you've got bad leadership, you may as well just close all your doors.*

*-Interviewee K*

## **5.7 Results from Research Question 4**

### **Research Question 4: Explore and examine the differences and similarities of resources & capabilities and SEO in an emerging market and a developed market?**

With the researcher having physical, geographical proximity to both a developing context and a developed context, Research Question 4 was drafted to make practical use of the proximity as well as to triangulate the data to comprehend the phenomena as it manifests currently within these two different market contexts. Research Question 4 was not used as a compare and contrast exercise, but rather to get a preliminary understanding of the effects that a developing or a developed market context may or may not have on the emergence of sustainable entrepreneurial orientation within organisations inside those contexts. Having a more distributed understanding of the global context and whether or not it contributes to organisations and even individuals to have more focus on sustainability or entrepreneurship within their work environments,

was imperative in a foundational comprehension of why certain belief systems, priorities and governmental influence exists in regard to sustainability and entrepreneurship.

### **5.7.1 Establishing whether being in an emerging or developed market context contributes to SEO**

This question was shaped to incite a primary open dialogue on whether interviewees in South Africa and interviewees in Italy believed that their economic market context contributed to the emergence of organisations having a sustainability or entrepreneurial focus inside the firm and why they thought so. A very interesting debate emerged around historical economic and political events within market contexts which they perceived has affected how these societies today value sustainability or entrepreneurship today; investor expectations for more responsibility; consumer sophistication and expectations on business sustainability and innovation; convergence of the global market place and how it has neutralised market contexts and lastly, government legislation and support of entrepreneurship and sustainability holistically and its effect on how organisations will manifest their focus on entrepreneurial ways of working and sustainability interests. 2 of the 8 South African based interviewees were not South African born or naturalised citizens but were citizens of other countries who are working in South Africa. This contributed to their views being more internationally influenced as they have worked in both developed and developing contexts. So, within the sample, although we had 8 interviewees working within a developing market context and 4 interviewees working within a developed market context, 6 were in fact not South African and 6 were South African born, however 1 non-South African interviewee was still from a country considered to be a developing market. This equalised the weighting of knowledge and lived experience to a degree where the sample in fact had 5 interviewees from a developed context and 7 from developing contexts which affected the empirical findings overall.

Interviewees on market contexts and its effect on entrepreneurship;

*It [emerging contexts] definitely contributes to having an entrepreneurial focus. Because very often people are in remote locations. Either remote from a European headquarters or remote from a South African headquarters if they're up in the continent or in Africa, as soon as you move outside of Johannesburg, it becomes remote. People have to be empowered to make decisions for themselves. So, very often successful companies in Africa give their local operators a really strong moral operating*

*framework of values, wide freedom to make emotional decisions and so they tend to be far more entrepreneurial companies.*

*-Interviewee D*

*I would say that you can take more risk in a developing market because there is more room to try. In a developed country, everything is more restricted and there is much more competition.*

*-Interviewee H*

*You can't ignore the context of a country. But then on top of that, it has to then with the psyche of a country above other critical enablers, policies, etc. Our policies [in South Africa] do not in any way support entrepreneurship...the ecosystem to support entrepreneurs is shockingly inadequate. The policies are not in support of driving entrepreneurship. So even if you have a significant uptake of entrepreneurs the dropout rate is higher than in most countries. So, we need to look at our syllabus in our education system and all that, it is not geared towards entrepreneurship.*

*-Interviewee A*

**Interviewees on market context and sustainability;**

*So, take something like the environment. It might not seem like people here [in South Africa] feel as strongly about it as the rest of the world. Our customers are no longer just on the continent, right? Customers are everywhere in the world, and our competition is also from everywhere in the world. So, somehow we can't say, okay, let's take the 20 years for us to see the environment as something extremely important, just like companies that were in the West, they were at our stage 20 years ago and 10 years ago, five years ago, whatever. So, we do have to make that jump and you can't take that long or as long to adapt. You have to be a lot quicker in how we adapt. Otherwise, we won't exist in 5 to 10 years' time.*

*-Interviewee C*

*Environmentally we [in South Africa] are very poor. However, in terms of society – the very political side of society in terms of transformation – [we are] really trying to redress and trying to fix the wrongs of the past so we are very strong in that sense.*

*-Interviewee A*

*In a developed market, the consumers are more developed. I don't want to generalise but when you are in a developed market, the consumers are much more aware of the sustainability aspects. It's becomes very important to have a sustainability strategy because consumers want to buy products from companies that are sustainable.*

*-Interviewee G*

*There is almost a conflict between being entrepreneurial and driving for sustainable outcomes. I think this might be something interesting to explore because people are driving hard with more constrained resources in less regulated environments, where they tend to concentrate mainly on community because that's license to operate, environmental aspects don't matter to them so much now because it's far, far, far less regulated, and there isn't the same sophistication in the public, nor is there a sophistication in government. So no, I think that being in a developing market negatively incentivizes sustainability activity.*

*-Interviewee D*

*I see a lot of companies [in developed contexts] doing concrete investments in this direction and not all of them of course but an increasing number of companies are redefining their strategies in order to have a positive contribution and I want to highlight this concept of redefining the strategy because I think that more or less all companies are trying to do something for sustainability, but most of them are related to the old concept of sustainability like philanthropy or CSR. Where basically they sort of give a donation or do a small project or something, which is good. But what I'm seeing participating in round tables – more and more companies are working directly on the distinctive aspects of their core business. And this is the only way to reshape the business.*

*-Interviewee J*

Interviewees on government involvement regarding legislative action or support;

*I think for a long time private sectors have taken advantage of the absence of government making them responsible, if they've tried through legislation and of course, private sector niftily found a way to continue to make money and create all these disparate functions, to show or prove to the world that they're doing them. In actual fact, they really just care about making money and profits. So, you know, until the investor community changed, that's what's now actually starting to drive change in developing markets. I think investors are saying we want more responsibility...So there's this conflict of economic development versus environmental sustainability that comes to bear here in the developing markets because it's so much more of a sensitivity and, and one might argue that when you've got people starving and no jobs, surely you build the coal industry so that there are jobs and people are not starving, but then you're destroying the environment. So, can you do that in a balanced way? Can you find a better way to manage coal in a more environment friendly way? If you can, isn't that more beneficial than saying no to coal? So those are kind of discussions that you have in a developing economy versus a developed one.*

*-Interviewee E*

*Governmental leadership has a market effect on business leadership and the emergence of an economy. Once you start addressing Maslow's hierarchy of needs, food and water, in an emerging*

*economy, you enable it to become more sustainable or entrepreneurial. Sustainable leadership transverses the hierarchy of needs.*

*-Interviewee L*

### **5.7.2 Listed Advantages and Disadvantages of Emerging and Developed Contexts**

Interviewees were asked to list their perceived advantages and disadvantages of being in their particular market contexts with regards to sustainable entrepreneurial orientation; and the concepts of sustainability or entrepreneurship as it is seen and experienced within a particular market context. Due to this part of the research being primary for triangulation, these advantages and disadvantages were purposefully not deeply interrogated as that is beyond the scope of this particular study but will make for important future research.

Table 8 presents the results of the advantages and disadvantages identified by the sample for emerging market contexts. Table 9 presents the results of the advantages and disadvantages identified by the sample for developed market contexts. Table 10 reflects on the comments made regarding converging market contexts. The tables use direct interviewee quotes and the researcher's interpretations of the constructs recognised which include for example, government involvement, political and economic history, societal enablers or disablers and global convergence to demonstrate the data results in a more transparent format. This will be further debated and unpacked in Chapter 6 when discussing the results in more detail.

**Table 8**

*Emerging Market Context: Advantages and Disadvantages*

<b>CONSTRUCTS IDENTIFIED</b>	<b>ADVANTAGES</b>	<b>DISADVANTAGES</b>
High Unemployment  Opportunity recognition  Lack of entrepreneurial talent	“Because of the increasing rates of unemployment, you have to be entrepreneurial”.	“We don't have a deep pool of entrepreneurial people that can then deploy into companies. Hence why when I find someone who's creative, entrepreneurial, and they are willing to work in an organisation, I grab them with both hands”.
Private Sector Responsibility  Lack of Governmental Support  Lack of entrepreneurial education	“The advantages are that you kind of have to shape it yourself - as a company, there aren't regulatory forces for a lot of these things. So, it's up to you as a company to choose where you want to be, you have that freedom for some of the things.”	“Our policies do not in any way support entrepreneurship, small to medium sized enterprises, are marginally taxed, to big corporates. You know, there's that ecosystem to support entrepreneurs is shockingly inadequate. So, we need to look at our syllabus in our education system and all that, it is not geared towards entrepreneurship.”
Freedom to create new systems  Lack of regulatory standards for best practices and motivation to meet targets	“The advantages that is there is more carte blanche. So, you don't have to re-engineer systems and processes that have been operating for 40 years like you do in Europe or Japan or America. This is why America is so terrified of climate change because they've got assets and they've been operating for 100 years and to reverse engineer those – it's insane. Whereas in Africa, everything is new build.”	“The disadvantage is around that as well that there is no standard. So, by the time you find something you need, no one else has done it in that specific market. So, you kind of have to invent something yourselves that works. Because you can also just take, you know, the cookie cutter approach of the developed countries but you don't have that regulatory guidance that's pushing you to meet these targets”
A closer sense of community to problem-solve  No local regulations  Personal will	“So, if I think of some of social ills or the impacts on society that we have to deal with, we tend to do those things first. And the developed world has lost that kind of sense of community and society over time, because it's not such a huge challenge to worry about some of these things in other parts of the world. So, I think that an advantage is that we tend to, to think further on these topics than it is been done in those worlds. And I would imagine that eventually it's going to come full cycle...developed countries will start facing some challenges from a social perspective... because the machines are taking away the jobs”.	“I guess the disadvantage of that from a sustainability perspective is a lack of really tough local regulations. You have to have the will to structure for sustainability rather than having it imposed upon you. I see that as seriously the only disadvantage that I see.”
Fosters innovation and entrepreneurial spirit  Conflict between economic growth and political systems historically, unemployment rates and sustainable practices	“The innovation and the entrepreneurial spirit of living in a developing, faster growing market, it's almost a mandate to grow quicker so that you can look after the social aspects of a country. You don't have that in a developed context, so that's the advantage you suddenly have to be more innovative, you have to be more entrepreneurial. But at the same time, you have to sort of balance sustainability as well.”	“It's probably a lot more sensitive in a developing context. These things are heightened. These topics are heightened...So, the world is saying, no, don't build more coal power stations don't use coal it's dirty. We are destroying the environment, right. But for hundreds and hundreds of years before this, the developed world has used coal to do exactly that. And it's gotten them to the point where they've managed to develop their economies because they've had access to cheap

