



# **Unraveling the Mechanisms Driving and Facilitating the Sustainable Entrepreneurial Mindset: An Exploratory Study.**

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## **Abstract**

This study explores the complexities of the mechanisms that drive and facilitate the Sustainable Entrepreneurial Mindset. While existing literature acknowledges the crucial role of Sustainable Entrepreneurship in fostering sustainable change, there remains a significant gap in understanding the specific mechanisms underlying this mindset. The study aims to fill this gap by providing a deeper insight into what drives and facilitates the Sustainable Entrepreneurial Mindset through interviewing ten sustainable entrepreneurs about their venture journeys in Sweden. By collecting and analyzing data through semi-constructed interviews and additional documents, we uncover fresh insights and connections within the context of the Sustainable Entrepreneurial Mindset. By employing an inductive research method, this study makes a valuable contribution by creating a preliminary framework that addresses unexplored dimensions in the Sustainable Entrepreneurial Mindset. The gathered data revealed three key mechanisms driving the Sustainable Entrepreneurial Mindset—Knowledge to Action Activation, Paradigm Shift Enablers, and Catalyzing Awareness. Additionally, our study found that these sustainable entrepreneurs are committed to—Balancing Present Needs with Future Welfare, Driving Societal Transformation, and Prioritizing Broader Impact—facilitating their Sustainable Entrepreneurial Mindset. Our integrative framework illustrates how these mechanisms interact with the important factors of the sustainable entrepreneur, creating continuous feedback loops to improve sustainability efforts. This given knowledge can assist practitioners and research in understanding the cognitive processes of sustainable entrepreneurs, including their aspirations and available action pathways, thus shedding light on factors influencing entrepreneurial decision-making and societal well-being. Moreover, by leveraging insights into the mechanisms that drive and facilitate the Sustainable Entrepreneurial Mindset, individuals and organizations are steered towards sustainability, catalyzing positive change and creating enduring value for future generations.

**Keywords:** *Sustainable Entrepreneurship (SE); Sustainable Entrepreneurial Mindset; Knowledge to Action Activation; Paradigm Shift Enablers; Catalyzing Awareness.*

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# 1. Introduction

In recent times, a growing concern has emerged over resource overconsumption, environmental degradation, and social inequity (Adams et al., 2015). In response to heightened awareness of issues such as inequality, social exclusion, and climate change, societies are seeking a new balance between economic, environmental, and social goals. This shift has spurred widespread actions for a transition towards a more sustainable society and economy (Bapuji et al., 2018; Jacobs & Mazzucato, 2016). In the field of sustainability, laws and policies have emerged, exemplified by the 2030 Development Agenda of the United Nations, showcasing the change in society, created to promote sustainable actions and initiatives (United Nations, 2024). Furthermore, attention has been given by diverse stakeholders, all from international and educational institutions to private enterprises, acknowledging the importance of sustainability (Terán-Yépez et al., 2020). Overall, businesses are now forced to change the way they operate to integrate sustainable practices with economic advancement (Patzelt & Shepherd, 2011).

In a time when the need for sustainable development is becoming increasingly pressing, entrepreneurship is at a turning point. Entrepreneurship, which has traditionally been associated with wealth creation, is undergoing a dramatic change that is being fueled by the need for sustainability (Hoogendoorn et al., 2019; Theiken & de Jong, 2020; Terán-Yépez et al., 2020). This change has sparked the emergence of what is now known as sustainable entrepreneurship (SE) (Terán-Yépez et al., 2020). According to Schaltegger and Wagner (2011) and Terán-Yépez et al. (2020), sustainable entrepreneurs are those who are committed to incorporating noteworthy innovations into sustainability practices and plans. They are motivated by the evolving external environment, and their commitment benefits not only individual organizations but also creates larger positive effects on the sustainability aspects of the market and society (Schaltegger & Wagner, 2011). In essence, their approach encompasses comprehensive strategies that consider environmental, social, and economic factors, striving for both immediate benefits and enduring sustainability (Terán-Yépez et al., 2020; Hoogendoorn et al., 2019).

Despite the growing recognition and advancement in SE, there remains a significant gap in understanding the micro-level perspective, specifically the internal processes and the mindset of sustainable entrepreneurs. Understanding how sustainable entrepreneurs put their ideas and motives into practice is essential to understanding SE (Kuratko et al., 2020). Exploring the

interactions and behaviors between entities and uncovering the underlying mechanisms that shape the Sustainable Entrepreneurial Mindset, is imperative for gaining insights into sustainable entrepreneurial growth (Elster, 1989; Shepherd & Patzelt, 2011).

This study is dedicated to unraveling the Sustainable Entrepreneurial Mindset and the underlying mechanisms that support this way of thinking. This process extends beyond mere idea generation, it involves dynamic processes of envisioning, driving change, and fostering innovation (Kuratko et al., 2020). Mindset theory has long been a prominent focus in the field of cognitive psychology, highlighting how mindsets are navigating through different layers to ease task performance and guiding mental focus (Nolder & Kadous, 2018; Gollwitzer & Keller, 2020). The mindset influences decision making and the individuals' attitudes and strategies to pursue goals, encompassing judgment criteria and cognitive processes, such as openness to information and the tendency to seek confirming evidence (Griffith et al., 2015; Nolder & Kadous, 2018, Fujita et al., 2007). In the field of entrepreneurial research, scholars delve into how entrepreneurs leverage these cognitive processes to navigate the complexities of the business landscape (Baron, 1998). The Sustainable Entrepreneurial Mindset goes beyond immediate knowledge and identity, encompassing relationships with the surrounding world (Fritz & Cordova, 2023). This mindset compels entrepreneurs to consider the broader impact of their actions (Fritz & Cordova, 2023).

By conducting a thorough analysis macro, meso, and micro-level components, as suggested by Cunningham & O'Reilly (2018), Audretsch et al. (2019) and Dopfer et al. (2004), this study aims seeks to shed light on the cognitive processes and contextual factors behind SE. This context for our investigation of the Sustainable Entrepreneurial Mindset is established by this introduction. By understanding the mechanisms behind this mindset, we uncover pathways for driving positive impact and fostering a culture of sustainability within the entrepreneurial landscape (Elster, 1989; Shepherd & Patzelt, 2011). In the following chapters, we will explore the complexities of this mindset, examine its implications for practice, and suggest directions for future research. Our goal is to contribute to a deeper understanding of how SE can be harnessed as a force for positive societal and environmental change.

## 1.2. Research Problem

As society increasingly embraces sustainability, addressing issues such as wealth distribution, climate change, and market equality has become imperative (Shannon et al., 2019). Pressure is laid on businesses to foster positive societal changes and adopt new and responsible business models, emphasizing a holistic strategy that considers environmental, social, and economic factors for short and long-term benefits (Hoogendoorn et al., 2019; Terán-Yépez et al., 2020).

As importance on sustainability heightens, there has been a significant evolution in the traditional perception of entrepreneurship, formulating the term of SE (Patzelt & Shepherd, 2011). SE can be defined as the establishment of businesses that not only serve individual interest but also address unfulfilled social and environmental needs (Hoogendoorn et al., 2019). The sustainable entrepreneur is someone who prioritizes both economic and non-economic achievements for the long-term benefit of society (Shane & Venkataraman, 2000; Patzelt & Shepherd, 2011). Involved is active participation in developing society and implementing sustainability with the goal of attaining a harmonious balance between personal beliefs, principles and societal values (Terán-Yépez et al., 2020; Hoogendoorn et al., 2019). The shift from traditional to sustainable entrepreneurs reflects a fundamental change in attitudes and motivations, challenging established norms for the improvement of society as a whole (Hoogendoorn et al., 2019).

Shepherd and Patzelt (2011) have explored the multifaceted influences on SE, spanning macro-meso-and-micro-levels. Previous research has primarily focused on examining how macro-and-meso-level factors influence SE. At the macro-level, normative and regulative institutions pose the risk of affecting entrepreneurship by hindering the transition to sustainable options (Cunningham & O'Reilly, 2018; Audretsch & Fiedler, 2023). However, attention has also been drawn to how regulatory and societal shifts can favor environmentally friendly enhancements. This is exemplified by the United Nations' 2030 Agenda, which not only provides guidance but also motivates companies to adopt initiatives that foster innovative practices (Schaltegger et al., 2018). Furthermore, macro societal changes and cultural norms have the power of acting as catalysts for value-oriented sustainable entrepreneurial activities, creating an environment where entrepreneurs feel compelled to innovate products and services aligned with environmental objectives (Hinderer & Kuckertz, 2022). The meso-level focuses upon social groups, systems, entrepreneurial networks, and structures, highlighting how trends, norms and

changes in the market can influence the behavior of the individual itself (Audretsch et al., 2019; Laven, 2022). Research in this field has examined the range of ways that market structures, educational systems, and social trends affect SE. As a result, business leaders face a significant challenge in integrating societal and environmental concerns into their core business operations (Figge et al., 2002; Freeman, 1984; Dean and McMullen, 2007; Terán-Yépez et al., 2020).

Moving to the micro-level, which encompasses individual factors influencing rules and systems (Dopfer et al., 2004), we explore the connection between personal beliefs, intentions, and decision-making in SE (Shane et al., 2003). There is a recognition that entrepreneurs evaluate social contributions, environmental impact, and financial success differently depending on their motivations, shaped by attitudes, norms, and behavioral control (Patzelt & Shepherd, 2011; Ajzen's, 1991).

Despite this comprehensive analysis, there is a notable gap in understanding entrepreneurs' desired values amidst the external competitive and societal pressures. The role of the perception of what is motivating individuals to "*direct attention toward sustaining the natural and communal environment*" (p. 638) remains unexplored (Patzelt and Shepherd, 2011). Kuratko et al., (2020) propose that entrepreneurship fundamentally originates from the individuals, and within this context, lies within the essence of SE. This perspective emphasizes the pivotal role of the individuals' mindset in driving sustainable entrepreneurial endeavors, highlighting the profound influence that personal beliefs, attitudes, and values have on entrepreneurial actions oriented towards sustainability. This mindset serves as a catalyst for transitioning towards more sustainable societies by reshaping individuals' perspectives (Fritz & Cordova, 2023). Central to this transition are the causal mechanisms that underpin the cultivation of a sustainability mindset, facilitating engagement in sustainable entrepreneurial action.

Further research is required to explore not only the influence of external societal, political, and environmental factors on micro-level perspectives, but also their implications.

Understanding these mechanisms is crucial as they dictate how individuals perceive and respond to sustainability challenges. Further research is required to explore not only the influence of external societal, political, and environmental factors on micro-level perspectives, but also their implications (Cunningham & O'Reilly, 2018). It requires an understanding of how the constantly evolving landscape prompts shifts in values and beliefs, compelling

entrepreneurs to innovate products and services aligned with environmental objectives (Cunningham & O'Reilly, 2018; Hinderer & Kuckertz, 2022). By recognizing reality as an open system and highlighting the connections across various levels, we can uncover the complex dynamics that shape sustainable entrepreneurial behavior (Fletcher, 2017). Therefore, exploring the causal mechanisms behind the development of a sustainability mindset among sustainable entrepreneurs is crucial for gaining a deeper insight into SE and catalyzing significant change towards a sustainable future.

### **1.3. Research Aim and Question**

Due to the urgency of global sustainable actions, SE has become increasingly vital in contemporary business environments, representing a switch from traditional entrepreneurial practices (Adams et al., 2015; Hoogendoorn et al., 2019). The internal processes within the sustainable entrepreneur, namely the Sustainable Entrepreneurial Mindset, has been acknowledged by previous literature in fostering sustainable change (Kuratko et al., 2020; Rajagopal, 2024). Despite the claim that adopting a sustainable mindset changes individuals' attitudes towards sustainability (Fritz & Cordova, 2023), the dimensions triggering this shift remain unexplored. Due to this knowledge gap, this study aims to explore the facilitators and underlying mechanisms behind the Sustainable Entrepreneurial Mindset. Through this exploration, we further aim to provide an explanation on how this mindset actually works, adding another layer to the micro-level research on SE. In conclusion, the research aims to answer the following research question:

*“What facilitates the Sustainable Entrepreneurial Mindset, and what are the underlying mechanisms driving it forward?”*

### **1.4. Academic Contributions and Societal Relevance**

By developing a preliminary framework using a qualitative, inductive research approach, this study seeks to further knowledge in the field of SE and investigate the unexplored field of Sustainable Entrepreneurial Mindsets. This will take its form through three steps. First, existing literature on SE primarily focuses on the external components of sustainable behavior, such as actions and goals, ignoring the internal dimensions within the individual (Patzelt & Shepherd, 2011; Shane & Venkataraman, 2000; Terán-Yépez et al., 2020; Thelken & de Jong, 2020). Our

objective is to fill this gap by uncovering the internal mechanisms and processes that drive sustainable entrepreneurial behavior.

Secondly, while current research acknowledges the influence of external factors on the micro-level perspectives of sustainable entrepreneurs, it often fails to provide a comprehensive understanding of how these influences collectively shape the Sustainable Entrepreneurial Mindset (Johnson & Schaltegger, 2019). Our study seeks to expand upon existing findings by elucidating the complex interplay between macro-meso-micro-level factors and their role in facilitating the development of the Sustainable Entrepreneurial Mindset.

Thirdly, given that the Sustainable Entrepreneurial Mindset poses as a catalyst for sustainable change (Fritz & Cordova, 2023), the interactions that take place between the transitional layer needs to be addressed to understand the underlying mechanisms that influence this mindset (Bygstad et al., 2016). Current research has explored the entrepreneurial mindset, focusing on its openness to opportunities and proactive approach to problem-solving. However, it overlooks how this mindset operates for sustainable entrepreneurs who not only pursue personal interests but also address unfulfilled social and environmental needs (Hoogendoorn et al., 2019).

## **1.5 Disposition of the Thesis**

Having introduced the overall objective and aim of the study, Chapter 2 follows with an explanation of the existing literature within the subject of SE, the macro-meso-micro environment and the Sustainable Entrepreneurial Mindset. Continuing, Chapter 3 outlines the methodology, explaining chosen research design, collection and analysis of data and limitations of the study. Chapter 4 elucidates the findings of the study which later will be profoundly analyzed and discussed together with previous research in Chapter 5. Finally, Chapter 6 offers a conclusion and answers the research question together with suggestions for practical implications and areas for future research.