CONSTRUCTS IDENTIFIED	ADVANTAGES	DISADVANTAGES
		resources that maximize that and they've built up their economies, and now they're taking their next step. When you look at the developing world, is it really fair to say that you've got all these resources but don't use it because it's destroying the environment?"
<p>Opportunity recognition</p> <p>Risks and rewards are higher</p> <p>Lower levels of competition</p> <p>Trade-offs between sustainable actions and job loss</p> <p>Context matters</p>	<p>"The advantages of being in a developing context is that there is so much more space and opportunity that should it succeed the rewards of probably far greater. I think it especially in developing kind of real emerging sort of markets, I think, the white space and opportunities are far greater. And obviously, the risks are great, too. But I think...if I did take the risk and if I was willing to do it, the rewards here will far outweigh the rewards I could get in a developed market. I think that comes down to the structure of the market and I think the levels of competition, the ability to differentiate yourself from another company, that for me is probably a lot easier in a developing market than it is in a developed market."</p>	<p>"But the disadvantage is that for instance, our coal industry, we all want to move away from coal energy, but we cannot because in South Africa it's a major source of job creation. If we say let's shut down our coal mines and we go for renewable energy and alternative energy resources, what happens to those jobs? So, I think in every single developing market, you have those challenges...you want to move forward and adapt new products and ways of doing things. But you're going to have to sacrifice something else. In many cases it would be jobs. So, and in the developing market, that is what we face. We cannot simply follow the European models or way of doing business because we are in different context altogether."</p>
<p>Opportunity recognition</p> <p>Limited skills in innovation</p> <p>Leadership lacks willingness to change</p>	<p>"Being in a developing environment creates a whole lot of new opportunities. For instance, our energy, we've got water problems, we've got energy problems, no, that is all brand new opportunities that we can tap into and come forward with products and a lot of innovative products have come from South Africa because we have to overcome, so it definitely creates a lot of new opportunities for us."</p>	<p>"I think the disadvantage comes in where we have limited skills around innovation, from a leadership perspective we lack the willingness to change."</p>
<p>Private Sector responsibility on sustainability efforts</p> <p>Aligning values of consumers with organisational values and outputs</p> <p>Flexibility and openness to learn</p> <p>Markets are less saturated</p>	<p>It could be a disadvantage but also an advantage in a way because we need to fix that, there is an opportunity there. There is an opportunity for a developing nation – you know glass half full – that's India, that's South Africa – so how do we fix it? There is opportunity from the private sector to contribute from a sustainability perspective to create a better world. That essentially speaks to the values of consumers, finding solutions for developing countries and people are more open. I find that in developed countries they are more rigid and have a lesser capacity to learn compared to developing markets – it's so saturated."</p>	

**Table 9**

*Developed Market Context: Advantages and Disadvantages*

CONSTRUCTS IDENTIFIED	ADVANTAGES	DISADVANTAGES
<p>Resources are less finite</p> <p>Complex systems which are difficult to reorganise</p>	<p>“Theoretically you should have the structures, the resources and the knowledge wired for change.”</p>	<p>“Developed contexts have too much complexity. In developing contexts, you have to make a greater effort towards sustainability. It’s better to start from zero. Developing markets do not have to reorganise their economy, they can incorporate sustainability into a growing economy which is not complex. If you had to reorganise the US economy, it would be too difficult.”</p>
<p>Skilled Labour</p> <p>Greater knowledge and information exposure</p> <p>Higher consumer power</p>	<p>“They [workforce] are more skilled in general and then it’s easier to find people with skills in sustainability. And I would say exposure to these topics but now everybody is exposed to these topics because with social media with the news, it’s almost impossible to not have heard about sustainability nowadays.”</p>	<p>“I work in a multinational company. So, it’s not that there is a huge difference because we work in South Africa, we work in Italy, we even work in Germany, we work in US. So, you have to have all the approaches when it comes to having a very informed consumer because it can be a disadvantage because they are super informed, they may they ask a lot of questions, they, you know, they can - if they are not satisfied and they think you’re product is not sustainable, they can post on social media and put you in a very ugly spot.”</p>
<p>Skills and capabilities exist</p> <p>Access to information and market support</p> <p>Access to affordable technologies</p> <p>Developed markets tend to be insular when parts of the supply chain exist in developing contexts</p> <p>Lack of inclusion and diversity of thought</p>	<p>“You can find skills and capabilities on the market you can leverage on. It’s easier to create a synergy. If you are a company and you have never heard about sustainability and you want to approach the topic. It’s super easy to jump in the market and listen to competitors or suppliers or other stakeholders and you already have most of the solutions. So, if you are not in a developed market you have to create something from scratch. Also, you can leverage off not only skills and competencies but the available technologies. In developed markets the technologies available are usually less expensive. The cost of technology is going down. After a huge initial investment, it reaches the peak and then it starts decreasing.”</p>	<p>“Sometimes you don’t know what’s outside and there are not that many companies operating in the developed countries that have the full supply chain in the developed country, you have to look outside because a part of your business is related to what’s going on outside. Yes, part of it [supply chain] is outside. So, it’s not that you can just say okay, its none of my business I don’t care what’s going on outside, I will just leverage on what’s going on in my country... The disadvantages is that you interact with people with the same mindset. So, I’m a strong supporter of inclusion and diversity is so important. If you are used to only working in a developed market, with people born and raised there, you are missing a piece of the puzzle.”</p>
<p>Access to networks</p> <p>Shared experiences and knowledge</p> <p>Having strong access to products and technologies could hinder innovative problem-solving</p>	<p>“The advantage is that you can be part of networks, so you can share your experience with others and get inspiration from others”.</p>	<p>“We are used to having everything, everything like in terms of products, in terms of opportunities, in terms of technologies and so on. We are less keen to find innovative solutions, sometimes well at least in the field of sustainability, sometimes you have to take a step back to take a step forward”.</p>

**Table 10**

*Converging Market Context: Comments*

CONSTRUCTS IDENTIFIED	COMMENTS
Access to education Stronger governmental support Infrastructure support Complex systems create difficulty for correcting long-term mistakes Sustainability is necessary worldwide and is happening at different acceleration rates dependent on industry and country context	"I don't see a really big advantage of being in a developed context. I mean advantages are of course access to education, more infrastructure, stronger government and so on. But for sustainability, it would be the same even if you had to travel across the country. With sustainability I don't really see a difference, I mean, I could say that in a developing country, there should be more focus on it because you are starting from scratch and you have the chance to innovate from the beginning, whereas in developed countries, some mistakes are more difficult to be corrected. So, I think that there is really no point in saying that in developing countries we have more advantage when it comes to sustainability or innovation. I think that sustainability matters are developing worldwide with different acceleration according to industry to country and so on."

**5.8 Conclusion**

This chapter used the 12 completed interviews which consisted of interviewees in both Italy and South Africa and the analysis conducted thereafter to present the results. The results were aligned with the four Research Questions established through the literature review. New insights and interpretations were discovered throughout the analysis and areas for future research emerged with some results being beyond the scope of this study. Chapter 6 will now discuss these findings in more detail using the literature review in Chapter 2 to support the discussion and a hypothetical model will be presented that will further assist the exploration of sustainable entrepreneurial orientation as a strategic posture and how organisations can adapt their current strategic objectives to respond to the future states of business, industry and society. Within the next chapter the data will be discussed using thematic categories created from the findings. These include SEO as a strategic posture, Human-Centred Capabilities, Holistic Stakeholder Systems, Entrepreneurial Ways of Working, Performance Management and Measurements and Market Contexts.

## CHAPTER 6: DISCUSSION

### 6.1 Introduction

This chapter will discuss the findings in Chapter 5 in greater detail as discovered through the 12 one-one-one interviews with individuals as the unit of analysis. These individuals currently work in organisations that self-report as having orientations towards sustainability and entrepreneurship in varying degrees and these individuals have strategic expertise and experience. The Research Questions set out in Chapter 3 will be used as the framework to examine and review the research findings in more depth. This analysis proves that the Research Questions posed were answered and discusses to what extent the findings were surprising, confirmed or contradicted by previous literature within this context of study. Insights, inferences, interpretations and alternative perceptions will be discussed within the context of the study and the researcher's interpretations in relation to the Literature Review set out in Chapter 2. A hypothetical model has been created to explain the results.

### 6.2 Empirical Understanding of Sustainable Entrepreneurial Orientation

**Research Question 1: Identify and establish what are the resources and capabilities that encourage the adoption of sustainable entrepreneurial orientation (SEO) in an organisation?**

Before the resources and capabilities could be identified to directly answer Research Question 1, it was imperative that an understanding of SEO was established from the individual's own knowledge and experiences within the sample group without the researcher explaining the construct explicitly. Sustainable Entrepreneurial Orientation (SEO) within the literature has been pioneered and defined by Criado-Gomis et al (2017) as a multiple strategic orientation that factors in adaptive capacity, opportunity recognition and sustainability pursuits for organisations to gain competitive advantage. This high-order construct was hypothesised and developed through the intersection of entrepreneurial orientation (EO) and sustainable orientation (SO) within a dynamic capabilities and multiple strategic orientations approach. The aim of using this high order construct within this study was to explore the empirical value of the combined strategic

orientation, SEO, within the context of climate change, the need for greater socio-economic transformation, the rise of iterative improvement and tolerance for failure in organisations seeking competitive advantage, longevity and sustained relevance with all appropriate stakeholders.