## 2. Literature Review

Understanding SE encompasses a multifaceted exploration of the factors driving the emergence and development of sustainable organizations. At its core, SE involves the establishment of businesses that not only generate economic value but also prioritize environmental preservation and social well-being (Hoogendoorn et al., 2019). In this study, the concept of SE will be defined, clarifying its key components and underlying principles. Furthermore, we will delve into the multitude of factors contributing to the mindset of sustainable entrepreneurs, investigating the underlying mechanisms that facilitate this trajectory. Through a comprehensive examination of these mechanisms, our goal is to gain a deeper understanding of how sustainable entrepreneurs navigate challenges, identify opportunities, and foster innovation within the context of sustainable development.

### 2.1. Sustainable Entrepreneurship

SE can be defined as the establishment of businesses that not only serve individual interest but also address unfulfilled social and environmental needs (Hoogendoorn et al., 2019). This concept is described in sustainable development literature, emphasizing the preservation of nature, life support systems, and community, while also developing individuals, the economy, and society (Patzelt & Shepherd, 2011). SE represents an evolution from the traditional entrepreneurial perspective, which Shane & Venkataraman (2000) define as “*The scholarly examination of how, by whom, and with what effects opportunities to create future goods and services are discovered, evaluated, and exploited*” (p. 218). At large, the authors mean that entrepreneurs play a pivotal role in transforming ideas into tangible outcomes that benefit and drive economic progress (Shane & Venkataraman, 2000). While traditional entrepreneurs prioritize financial development, sustainable entrepreneurs however place equal emphasis on non-economic as well as economic achievements, stressing the long-term advantages for individuals and society (Patzelt & Shepherd, 2011). This commitment is evident in their aim to integrate sustainable practices into entrepreneurial initiatives, adopting a holistic strategy that considers environmental, social, and economic factors for short and long-term benefits (Terán-Yépez et al., 2020).

According to Hoogendoorn et al. (2019) sustainable entrepreneurs positively influence traditional practices by aligning their products, services, and production methods with societal values. This alignment, according to them, not only fosters positive social changes but also

encourages the adoption of new and responsible business models. Thelken & de Jong (2020) highlight that this relatively novel approach to decision-making in entrepreneurship is deeply connected to personal beliefs and principles, signifying a deviation from traditional entrepreneurial values.

Terán-Yépez et al. (2020) underscores the alignment between SE and the Triple Bottom Line (TBL), emphasizing “People, Planet, and Profit”. They address that both previous mentioned frameworks prioritize economic, social, and environmental considerations in guiding actions. Sustainable entrepreneurs aim to meet current needs without compromising the well-being of future generations, contributing to sustainable development (Terán-Yépez et al., 2020). Patzelt and Shepherd (2011) characterize SE as a process encompassing the identification, creation, and exploitation of opportunities that simultaneously promote the well-being of both natural ecosystems and communities, while generating developmental benefits for others. They underscore that the identification of sustainable opportunities is shaped by factors such as prior knowledge, motivation for personal gain, motivation for others’ gains, and entrepreneurial expertise. These identified opportunities, when pursued, contribute to economic, environmental, and social advancements collectively forming the foundation for the TBL (Terán-Yépez et al., 2020).

According to Terán-Yépez et al. (2020), a sustainable entrepreneur is one who aims to meet current demands without endangering the welfare of future generations. Achieving a harmonic balance between personal and societal values serves as their motivation for actively participating in sustainable development (Terán-Yépez et al., 2020; Hoogendoorn et al., 2019). This determination to achieve a harmonious balance between personal and societal values is a defining characteristic (Hoogendoorn et al., 2019). It is critical to take into account the influence of macro-meso-and-micro-level environmental elements in order to comprehend what values are judged present and necessary in accordance with individual and society values (Johnson & Schaltegger, 2019).

## **2.2. Current Research on Sustainable Entrepreneurship**

To comprehend the elements contributing to the establishment of the Sustainable Entrepreneurial Mindset, further study is needed, especially at the micro-level. This section seeks to elucidate the current state of the research on the subject. Understanding the

Sustainable Entrepreneurial Mindset requires a thorough analysis of a variety of factors, from cultural norms to personal beliefs (Terán-Yépez et al., 2020). Analyzing this mindset's interactions with macro, meso, and micro environmental elements is necessary to unravel its intricacies (Johnson & Schaltegger, 2019).

By examining these layers of influence, researchers can reveal the intrinsic complexities in SE. This laid the groundwork for a more thorough understanding of how sustainable entrepreneurs balance their personal aspirations with broader societal needs (Hoogendoorn et al., 2019).

### **2.2.1. Macro-level**

The macro-level covers a range of factors including demographics, socio-cultural influences, regulations, macroeconomics, and technology, all of which exert external pressures on entrepreneurial growth (Cunningham & O'Reilly, 2018). In recent years, a growing concern has emerged over resource overconsumption, environmental degradation, and social inequity, spurring widespread actions for a transition towards a more sustainable society and economy (Adams et al., 2015). In response to heightened awareness of issues such as inequality, social exclusion, and climate change, societies are seeking a new balance between economic, environmental, and social goals (Bapuji et al., 2018; Jacobs & Mazzucato, 2016). This heightened awareness has led to the implementation of rules and regulations aimed at fostering sustainability. One example of such a profound social and political change is the United Nations' 2030 Agenda, which sets out 17 precise objectives for world peace, prosperity, and environmental well-being (United Nations, 2024). Additionally, new regulations like the European Union's CSRD regulations have been introduced to strengthen requirements regarding the social and environmental information companies are obligated to report (European Commission, 2024).

Aligned with this perspective, a great deal of research has been devoted to understanding the impact of macro-level influences on the SE terrain. Valdez and Richardson (2013), for example, clarified the influence of normative and regulative institutions, where normative institutions shape social behavior and regulative institutions governing activities. Miller & Holmes (2009) point out that past historical governmental restrictions have caused problems in how things are made, shared, and used. According to Audretsch & Fiedler (2023), established regulations and traditional practices could make it difficult to adopt sustainable alternatives.

However, Hinderer & Kuckertz (2022) shed light on how regulatory and societal shifts also can favor environmentally friendly enhancements and fuel SE. Schaltegger et al. (2018) underscore how the United Nations' 2030 Agenda not only guides but also motivates companies to embrace initiatives that foster innovative practices in line with these goals in the significance of SE. Moreover, Davidsson et al. (2020) underscore the role of macro societal changes and cultural norms as catalysts for value-oriented sustainable entrepreneurial activities. These shifts create an environment where entrepreneurs feel compelled to innovate products and services aligned with environmental objectives (Hinderer & Kuckertz, 2022).

### **2.2.2. Meso-level**

The meso-level focuses upon social groups, systems, entrepreneurial networks, and structures (Audretsch et al., 2019), and encompasses the middle layer between macro-and-micro-levels. In SE, achieving success and impact at the meso-level is closely tied to comprehending the communities, policies and regulations that shape the entrepreneurial landscape (Cunningham & O'Reilly, 2018; Mazzucato, 2015). By portraying a larger population size than the micro-level, the individual aspect often weakens, making societal shifts more pronounced and their impact on the group more significant (Laven, 2022). This highlights how trends, norms and changes in the market can influence the behavior of the individual itself (Laven, 2022).

Meso-level factors, such as the shift from linear to circular business operations, have a major impact on entrepreneurial activity through market structures and systems (Murray et al., 2017; Velenturf & Purnell, 2021). By placing more emphasis on repairing and reusing resources at the end of their lifecycle, the circular economy has altered our understanding of resource management (Adams et al., 2015).

As the emphasis on sustainable economic growth grows, scholars, managers, and policymakers are investigating the ways in which innovation might facilitate this shift. According to Figge et al. (2002), integrating societal and environmental issues into core operations is a major challenge facing business leaders. Stakeholders, driven by concerns beyond profit, push for these changes (Freeman, 1984; Dean and McMullen, 2007). They embody a system that impacts entrepreneurial activities, particularly those with market insights, offering valuable foresight into future demands (Hedström & Swedberg, 1996). For sustainable entrepreneurs to form market perspectives and predict trends, stakeholder participation is essential (Schaltegger & Warner, 2011).

Moreover, there is a growing emphasis on SE within educational institutions, as seen in initiatives like the Center for SE at the University of Groningen (Terán-Yépez et al., 2020). The pace and direction of the sustainability transition depend on various factors, including the actions of key players such as entrepreneurs, established firms, and academic institutions like universities (Wagner et al., 2021). These entities have significant influence, which can either facilitate or hinder societal transformation in the meso level context.

### **2.2.3. Micro-level**

At the micro-level, individual aspects shape rules and systems (Dopfer et al., 2004). Positioned between meso elements, previous research has delved into especially the “*intrinsic motivations*” and behaviors influencing micro-level impacts. Shane et al., (2003) study emphasizes the understanding of the connection between personal beliefs, intentions, and decision-making in entrepreneurship. Furthermore, Patzelt & Shepherd (2011) highlight that entrepreneurs evaluate social contributions, environmental impact, and financial success differently depending on their motivations. In essence, the Sustainable Entrepreneurial Mindset integrates core entrepreneurial traits with a commitment to social, environmental, and economic sustainability (Patzelt & Shepherd, 2011).

Ajzen’s (1991) Theory of Planned Behavior underscores motivation shaped by attitudes, norms, and behavioral control. Exploring altruism, a motivation to create benefits for others, is a significant facet in micro-level research within SE (Hanohov & Baldacchino, 2017). According to Patzelt & Shepherd (2011), altruistic motivation is influenced by emotions, particularly through arousal and affect approaches, with empathy and sympathy playing pivotal roles, thereby contributing to understanding SE. Moreover, as societal, political, and environmental values evolve, there is a pressing need for deeper exploration of micro-level factors impacting SE (Patzelt & Shepherd, 2011). Understanding these nuanced factors is crucial for comprehending the shifts in values and their impact on sustainable entrepreneurs (Cunningham & O’Reilly, 2018).

According to Kuratko et al. (2020), an individuals’ entrepreneurial mindset is the source of the essence of entrepreneurship. They contend that the mentality enables entrepreneurs to conceive of novel ideas and act to seize opportunities (Kuratko et al., 2020). While the authors delineate motivational, behavioral, and emotional aspects of an “*entrepreneur*”, there is a shortage of

research on the “*Sustainable Entrepreneurial Mindset*” and what underlying mechanisms delineate this way of navigating the world. The established literature underscores this, emphasizing an urgent need for a deeper understanding into the underlying mechanisms that foster and facilitate the Sustainable Entrepreneurial Mindset (Spence et al., 2011; Hoogendoorn et al., 2019). While progress has been made in understanding the general term, the ongoing evolution of the environment and individual perspectives, influences and values continues to wield influence. Drawing from the dynamic and evolving landscape of entrepreneurship, our study seeks to explore and understand various mechanisms and their impact on shaping the Sustainable Entrepreneurial Mindset.

### **2.3. Sustainability Mindset of Entrepreneurs**

Attaining a thorough comprehension of mindset mechanics provides valuable insights into the decision-making processes of individuals across a diverse range of contexts. In the realm of cognitive psychology, mindsets serve as fundamental cognitive orientations, deeply influencing how individuals engage with tasks, make decisions, and pursue goals (Nolder & Kadous, 2018). They serve as cognitive orientations that ease task performance by guiding mental focus (Nolder & Kadous, 2018). These frameworks encompass judgment criteria and cognitive processes, such as openness to information and the tendency to seek confirming evidence (Griffith et al., 2015). They comprise a blend of judgment criteria and thinking patterns that prepare individuals to respond in specific ways. Furthermore, because mindsets are flexible and dynamic, external and contextual variables can trigger them, affecting individual’s responses appropriately (Griffith et al., 2015; Nolder & Kadous, 2018). The dynamic relationship between mindset dynamics and contextual triggers influences how people gather and process information, which helps them complete tasks and make decisions that are consistent with the activated mindset (Griffith et al., 2015).

Mindset theory helps us understand how people go after their goals by focusing on their attitudes and strategies (Fujita et al., 2007). It suggests that as individuals work towards their goals, they go through different stages, each affecting how they think and make decisions (Gollwitzer & Keller, 2020). Influenced by intentions, incentives, and intrinsic values, their actions undertake the multifaceted nature of human behavior (Ng, 2018). In the field of entrepreneurial studies, scholars delve into how individuals, particularly entrepreneurs, leverage cognitive processes to navigate the complexities of the business landscape (Baron,

1998). This exploration entails identifying the mechanisms driving interactions and behaviors, shedding light on the dynamics of SE. Achieving a comprehensive understanding of the Sustainable Entrepreneurial Mindset necessitates a thorough examination that considers both individual success and societal prosperity (Baron, 1998). By delving into these cognitive dimensions, researchers can gain deeper insights into the factors influencing entrepreneurial decision-making and their broader implications for societal well-being.

To assess the internal cognitive processes of development, it is imperative to concentrate on the ways in which individual aspirations, knowledge, and actionable paths lead to unique behaviors (Hedström & Swedberg, 1996). Kuratko et al. (2020) stress the human capital viewpoint in entrepreneurship by underlining the significance of past knowledge in influencing entrepreneurs' ability to recognise opportunities and implement innovations. Additionally, gaining new knowledge is also pivotal in driving shifts from micro-to-macro-levels, shaping collective outcomes through interactions among individuals (Hedström & Swedberg, 1996). This dual approach underscores the significance of understanding how individuals acquire, assimilate, and apply knowledge, shaping their actions and decisions (Johnson & Schaltegger, 2019). Adopting a Sustainable Entrepreneurial Mindset entails giving environmental and social concerns top priority while making decisions and assisting in the betterment of society (Larson, 2000; Pastakia, 1998).

The Sustainable Entrepreneurial Mindset, as articulated by Fritz & Cordova (2023), further serves as a catalyst for transitioning towards more sustainable societies by reshaping individuals' perspectives. This transformative power is evident in how sustainable entrepreneurs extend their considerations beyond immediate concerns, encompassing their broader impact on the world (Fritz & Cordova, 2023). Ng (2018) introduces the concept of a growth mindset, promoting the idea that intelligence is not fixed but can be developed through effort and learning, encouraging individuals to perceive challenges as opportunities for growth. Sustainable entrepreneurs, influenced by this phenomenon, envision systemic transformations for sustainable development, demonstrating visionary leadership and actively promoting environmental preservation (Pacheco et al., 2010; Johnson & Schaltegger, 2019). Empowered by this Sustainable Entrepreneurial Mindset, entrepreneurs exert a lasting impact on markets and societies (Johnson & Schaltegger, 2019). They align the acquisition of new knowledge, adoption of behavioral changes, and evolution of worldviews to contribute to the creation of sustainable value for future generations (Johnson & Schaltegger, 2019).