### **6.2.1 Deconstruction of the Concepts**

When interviewees were asked for their empirical understanding of an organisation with SEO, most interviewees separated the concepts with a third of the sample acknowledging the extricable link between sustainability and innovation. One interviewee is currently working in a business unit that is called Sustainability and Innovation which is dedicated to all the paradigms within those constructs such as product development, circular economy, open innovation, social sustainability and shared value. This proves the existence of SEO thriving within an organisation and current work streams which have evolved from SEO. This infers the possibility of its existence in the future within other organisations. However, having only a third of the sample identifying the connection of sustainability and entrepreneurial ways of working as one concept, permits the deduction that the two concepts are still considered to be separate by most and more knowledge on the subject needs to be shared regarding the value of integrating sustainability pursuits and innovation pursuits as a single strategic posture. The rationale of a strategy is defined through a chosen strategic posture which becomes comparative to the current and future state of an industry. (Courtney, Kirkland, Viguerie, 1997). Choosing sustainability and innovation as single strategic posture is relative to the future of different industries, however, the literature confirms that without integrating sustainability and entrepreneurship into long-term visions and business strategies, there is a high risk of creating negative impacts on the environment and not responding fast enough to changing dynamics of business and stakeholder needs resulting in proactive new entry (Calabrese et al., 2018; Covin & Wales, 2019) which irrespective of industry creates advantageous competitiveness.

In Schrettle et al (2014) path dependencies and strategic decision-making framework it indicates that individuals will make new decisions based on historical performance, firm size and their current level of environmental action with regards to sustainability. This was confirmed through the interview questions drafted to answer Research Question 1 in that interviewees from organisations who had the dual orientation towards

sustainability and entrepreneurship, were able to define SEO as one construct whereas those interviewees that had to be nudged by the researcher to elaborate on their views, for example, on an organisation with a 'sustainable orientation' was because they immediately separated it and spoke to 'entrepreneurial orientations' which was part of their historical performance and current level of sustainability action. This confirmed that path-dependencies affect strategic decision-making due to an individual's current frame of reference.

As interviewees separated the concepts and used entrepreneurship interchangeably with innovation, the researcher accepted the understanding and used the definition of EO as a guiding principle for this interchange which includes attitudes and practices that are risk-taking, innovative and proactive. (Covin & Wales, 2019). Aligning entrepreneurship inside the organisation with proactivity and innovation was clearly mentioned by interviewees, however, risk-taking was more debated. The findings showed that some believed risk-taking to be industry specific, some believed embracing risk was how businesses who are entrepreneurial should be structured to reach their goals and others perceived an appetite for risk to be important but organisations needed to consider taking risk only in parts of their value chain. This in effect does not link specifically with the high-order construct SEO and therefore these findings regarding risk-taking are more descriptive than inferring within the context of the study as risk described by interviewees suggested an affiliation with industry-specificity. It is beyond the scope of this study to identify industry-specificity, value chain and individual appetite for risk in order for SEO to be fostered. The focus is more broadly focused on adaptive capacity, opportunity recognition and sustainability actions (the triple bottom line). Proactiveness, innovation and a certain appetite for risk align with being adaptive along with sensing and seizing opportunity (Monteiro et al., 2017), which is appropriate for the discussion of results.

One third of the interviewees perceived that sustainability is not clearly defined for organisations to be able to foster an orientation towards it, however two thirds had a clear personal understanding of sustainability orientation (SO). They perceived an organisation with SO as one which looks to minimize its environmental effects, social impacts and needed a focused strategy with a multi-sectoral approach in order to do this. This is confirmed in the literature of Calabrese et al (2019) that proposes that sustainable strategic management needs to generate shared value in respect to the triple bottom line. Schrettle et al (2014) that indicates strategy as one of the exogenous

drivers of sustainability in organisations along with culture, resources and capabilities. Culture was identified explicitly and through interviewees mentioning employee wellness programs, integrating social and mental sustainability in organisations, critical listening skills and congruency between internal processes, philosophies, systems and external communications. This is confirmed in legitimacy literature that instigates that in order to operate within society the internal and external communication of sustainable innovative activities must be coherent, transparent and genuine. (Fernando & Lawrence, 2014). Strategic orientations as inherently being an organisational culture is confirmed by Jansson et al (2017) and Schrettle et al (2014) as culture is an exogenous driver of sustainability within the strategic decision-making framework. The resource and capabilities were identified as a driver of sustainability and this study incorporated this driver into a superimposed framework of the resources and capabilities that foster SEO (See Figure 1) and not just the construct of sustainability alone.

The understanding of an organisation with an orientation towards sustainability and entrepreneurial ways of working extended into mentions of CSR, business model innovation and purpose-led organisations versus mandated legislative coercion to be entrepreneurial or sustainable. SEO needs to be integrated into all facets of the business so interrogating the purpose, innovating the business model to accommodate these strategic orientations in a continuous process and creating a strategy that is enhanced by CSR projects suggests an understanding of SEO within organisations. (McWilliams et al., 2016; Ammar & Chereau, 2018). There was a clear debate that CSR projects are part of sustainable activities and if an organisation has CSR initiatives, they are sustainably orientated. However, for those interviewees with a nuanced knowledge about CSR, they believed CSR activities were not necessarily substantive sustainability because of the fact that CSR projects are usually once-off projects that are not acutely reported on and large organisations allocate CSR funds for external communications, a brief report and minimal overall impact which gains them adequate legitimacy amongst industry peers and consumers. It was argued that CSR projects are not necessarily mission-critical activities but are part of corporate governance practices which organisations participate in for compliance, positive consumer sentiment and investor sentiment but not as an integrated outcome of having a sustainable entrepreneurial orientation. The motivations of organisations to choose CSR activities have variance and confirmed in the literature as organisations being at different levels of efficacy with some being purpose-led and others being motivated through legal compliance. (Hutchins et al., 2019). One interviewee had noted that they preferred to use the term 'responsible'

instead of 'sustainable' because organisations could not conclusively state that they are 100 percent sustainable so to avoid that, saying business should be more 'responsible' meant they were imperfectly trying to be more sustainable and socially aware. This is confirmed in the literature, with regards to corporate sustainability and corporate responsibility overlapping. (Bansal & Song, 2017). This interviewee, who is also a sustainability expert, expressed that it is almost impossible for 100% sustainability to occur as that would have to include your complete supply chain, organisational structure and employment equity, culture architecture, energy, water and waste usage and indirect environmental impacts attached to your outputs. There are many indicators for triple bottom line sustainability to be achieved and therefore pledging 100% sustainability in effect becomes 'green-washing'. (Hutchins et al.,2019).

## **6.2.2 Understanding Sustainability and Innovation as a single construct**

One third of the interviewees connected the concepts of sustainability and entrepreneurship as a single construct which is confirmed through the literature of Criado-Gomis (2017) proposing SEO as a combined construct. These interviewees also empirically solidify the concept in that systemic innovation, holistic integration of a sustainable entrepreneurial culture throughout the organisation and identifying new opportunities to keep your organisation relevant; are mentioned within the data. This part of Research Question 1 was fortified as a foundation for the identification of the resources and capabilities and having a higher number of the data set (two thirds) deconstructing the concepts does not necessarily imply that the construct is not relevant or significant but more so that the ideology may not have filtered into main stream thinking as yet. Sustainability orientation and entrepreneurial orientation have a reflexive relationship and are seemingly disparate constructs with decision-making trade-offs and conflicting values (Di Vito & Bohnsack, 2017) which could indicate why most of the sample suggested they are separate. However, Criado-Gomis (2018) research results prove a direct consequence of sustainable entrepreneurial orientation on business performance however commitment to SEO depends on the level of sustainability significance and durability resulting in the materiality of sustainability. (Maniora, 2018).

### 6.2.3 SEO: An orientation of the future

The main research question to discuss in this section was to identify the resources and capabilities that encourage SEO to be fostered in organisations. The main question of the study builds on this by asking a more complex question; once the resource and capabilities are identified, the dynamics of the relations are understood and measurement mechanisms are in place, can we ascertain SEO as an important multiple strategic orientation in order to respond to the uncertainty of the future?

The results for this question were unanimous when interviewees were asked if they believed organisations should adopt this multiple orientation and why they believed so. 92% of the sample agreed that organisations had no choice but to adopt orientations towards sustainability and entrepreneurial ways of working. Only one interviewee responded that sustainability must be integrated, either by mandated legislation or core mission drivers, across all organisations but that entrepreneurship or innovation was not necessary for all organisations and was market or industry specific. In light of this, it can be deduced that 100% of the sample agreed that sustainability orientations must be adopted by organisations in order to continue to operate in society. Their reasons for why organisations need to adopt SEO, is confirmed through the literature, in that stakeholder needs are changing at a rapid rate, this includes your investor sentiments, sophistication of consumers, industry standards and peer groups, where strategic focus must align with stakeholder requirements. (Calabrese et al., 2019; Provasnek et al., 2017). Included in their rationale is, as citizens of the world there is an inherent duty towards the larger environment, such as the crisis of climate change, increased Co2 emissions and needs for better waste management, and strategic sustainability efforts must be integrated into business strategies. (Jayanti & Gowda, 2014; Mani et al., 2018; Calabrese et al., 2018; Craido-Gomis, 2017). The strategic framework of Miles and Snow (1978) was outlined in the empirical findings in that the overall sample identified that organisations needed to be prospectors and analysers - organisations looking at innovating towards new markets whilst defending their current place in the market. Some interviewees agreed that defenders, who are the mature market organisations, do not necessarily need to be entrepreneurial or risk-taking but had to continue to work towards sustainable efforts. The entire sample indicated that any organisation who is a reactor will not continue to have a licence to operate in the future as stakeholder engagement and compliance was a necessity in aligning organisational strategy with a sustainable entrepreneurial orientation. (Erina et al., 2017; Provasnek et al., 2017). It can be

concluded that there is a positive confirmation that SEO is a relevant strategic posture for future operational, tactical and strategic models.