Moreover, understanding the mindset of sustainable entrepreneurs is deepened by acknowledging the critical role of contextual and environmental factors in shaping entrepreneurial dynamics (Hedström & Swedberg, 1996). These factors, including social norms, regulations, and culture (Cunningham & O'Reilly, 2018), directly impact individual actions within the sustainable entrepreneurial landscape. They shape the environment for SE, with governmental regulations and cultural attitudes at the macro-level significantly influencing sustainability ventures (Desa, 2012; O'Neil & Ucbasaran, 2016). Moreover, the Sustainable Entrepreneurial Mindset guides entrepreneurs to navigate market forces and social networks at the meso-level, influencing both opportunities and behaviors (Kim et al., 2016; Cohen & Winn, 2007). Characterized by openness to possibilities and proactive problem-solving, the Sustainable Entrepreneurial Mindset fosters actions and guides individuals in interpreting and responding to circumstances (Kuratko et al., 2020). Demonstrating situational awareness, sustainable entrepreneurs adeptly align their strategies with environmental and social needs for success (Johnson & Schaltegger, 2019).

Unpacking the mindsets of sustainable entrepreneurs' sheds light on how various factors interact and underscores the profound impact of entrepreneurship on personal and societal wealth (Kuratko et al., 2020; Rajagopal, 2024). While contextual and environmental factors set the stage for entrepreneurial endeavors, the entrepreneurial mindset emerges as the driving force behind entrepreneurial actions, shaping individuals' perceptions and responses to their surroundings. This understanding provides insights into sustainable entrepreneurial growth (Shepherd & Patzelt, 2011), emphasizing the need to further comprehend the underlying mechanism driving and facilitating it.

## **2.4. Summary of Literature Review**

In conclusion, the literature review underscores several pivotal insights into SE. Firstly, sustainable entrepreneurs endeavor to address unfulfilled social and environmental needs while safeguarding the well-being of future generations (Hoogendoorn et al., 2019; Terán-Yépez et al., 2020). Their active engagement in sustainable development is predicated on attaining a balanced harmony between personal aspirations and societal imperatives (Terán-Yépez et al., 2020; Hoogendoorn et al., 2019). Reaching sustainable development involves the identification, creation, and exploitation of opportunities, shaped by prior knowledge,

expertise, and personal and societal motivations (Patzelt & Shepherd, 2011; Terán-Yépez et al., 2020).

To gain insights into the decision-making processes of individuals, research highlights that mindsets serve as a fundamental aspect of the cognitive orientations which influences mental focus and task engagement, perusement of goals, and behavioral responses (Nolder & Kadous, 2018; Griffith et al., 2015; Fujita et al., 2007). The flexibility of the mindset makes it sensitive to contextual and external factors, that in connection with characterized dynamics shapes individuals' approach to information acquisition and processing, affecting how they think and make decisions (Gollwitzer & Keller, 2020; Nolder & Kadous, 2018; Griffith et al., 2015). Incorporating a Sustainable Entrepreneurial Mindset highlights how actions align with environmental and social concerns, guiding sustainable entrepreneurs towards responsible decision making and societal value creation (Larson, 2000; Pastakia, 1998).

Furthermore, research reveals that the Sustainable Entrepreneurial Mindset is influenced by various factors at the macro, meso, and micro-levels within the environment. Previous research emphasizes that at the macro-level, societal changes and cultural norms serve as catalysts for sustainable entrepreneurial activities (Davidsson et al., 2020). Additionally, demographics, socio-cultural influences, normative and regulative institutions, macroeconomics, and technology exert significant external pressures on entrepreneurial endeavors (Cunningham & O'Reilly, 2018; Valdez and Richardson, 2013). The macro environment can favor environment friendly actions as well as slowing down and constrain the change of old ways of doing things (Hinderer & Kuckertz, 2022; Audretsch & Fiedler, 2023; Miller and Holmes (2009). Transitioning to the meso-level, social groups, systems, entrepreneurial networks, and structures offer ideal conditions for leveraging existing knowledge and identifying opportunities (Audretsch et al., 2019; Shane, 2000). The meso-level practice influences the pace and direction of sustainability, where trends and norms impact the behavior of the individual itself (Laven, 2022).

Concluding, at the micro-level, individual motivations, behaviors, and beliefs elaborately shape entrepreneurial decision-making (Shane et al., 2003; Patzelt & Shepherd, 2011). The formation of the Sustainable Entrepreneurial Mindset is influenced by a variety of elements, including altruism, emotions, intrinsic incentives, and regional considerations (Hanohov & Baldacchino, 2017; Patzelt & Shepherd, 2011). While the literature defines some influencing factors of the

Sustainable Entrepreneurial Mindset (Spence et al., 2011; Hoogendoorn et al., 2019), there is no existing literature on the underlying mechanisms that shape this mindset, embodying a noticeable gap and call for action from existing literature (Cunningham & O'Reilly, 2018). This signifies an essential area for further research. By investigating these underlying mechanisms, we can better understand how sustainable entrepreneurs develop their unique approaches to balancing economic, social, and environmental objectives. Addressing this gap can lead to more effective strategies and support systems that foster SE.

Consequently, as we move forward to the next chapter, we will delve into the various mechanisms that define the Sustainable Entrepreneurial Mindset. Our exploration will uncover how sustainable entrepreneurs incorporate environmental and social factors into their decision-making, aiming to drive positive impact while ensuring business success (Kuratko et al., 2020; Rajagopal, 2024).

### **3. Methodology and Data Collection**

The methodology section combines ontological constructivism and positivism within critical realism to understand the realm of SE. Using qualitative and inductive research, it explores the Sustainable Entrepreneurial Mindset and its driving mechanisms. We purposefully select participants and employ triangulation, combining interviews and document analysis for data collection. The Gioia Methodology (2013) is then used to ensure accuracy and reliability of our data, installing thematic analysis to identify patterns, addressing any methodological limitations and ethical considerations in the process.

#### **3.1. Epistemological and Ontological Assumptions**

To delve into the complexities of the Sustainable Entrepreneurial Mindset and its driving mechanisms, it is essential to establish foundational assumptions. These assumptions, rooted in the theoretical framework of our perceived reality, encompass considerations both ontological, which contemplate the nature of existence, and epistemological, which concern the nature of knowledge acquisition (Bell et al., 2019).

In our exploration of the Sustainable Entrepreneurial Mindset, we recognized the influence of various layers. This involves blending two philosophical perspectives, ontological constructivism, which suggests that reality can be empirically known through human experiences and perceptions, and positivism, which advocates that reality is entirely constructed (Bell et al., 2019). These perspectives are integrated within the framework of critical realism (Joseph, 2001). Critical realism posits that reality operates across multiple interconnected levels—the empirical, the actual, and the real (Joseph, 2001). At the empirical level, human experiences and perceptions shape reality (Fletcher, 2017). The actual level involves the movement and mechanisms of entities (O’Mahoney & Vincent, 2014), while the real level represents the outcomes of these activities and mechanisms (El-Awad, 2019). When investigating the Sustainable Entrepreneurial Mindset, we seek to comprehend the underlying mechanisms that drive shifts in perception, aspirations, and avenues for action (Hedström & Swedborg, 1996). Similarly to critical realism, our aim is to uncover causal explanations rather than simply predict outcomes (Danermark, 2002). Understanding the mechanisms that encourage the development of the Sustainable Entrepreneurial Mindset requires us to grasp the interactions between these ontological levels (Bygstad et al., 2016).

In this study, we captured the empirical level through conducting interviews with sustainable entrepreneurs, acquiring interpretations, perceptions and deep insights regarding the establishment of sustainable ventures. These experiences then transitioned to the actual level through the collection and analysis of data, where we conducted different themes to understand the internal process between the layers. Finally, we reached the real by identifying the underlying mechanisms apparent through the interviews, creating our final framework that represents how these mechanisms interact and interrelate to create the Sustainable Entrepreneurial Mindset.

Viewing reality as an open system underscores the importance of considering the interplay between these layers rather than treating them in isolation (Fletcher, 2017). In essence, critical realism shifts the focus from what will happen to what can happen (Danermark, 2002). This holistic approach allowed us to delve deeper into the Sustainable Entrepreneurial Mindset, considering its complexities and interconnections across various levels of influence.

To understand the complex interactions between different ontological levels, we found it valuable to adopt a triangular approach. This involved three key steps: first, explaining events as they occur; second, applying retrodution to uncover causal mechanisms; and third, corroborating findings for empirical precision (Wynn & Williams, 2012; Hu, 2018). Our process began by identifying and interviewing sustainable entrepreneurs, receiving answers about how they interpret and perform actions in the world. From an epistemological standpoint, we utilized retrodution to move beyond surface explanations and observations, delving into the underlying mechanisms shaping their behavior (Hu, 2018). This involved transitioning from observable events to uncovering deeper causes by cycling between the empirical data and website analysis, formulating themes in line with the interviewees' answers. Our aim was to discover insights into the underlying mechanisms of the Sustainable Entrepreneurial Mindset, providing sufficient information to construct a well-formed theoretical framework.

To further ensure the validity of our findings, corroboration was employed. This entails exploring alternative explanations by analyzing multiple documents from our interviews (Wynn & Williams, 2012; Danermark, 2002). In this case, documents validating the interviewees sustainable actions were gathered to reveal the presence of a sustainable mindset, showcasing their ventures mission statements, verified reports and strategic plans. By

triangulating data from various sources, we strengthened the empirical foundation of our study, enhancing its credibility and robustness (Bell et al., 2019).

In the subsequent chapters, we will delve into greater detail on how the different perspectives shape our study and inform our viewpoint of this study. Through this exploration, we aim to provide a comprehensive understanding of the mechanisms influencing the Sustainable Entrepreneurial Mindset of sustainable entrepreneurs.

### **3.2. Research Design**

This study used a qualitative method, focusing on gathering new, rich, detailed insights into the complexities of human behavior, experiences, and perceptions (Bell et al., 2019). Conducting a qualitative study made it possible to research the phenomenon from the interviewees point of view (Bell et al., 2019). Moreover, the study adopted an inductive research approach to delve into Sustainable Entrepreneurial Mindsets, particularly focused on understanding the mindset and underlying mechanisms driving it.

The inductive research approach is commonly used when discovering a new area where prior research is limited (Bell et al., 2019). Currently, there is a gap of research on the underlying mechanisms that facilitate the mindset of sustainable entrepreneurs. Previous research has touched upon what SE is (Hoogendoorn et al., 2019), what different factors influence choices (Johnson & Schaltegger, 2019) and what signifies a Sustainable Entrepreneurial Mindset (Fritz & Cordova, 2023). However, no one has delved into the underlying mechanisms that facilitate this mindset and how they interconnect, prompting for the use of inductive research.

Inductive research involves a bottom-up approach where we as researchers begin by collecting and analyzing specific data or cases. Following, there is a search for patterns, themes, or relationships within the data, which are used to generate theories or hypotheses (Bell et al., 2019). These hypotheses can then be used to create the conceptual framework that emerges from the data itself. We followed this structure where we initially gathered data connected to the research question. Following this we conducted semi constructed interviews with sustainable entrepreneurs using an open-minded approach. This invites participants to actively engage in the interview process by allowing them to express themselves freely (Bell et al., 2019). Furthermore, it provides deeper insights into their thoughts, feelings, and experiences

(Bell et al., 2019), which is very useful when examining mindsets and internal shifts. At the time of the interviews, documents were gathered from the participants, ensuring triangulation through using more than one source of data (Bell et al., 2019). Drawing on a diverse range of sources in accordance with Yin's (1984) perspective, the study not only enhances persuasiveness and accuracy but also ensures access to a broader spectrum of historical and behavioral data. This method enables a dynamic interchange between various research activities, where we facilitate continuous engagement between constructing our own theoretical framework and gathering empirical data throughout the study process (Dubois & Gadde, 2002).

Since this study aimed to uncover fresh insights and connections within the realm of Sustainable Entrepreneurial Mindsets and their underlying mechanisms, employing inductive research is imperative. This approach is crucial for delving into a subject that remains underexplored in current research.

### **3.3. Participant Selection**

In terms of sampling, we used the purposive sampling method as it is conducted with reference to the goals of the research, meaning that the sample was strategically chosen to be relevant to our chosen research question (Bell et al., 2019). Furthermore, the purposive sampling allowed us to examine individuals who may entail diverse and crucial perspectives on the ideas and issues under investigation, necessitating their inclusion in the sample (Mason, 2002; Robinson, 2014; Trost, 1986). Aligned with our research question, we had a clear understanding of the characteristics or attributes the sample should possess, specifically, individuals identified as sustainable entrepreneurs. To be categorized as a sustainable entrepreneur, we established three selection criteria that needed to be fulfilled for inclusion in the sample. This selection was designed to ensure that the interviewed entrepreneurs are actively engaged in sustainability efforts and have established ventures with a track record in the market. This ensured they have faced various challenges and opportunities over time.

*Please refer to Appendix B for a comprehensive description of the characteristics of the selected sample.*

**Table 3.1. Selection Criteria**

<b>Selection Criteria</b>
1. Launched a sustainable venture with a proven track record of positive impact on sustainability.
2. The company must be operational for a minimum of 6 months.
3. The company must be launched in Sweden but can operate anywhere.

### **3.4. Data Collection**

In this section, we will delineate the process of gathering empirical data to answer our research question. We will begin by explaining the acquisition of existing research and subsequently detail the methodology employed in crafting the interview guide and collecting supporting documents.

#### **3.4.1. Triangulation**

In this study, we employed a triangulation approach, leveraging multiple data sources to ensure the validity of our findings regarding the Sustainable Entrepreneurial Mindset (Bell et al., 2019). Initially, we gathered data from various articles to gain insights into the concept of SE and how the Sustainable Entrepreneurial Mindset is conceptualized. Furthermore, we conducted semi-structured interviews to gain deeper insights into the experiences and perspectives of sustainable entrepreneurs (Bell et al., 2019). This approach allowed for flexibility in our inquiry process, fostering the generation of new insights from the collected data.

To find suitable participants, we reached out to sustainable entrepreneurs who met our selection criteria using LinkedIn and email. Upon establishing contact, we scheduled online interviews conducted through the Google Meet platform, considering participants' geographical constraints and scheduling preferences. In addition, as explained by Bell et al., (2019), the convenience by using an online face-to-face tool might encourage some participants to join the interview where they otherwise would have not. Furthermore, all interviews were held in English to ensure that no translation mistakes were made.

At the conclusion of each interview, we requested participants to provide documentation supporting their sustainable actions. While we had already verified their adherence to sustainability criteria beforehand, this additional documentation served to higher the credibility of their commitment to sustainable practices. The documents gathered were of organizational form in the public domain such as press releases, websites and mission statements (Bell et al., 2019).

Drawing upon historical data from prior research, interviews, and documentation relevant to our selected topic, we were able to identify patterns and underlying mechanisms that contributed to explaining the observed outcomes. Embracing a retroductive perspective, we synthesized these findings to develop our theoretical framework (Bell et al., 2019). This framework serves as a lens through which we can better understand the interconnectedness of various ontological layers and their relationship to social mechanisms. Moreover, it provides a roadmap for guiding future inquiries into the Sustainable Entrepreneurial Mindset and its underlying mechanisms.

### **3.4.2. Interview Guideline**

In crafting our interview guidelines, our aim was to establish a supportive environment where participants could openly share their experiences in an authentic manner (Gioia et al. 2013).

Initially, we introduced the topic of “Sustainable Entrepreneurial Mindsets” and delineated the objectives of our study. This introductory step was essential to ensure clarity for participants regarding the discussion’s focus and importance of their contributions (Gioia et al., 2013). Following this, we emphasized the importance of clarifying expectations to manage participants’ understanding and maintain transparency (Gioia et al., 2013). We sought permission from participants to record and transcribe the interviews, respecting their autonomy while enabling us to conduct a thorough analysis of their responses.

Open-ended questions were used to encourage participants to share their experiences in their own words, avoiding leading questions that could suggest a particular response (Gioia et al., 2013). Because of this, we did not delve into social mechanisms within Sustainable Entrepreneurial Mindsets. This decision was shaped by Gioia et al.’s (2013) recommendation to avoid prematurely imposing theoretical frameworks, as it could hinder the exploration of novel perspectives and insights (Gioia et al., 2013).

During the interviews, we encouraged participants to reflect on their personal experiences, emotions, and encounters with various events. This does not only ensure quality insurance but also allows us as researchers to critically analyze our own biases, assumptions, and preconceptions that may influence the research process and data interpretation (Gioia et al., 2013). Additionally, we employed exploring questions to delve deeper into participants' knowledge acquisition, assimilation, and application processes, exploring the resulting shifts in their perception of reality and their interactions with the external world around sustainability.

*For your reference, the complete interview guideline can be found in Appendix A.*

### **3.5. Data Analysis**

In the previous chapters, we have outlined the methodology used in this thesis, employing an inductive approach alongside semi-structured interviews and triangulation. While we have detailed the interview process, we will now delve into how we analyzed the gathered data.

To start off, we thoroughly reviewed previous studies on our topic. Our examination revealed a notable gap in research pertaining to the underlying mechanisms driving the Sustainable Entrepreneurial Mindset. This realization affirmed our inductive approach and underscored our unique contribution to the field. Moving forward, we conducted interviews with ten sustainable entrepreneurs, each lasting between half an hour to an hour, depending on the availability of the interviewee. To ensure the accuracy and reliability of our data, we conducted a thorough analysis session, employing both first-and-second-order analysis techniques (Gioia et al., 2013) (Fig. 3.5.1).

At the first-order analysis stage, we carefully organized and categorized raw data, ensuring that no preconceived notions or interpretations influenced our approach (Gioia et al., 2013). Collaboratively reading transcripts, we sought similarities in interviewee' responses, dividing them into sections aligned with our interview guideline—background, knowledge gathering, transformational processes, and external influences. Utilizing thematic analysis with a color-coded approach, we examined the data to identify patterns, relationships, and trends without repetition. This method facilitated a deeper understanding of the underlying phenomena, aiding in the identification, analysis, and separation of emerging themes (Bell et al., 2019). Thematic analysis, known for its versatility and accessibility, enables detailed exploration of complex

phenomena across various research contexts. By systematically highlighting interlinked responses from interviewees, we conducted a second-order analysis to delve into common themes.

The second-order analysis involves a deeper level of abstraction and interpretation, going beyond the raw data to uncover underlying patterns, themes, and relationships (Gioia et al., 2013). As we delved into the first-order themes, we noticed a recurring pattern consistent with previous research on SE and mindsets. According to Thelken & de Jong (2020), sustainable opportunities and actions are often influenced by factors such as prior knowledge, personal and altruistic motivations, and entrepreneurial expertise. Through analysis of the transcripts, we observed how diverse prior experiences sparked participants' interest in sustainability and led to a shift in their goals towards achieving a harmonious balance between personal and societal values, finally prompting them to act upon their broadened perspectives of the world. This insight prompted the identification of three second-order themes: "Sustainable Cognitive Initiation," "Epistemic Growth," and "Drive Sustainable Change."

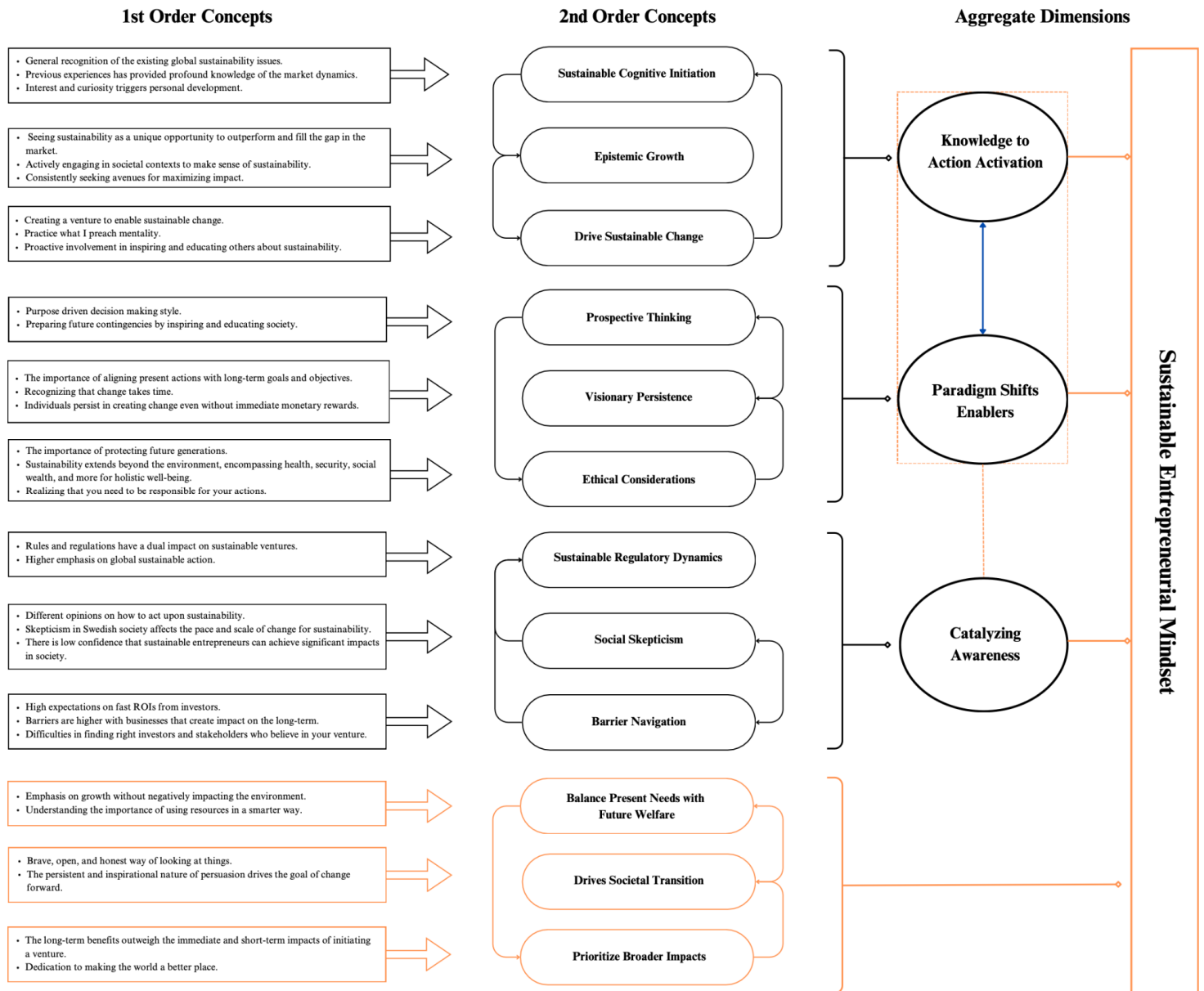
Moreover, the interviews uncovered a crucial aspect of venture creation within their transformative processes. Participants described a transformation towards aligning their actions with environmental and social concerns, guiding them towards responsible decision-making and the creation of societal value (Larson, 2000; Pastakia, 1998). This gave rise to second-order themes such as "Prospective Thinking," "Visionary Persistence," and "Ethical Considerations." These themes underscored the interviewees' urgency to address current needs without compromising the well-being of future generations, thereby contributing to sustainable development (Terán-Yépez et al., 2020).

Additionally, three second-order themes emerged: "Sustainable Regulatory Dynamics," "Social Skepticism," and "Barrier Navigation." These themes were formulated based on the observed pattern in the first order sentences of how social norms, regulations, stakeholder investments and culture directly impact actions within the sustainable entrepreneurial landscape (Desa, 2012; O'Neil & Ucbasaran, 2016).

As we delved into unraveling the mindset of sustainable entrepreneurs, our first-order analysis also aimed to shed light on what we believe constitutes the Sustainable Entrepreneurial Mindset. These insights were informed by the conceptualization of the Sustainable

Entrepreneurial Mindset articulated by Fritz & Cordova (2023), which serves as a catalyst for transitioning towards more sustainable societies by reshaping individuals' perspectives. The themes that emerged, such as "Balance Present Needs with Future Welfare," "Drives Societal Transition," and "Prioritize Broader Impacts," demonstrate how sustainable entrepreneurs adeptly align their strategies with environmental and social needs for success (Johnson & Schaltegger, 2019).

**Figure 3.5.1. Data Structure**



### 3.5.2. Developing a Theoretical Framework

Through constant comparison and reference to existing research, we finally identified twelve second-order themes that shed light on the facilitating mechanisms driving the Sustainable Entrepreneurial Mindset (Gioia et al., 2012). Integrating both first-and-second-order themes, we identified four aggregate dimensions that formed the basis of our new framework: “Knowledge to Action Activation,” “Paradigm Shift Enablers,” “Catalyzing Awareness,” and “Sustainable Entrepreneurial Mindsets”. This enabled us to create an integrative framework representing a significant explanation of the Sustainable Entrepreneurial Mindset and provides valuable insights for future research and practice in the field (Bell et al., 2019).

Evident within the framework is the intricate interconnection of second-order themes and aggregate dimensions. The formation of aggregate dimensions involved integrating second-order themes and concepts into cohesive frameworks that encapsulate the multifaceted nature of SE.

The formation of the “Knowledge to Action Activation” dimension involved the developed second-order themes of— “Sustainable Cognitive Initiation,” “Epistemic Growth,” and “Drive Sustainable Change”. These themes intricately link with each other by illustrating how the pursuit of knowledge acquisition leads to assimilation, which subsequently broadens the application of knowledge, thus creating a cyclical process of knowledge development within sustainable ventures.

Similarly, the creation of the “Paradigm Shift Enablers” dimension entailed synthesizing second-order concepts like— “Prospective Thinking,” “Visionary Persistence,” and “Ethical Considerations” by engaging with relevant literature and drawing connections between different perspectives. The interconnection of these second order themes illustrates the dimension of shifting perspectives towards forward thinking and prioritizing long term social benefits over immediate rewards, enabling equal wellness for present and future generations.

Moreover, “Catalyzing Awareness” is shaped by “Sustainable Regulatory Dynamics,” “Social Skepticism,” and “Barrier Navigation”. These themes impact each other in the way that global trends shape regulations that promote sustainability but also pose challenges in overcoming barriers, exacerbated by social skepticism toward sustainability efforts.

Ultimately, the Sustainable Entrepreneurial Mindset is shaped by the second-order themes of “Balance Present Needs with Future Welfare,” “Drives Societal Transition,” and “Prioritize Broader Impacts,” all intricately linked. This interconnection highlights how the balance between immediate necessities and future well-being informs the prioritization of broader impacts.

The theoretical framework was developed through a repetitive process of data analysis, literature review, and conceptual synthesis, resulting in a thorough understanding of the mechanisms driving the Sustainable Entrepreneurial Mindset. These findings reveal that these three aggregate dimensions—Knowledge to Action Activation, Paradigm Shift Enablers and Catalyzing Awareness, form a comprehensive framework that represents the various aspects shaping the Sustainable Entrepreneurial Mindset.

## **3.6. Methodological Limitations**

### **3.6.1. Research Design**

When opting for a qualitative approach, we must address several concerns raised by Bell et al., (2019) regarding subjectivity, replicability, generalizability, and transparency inherent in qualitative research. To mitigate subjectivity, our interviews were conducted with individuals with whom we had no prior personal relationship. However, our selection of interviewees and the criteria for identifying them as sustainable entrepreneurs are based on our own interpretations, potentially limiting the diversity of perspectives and experiences represented in the study and leading to biased findings (Bell et al., 2019). In terms of replicability, our study adopts the perspective of critical realism, which emphasizes empirically supported explanations to identify tendencies among mechanisms rather than providing a fixed framework or general laws explaining why and how things happen (El Awad, 2019). This limits the potential for exact replication of the research findings because settings and contexts can vary over time, leading to different outcomes.

Furthermore, our study focuses narrowly on Sustainable Entrepreneurial Mindsets and its underlying mechanisms, which may limit the generalizability of our findings. Creating this study, our aim as many other qualitative studies was however not to generalize the entire population (Flyvbjerg, 2006), rather to understand the behavior, values and beliefs that can be evident in the sustainable entrepreneurial mind. Given the substantial gap in understanding micro-level perspectives in SE, we also believe that our study contributes to existing literature by filling a crucial gap and providing a more comprehensive understanding of SE as a whole.

To address concerns regarding transparency in qualitative research, we have provided a detailed methodology and research design chapter, clarifying our study approach and rationale for conducting the thesis in this manner. By using the Gioia et al., (2013) analysis, we also elaborate on how the analysis of data was constructed as well. This transparency enhances the credibility and trustworthiness of our study, allowing readers to understand the context and processes involved in our research endeavors.

### **3.6.2. Data Collection**

When employing qualitative methods to collect interview data, it is essential to be aware of a phenomenon known as over rationalization, as emphasized by Bell et al., (2019). This happens when researchers unintentionally guide interviewees to talk about their past actions as if they were confessing to a professional. As a result, interviewees might feel pressured to share every detail of their past experiences, trying to make themselves look good (Atkinson & Silverman, 1997).