#### **6.2.4 Leading Factors: Human-Centred Resources and Capabilities foster SEO**

The top three resources and capabilities ranked with the highest frequency, were human-centred factors which included Human Capital, Leadership and Culture. What is interesting about these findings is that it centres around human behaviour and that the change towards this orientation, that was deemed as imperative for organisations to adopt for the future, does not rely on finances, technology or processes and systems. The change can occur through the people inside the organisation and relies on mind-sets, culture, leadership skills and human relationships. Literature substantiates this in that change relies on management philosophies that is a structural component of organisational routines and behaviours and that organisational development can be adaptive, profitable and promote long-term well-being if it focuses on human resources and leadership growth and development. (Krzakiewicz & Cyfert, 2019; Fabio & Peiró, 2018). If people leading the organisation have the will to change the strategic orientations it will filter down to the rest of the organisational units and then to each individual as leaders powerfully shape the beliefs of their employees and sustainable entrepreneurial orientation is a whole organisation commitment where ecological, economic and social strategic decisions are seen on the same level within the company culture. There is no hierarchy of profits over people or planet. (Criado-Gomis, 2018; Gächter & Renner, 2018). The findings focused on a holistic view of human capital in how organisations recruit talent through to aligning the values of the organisation with the personal values of talent for better fit. Ensuring talent are equipped to sense and seize opportunities and can reconfigure resources and capabilities to quickly respond to a dynamic environment (Teece, Pisano, & Shuen, 1997; Salvato & Vassolo, 2018); use agile resourcing whereby organisations hire independent contractors depending on the problem to be solved; retention of talent through rewarding and incentivising certain behaviours that are directly linked to sustainable and entrepreneurial goals and not rewarding others. Being deliberate about rewards and incentives is important. Having an enabling culture that speaks to the needs and values of the talent as each year the needs and values of talent is shifting; and the importance of using cross-functional teams that ensure communication flows are open between business units which

encourages learning orientations, collaboration, continuous improvement and facilitates responsibility. Future studies may want to test why supply chain optimisation was only mentioned by one interviewee in this study who considered it an important capability for SEO to be adopted which is verified through Rego et al (2017) who suggest that meaningful and substantive sustainability practices need to be apparent throughout an organisations supply chain. This will be reviewed under future research opportunities.

### **6.2.5 Increased Strategic Decision-Making in Organisations**

In the literature, Neessen et al (2019) presented the notion that decision-making in organisations has become more decentralised and this makes it more difficult for employees to be innovative as they carry more responsibility. This is contradicted in the findings of this study. Even though decentralised decision-making lead firm's to increased innovation and adaptive capacity (Li et al., 2018), the empirical data revealed that leaders are still risk-averse when it comes to delegation and that decision-making needs to be more democratised. Some of the responses eluded to the problem of little to no decision rights due to a lack of transparency, trust and ability to delegate being a major issue. The responsibility of the CEO or top leadership in the organisation to support the strategic posture towards SEO and have the willingness to change is seen as the most important resource; comparatively to other identified resources when interviewees were asked to rate the importance and level of influence that each factor carries. In the sustainability versus responsibility meta-analysis presented by Bansal and Song (2017) most sustainability and responsibility scholars indicate the importance of CEOs and top management involvement in constructing practices and strategies aligned for sustainable or responsible goals with senior management commitment being driven by managerial sensitivities towards stakeholder demands, top management salaries and leadership values.

Another suggestion from the empirical findings around strategic decision-making becoming more decentralised, can be seen through the current financial allocation systems in organisations. Strategic decision-making is needed for sustainable entrepreneurial orientations to flourish. (Schrettle et al., 2014; Calabrese et al., 2018). According to the sample, budget allocations are problematic and not strategic. Currently budget allocations are awarded with lump sums up front which must be used up in the financial year. Whereas the approach of metered funding suggests that small amounts

are allocated to a particular business unit for testing an idea in order to de-risk the process and over time to create a proof of concept. This enables leaders to have more confidence and become less risk-averse.

On the contrary, some responses felt that risk needed to be taken in parts of the value chain only which were dependent on market context and a leaders' capacity to take accountability. Empirically, the issue of blaming and not taking accountability for decision-making, hinders organisations in being able to have fast turnaround times and disables them from being fast responders to industry changes, environmental changes and consumer changes. This is due to the fact that the governance structures are made to be too complex by incorporating too many decision-making committees that slow down the process.

Neessen et al (2019) and Li et al (2018) confirm these empirical responses in that governance structures that apply decentralised decision-making promotes firm innovation and organisational adaptive capacity while facilitating employee involvement in decision-making which creates timely feedback to top managers from lower-level employees who have will gain a deeper understanding of top management strategies and will provide supportive resources to allow those strategies to flourish. Empowering the employees within the senior managerial levels of the organisation to take personal accountability and responsibility in promoting the business objectives for firm performance breeds a culture of trust and transparency where calculated risk and failure is no longer a fear where blame and distrust is not the consequent result. Decentralised decision-making creates an enabling environment and a culture that empowers whole organisation collaboration, which is centric to sustainability practices being successful. (Craido-Gomis, 2018).

### **6.3 Intangible Resources as Highly Influential**

**Research Question 2: Through the lens of resource-based theory, determine which tangible or intangible resource(s) are considered the most influential for the emergence of a firm's perceived sustainable entrepreneurial orientation (SEO)?**

In the empirical data, the most influential resources that determine the emergence of SEO in an organisation were identified as human capital and leadership. Resources, whether tangible or intangible, can assist organisations in leveraging innovation to foster value to stakeholders through processes, products or services. (Provasnek et al., 2017).

Human capital and leadership are considered intangible resources which could also include culture, stakeholder relationships, knowledge accumulation, skills and competencies. Through the data collection and analysis, it can be verified that intangible resources are seen as the most effective and influential resources in organisations fostering a sustainable entrepreneurial orientation, which is aligned with the literature review. Within RBT literature, intangible resources are acknowledged as the most effective source of competitive advantage if used to its full potential and orchestrated correctly. (Jones et al., 2018). Surprising responses in the data for what constitutes the most influential resource or capability was resilient teams and talent incubation which was collated within the human capital category. Using these constructs, the results will be further discussed in its alignment or contradiction with the literature.

Fabio and Peiró (2018) integrate human capital and leadership constructs within their research on sustainability and psychology in organisations. The researchers have discovered a construct called sustainable leadership which influences resilience in human capital and promotes a healthy organisation. Sustainable leadership, interconnected with ethical and servant leadership, also focuses on the mindful and inclusive decision-making processes along with a working environment that enables continuous improvement and learning for the sustainable well-being of human capital. This construct of sustainable leadership coincides with the research purpose of this study which is identifying the critical resources and capabilities to foster SEO and its linkage to strategic decision-making. Sustainable leadership has been identified by the researcher as a theoretical construct that accumulates the empirical data and could assist managers and organisations in fostering SEO, which will be discussed further within managerial implications.

Talent incubation was mentioned as part of human capital resources, which considers mentoring, upskilling and knowledge transfer within the organisation for long-term commitment. Ma and Zhou (2017) confirm this notion of talent incubation as important with regards to innovation as internal knowledge acquisitions, spillovers and sharing become pertinent outcomes of incubating talent which consequently result in optimising the intellectual capital of the organisation. This also highlights findings in the empirical data that valued cross-functional teams or even multi-sectoral approach (looking outside one's particular industry) which also encourages transparency of knowledge sharing which positively affects strategy implementation. Talent incubation would be appropriate for SEO to be fostered in organisations in that talent can strategically be incubated

regarding innovation and sustainability practices and principles which would garner a whole organisation approach towards the multiple strategic orientation for competitive advantage. (Krzakiewicz & Cyfert, 2019).

### **6.3.1 Resources and Capabilities Work in Combination**

Interviewees unanimously agreed that resources and capabilities had to work systemically in combination with each other in order to be effective. The resources that were mentioned as the foundational or critical resources for SEO to emerge and be fostered within an organisation included leadership, culture, human capital and strategy. As indicated previously by Jones et al (2018) these intangible resources as established within resource-based theory have more potency in their effect on change initiatives than tangible resources like finance, technology or processes within an organisation. Some interviewees believed that each resource and capability would have its own level of importance dependent on the need of the organisation at that time and sustainable entrepreneurial activities needed investment decision-making scoring criteria to evaluate against investment opportunities. This coincides with Maniora (2018) who suggests that sustainability decision-making will be affected by materiality of the impact and necessity of that particular activity and investment decision-making, management practices and reporting systems will be affected. Deciding which resources to use when and why is dependent on its materiality and will encourage organisations to orchestrate the components within their systems and routines accordingly.

The data also implored that in order for everything to work in combination and not isolation it had to be instigated from the top leadership. Again, this is confirmed in the literature whereby processes of strategic management have to be influenced by the routines within the organisation and that is influenced by management principles which are created and enforced by top management. (Krzakiewicz & Cyfert, 2019). Top management and CEOs are responsible for the culture that is instilled in the organisation and without their leadership values or personal morality towards sustainability and entrepreneurship, resources and capabilities will not be harmonised to achieve SEO within the organisation. (Bansal & Song, 2017). However, Neessen et al (2019) contradict this notion of top-down leadership by concluding that innovation can be inspired through social means from lower-level employees who can persuade bottom-up

innovation activities towards top management. These intrapreneurial agents are not passive employees but proactively take responsibility and instigate self-renewal within the organisation for competitive advantage. Many interviewees believe that a bottom-up approach was not impossible when trying to facilitate a sustainable entrepreneurial orientation within an organisation but did conclude that it would be very difficult considering hinderances such as legacy systems and resistance to change. This exposes a path for future research to investigate the power and potential of bottom-up innovative and sustainable employee action as it has not been empirically concluded that resources and capabilities working in combination can only be prompted from the top down.