To mitigate this risk, we adopted a strategy of not disclosing the specific questions of the interview in advance. Instead, we simply communicated the purpose of the research, which is to investigate the Sustainable Entrepreneurial Mindset and then asked all the questions at the actual interview in a calm manner. By applying triangulation, we could decrease the risk of over-rationalization, since collecting documents to ensure credibility.

### **3.7. Ethical Dimension**

Ensuring the ethical integrity of this study is paramount to foster a sense of security among our interviewees, allowing them to freely share their personal experiences. Given the nature of our inquiries regarding mindsets and mechanisms, quite personal information can be gathered, making it of highest importance to ensure a conducive environment, where people feel safe to explain their thoughts and perspectives (Gioia et al., 2012).

Ensuring individuals are properly informed about the interview process can foster a sense of security. We followed the principle of informed consent and provided clear articulation regarding the recording and transcription of the interview process that would take place (Bell et al., 2019) The research question and the purpose were also performed before the interview got started to ensure that the sustainable entrepreneurs could make informed decisions about joining our study or not (Bell et al., 2019). Interviewees were given the option to consent to these procedures, and their preferences were appropriately noted and followed.

Moreover, our interview questions were designed to be open-ended, allowing participants to respond freely. We were careful not to inquire about topics that could cast a negative light on them or their company. Acknowledging that sensitivities vary from person to person, we approached each situation with consideration for individual circumstances (Bell et al., 2019).

## 4. Findings and Analysis

In this chapter, we will analyze the data collected using a triangulation approach, incorporating research, semi-structured interviews, and document analysis. Our aim is to uncover the mechanisms driving the Sustainable Entrepreneurial Mindset. By employing the Gioia methodology (Gioia et al., 2013), we identified three key aggregated dimensions, which will further be referred to as the mechanism driving the Sustainable Entrepreneurial Mindset. These are “**Knowledge to Action Activation**,” “**Paradigm Shift Enablers**” and “**Catalyzing Awareness**.” These mechanisms, along with their underlying second order themes, will be explored in subsequent chapters to enable the development of the comprehensive framework for understanding Sustainable Entrepreneurial Mindsets.

### 4.1. Knowledge to Action Activation

In exploring the mindset of individuals, particular attention was given to how sustainable entrepreneurs acquired, processed, and implemented knowledge in their daily practices. This focus was applied to be able to understand what it is that triggers the sustainable entrepreneur to extend their endeavors beyond conventional business realms. The responses from interviewees emphasized the importance of improving current business practices, acknowledging the value of making a meaningful impact, and taking actionable steps. Through analysis of the initial statements, Table 4.1.1 reveals three distinct second-order themes, ultimately contributing to the formation of the mechanism termed “**Knowledge to Action Activation**.”

**Table 4.1.1. Knowledge to Action Activation**

1st order	2nd order	Mechanism
<ul style="list-style-type: none"> <li>- General recognition of the existing global sustainability issues.</li> <li>- Previous experiences has provided profound knowledge of the market dynamics</li> <li>- Interest and curiosity triggers personal development</li> </ul>	Sustainable Cognitive Initiation	<b>Knowledge to Action Activation</b>
<ul style="list-style-type: none"> <li>- Seeing sustainability as a unique opportunity to outperform and fill the gap in the market.</li> <li>- Actively engaging in societal contexts to make sense of sustainability.</li> <li>- Consistently seeking avenues for maximizing impact.</li> </ul>	Epistemic Growth	
<ul style="list-style-type: none"> <li>- Creating a venture to enable sustainable change.</li> <li>- Practice what I preach mentality</li> <li>- Proactive involvement in inspiring and educating others about sustainability.</li> </ul>	Drive Sustainable Change	

The mechanism “**Knowledge to Action Activation**” emerges as a crucial mechanism while incorporating insights from the interviews. It outlines the journey of SE from knowledge acquisition to assimilation, and application. At the start of this dimension lies the primary second-order theme of “**Sustainable Cognitive Initiation,**” a product of the first-order synthesized sentences. This theme underscores the participants' recognition and understanding of sustainable issues in the world, spurred by societal debates and a growing focus on sustainability. For instance, Participant 3 describes sustainability as “*the biggest issue for humanity since forever,*” lining up with the sentiment shared by Participant 6, who highlights the prevalence of “*unsustainable conflicts around us*”. These discussions reveal the participants' awareness of global challenges and the urgency to address them.

Continuing this path, participants connect their interest in SE to prior personal or life experiences. Participant 7 underscores the importance of personal experiences in shaping sustainable practices, emphasizing the integral role of individual awareness and responsibility

in driving sustainable change. Notably, three interviewees relate their early interest in sustainability to upbringing in environmentally conscious households. Participant 3 recalls, *"My parents always voted for the green party, promoting the rest of the family to act sustainably,"* while Participant 1 shares how *"My father taught me how to harvest at a young age and since then I always had a passion for everything that grows"*. Beyond familial influence, diverse industry experiences also contribute to the theme of Sustainable Cognitive Initiation. Seven interviewees emphasize how working across different sectors broadened their understanding of market dynamics. This exposure revealed the insufficiency of current products and services, prompting a quest for improved, more sustainable alternatives. Intrinsic curiosity further emerges as a driving force for Sustainable Cognitive Initiation among interviewees. Participant 9 underscores a constant thirst for learning, stating, *"I always want to gain more knowledge and I am intrigued about learning new things"*. Participant 10's curiosity extends to impact assessment, speculating, *"Where can we have the most impact?"* This sentiment resonates with Participant 7, who identifies the *"growing common knowledge about sustainability"* as a catalyst for exploration and the following evolution of new perspectives.

The theme of **"Epistemic Growth"** emerged as another prominent aspect during interviews with sustainable entrepreneurs. They elaborated on their experiences of processing new knowledge within the context of sustainability, highlighting their journey towards identifying avenues for impactful and constructive action. This realization adds another dimension to the aggregate concept of "Knowledge to Action Activation", shedding light on how these entrepreneurs assimilate their newly acquired knowledge. In their interviews, the entrepreneurs described a transformative shift in perspective. Initially, they perceived the market as acceptable, but upon gaining new insights, they recognized numerous areas for improvement and significant gaps. Participant 3 clearly illustrated this point in the interview, recalling their realization of unsustainable practices, such as observing employees discarding plastic lunch boxes daily in previous workplaces. This experience prompted a profound shift in perspective, leading them to question, *"It just felt like a bad solution. I mean, we can produce steam without coal, but we can't solve this issue with single-use plastic?"*. To process the inflow of new information such as this, several interviewees further emphasized the value of engaging in social contexts focused on sustainability. They found that discussing their thoughts and perspectives with like-minded individuals helped them make sense of complex ideas. As Participant 5 noted, *"I look for experts and I learn from them,"* highlighting a commitment to continual growth. Participant 4 framed the process of gathering new knowledge and receiving

new perspectives as an opportunity for positive change. They remarked, *“It is great that we have this problem and that I realized it, because then I can solve it,”* emphasizing that new perspectives lead to opportunity recognition and the possibility to enable change.

When we examine the final phase of the mechanism **“Knowledge to action activation,”** focusing on how sustainable entrepreneurs apply their newfound knowledge, it becomes clear that they are deeply committed to **“Drive Sustainable Change.”** One of the key reasons behind the emergence of this second-order theme is the shared dedication of each interviewee to establish businesses aimed at making a lasting positive impact on the planet. Participant 10, for instance, emphasizes the significance of climate as one of their stakeholders, reflecting a core value embedded within their venture. Similarly, Participant 6 articulates a vision of contributing to a sustainable world, underscoring the great importance of sustainability within their entrepreneurial endeavors. Furthermore, these ventures not only work towards positive impact in the external environment, but also influence personal actions beyond the realm of work. Participant 9, for instance, recounts how developing a venture with a friend led to a fundamental shift in lifestyle. *“I had to align my actions with the values of my business,”* they recall, highlighting the transition from mere acknowledgment of newfound knowledge to a tangible, personal commitment to living sustainably.

In addition to creating their own ventures and affecting individual impact, the interviews underscore the application of knowledge through educating and inspiring others. Recognizing that driving change cannot be accomplished alone, interviewees emphasize the importance of reaching out to a broader audience. This may entail engaging with customers, hosting seminars, joining associations, or collaborating with like-minded individuals. Participant 6, for example, describes their approach of inspiring others by addressing sustainability in a positive light, *“I try to lift people, instead of pushing people the wrong way”*. To summarize, the interviews reveal a comprehensive journey of knowledge acquisition, assimilation, and application. They highlight the key factors involved at each stage of this process, ultimately leading to the effective application of knowledge and its subsequent impact.

## **4.2. Paradigm Shifts Enablers**

Through our exploration, we delve into how sustainable entrepreneurs are gaining new knowledge, changing their behaviors, and reshaping their worldview. Through our interviews,

we have uncovered a diverse array of perspectives, motivations, and strategies driving these entrepreneurs forward. From prioritizing long-term impact to embracing ethical considerations, our interviews revealed the depth of dedication and innovation within the sustainable business domain. As shown in Table 4.2.1., our findings merged around three key themes illustrated in the second-order which concludes in the mechanism termed “**Paradigm Shift Enablers.**” This construct describes the transformative potential inherent in acquisition to assimilation of new knowledge and the subsequent evolution of behaviors, perspectives and motivations, shaping a new paradigm for SE.

**Table 4.2.1. Paradigm Shifts Enablers**

1st order	2nd order	Mechanism
<ul style="list-style-type: none"> <li>- Purpose driven decision making style</li> <li>- Preparing future contingencies by inspiring and educating society</li> </ul>	Prospective Thinking	<b>Paradigm Shift Enablers</b>
<ul style="list-style-type: none"> <li>- The importance of aligning present actions with long-term goals and objectives.</li> <li>- Recognizing that change takes time.</li> <li>- Individuals persist in creating change even without immediate monetary rewards.</li> </ul>	Visionary Persistence	
<ul style="list-style-type: none"> <li>- The importance of protecting future generations.</li> <li>- Sustainability extends beyond the environment, encompassing health, security, social wealth, and more for holistic well-being.</li> <li>- Realizing that you need to be responsible for your actions.</li> </ul>	Ethical Considerations	

In the interviews, each entrepreneur brought a unique blend of passion, purpose, and foresight to the conversation, offering valuable insights into the multifaceted nature of sustainability in

today's entrepreneurial landscape. "**Prospective Thinking**," emerged as a central theme, portraying the first cornerstone of the mechanism Paradigm shift enablers. The interviewees highlighted how they are "*Passionate about doing something good for the broader audience*", showcasing the acknowledgement of the enduring impact they strive to achieve. To enable this change, emphasis was being put on prioritizing inspiration over competition in emerging sustainable market perspectives. Participants highlighted the importance of fostering a collaborative and inspirational environment as a strategy to engage society to join their movement. Participant 5 emphasized the necessity of inspiring people and pushing on adaptation, stating, "*It takes a transition in society to facilitate sustainability*" and "*I want to showcase to the world what is happening.*" Participant 7 highlights the importance of "*educating people and demonstrating the value sustainability brings*" as a possible way to achieve their goals. These insights reflect a collective shift towards prospective thinking, underscoring the commitment and anticipation of change by sustainable entrepreneurs. Driven by a sense of purpose and a vision for a better future, they recognize the importance of acting now to catalyze sustainable actions throughout the world.

Continuing, the significance of creating long-term impact, driving purpose-driven companies and creating benefits for others was highly emphasized by the interviewees. Dedication to this cause became evident through statements like, "*I make decisions that yield positive long-term impacts*" and "*I am prepared to stick around for a while*". "**Visionary Persistence**" was thereby discovered as another second order theme in the context of SE where the interviews revealed a deep understanding that meaningful action change takes time. Despite the lack of immediate monetary rewards, individuals persist in their efforts for the long-term benefits that sustainable practices bring. Participant 7 shared, "*our goal is not to become billionaires, we want to build a sustainable business for the long haul*" further implied by Participant 2 stating "*I have never worked only for the money, it is all about the cause for me.*" Additionally, Participant 6 highlighted the challenges inherent with driving change, stressing the importance of patience and resilience. The time it takes to overcome obstacles was acknowledged, stating, "*Getting to the market takes time.*" This recognition showcases how sustainable entrepreneurs prioritize long-term impact and societal well-being over immediate rewards, protecting future generations and taking responsibility for their actions.

The final second order theme that emerged from our findings was the importance of "**Ethical Considerations**", forming Paradigm Shift Enablers. One outstanding aspect highlighted was

the imperative of safeguarding the interests of future generations. Participants showed affection and motivation for prioritizing sustainable practices to ensure a thriving world for generations to come. Participant 4 expressed *“I strive to make a difference, especially for my children - for their future.”* A key insight that emerged was the acknowledgment of personal responsibility for one’s actions. Participants recognized the importance of accountability in driving sustainable practices and making ethical decisions that consider the broader societal impact. Sustainability was revealed as a concept connected with environmental considerations, encompassing holistic well-being across health, security, and social wealth. Participants stressed the interconnectedness of these dimensions, voting for a comprehensive approach to sustainability. Participant 5 emphasized the necessity of adaptation, stating, *“It takes a transition,”* and expressed his commitment to continuous learning, affirming, *“I will never stop learning, I want to showcase to the world what is happening.”* Additionally, participant 3 expressed a sense of privilege in contributing to societal change, stating, *“I feel privileged to be part of another switch in society.”* These insights underscore the evolving perspective among sustainable entrepreneurs, considering the importance of ethics in SE.

In sum, Paradigm Shift Enablers showcase the growing emphasis on prioritizing long-term impact and sustainability over immediate gains, providing dedication to generate lasting positive effects beyond financial reward. Additionally, the influence of emotions tied to sustainability drives individuals’ desire to help others, shaping their actions accordingly. This collective commitment is underscored by expressions of inspiration and their sense of responsibility towards societal change, emphasizing ethical practices and welfare of future generations.

### **4.3. Catalyzing Awareness**

As a concluding aspect, we reveal the influential factors shaping sustainable entrepreneurs, encompassing social norms, regulations, and cultural contexts. As illustrated in Table 4.3.1., our findings evolved around three fundamental themes highlighted in the second-order. Expanding on these insights, **“Catalyzing Awareness”** emerged as another critical mechanism driving the Sustainable Entrepreneurial Mindset, shedding light on the influential factors shaping sustainable entrepreneurs, including social norms, regulations, and cultural contexts.

**Table 4.3.1. Catalyzing Awareness**

1st order	2nd order	Mechanism
<ul style="list-style-type: none"> <li>- Rules and regulations have a dual impact on sustainable ventures</li> <li>- Higher emphasis on global sustainable action</li> </ul>	Sustainable Regulatory Dynamics	<b>Catalyzing Awareness</b>
<ul style="list-style-type: none"> <li>- Different opinions on how to act upon sustainability.</li> <li>- Skepticism in Swedish society affects the pace and scale of change for sustainability.</li> <li>- There is low confidence that sustainable entrepreneurs can achieve significant impacts in society.</li> </ul>	Social Skepticism	
<ul style="list-style-type: none"> <li>- High expectations on fast ROIs from investors.</li> <li>- Barriers are higher with businesses that create impact on the long-term.</li> <li>- Difficulties in finding right investors and stakeholders who believe in your venture.</li> </ul>	Barrier Navigation	

The second-order theme of “**Sustainable Regulatory Dynamics**” dives into the noticeable impact of larger regulatory frameworks on the emergence and development of sustainable ventures. Throughout the interviews, it becomes evident that sustainable entrepreneurs are responding to pressing needs and the ongoing climate direction, as highlighted by the recurring sentiment that “*the need was there*” and “*there is a rising interest in sustainability trends*”. This sentiment resonated in Participant 4’s observation that “*The market is beginning to define sustainability,*” highlighting the evolving nature of sustainability standards influenced by market dynamics, reflecting a worldwide shift towards sustainability.

There were implications that regulations play a dual role in shaping the landscape for sustainability-driven initiatives, highlighting how they offer substantial support and motivation for entrepreneurs, but also present some restraints. Participant 9 captures this complexity, stating, “*Regulations make it both easier and harder to get on the market.*” Many interviewees

recognize the pivotal role of regulations in steering sustainability, emphasizing their transformative power. Participant 3 highlights the significance of regulations in their journey, mentioning, *“Regulations played a crucial role in our success; without them, this transformation would not have been achievable.”* Similarly, Participant 7 points out how EU regulations act as catalysts for SE, driving industry-wide transformation. Moreover, the Sustainable Development Goals (SDGs) were identified as another catalyst for sustainable action in many cases, underscoring the role of incentives and rules in facilitating progress for sustainable entrepreneurs.

Continuing, **“Social Skepticism”** poses as a significant force in shaping SE, reflecting a variety of perspectives on sustainability and the challenges posed by societal attitudes. Participant 1 underscores the delicate balance required in sustainability practices besides increasingly strict regulations, highlighting the inevitability of mistakes, *“You always do something wrong”*. Participant 10 similarly expresses this sentiment emphasizing the need for patience and respect in the face of societal resistance, stating, *“People are scared, you need to gain their respect, have to be patient, as you are changing the fundamentals of society”*. Similarly, Participant 9 sheds light on the prevailing skepticism in Sweden, where linkages to sustainability is closely monitored, *“In Sweden, there is a culture of skepticism where people expect to see that you are truly adhering to every aspect”*.

Furthermore, Participant 5 delved into their personal experiences, navigating skepticism and disbelief while advocating sustainability, *“I encounter a lot of skepticism, facing numerous rejections and disbelief. Sustainable entrepreneurs operate with a distinct mindset, often finding themselves labeled as idealistic, social entrepreneurs, or hobbyist due to their unique approach.”* Despite encountering skepticism, Participant 10 maintains optimism about societal shifts towards sustainability, illustrating a progression from ridicule to acceptance, *“First, they laugh at you, then they threaten you, then they want to join you”*. Participant 10’s perseverance in the face of adversity is echoed by their resolve to uphold their vision despite opposition, *“If I had listened to everyone, the company would not look the same.”* These quotations collectively underscore the resilience and determination required to navigate social skepticism and drive sustainable change.

Ultimately, addressing social skepticism necessitates a multifaceted approach, encompassing patience, persistence, and a commitment to fostering awareness and understanding within

society. Participant 5 further states, *“Our biggest hurdle is not rival companies; it is changing people’s daily habits and preferences. We need them to embrace sustainable solutions and support our efforts.”*

**“Barrier Navigation”** in SE involves overcoming challenges such as the pressure for rapid returns on investment (ROIs) from investors. Participant 8 highlighted the obstacles faced by businesses focusing on long-term impact with *“Barriers are higher with businesses that create impact on the long-term”*. Additionally, numerous sustainable entrepreneurs stressed the importance of balancing financial objectives with sustainability goals to attract investment. Participant 8 continues to emphasize this point stating, *“Most acknowledge sustainability goals, but financial success is crucial for attracting investment.”* The discussion about ROI revealed a common theme of prioritizing long-term impact, as noted by Participant 6, *“For sustainable ventures, the return on investment is in the long-term, creating impact and change requires time.”* Additionally, it became apparent that investors often prioritize financial gains over climate impact, posing a significant challenge in securing funding for sustainability initiatives. Participant 10 emphasized this reality, stating, *“No investor solely prioritizes climate impact, there is always money involved”*. These quotations collectively illustrate the complex dynamics at play in SE.

Moreover, sustainable entrepreneurs encounter difficulties in securing support from investors and stakeholders who are aligned with their vision, highlighting the importance of establishing connections within the investment community. Participant 1 emphasized this need, stating, *“when you look for investors, you seek for experience and network.”* However, Participant 5 expressed hesitation to engage with investors, emphasizing the importance of selecting the right ones given the pressure they exert on decision-making processes. Overall, navigating barriers in SE necessitates a dual focus on financial and sustainability objectives, while also securing investment from stakeholders who share the same vision for a sustainable future.

In summary, Catalyzing Awareness sheds light on the environmental factors influencing the Sustainable Entrepreneurial Mindset. The interviewees' adaptation to trends, regulations, social skepticism, and their ability to navigate barriers collectively contribute to their sustainable orientation.

#### 4.4. Sustainable Entrepreneurial Mindset

Besides uncovering the underlying mechanisms, the interviews reveal a distinct aspect of what has become the final mechanism of “**Sustainable Entrepreneurial Mindset.**” This dimension becomes evident as interviewees discuss their values and beliefs and how these convictions manifest in their actions. Table 4.4.1 outlines the second-order themes derived from the data of the initial interviews, which provide further support for this final mechanism that will be expounded upon in the subsequent paragraphs.

**Table 4.4.1. Sustainable Entrepreneurial Mindset**

1st order	2nd order	Mechanism
<ul style="list-style-type: none"> <li>- Emphasis on growth without negatively impacting the environment.</li> <li>- Understanding the importance of using resources in a smarter way.</li> </ul>	Balance Present Needs with Future Welfare	<b>Sustainable Entrepreneurial Mindset</b>
<ul style="list-style-type: none"> <li>- Brave, open, and honest way of looking at things.</li> <li>- The persistent and inspirational nature of persuasion drives the goal of change forward.</li> </ul>	Drives Societal Transition	
<ul style="list-style-type: none"> <li>- The long-term benefits outweigh the immediate and short-term impacts of initiating a venture.</li> <li>- Dedication to making the world a better place.</li> </ul>	Prioritize Broader Impacts	

Throughout the interviews and exploring the underlying mechanisms, the intricate interplay of decision-making processes, evolving perspectives, and the multiple factors shaping the thoughts and actions of these entrepreneurs was a common topic. By talking with the interviewees, a more holistic theme became apparent that affected the pursuit of goals and engagement with tasks and merged into the final aggregate theme of “**Sustainable Entrepreneurial Mindsets.**”

Incorporated within this mechanism lies an important underlying second-order theme: **“Balancing Present Needs with Future Welfare.”** This theme underscores the collective emphasis among participants on ensuring growth without too big societal impacts. Regardless of the strategies employed to reduce negative consequences or foster solutions, the great commitment remains to actions safeguarding the future welfare. Participant 3’s assertion, *“We will not have a society if we do not focus on the environmental part,”* captures this dialogue on achieving growth without environmental compromise. Many interviewees, driven by their convictions or by being influenced by others, have willingly made sacrifices to prioritize future welfare, a path they wholeheartedly embrace. Moreover, a detectable thread running through the interviews is the notion of leveraging resources intelligently to drive impact and catalyze market improvements. This necessitates a comprehensive evaluation of both market and societal dynamics to discern how to best meet contemporary needs. Participant 10 succinctly captures this sentiment, asserting, *“We should use our resources much smarter, and there are so many ways of doing so”*. Participant 1 reinforces this sentiment by emphasizing that new methods must be recognizable and designed for the same use, but now with a circular lifecycle.

The sustainable entrepreneurs interviewed were not afraid to say what they think and emphasized the importance of trust-building and honesty to engage a larger audience to act, showcasing their dedication to **“Drive Societal Transformation”**. As articulated by participant 1, credibility is paramount in the aspect of sustainability. Participant 7 underscores this point, stressing the importance of reliability and avoiding overpromising: *“It is about being reliable; you cannot promise too much.”* Apparent in the interviews is how society in Sweden is a bit hesitant to change, where you need to be persistent as the sustainable entrepreneur to infuse a change in behavior. While the interviewees are outspoken about the benefits of new approaches, they recognize the challenge of overcoming entrenched traditional practices. Participant 10 highlights the frustration of persuading others, emphasizing the necessity of resilience and steadfastness in the face of resistance: *“It can be frustrating getting through to people and it takes time, but when you are convinced, this is the right direction you just have to continue and be resilient.”* In the interview with Participant 3 similar viewpoints are being discussed about the necessity of adopting a proactive approach rather than fixating on obstacles, suggesting that challenges must be perceived as opportunities, or risk being overshadowed. Participant 6 argument goes hand in hand with this sentiment, viewing challenges not as burdens but as incentives for positive change: *“I do not see it as pressure, rather motivation that we can do something about this.”* Their collective aspiration is encapsulated in participant

3's hope to inspire others to follow suit: *"I aspire to be a source of inspiration for others, encouraging them to reconsider their perspectives."* As participant 9 says *"I want to showcase to the world what is happening"*, putting emphasis on enlightening the world what actions that can be taken.

Finally, the second-order theme "**Prioritizes Broader Impacts**" captures the Sustainable Entrepreneurial Mindset that focuses on considering the broader impacts of their actions. Participants highlight the importance of long-term impacts, emphasizing their dedication to sustained efforts. Participant 6's reflection, *"I anticipate being around for a long while,"* underscores this commitment. It is being emphasized by all interviewees how sustainability and holistic thinking is woven into every aspect of their endeavors, and how they all take proper action towards their goals of long-term impact and change. In the interview with participant 10 it is mentioned that *"The world is not here for people to use themselves; it is here to share it with others, including all creatures and it hurts me to see so many destroying it"*. This highlights the altruistic nature of sustainable entrepreneurs and their thoughtful consideration of choices. Participant 9 further reinforces this perspective, asserting, *"A business model will never be sustainable; it is the person and what they can do. It is about understanding and implementing changes for the better."* This underscores the collective movement towards making the world a better place, driven by individual actions and values.

In summary, sustainable entrepreneurial mindsets are characterized by a conscientious balance of present needs with future welfare, a commitment to leveraging resources for impactful societal transformation, and a proactive approach to overcoming challenges while prioritizing broader impacts. These themes collectively embody a mindset dedicated to effecting positive, lasting change in both business and society.

## 5. Discussion

In this section, we introduce an integrated framework (Fig. 5.1) that captures our findings and explains the influential mechanisms driving the “**Sustainable Entrepreneurial Mindset**”. To begin the analysis of Sustainable Entrepreneurial Mindsets, it is crucial to delve into the underlying mechanisms and understand how they intricately interconnect to shape this unique mindset (Spence et al., 2011). Just as explained in mindset theory, individuals’ mindsets dictate their approaches to goal pursuit by emphasizing specific attitudes and strategies (Fujita et al., 2007). The evolution of mindsets through various stages, as described by Gollwitzer & Keller (2020), influence individuals’ actions by aligning with their intentions, incentives, and intrinsic values as articulated by Ng (2018), reflecting how mindset development affects human behavior. Mindsets profoundly impact how individuals engage with tasks, make decisions, and pursue goals (Nolder & Kadous, 2018). In the domain of SE, three pivotal mechanisms - Knowledge to Action Activation, Paradigm Shift Enablers, and Catalyzing Awareness - drive the direction of pursuits and goals. Our model illustrates how these mechanisms intricately shape the mindset and actions of sustainable entrepreneurs, driving them to prioritize sustainability and place it at the forefront when creating value.

As highlighted by Griffith et al. (2015), the interplay between the mindset dynamics and conceptual triggers shapes how individuals acquire and process information. This study reveals the significant impact of the mechanism “**Knowledge to Action Activation**” on shaping Sustainable Entrepreneurial Mindsets by laying the foundation for actionable initiatives within organizations. This mechanism unravels the internal cognitive processes involved in acquiring, assimilating, and applying knowledge, highlighting the intricate interplay between individual aspirations, acquired knowledge, and available avenues for action, ultimately leading to the formulation of sustainable ventures (Johnson & Schaltegger, 2019; Dopfer et al., 2004). During the acquisition of knowledge, the interviewees mentioned how influences from global environmental concerns and diverse familial and professional experiences were among the main reasons for their identification of market gaps and deficiencies requiring attention and improvement. Kuratko et al., (2020) suggest that prior knowledge shapes entrepreneurs’ capabilities to identify opportunities and introduce innovations, a point further emphasized by Patzelt and Shepherd (2011), who assert that recognizing sustainable opportunities often originates from past experiences and personal motivations. Johnson & Schaltegger (2019)

further expound on how individuals' knowledge and expertise, along with their ability to connect them to market-related opportunities, play a pivotal role in this process.

These formative experiences facilitated “*Sustainable Cognitive Initiation*” among interviewees, enabling them to gain profound insights into the market. Their engagement in professions dedicated to effecting change, combined with genuine interest and curiosity, drove this realization. These findings further spurred the exploration of “*Epistemic Growth*”. Here, interviewees perceived sustainability as a unique opportunity to excel and address market gaps, actively engaging in societal contexts to comprehend sustainability and constantly seeking ways to maximize their impact. Employing various means to process information and determine their course of action, they demonstrated a proactive approach, challenging the old ways of doing things (Audretch & Fiedler, 2023). Thelken & de Jong (2020) underline the significant influence of personal experiences and beliefs on decision-making, which prompts a profound reshaping of perspectives in response to newfound knowledge about sustainability. This corresponds with the experiences of sustainable entrepreneurs, who initially regarded the market as satisfactory. However, upon acquiring new insights, they recognized areas in need of improvement. This interconnection between the second-order concepts—Sustainable Cognitive Initiation and—Epistemic Growth underscores the dynamic process of entrepreneurial decision-making and the continuous evolution of perspectives towards sustainability.