#### **6.4 Reconfiguration through Leadership, Performance Indicators and Strategy**

**Research Question 3: From a dynamic capabilities' perspective, understand the relationship between the identified resources and capabilities and how (if so) they are reconfigured, integrated or adapted within a process to adopt SEO, and the consequences thereof.**

In order to discover the most effective way to implement SEO within an organisation, interviewees were asked how they might reconfigure the critical resources and capabilities they identified and what would the consequences be thereafter. Most interviews indicated that in order for any reconfiguration to take place, a strategy or organisational philosophy with regards to sustainable entrepreneurial orientation had to be out in place by the leadership. This is supported by the literature which highlights the importance of strategic alignment of top management leadership values and how their beliefs shape that of their employees (Bansal & Song, 2017; Gächter & Renner, 2018) because top management produce the strategies and values and need to lead by example. Any orientations towards EO or SO need to have strategic support and alignment with the overall organisational strategy. The multiple strategic orientation that is SEO can be a paradox that generates trade-offs between sustainable activities and entrepreneurial gains while simultaneously creating adaptive capacity and opportunity recognition. (Criado-Gomis, 2018; Di Vito & Bohnsack, 2017; Calabrese et al., 2018).

The importance of top-down leadership and CEO involvement in fostering SEO was prevalent in the data responses. Incentives and rewards were mentioned by many

individuals in the sample throughout the collection process, but a surprising data point was the proposition of a direct key performance indicator (KPI) attached to the CEOs incentives towards sustainability and innovation. Interviewees felt that without the direct KPI attached to the CEO, change would not be implemented. Others felt this was too brash and may cause union involvement, but a good majority of the sample saw this as an effective way to implement SEO activities. The recommendation suggested that the top executives would be measured and reviewed through sustainability and innovation indicators attached to their personal performance. This is a conflicted outcome with regards to the literature in that every individual will have their own beliefs about what is worthy of concern and what is important to focus on which stimulates institutional adversity. (Provasnek et al., 2017). Finding voluntary cooperation from all stakeholders, inclusive of CEOs and top management, requires high-quality stakeholders who are interested in achieving higher levels of knowledge sharing and have a keen interest in innovation management practices to strategically make decisions. (Jones et al., 2018; Calabrese et al., 2018). If CEOs or top management do not individually possess these qualities, coercive performance indicators towards sustainability and innovation may be de-motivating as thrusting coercive rules into an environment that is not ready potentially makes sustainability and innovation a 'tick-box' exercise. In order for implementation of SEO to be successful, two underlining considerations of sustainable entrepreneurial orientation must be achieved, these are consciousness and motivation. (Kraus et al., 2017; Criado-Gomis, 2017). This indicates a certain level of sophistication and mind-set towards the topics of sustainable entrepreneurship, strategic management and ethical leadership. Rego et al (2017) discover in their research, investigating CEOs and corporate sustainability, that the most important leadership responsibilities expected by employees included leading by example, upholding commitment, creating direction and alignment towards sustainability, empowering employees and monitoring the undertaken activities. Perhaps it can be argued that instead of coercive indicators for CEOs, leaders who have the consciousness and motivation towards sustainable entrepreneurial orientation and who can maintain commitment for it will create more consistency and firm performance over the long-term.

Reconfiguring resources for SEO to be effective also includes human capital which consists of individuals that are empowered, energised and have personal value alignment with that of the organisation and human capital who trust the ethics of the leaders as sustainable entrepreneurship is inherently an individual endeavour. (Villar & Miralles, 2019; Gast et al., 2017; Rego et al., 2017). Having all the necessary

stakeholders participate and empowered in order to foster SEO creates shared value. The concept of shared value was mentioned by some interviewees as an effective way to reshape resources and capabilities for SEO and this ideology aligns with the literature in that shared value must be generated through strategic practices towards sustainability. (Calabrese et al., 2018). These strategic practices need to be aligned with the overall organisational strategy to be effective and should be continually improved towards sustainable goals. (Krzakiewicz & Cyfert, 2019). Finding a strategy that is meaningful and relevant is a continuous exercise and all organisations who adopt SEO would need to adjust their business strategy to create an alignment for future success.

#### **6.4.1 Better Use of Available Measurement Tools**

Measurement mechanisms were identified in the data from international compacts such as the United Nations Global Compact or The Global Reporting Initiative to organisation wide monitoring systems like integrated reporting, key performance indicators and personal development plans. Employees not only want CEOs to be ethical, maintain commitment and lead by example but they expect them to have monitoring and evaluation systems in place in order to facilitate this management practice authentically. (Rego et al., 2017). The data showed that there are many monitoring and evaluation (M&E) tools available but very few seem to be used to its potential. The data included sustainability reporting, employee happiness indexes, net promoter scores for customers, innovation indexes and CSR reporting which is usually within an integrated report. Even though individuals within the sample could identify measurement tools available for sustainable entrepreneurial activities very few knew the details of the reporting. According to some interviewees, CSR reporting was not rigorous enough and could come across as a 'nice to have' because it was not necessarily attached to the overall strategy of the business. Organisations are selective about the narratives within CSR reporting and therefore it is not a trustworthy legitimacy strategy. Organisations need to continue to do activities that are strategically viable for their long-term objections and is seen as valuable to the society in which they function in order to keep their license to operate. (Fernando & Lawrence, 2014; Hutchins et al., 2018).

When the dataset was separated into emerging and developed market interview respondents, the national context came into play as there are conflicting viewpoints about what constitutes sustainability problems and solutions. (Wieczorek, 2017). The common perception within the emerging market data was that economic and social

sustainability was important within South Africa and social transformation schemes like affirmative action for previously disadvantaged people by the Apartheid regime, is required by organisations which gives them a social license to operate if they adhere to this social transformation. With corruption playing a significant role in emerging markets like South Africa (Swilling et al., 2016) with regards to fraud and embezzlement, financial sustainability is also very important for organisations to prove they have clean audits which creates trust, transparency and credibility with their stakeholders. Environmental sustainability did not seem to have a strong focus as opposed to the developed market data. (Jayanti & Gowda, 2014). This data revealed a more sophisticated knowledge capitalisation of environmental sustainability with concepts like circular economy, social innovation, 'green' supply chain certifications and corporate sustainability certifications being a part of the national context. This also included economic and social sustainability with CSR and employee wellness being major parts of the developed context for many years. As suggested by an interviewee which corresponds with the literature, sustainability management exists in most organisations but the level of acceleration for each is different and path dependent on institutional and country contexts. (Wieczorek, 2017; Schrettle et al., 2014).

#### **6.4.2 Leadership: The Highest Numerical Weighting**

To facilitate a deeper understanding of how different resources and capabilities are seen to be critical for SEO to be fostered within an organisation, quasi-numerical scoring was conducted. Leadership ranked first with 265 points of the total 900 reliable scores. This was much higher comparatively with Human Capital scoring 140 points and Culture 135 points. Asking the interview respondents to first identify the resources and capabilities they perceived to be necessary in fostering SEO was the first layer of analysis, next they had to name one they found to be the most influential which allowed them to analyse their choices of resources and capabilities a bit deeper, and finally requesting interviewees to give the resources and capabilities quasi-numerical scoring allowed for a deeper analysis of which ones are critical for SEO adoption and which ones are secondary to it flourishing. Having a quasi-numerical analysis gives rise to a more sophisticated and complex future analysis not just the examination of the scoring given but the possible patterns that could exist within each interviewee's response. (Gnjidic, 2014; Braun & Clarke, 2006).

This finding reiterates the importance of leadership in fostering sustainable entrepreneurial strategies, multiple strategic orientations, innovative management methods for decentralised decision-making and belief systems of employees that are constructed by leaders in order to energise employees and have them work within a trustful, social environment where the triple bottom line efforts will flourish. (Calabrese et al., 2019; Rego et al., 2017; Li et al., 2018; Bansal & Song, 2017; Gächter & Renner, 2018).

## 6.5 Triangulation of Emerging and Developed Contexts

### **Research Question 4: Explore and examine the differences and similarities of resources & capabilities and SEO in an emerging market and a developed market?**

The researcher had geographic proximity within South Africa and Italy. The dataset had sub-sets of individuals who are living and working in an emerging market context and others within a developed market context. Intuitively, the data showed that a developed market context had more experience and sophistication strategically employing the triple bottom line in organisations and strategy whereas emerging market contexts showed more emphasis on economic and social aspects with environmental sustainability a conflicted characteristic within the responses. An open dialogue was created regarding why interview respondents believed their particular lived context contributed to the emergence of SEO and why. This included their perceptions and opinions on stakeholder expectations such as investors or consumers, government legislation and involvement and global convergence.

A debate emerged around socio-economic and political histories which had a significant effect on how different national contexts benefit from and value sustainable entrepreneurship today. Many interview respondents felt that the disadvantages of being in emerging contexts was the lack of government support and enabling environment to be risk-taking or entrepreneurial. The risks of failure in this context resulted in a much dire consequence considering resources finite. The levels of inequality, poverty and high unemployment subdued the urgency of environmental sustainability. Some interviewees proposed historical colonisation affecting how emerging markets participate within the current sustainability movement of developed countries. The proposition offered was that there is a domino effect when certain sustainability efforts are realized. The example

of coal was a recurrent theme. If coal must be replaced by different renewable energy sources, many jobs are lost, and job creation is part of the national imperatives. During colonisation many developed countries were able to exploit the resources taken from their colonies and evolved faster. Emerging markets have not yet had the opportunity to exploit these resources fully which are in conflict with the sustainability agenda. However, employment is created which indirectly addresses the poverty challenge. Advantages of being in an emerging market context with regards to SEO included opportunity recognition and innovative solutions that are driven by constraint and closer social communities driven by the need for greater social transformation.

The data from the developed context sub-set, perceived that theoretically developed contexts have infrastructure, resources and government support however, they felt that having a mature system wasn't necessarily adequate for adaptive capacity, opportunity recognition and new innovation. With technology becoming incrementally cost-effective and more accessible the capabilities of becoming 'out of the box' problem-solvers minimises. The reconfiguring of a mature market context is difficult and rigid as there are legacy systems that are complex and aged. (Wieczorek, 2017). However, some interview respondents believed global convergence was at play and that being in either contexts meant sustainability and entrepreneurial efforts were being enforced at different levels. The literature demonstrates that there is an inadequate equity of regulation and compliance towards sustainability in different contexts and global transitioning is impossible; emerging markets struggle with transitions into sustainable frameworks due to poverty, past and current social injustices (like colonial rule) and discriminatory urban planning but not being highly organised frees emerging markets from reconfiguration of sustainability systems which developed markets struggle with. (Furlong, 2014; Swilling et al., 2016; Wieczorek, 2017).

## **6.6 Integrated Sustainable Entrepreneurial Strategy Model**

Using the literature review in Chapter 2 and the results which have been presented in Chapter 5 and discussed in 6.2, 6.3, 6.4 and 6.5; an Integrated Sustainable Entrepreneurial Strategy (ISES) model has been developed by the researcher to assist strategic management executives and organisational leaders to begin thought processes around fostering a sustainable entrepreneurial orientation and align it with the overall

company strategy for long-term competitive advantage and continuing to operate within their communities. The aggregated data from the interviews along with the considerations of the which resources and capabilities were the most influential, their relationship in combination with other resources and capabilities and the role of stakeholders (community, shareholders) and national context for linking strategic-decision making was taken into account when creating the model of the critical resources and capabilities to foster SEO as an orientation of the future.

### **6.6.1 The development of the ISES Model**

The Integrated Sustainable Entrepreneurial Strategy (ISES) Model (See Figure 3) was developed by the researcher in response to the empirical findings and the theoretical framework applied for the study. The critical resources and capabilities that were highlighted within the study included, leadership, human capital and culture. Other important resources and capabilities identified for the purpose of a triple bottom line approach included strategy and long-term vision, and processes and systems. Through the data and literature review, organisations must understand that gaining a license to operate comes from their plethora of stakeholders of which your investors and shareholders may not be the most important as previously perceived. Your internal and external stakeholders; consumers; society and employees, in sustainability and innovation strategic management are considered the driving elements for these constructs to be implemented successfully. Miao et al (2017) and Rego et al (2017) confirm that human resources are used as basis for resource orchestration to discover the strategic orientations well suited for an organisation and having orientations towards entrepreneurial approaches creates a strategic process that allows the organisation to choose the right resources to innovate.

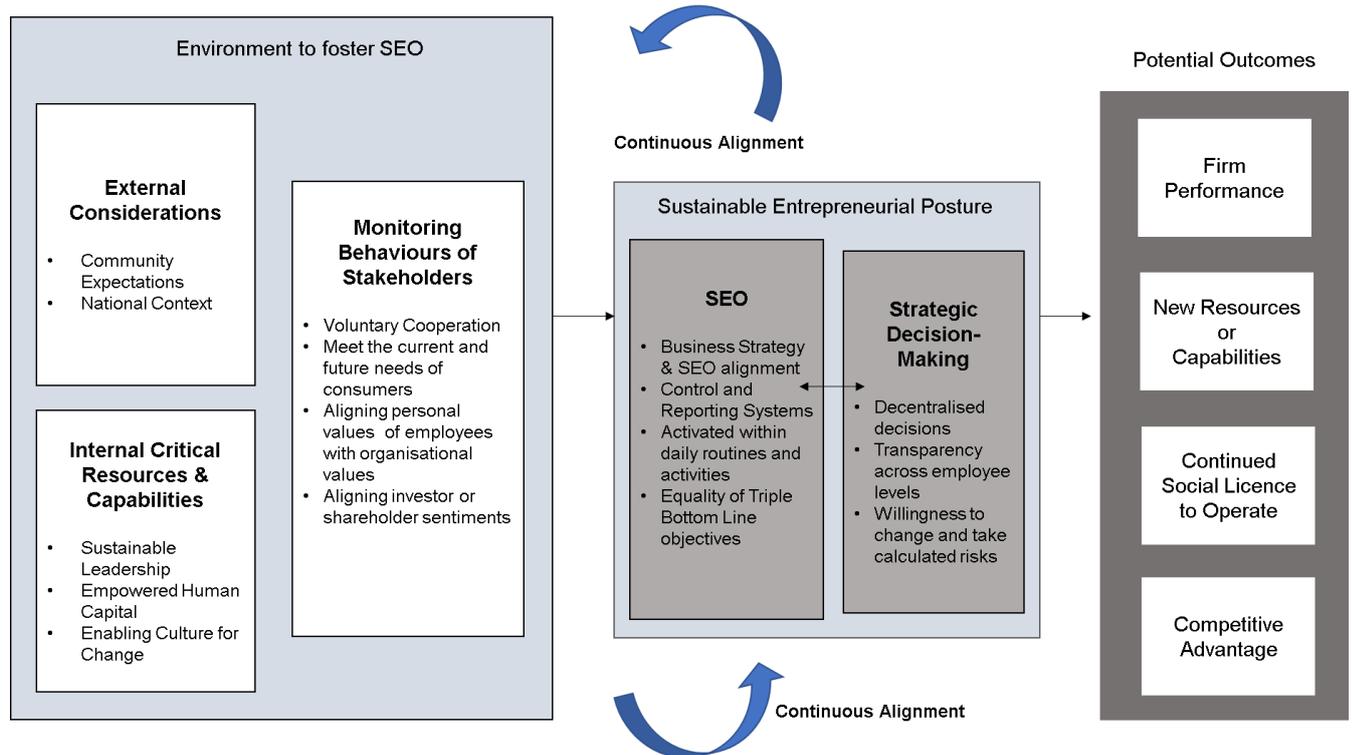
Erina et al (2017) indicate that organisations who focus on sustainability efforts towards consumers predictably create more economic, social and environmental value; that if products or services created now for the current needs of consumers does not affect their future needs, buyers are more likely to place a higher value on the product or service and show willingness to pay a higher price. Overall, stakeholder engagement is the essential building block for successful sustainable entrepreneurial orientation to be fostered before processes, technology and financial resources. However, stakeholder engagement does require voluntary cooperation with aligned personal values which

requires organisations to measure behaviours and attitudes of stakeholders before the process can occur. (Jones et al., 2018). The human-centred element of the results highlights the basis for resource allocation towards sustainability and entrepreneurial goals encompassed by being purpose-led, aligning the business strategy and applying the correct routines within the organisation. The business instruments through which resources and capabilities reach their full potential to generate competitive advantage are the strategic processes and systems; the everyday activities and routines and the belief-systems or culture of an organisation which is ultimately constructed by leadership. (Miao et al., 2017; Gächter & Renner, 2018).

In light of these findings and analysis of the literature and data collected, the Integrated Sustainable Entrepreneurial Strategy (ISES) Model was developed by the researcher. This model was developed through the application of the previous theoretical framework presented in Figure 1, which produced the Research Questions displayed in Chapter 3 and explored these open-ended questions through the empirical research data collated. The ISES model seeks to assist strategic managers and leaders in fostering SEO, understanding its linkage to strategic decision-making and through continuous alignment with the critical resources and capabilities, the external community and stakeholders, these leaders can potentially achieve firm performance, competitive advantage, a continued licence to operate and the generation of new resources and capabilities. The ISES model and the framework in Figure 1 exhibit a clear theoretical evolution. The ISES model in Figure 3 is a process observation, which must be tested further within a longitudinal study, developed from the data findings and literature reviewed.

**Figure 3**

*Integrated Sustainable Entrepreneurial Strategy (ISES) Model*



### 6.7 Explaining the ISES Model

The ISES model is a diagrammatical representation of the critical resources and capabilities that are needed for SEO to be fostered within an organisation and its linkage to strategic decision-making. Before a strategic manager or executive can contemplate or implement SEO within the organisation, the expectations of the society within which the organisation operates must be taken into consideration along with the national context within which it exists. As the data and literature highlights, emerging markets will have different hinderances and opportunities comparatively to developed markets when it comes to sustainability transitions (Wieczorek, 2018), the legitimacy that exists within an organisations social license to operate and the congruency of external and internal communications and actions drives transparent and authentic sustainable entrepreneurial practices. (Provasnek et al., 2017; Hutchins et a.l, 2019). Once the national context and societal expectations are considered, the critical resources of sustainable leadership presented by Fabio and Peiró (2018) which empowers human

capital, builds resilient teams and creates a culture that thrives on continuous improvement, must be implemented.

Leaders are the drivers of the strategy, culture and belief systems of employees. With leader's personal values and concerns aligned with those of sustainable entrepreneurship and the triple bottom line the other two critical resources will organically flourish. Human capital must then be empowered through decentralised decision-making and trust of leadership as this create faster feedback, adaptive capacity and strategic linkages between lower level employees and senior employees for coherence of strategic intents. (Li et al., 2018). An enabling culture will grow from the sustainable leadership and empowerment of human capital as the routines and activities will encapsulate the culture through which other resources can generate competitive advantage. (Miao et al., 2017). This will be the secondary tangible resources identified which include the organisations processes, systems, technology, finances, networks and partnerships and supply chain optimisation.

Once the internal organisation is aligned through leadership, human capital and culture, the strategic executives should monitor the behaviours and attitudes of all the stakeholders. This is exercise must be strategically crafted to gain voluntary cooperation from all leaders, including the CEO, by meeting the current and future needs of consumers, aligning the organisational and personal fit with employees towards sustainability and entrepreneurship and aligning investors and shareholders through demonstrating the economic and non-economic value creation of SEO, its trade-offs and win-wins. (Bansal & Song, 2017; Jones et al., 2018; Erina et al., 2017).