In the pursuit of applying newly gathered knowledge and developed perspectives, “*Drive Sustainable Change*” illustrates how the sustainable entrepreneurs created ventures with enduring global impact. NG (2018), highlights how their actions are driven by intentions, incentives, and intrinsic values, shifting focus from solely pursuing financial gain to prioritizing enduring impact. Societal and environmental concerns are being integrated into core operations, where the interviewees embrace change (Figge et al., 2002; Hinderer & Kuckertz, 2022). This demonstrates the interconnectedness shown in the model - Epistemic Growth plays a pivotal role in - Drive Sustainable Change. It enables sustainable entrepreneurs to deepen their understanding of sustainability, motivating them to create ventures that drive positive change and inspire others.

When the sustainable entrepreneurs are creating ventures for sustainability and actively inspiring others to do the same, they not only deepened their understanding of the market but

also embraced sustainability as a guiding principle. Thus, the process of *Drive Sustainable Change* also intricately links with *Sustainable Cognitive Initiation*, closing the circle, as practical experiences and strategic endeavors further enriches their market understanding and commitment to sustainability. This reflects the sustainable entrepreneurial mindset, as emphasized by Hoogendoorn et al. (2019), wherein sustainable entrepreneurs strive for a harmonious balance between personal and societal values. Interviewees' emphasis on acting sustainable in both professional and personal settings highlight their continual activations towards sustainability.

Important to mention, is how this study finds that the mechanism Knowledge to Action Activation does not solely impact the mindset and how the sustainable entrepreneur acts, there is a clear interconnection between this mechanism and the mechanism of “**Paradigm Shift Enablers.**” Paradigm Shift Enablers, as explained by Hedström & Swedborg (1996), play a pivotal role in fostering changes in system thinking, cultural norms, and behaviors by challenging existing beliefs. This interconnection highlights the dynamic nature of SE, where shifts in perspectives not only drives individual actions but also broader societal changes (Johnson & Schaltegger, 2019). Paradigm Shift Enablers facilitate the effective Knowledge to Action Activation by providing the mindset a way of orienting task performance to guide mental focus on what to find as valuable or not (Nolder & Kadous, 2018). This mechanism underscores the importance of understanding how emotions shape altruistic motivations, offering valuable insights into the mindset of sustainable entrepreneurs and their commitment to creating positive societal impact.

Through evaluation of the findings, it becomes evident that “*Prospective Thinking*”, emphasis on “*Visionary Persistence*” together with “*Ethical Considerations*” is very important for the interviewees. Sustainable entrepreneurs start to realize during the venture process how to meet current needs without compromising the well-being of future generations (Terán-Yépez et al., 2020), and that inspiring others to act now is of high importance. Patzelt & Shepherd (2011) highlight how entrepreneurs evaluate social contributions, environmental impact, and financial success differently depending on their motivations, but in the mindset of a sustainable entrepreneur, a commitment to social, environmental, and economic sustainability is apparent in the interviewees' answers.

Through the interviews it could furthermore be found that a more holistic approach to well-being across health, security, and social wealth was being developed. The emphasis sustainable entrepreneurs put on the preservation of nature, life support systems and community is supported by Patzelt & Shepherd (2011) which also highlights their dedication to development of individuals, the economy and society. The understanding of sustainability makes the sustainable entrepreneurs evaluate the ethical impact beyond their immediate actions, putting emphasis on providing equal opportunities for present and future generations. Here, emotions were further apparent, showcasing that the motivation toward sustainability was impacted by their emotions and sympathy to their family members. This indeed shows how their behavior is shaped by attitudes and behavioral control (Hanohov & Baldacchino, 2017; Patzelt & Shepherd, 2011; Ajzen, 199). Just as Fritz & Cordova (2023) mentions, the Sustainable Entrepreneurial Mindset serves as a catalyst for transitioning towards more sustainable societies by reshaping individuals' perspectives, where the mechanism of Paradigm Shift Enablers is shaping this trajectory, enabling shifts within the individual itself.

Moving forward, findings have shown us that the institutional environment also serves as a catalyst for SE, shaping both the Knowledge to Action Activation and the Paradigm Shift Enablers (Hedström & Swedberg, 1996). The institutional environment prompts entrepreneurs to seek relevant knowledge and adapt their thinking to the shifting institutional landscape. As their thinking matures, the connection between these three mechanisms forms a loop, driving entrepreneurs to seek further specialized knowledge for sustainable endeavors. The discovered mechanism “**Catalyzing Awareness**” acts as a crucial connector between these mechanisms, fostering understanding and propelling positive change. By heightening awareness, it empowers sustainable entrepreneurs to adopt sustainable practices and innovate for transformative change in business models.

The pivotal role of Catalyzing Awareness is evident in broader macro-level influences, encompassing demographics, socio-cultural factors, regulations, macroeconomics, and technology, which significantly shape entrepreneurial endeavors (Cunningham & O'Reilly, 2018; Desa, 2012; Mazzucato, 2015; O'Neil & Ucbasaran, 2016). The dimension of “Sustainable Regulatory Dynamics” is shaped by growing global concerns over issues like resource overconsumption, environmental degradation, and social inequity, driving efforts towards a more sustainable society and economy (Adams et al., 2015). These regulatory initiatives, weather informed or historical, such as the UN Nations Agenda 2030 and European

reporting standards, along with cultural shifts toward circular and transparent ways of living, have a dual effect; either constraining or increasing opportunities for innovative ventures (European Commission, 2024, Miller & Holmes, 2009; Murray et al., 2017; Schaltegger et al., 2018; United Nations, 2024; Velenturf & Purnell, 2021).

The examination of this dimension is intertwined with Social Skepticism and Barrier Navigation, influencing the broader landscape of SE (UN, 2024; European Commission, 2024; Davidsson et al., 2020; Hinderer & Kuckertz, 2022). Societies are increasingly seeking a balance between economic, environmental, and social goals in response to heightened awareness of issues like inequality, social exclusion, and climate change (Bapuji et al., 2018; Jacobs & Mazzucato, 2016). “Social Skepticism” significantly impacts SE, affecting the pace and scale of sustainability initiatives. This skepticism, driven by differing opinions and societal doubts, connects with “Barrier Navigation.” Businesses focused on long-term impact encounter greater obstacles, such as investor demands for fast returns. Despite skepticism, sustainable entrepreneurs maintain optimism about societal shifts towards sustainability impacted by the recognition that regulatory and societal shifts can support environmentally friendly enhancements and fuel SE (Hinderer & Kuckertz, 2022). They recognize the need for a dual focus on financial and sustainability objectives, navigating the landscape of securing investment from aligned stakeholders with passion about sustainability and the pace of sustainable change (Dean & McMullen, 2007; Freeman, 1984; Schaltegger & Warner 2011; Wagner et al., 2021). Overcoming social skepticism requires patience, persistence, and a commitment to fostering awareness and understanding within society. Overall, global regulations governing economic activities and cultural dynamics guiding social behavior significantly influence the context of SE (Valdez and Richardson, 2013), impacting both skepticism and barriers faced by sustainable entrepreneurs.

It has become clear that the “**Sustainable Entrepreneurial Mindset**” is profoundly influenced by the mechanisms uncovered from the interviews, while leveraging cognitive processes to navigate the complexities of the business landscape (Baron, 1998; Rajagopal, 2024). The created model not only comprehends their individual functions but also their interconnectedness. Through the study, it has become evident how these mechanisms interrelate to shape the Sustainable Entrepreneurial Mindset. Our interviews have revealed that this mindset embodies a strong dedication to “*Balancing Present Needs with Future Welfare*”, leading “*Societal Transformation*”, and “*Prioritizing Broader Impact*” in all endeavors.

The commitment of sustainable entrepreneurs to long-term impact and their dedication to improve traditional sustainability approaches underscore their commitment to Balancing Present Needs with Future Welfare (Larson, 2000; Pastakia, 1998). Through our interviews, entrepreneurs emphasized the importance of using resources wisely and minimizing negative environmental impacts, recognizing sustainability as a collective societal imperative (Laven, 2022). Furthermore, sustainable entrepreneurs actively work to Drive Societal Transformation by shaping consumer behavior and industry practices, fostering an environment supportive of embracing sustainable practices (Laven, 2022). Their brave, open, and persistent attitude inspired societal change, emphasizing the importance of collective action and societal value creation (Kim et al., 2016; Cohen & Winn, 2007; Laven, 2022). Additionally, prioritizing Broader Impacts demonstrates the holistic approach adopted by sustainable entrepreneurs (Johnson & Schaltegger, 2019). They prioritize the long-term benefits of their ventures over the traditional short-term profits, exhibiting genuine concern for the environment (Pacheco et al., 2010; Hedström & Swedberg, 1996; Shane & Venkataraman, 2000). Empowered by a Sustainable Entrepreneurial Mindset, they catalyze systemic transformations, leaving a lasting impact on markets and societies (Johnson & Schaltegger, 2019).

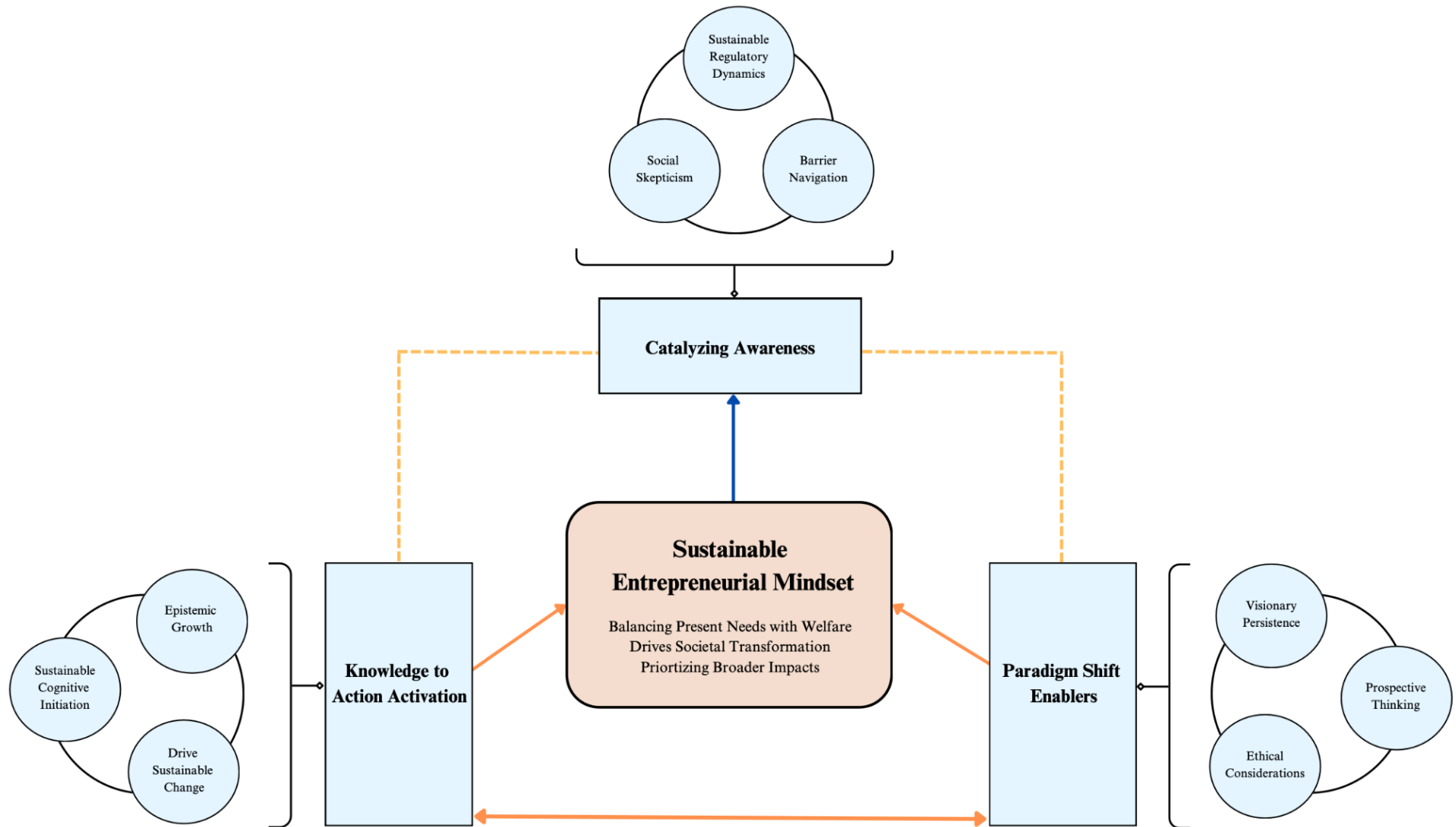
This holistic approach ensures that sustainable entrepreneurs align their strategies with environmental and social needs, creating sustainable value for future generations (Johnson & Schaltegger, 2019). As they Prioritize Broader Impacts - they inspire Societal Transformation, fostering a shift in societal norms towards sustainability. Consequently, Societal Transformation reinforces the - Balance between Present Needs and Future Welfare, ensuring the wellness of future generations in an environment where sustainable practices are valued and supported.

Our final model (Fig. 5.1.) presents a comprehensive view of how the identified mechanisms interact and shape the Sustainable Entrepreneurial Mindset. This mindset proves to be dynamic, fostering broader societal impact through continuous feedback loops. A key aspect of this dynamic is the coordinated relationship between Knowledge to Action Activation - Paradigm Shift Enablers, forming a continuous feedback loop that enhances sustainability measures. This relationship illustrates how individuals' expanding knowledge and evolving perspectives lead them to seek further specialized knowledge, creating a feedback loop of knowledge acquisition and assimilation. This was evident in our interviews, where interviewees expressed a constant curiosity to learn something new to enhance their impact on the world and inspire others,

thereby leaving a legacy for future generations. Moreover, our framework highlights the profound connection between the institutional environment, embodying the connection of Catalyzing Awareness - Sustainable Entrepreneurial Mindset. Catalyzing Awareness interacts with the Sustainable Entrepreneurial Mindset in a feedback loop, as contextual triggers interact with the inherent flexibility of the Sustainable Entrepreneurial Mindset. Environmental factors, such a regulatory framework and societal opinions, act as catalysts, shaping individuals' responses and cognitive patterns. These interconnects with Knowledge to Action Activation revealing how awareness influences the type of information individuals prioritize, while also guiding Paradigm Shift Enablers by promoting ethical action and foresight. This emphasizes the adaptable nature of the Sustainable Entrepreneurial Mindset, which remains responsive and flexible around external influences. These insights resonate with the findings by Nolder & Kadous (2018) and Griffith et al. (2015), further underlining the dynamic interplay between external triggers and the evolving Sustainable Entrepreneurial Mindset.