SEO is now within the right environment to be fostered and it must first and foremost be aligned with the overall business strategic typology (Gnijic, 2014; Miles & Snow, 1978) and should not exist as an added approach. Mind-sets must be continuously adjusted to equalise the triple bottom line where profit maximisation, social equity and environmental actions must be focused on in an integrated way for systemic innovation management practices to occur. (McWilliams et al., 2016; Calabrese et al., 2018). Control reporting and M&E of sustainable entrepreneurial actions must be instated for economic value, profit maximisation, environmental value and sustainable innovations within the society in which the organisation operates. Along with creating social value as employees have noted that they can trust the CEO or leader of the organisation when monitoring activities exist. (Rego et al., 2017). These mind-set shifts and tangible reporting standards must be activated within everyday routines and behaviours of the organisation

as these give resources and capabilities the exposure to generate competitive advantage once they have been accurately selected for innovation, and exploitation. (Miao et al., 2017).

## **6.8 Desired Outcomes the ISES Model**

The main question of this study asked what are the organisational resources and capabilities that foster sustainable entrepreneurial orientation and the linkage to strategic-decision making. Considering this, the ISES model's desired outcome is that more organisations adopt multiple strategic orientations to generate competitive advantage through strategic decision-making processes, and specifically, will choose to integrate SEO into its strategic posture. The effects of reshaping management practices have a significant consequence on strategic decision-making and the monitoring of stakeholders is an important procedure which affects how strategic decisions will be implemented. (Calabrese et al., 2018, Provasnek et al., 2017). Once the critical resources and capabilities are reconfigured and SEO can be fostered and integrated into the organisation, making strategic decisions will filter from this and a continuous alignment between these three constructs must drive organisational success.

## **6.9 Conclusion**

The findings from the data collected and analysed for this study determined that the construct of SEO has yet to be considered as a single construct by management practitioners and the separation of sustainability and innovation is still apparent. However, the vast majority of the sample felt that SEO was an orientation of the future and that organisations have no choice but to adopt this strategic orientation in order to remain relevant and maintain their licence to operate within their communities. In response to the greater global environmental challenges, systemically integrating SEO through intangible resources such as leadership, human capital and culture will enhance strategic decision-making. By increasing strategic decision-making, decisions can be made faster and be more democratised. It will create transparency of the organisational strategic directions across all departments and managerial levels whereby leaders must have a willingness to change and take calculated risks to encourage further managerial

commitment to SEO. The reconfiguration of resources and capabilities occurs through leadership, performance indicators and meaningful strategy. A better use of measurement mechanisms must be applied, and national context plays a significant role in sustainability transitions and innovation adoption. The hypothetical model presented, ISES model, suggests a managerial process that can be utilised which is observed through the reviewed literature and collected data for greater success in fostering SEO.

## **CHAPTER 7: CONCLUSION AND RECOMMENDATIONS**

### **7.1 Introduction**

In this chapter, the final comments on the study's contribution are expressed using the ISES model developed for the study and discussed in Chapter 6; and using the data findings presented in Chapter 5 and 6. Recommendations for strategic managers and executives are given considering the literature reviewed in Chapter 2 and the theoretical framework applied for the study. Theoretical and practical implications are recognised, and the research limitations are discussed.

### **7.2 Theoretical and Practical Contributions of the Study**

Criado-Gomis (2017) suggested the third-order construct of Sustainable Entrepreneurial Orientation (SEO) as a multiple strategic orientation for organisations to adopt in order to respond to the global call to action for sustainable development. Stakeholder needs and expectations are changing at varying degrees with consumers and employees having higher expectations of the value organisations are creating economically, environmentally and socially. (McWilliams et al., 2017, Calabrese et al., 2018). Investor sentiment is changing and organisations having the capacity to be socially responsible whilst maximising profits represents the zeitgeist of many industries. In a proposed diagrammatic representation of future research, Criado-Gomis (2017) explicitly indicated that organisational resources and capabilities needed to be empirically researched against SEO and this was the lacuna that this study aimed to explore empirically. This is a nascent field of study and a qualitative, exploratory approach was used. These core authors who have developed SEO are geographically located in the North of the equator and within a developing context. In view of this, this study has various theoretical research contributions. It used a geographic mix of both emerging and developed market contexts which prompted data triangulation thereby gaining primary insights into emerging and developed market individuals understanding of the phenomenon and how national context affects those responses. Through one-on-one interviews, the study discovered which resources and capabilities were necessary for SEO to be fostered, which ones are more influential than others and what relationship or effect each resource or capability has on the others. The human-centred, intangible resources

proved to be the most effective (Jones et al., 2018) with the study exposing leadership, human capital and culture as the most critical resources for SEO to be fostered.

Practically, this study has further contributed to developing a concept that could intrinsically change how organisations function in the real world where uncertainty and volatility are rife. In a world that changes rapidly, business needs to adapt fast to these changes whilst remaining relevant and economically viable. This is why this contribution was important for the strategic management practices of 21<sup>st</sup> century organisations. Finding approaches for organisations to gain and maintain adaptive capacity, opportunity recognition and sustainability pursuits; that focuses on the triple bottom line, permeates the strategic management styles, practices and human capital actions of organisations to generate competitive advantage. Practically, this study will give organisations the ISES model based on conceptual research and empirical research to begin their own thought processes and activities around sustainable entrepreneurial orientations to enhance their strategic decision-making processes, preserve and retain stakeholder engagements and gain long-term relevancy and viability as a business within the current commercial climate.

### **7.3 Recommendations for Strategic Managers**

Using a quasi-numerical scoring mechanism, interviewees were asked what they considered the most influential resource to be in relation to the others identified; and were asked to give them a fractional scoring. Through this exercise, leadership scored a total of 265 points of the 900 points in total. Leadership, being the most critical resource for SEO adoption, covered one third of the total value. This revealed the importance of leadership and top management when it comes to incorporating strategic orientations. There is a lot of pressure placed on management as leaders construct the beliefs of the organisation's human capital (Gächter & Renner, 2018) which shapes how employees will interact with the strategic goals of the organisation and how they will interact with implementation of it. With this in mind, strategic managers need to consider these following recommendations.

1. Managers need to find the appropriate balance between maintaining control of critical decisions and delegating other 'less critical' decisions in order to genuinely empower their staff. Decentralising decision-making not only enhances the adaptive capacity of the organisation but builds trust and transparency with lower

level employees. Building an environment of trust will enable employees to build individual confidence and trust the manager to lead them.

2. Society and consumers have become even more sophisticated in recent years. Consumers have more information now and more ways to affect the reputation of companies through direct channels such as social media. Monitoring these stakeholder behaviours and attitudes will improve the organisational strategic decision-making in the long-term. Having close stakeholder engagement will allow for voluntary collaboration to emerge and this builds trust and allows the organisation the licence to operate within its community.
3. Sustainability and entrepreneurial activities could be easily executed inauthentically as a 'tick-box' exercise. Aligning the values and ethics of top management towards sustainability and innovation will ensure that the organisation is aligning those sustainable or entrepreneurial activities that are strategically connected to the overall business strategy and are not inauthentic activities to gain peer legitimacy.
4. CSR is not substantive sustainability efforts and can easily be used for marketing or tax rebate purposes. Align the CSR projects with the sustainable entrepreneurial orientation of the organisation. Thereafter make the strategic decisions of CSR activities align with the strategy of the organisation and ensure that CSR activities are reported in a comprehensive and honest way. Making sure it has a long-term effect for that particular societal or environmental issue that you are responding to creates substantive legitimacy. CSR is not a once off intervention for marketing purposes but a holistic and strategic endeavour for long-term value to the business, the economy, society and the individual.
5. Begin with yourself as a manager, leader or employee. Villar & Miralles (2019) noted that sustainable entrepreneurship is not only that which considers the triple bottom line but that which is an individual endeavour. Explore your personal knowledge on sustainability and entrepreneurship inside organisations. Find ways to align your personal goals with the organisations, understand the urgency of this sustainability crisis and make it your personal endeavour to be a part of the change.

By managers being aware of the current global challenges faced, Villar & Miralles (2019) suggest that these opportunity recognition abilities for the grand challenges within society could assist organisations in understanding the global context within which they operate for more deliberate managerial practice reshaping.

## **7.4 Recommendations for Future Research**

Many new insights have emerged from the data but were beyond the scope of this study. In light of this, future studies can focus on these emergent insights. Future research could interrogate if the type of leadership, human capital or culture architecture, as individual constructs, are antecedents or moderating variables for SEO to be fostered within organisations; the role of SEO being integrated across the entire supply chain of an organisation; the effects of SEO within mature, developed market contexts; how SEO can be fostered considering emerging context hinderances and opportunities; bottom-up employee proactivity on SEO and if this is a plausible approach as this study maintained top-down approach as the outcome; and the roles of industry-specificity, individual appetite for risk (managers or CEOs) and value chain risk management in relation to fostering SEO. The role of gender in strategic leadership and its effect on SEO development to confirm if a gender lens will change the outcomes of the importance of SEO as an orientation of the future. Future research could use the ISES Model to gain knowledge of the exact steps strategic managers can take in order to implement a sustainable entrepreneurial orientation within their organisation.

## **7.5 Research Limitations**

The limitations of the research are varied. They include the potential misrepresentation of self-reporting in that the individuals who participated in the study self-reported the organisations as having entrepreneurial or sustainability orientations which may be limited to CSR projects and not integrated, systemic sustainability or entrepreneurial orientations as the literature requires. Therefore, the generalisability of all firms that self-report as having orientations towards sustainability or entrepreneurship are not plausible as the study only represented 8 sectors.

The unit of analysis was individuals, and this potentially produces personal biases, personal frame of references and contextual influences. There were only individuals from South Africa and Italy in the sample, which makes the sample expressing emerging or developed market context responses valid, as they can be a proxy for other national

contexts with similar economic, legal, technological, social and political landscapes. but not completely consistent across all market contexts. As this was a cross-sectional study, a longitudinal study would be required to test consistency of more emerging and developed market contexts. More research needs to be conducted within other national contexts of emerging or developed economies for greater consistency and larger contextual inference.

The sample only consisted of managers and executives with strategic expertise across a spectrum of experience which could limit the trustworthiness of knowledge capital. The researcher had limited experience in conducting research interviews which could potentially affect the outcomes and may be thwarted by personal biases, opinions and perspectives.

## **7.6 Conclusion**

The literature reveals that the need for sustainable development strategies is imminent and the importance of sustainable entrepreneurial orientation (SEO) in organisations will not only support these sustainable interests but reinforce profitability, 'creative destruction' and firm performance. The study aims to attend to the knowledge gap between this strategic orientation and the effects of other variables, which include resources and capabilities within organisations. The rapidly changing and uncertain environment requires organisations to be adaptive, resilient and socially responsible and through a multiple strategic orientation, like SEO, and understanding the key resources and capabilities of fostering it, organisations can engender a culture of creative problem-solving that not only senses and seizes new opportunities but also focuses on sustainability in a real, substantive way. However, the literature fails to show the innovative management practices that could be implemented to support SEO in organisations. There seems to be many conceptual research articles on the construct of SEO, but very few empirical ones. This study contributes to the literature through the empirical findings of the qualitative research held with individuals in South Africa and Italy who have expertise in strategic management. This enabled data triangulation and revealed many opportunities for future research. Through the ISES model, created by the researcher, this study gives managers, consultants and executives practical management steps that can be taken to transform their organisations in order to be future ready.

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## APPENDICES

### Appendix 1: Interview Schedule

#### Sustainable Entrepreneurial Orientation

The strategic orientation and third-order construct - sustainable entrepreneurial orientation (SEO) has been developed through the integration of entrepreneurial orientation (EO) and sustainable orientation (SO). This construct is contextualised within the dynamic capabilities approach and multiple orientations perspective where it combines adaptive capacity, sustainable interests and the capability to recognise and exploit emergent opportunities. (Criado -Gomis et al, 2018; Kraus et al, 2018; Engelen et al, 2014).

#### Resource-Based Theory

The resource-based theory (RBT) is one of the most significant theories in strategic management and focuses on the role of resources and capabilities in attaining competitive advantage. (Monteiro, Soares, Rua, 2017). Organisational resources can be segmented into tangible resources such as physical space or equipment and intangible resources such as knowledge and skills. There are four aspects of resources, according to Barney (1991), that give a firm substantial competitive advantage in relation to its competitors, these include being valuable, rare, inimitable and substitutable. These resources should have the ability to create profits and prevent losses which instigates the incorporation of an organisation's capabilities along with these organisational assets as strategically significant in attaining competitive advantage. (Monteiro et al, 2017). This study will use this definition of resources to further investigate and explore the research problem.

#### Dynamic Capabilities

In light of the definition previously explained that organisational resources must have the ability to drive efficiency and effectiveness as well as generate benefits or profits whilst avoiding losses (Monteiro et al, 2017), the capabilities of the firm become an integral part of this process. Dynamic capabilities (DC) can be defined as a firm's capacity to

sense and seize opportunities by adapting, integrating and reconfiguring resources to respond to a changing environment. (Teece, Pisano, Shuen, 1997; Salvato, Vassolo, 2018). DC permit organisations to simultaneously explore and exploit opportunities and the ability to achieve innovative forms of competitive advantage considering path dependencies and market position. (Salvato & Vassolo, 2018). This study will empirically explore what these resources and capabilities are, how they are adapted, reconfigured or integrated in order to foster SEO and how this may or may not be different in developing versus developed markets.

*Interview Guide for the Interviewer*

Theme	Interview Questions	Notes to the Interviewer
Sustainable Entrepreneurial Orientation	<ol style="list-style-type: none"> <li>1. What is your understanding of an organisation that has an orientation towards sustainability and entrepreneurship?</li> <li>2. Do you believe an organisation should adopt orientations towards sustainability and entrepreneurial ways of doing things inside the organisation? Why?</li> <li>3. Which resources and capabilities do you believe enable an organisation to foster a sustainable entrepreneurial orientation?</li> </ol>	<p><i>These exploratory questions aim to bring understanding to the researcher of how senior managers and executives define sustainable entrepreneurial orientation (SEO) and if they believe it to be important. It is important to clarify the academic definition of SEO in this research is not about 'sustaining' entrepreneurial orientation over time. In this research, the term sustainability or sustainable refers to the triple bottom line -ecological, economic and social transformation &amp; development (Elkin, 1994) and the implications on strategic decision-making in firms. (Schrettle et al, 2014). The main purpose is to understand how executives define SEO empirically (in their lived experiences) and what resources and capabilities enable them to foster SEO (adaptive capacity, opportunity recognition and sustainable interests).</i></p>
Resource-Based Theory	<ol style="list-style-type: none"> <li>4. Of these identified resources, which do you believe to be the most influential in enabling an organisation to adopt SEO?</li> <li>5. Which of the identified resources and capabilities do you believe work in combination with each other and which ones work in isolation, in order to trigger SEO emergence?</li> </ol>	<p><i>The identified resources and capabilities are then explored in this section. The focus is not only on which are perceived to be the most influential but also an enquiry into what are the combinations of resources that work well together and those which work in isolation in order to gain insights into which resources and capabilities trigger SEO emergence and those that perhaps increase a long-term fostering of SEO by being the most influential.</i></p>
Dynamic Capabilities	<ol style="list-style-type: none"> <li>6. How are these resources and capabilities reshaped for purpose, combined or adapted, in order to be effective?</li> <li>7. What mechanisms (i.e. measurement tools) are in</li> </ol>	<p><i>This section of the interview guide aims to understand the implementation practices and organisational mechanisms in place to understand how these resource and capabilities are identified as relevant and how they are</i></p>

	<p>place to determine the resources and capabilities you've identified as being relevant and significant?</p> <p>8. How would you rate each of these resources and capabilities out of 100 for their level of influence? (e.g. Pie chart percentages)</p>	<p><i>reconfigured to be effective.</i></p>
<p>Emerging and Developed Contexts</p>	<p>9. Do you consider being in an (emerging/developed) market contributes to the emergence of SEO? Why?</p> <p>10. What are the advantages or disadvantages of being in an (emerging/developed) context in regard to SEO?</p> <p><i>**Note for researcher: South Africa is the emerging market and Italy is the developed market context.</i></p>	<p><i>Understanding the influence of market context (emerging and developed) in fostering SEO allows for the researcher to postulate a potential relationship between these particular market contexts and whether they assist in an enabling environment for SEO to be fostered. This allows the researcher the opportunity to provide tentative suggestions on the influence of market context on SEO for future research.</i></p>

## Appendix 2: Consistency Matrix

Research Questions	Literature Review	Data Collection Tool	Analysis
1. Identify and establish what are the organisational resources and capabilities that encourage the adoption of sustainable entrepreneurial orientation (SEO) in an organisation?	Criado-Gomis et al (2018)  Amui et al (2017)	Semi-structured interviews	Frequency analysis
2. Through the lens of resource-based theory, determine which tangible or intangible resource(s) are considered the most influential for the emergence of a firm's perceived sustainable entrepreneurial orientation (SEO)?	Neessen et al (2019), Engelen et al, 2014; Falola, Salau, Olokundun, Oyafunke-omoniyi, Ibidunni, Oludayo (2018), Monteiro et al (2017), Barney (1991)	Semi-structured interviews	Frequency analysis
3. From a dynamic capabilities' perspective, understand the relationship between the identified resources and capabilities and how (if so) they are reconfigured, integrated or adapted within a process to adopt SEO, and the consequences thereof.	Criado-Gomis et al (2017)  Schrettle et al (2014)	Semi-structured interviews	Content analysis to determine the variations of opinions and perceptions
4. Explore and examine the differences and similarities in the relationship between organisational resources & capabilities and SEO in an emerging context and a developed context?	Triangulation and convenience sampling (Etikan et al, 2016)	Semi-structured interviews	Content analysis to determine primary insights on emerging and developed markets

## Appendix 3: Ethical Clearance

**Gordon  
Institute  
of Business  
Science**  
University  
of Pretoria

01 October 2019

Kim Sanssoucie

Dear Kim

*Please be advised that your application for Ethical Clearance has been approved.*

*You are therefore allowed to continue collecting your data.*

*Please note that approval is granted based on the methodology and research instruments provided in the application. If there is any deviation change or addition to the research method or tools, a supplementary application for approval must be obtained.*

*We wish you everything of the best for the rest of the project.*

*Kind Regards*

GIBS MBA Research Ethical Clearance Committee

## Appendix 4: Letter of Informed Consent

### LETTER OF INFORMED CONSENT

Dear Madam/Sir

I am currently finalising an MBA at Gordon's Institute of Business Science (GIBS) University of Pretoria and I am in the process of completing the compulsory research component of the academic programme. I am conducting research to contribute to the field of Strategic Management. My research project title is 'The Role of Resources and Capabilities in fostering Sustainable Entrepreneurial Orientation (SEO) as a strategic posture'. The purpose of this research is to understand the resources and capabilities that are the most influential in fostering SEO within an organisation to assist organisations in opportunity recognition, adaptive capacity and sustainability focused pursuits within the rapidly changing business climate.

I would greatly appreciate your willingness to participate in this study. By signing below, you give your consent to participate. Your permission is requested to use an audio recorder to capture the content of the interview. The interview will be kept strictly confidential and no source, individual or organisation will be identified in the text of the final report. The interview will be a semi-structured, in-depth interview and expected to last 45 - 60 minutes. Please be informed that your participation is voluntary, and you may withdraw at any time without penalty. With your permission, our interview will be transcribed for purposes of academic analysis. All data will be stored without identifiers to preserve confidentiality and you will remain anonymous. On request, a copy of the research findings will be made available to you. If you have any concerns, please feel free to contact me or my supervisor, our details are provided below. As an indication of consent please sign below.

Signature of participant: \_\_\_\_\_ Date: \_\_\_\_\_

Signature of researcher: \_\_\_\_\_ Date: \_\_\_\_\_

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