In summary, our study explains the interrelated factors that drive the Sustainable Entrepreneurial Mindset. The Sustainable Entrepreneurial Mindset is characterized by a dedication to—Balancing Present Needs with Future Welfare, Driving Societal Transformation, and Prioritizing Broader Impact—serving as the facilitators. Additionally, our study identifies three key mechanisms—Knowledge to Action Activation, Paradigm Shift Enablers, and Catalyzing Awareness—acting as the driving forces. The final integrative framework illustrates the Sustainable Entrepreneurial Mindset and how the mechanisms interact, fostering continuous feedback loops to enhance sustainability measures. This framework answers the research question of the study “*What facilitates the Sustainable Entrepreneurial Mindset, and what are the underlying mechanisms driving it forward?*”

**Figure 5.1. Mechanisms Driving and Facilitating the Sustainable Entrepreneurial Mindset**



## 6. Conclusion

This section aims to finalize our exploration and provide a comprehensive understanding into the Sustainable Entrepreneurial Mindset and its underlying mechanisms. Besides elaborating on the significance of our study, practical implications will be mentioned as well as addressing any limitations encountered, suggesting avenues for future study. Through our investigation, we identified three main mechanisms—Knowledge to Action Activation, Paradigm Shift Enablers, and Catalyzing Awareness. These mechanisms underscore the importance of Prioritizing Broader Impact, Transformational Transitions, and Balancing Present Needs with Future Welfare, all of which are central to creating the Sustainable Entrepreneurial Mindset.

### 6.1. Theoretical Considerations

This study aimed to unravel the underlying mechanisms behind the sustainable mindset to provide insights into how the Sustainable Entrepreneurial Mindset operates. Our integrative framework offers a thorough understanding of the interplay between these mechanisms and the complex process of shaping the Sustainable Entrepreneurial Mindset.

The integrative framework was built through addressing research gaps in current research, beginning with excluding the differences behind the cognitive processes of the traditional entrepreneurial mindset and the *Sustainable Entrepreneurial Mindset*. Traditionally, research on entrepreneurship focused on navigating landscapes for economic and societal development (Baron, 1998; Shane & Venkataraman, 2000), where scholars has delved into how entrepreneurs leverage cognitive mechanisms to navigate the complexities of the business landscape, shedding light on how various factors interact to realize personal and societal wealth (Baron, 1998; Kuratko et al., 2020; Rajagopal, 2024). However, as recognition has been made that entrepreneurs are also instrumental in achieving environmental goals (Bapuji et al., 2018; Jacobs & Mazzucato, 2016), the Sustainable Entrepreneurial Mindset has emerged as a catalyst for transitioning to more sustainable societies, reshaping individuals' perspectives (Fritz & Cordova, 2023). This shift prompts research to uncover how this transformational process is undertaking its change. This study is contributing to existing research by highlighting the importance of underlying mechanisms in the understatement of grasping why the sustainable entrepreneur places equal emphasis on non-economic as well as economic achievements, stressing the long-term advantages for individuals and society (Patzelt & Shepherd, 2011).

Continuing, our study extends the exploration of SE on the internal micro-level perspective. Previous research predominantly focuses on macro-and-meso-levels, acknowledging the influence of external factors on SE, such as rules, regulations, norms, trends, and cultural influences (Valdez and Richardson, 2013; Laven, 2022), which can either foster or hinder sustainable growth in society (Audretsch & Fiedler, 2023; Hinderer & Kuckertz, 2022). What level of influence the micro level perspective, embodying the internal process of individual aspirations and goals (Shane et al., 2003), has on sustainable development is however being overlooked. This study fills this gap by identifying the internal transformative process within the individual and elaborating on how different triggers create the sustainable entrepreneurial mindset.

Thirdly, this study contributes to existing research by not only recognizing the existence of mechanisms (Kuratko et al., 2020), but explaining how these function within the Sustainable Entrepreneurial Mindset. One such mechanism, termed Knowledge to Action Activation, adds on to the existing research about the internal processes by highlighting how individuals acquire, assimilate, and apply knowledge (Johnson & Schaltegger, 2019). This mechanism enriches existing research on knowledge pathways by highlighting how an individual's prior knowledge, sustainability consciousness, and curiosity prompt a shift in perspectives, ultimately leading to action that is dedicated to driving sustainable change. The second mechanism, Paradigm Shift Enablers, further adds on to the explanation of transformative processes where individuals challenge existing beliefs (Hedström & Swedborg, 1996). This explanation enhances existing knowledge by detailing how the Sustainable Entrepreneurial Mindset progresses through shifts in perspectives towards prospective thinking, prioritizing immediate rewards, and considering ethics in future actions. This aligns with Patzelt and Shepherd's (2011) assertion that sustainable entrepreneurs promote the well-being of both natural ecosystems and communities while generating developmental benefits for others. Finally, the mechanism of Catalyzing Awareness contributes to understanding how external factors can impact the Sustainable Entrepreneurial Mindset (Griffith et al., 2015). It builds upon existing research by illustrating that global trends and regulations not only shape the macro-environment (Cunningham & O'Reilly, 2018), but also influence the characteristics of sustainable entrepreneurs. This mechanism initiates a decisive and focused drive towards sustainability, where the experienced social skepticism towards sustainability serves as a

trigger in their mindset to advance their endeavors and navigate barriers by gaining a broader understanding of the world.

Fourth, this study contributes to existing research on mindsets by illustrating how cognitive processes and thinking patterns influence thoughts and decisions within Sustainable Entrepreneurial Mindsets (Gollwitzer & Keller, 2020). The study reveals a strong connection between the formulated mechanisms, showing how Knowledge to Action Activation informs Paradigm Shift Enablers, which, in turn, are influenced by external factors, Catalyzing Awareness and further action. By incorporating overarching themes, this study demonstrates how the Sustainable Entrepreneurial Mindset prioritizes the concepts of Balancing Present Needs with Future Welfare, Driving Societal Transition, and Prioritizing Broader Impacts. This adds a holistic dimension to Kuratko et al.'s (2020) explanation of entrepreneurial mindsets, highlighting their openness to possibilities and proactive problem-solving, guiding individuals in interpreting and responding to circumstances. Furthermore, it builds on Johnson & Schaltegger (2019) findings that sustainable entrepreneurs demonstrate situational awareness, aligning their strategies with environmental and social needs for success.

In conclusion, the integrative framework provided is laying the foundation for future research on how underlying mechanisms impact the Sustainable Entrepreneurial Mindset, providing a comprehensive overview of the mechanisms involved, opening for deeper future research about mechanisms and their implications.

## **6.2. Practical Implications**

Beyond the theoretical considerations, our study significantly enhances our understanding of the mindset of sustainable entrepreneurs, identifying key mechanisms driving their journey towards sustainable action and long-term impact. Through an exploration of the internal cognitive processes of sustainable entrepreneurs, we gain insights into their individual aspirations, transformative pathways, and the spectrum of available avenues for action (Hedström & Swedberg, 1996). Their bold and persistent approach serves as a driver for societal transformation, emphasizing the importance of collective action and societal value creation (Laven, 2022). The underlying mechanisms play a crucial role in driving the Sustainable Entrepreneurial Mindset towards action-oriented outcomes.

Our exploration extends to how the uncovered mechanisms impact task management, decision-making, and goal pursuit by integrating knowledge, fostering behavioral change, and navigating contextual influences towards sustainability (Nolder & Kadous, 2018; Johnson & Schaltegger, 2019; Desa, 2012; O'Neil & Ucbasaran, 2016). This study implies that by understanding Knowledge to Action Activation, policymakers can design educational initiatives that equip entrepreneurs with practical skills in SE, encouraging them to translate knowledge into tangible actions. Additionally, policymakers can strategically align policies with the drivers of SE to promote economic development and achieve sustainability goals, adding onto the research done by Desa (2012). Enabling Paradigm Shifts involves implementing policies that challenge conventional beliefs and encourage environmentally friendly practices among businesses, fostering a culture where sustainability is prioritized and normalized within business operations. Thereby support is found in this thesis to implicate stakeholders to promote the integration of societal and environmental issues into essential business practices, highlighting a wider movement towards sustainability that goes beyond just making profits (Freeman, 1984; Dean & McMullen, 2007). Finally, enhancing Catalyzing Awareness entails launching public awareness campaigns to educate communities about the importance of sustainability and its positive effects on society and the environment. This indicates further engagement from stakeholders, particularly those with market insights, to provide valuable foresight into future demands (Hedström & Swedberg, 1996), benefiting sustainable entrepreneurs by helping them anticipate trends and influence market perspectives (Schaltegger & Warner, 2011).

Secondly, our research underscores how individual responses are shaped by contextual factors, fostering the Sustainable Entrepreneurial Mindset (Nolder & Kadous, 2018). Entrepreneurs can develop this mindset by engaging in educational programs on SE and integrating sustainability into their business practices. By guiding individuals and organizations towards sustainability, our study addresses pressing environmental and societal challenges (Nolder & Kadous, 2018). Additionally, entrepreneurs can raise awareness about sustainability through public outreach, catalyzing positive change for future generations. Understanding the interplay between mindset dynamics and contextual triggers informs decision-making processes, enhancing problem-solving approaches (Griffith et al., 2015).

Lastly, our study addresses the increasing demand for sustainable entrepreneurs amidst evolving regulations and societal norms, where macro-level factors such as governmental

regulations and cultural attitudes significantly shape sustainability ventures (Desa, 2012; O'Neil & Ucbasaran, 2016). Regulatory frameworks, exemplified by the United Nations Agenda 2030 and European Union's CSRD regulations, underscore the rising importance of social and environmental reporting requirements for companies (European Commission, 2024, United Nations, 2024). Within this dynamic landscape, sustainable entrepreneurs are positioned to innovate products and services in line with environmental objectives, acknowledging the broader implications of their actions (Hinderer & Kuckertz, 2022; Johnson & Schaltegger, 2019). Our study implies that a collaborative effort through multiple stakeholders should foster the growth of sustainable entrepreneurs, since they play a crucial role in catalyzing positive change and sustainable value for future generations.

### **6.3. Limitations and Recommendations for Future Research**

In this section, dedication goes to addressing the limitations of our study and propose avenues for future research in the realm of the Sustainable Entrepreneurial Mindset. Firstly, diversifying perspectives in our study could enhance its value, given that most participants are from Sweden and all participants have businesses registered and active in Sweden, questioning the homogeneity of our study. Future investigations could expand their focus to include sustainable entrepreneurs from countries beyond Sweden. This approach would facilitate easier replication of the study (El-Awad, 2019).

Moreover, cross-national studies could provide insights into the overlap of cultural factors with the Sustainable Entrepreneurial Mindset, considering the significant influence of the institutional environment on decision-making and outcomes (Hedström & Swedberg, 1996). As sustainable entrepreneurs integrate environmental and social considerations to achieve success, exploring different motivations could enhance our understanding (Kuratko et al., 2020; Rajagopal, 2024; Shane et al., 2003; Patzelt & Shepherd, 2011). While our sample size of 10 participants can count as small for a qualitative study, it is validated as accepted for our initial exploration and discovered findings to uncover the mechanisms driving the Sustainable Entrepreneurial Mindset. However, we recognize the importance of expanding our participant pool to include individuals from diverse backgrounds and sustainable ventures operating beyond Sweden since this broader exploration has the potential to improve representativeness and illuminate variations of our findings (Nolder & Kadous, 2018).

Furthermore, it is important to mention that our study exclusively focused on interviewing sustainable entrepreneurs actively involved in the industry, skipping those who faced challenges in launching their sustainable ventures or no longer have an active company. In our study we incorporated a question, asking participants if they would approach their sustainable ventures differently, when given the opportunity. Interestingly, many participants affirmed their unwavering commitment to working solely in sustainability-related ventures. Unlike traditional entrepreneurs primarily driven by financial gains, sustainable entrepreneurs prioritize long-term impact, driven by their dedication to their purpose-driven goals. (Patzelt & Shepherd, 2011; Hoogendoorn et al., 2019). Studying “failed sustainable entrepreneurs” could thereby offer a promising area for future research, especially exploring the perspectives of those who have ceased their ventures.

In conclusion, our study has provided valuable insights into the mechanisms driving the Sustainable Entrepreneurial Mindset, highlighting the need for further exploration into diverse perspectives and cross-national studies to enhance our understanding of this phenomenon even further.

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# Appendixes

## Appendix A - Interview Structure

Interview Questions	Theoretical Concept
<b><i>General Background Information</i></b>	
<p>Can you share a bit about yourself?</p> <ul style="list-style-type: none"> <li>- Where are you from originally?</li> <li>- Have you always lived in the same country?</li> <li>- What did you study?</li> <li>- Do you have any prior experience working in a startup environment?</li> <li>- What does your company do?</li> </ul>	<p>Sustainable Entrepreneurship</p> <ul style="list-style-type: none"> <li>- Prioritizing nature, community, and individual development while fostering economic and societal growth.</li> <li>- Decision-making is influenced by personal beliefs and principles.</li> <li>- Shift from traditional entrepreneurial values evident in decision-making processes.</li> <li>- Sustainable opportunities are influenced by prior knowledge, personal gain, altruism, and entrepreneurial expertise.</li> <li>- Sustainable mindset transforms actions.</li> </ul>
<b><i>Micro-level influences</i></b>	
<ul style="list-style-type: none"> <li>- Why did you choose to start this company?</li> <li>- What was your fundamental vision when establishing your startup?</li> <li>- When did you start to acquire an interest in sustainability?</li> <li>- Have you studied or gained knowledge about sustainability prior</li> </ul>	<p>Critical Realism: The Empirical</p> <p>Developmental internal cognitive processes</p> <ul style="list-style-type: none"> <li>- Knowledge transitions</li> <li>- Individual aspirations</li> <li>- Available avenues for action in sustainability</li> </ul>

<p>to this startup, and can you share some experiences that have been influential?</p> <ul style="list-style-type: none"> <li>- How do you use this knowledge in your daily practices?</li> <li>- Are you actively trying to learn more within the area?</li> <li>- What values do you have/ drive you?</li> </ul>	
<p><b><i>Meso-level influences on the micro-level</i></b></p>	
<ul style="list-style-type: none"> <li>- Would you say that you have influenced others with what you do? <ul style="list-style-type: none"> <li>- Are you influenced by other entrepreneurs and companies in how they conduct their business?</li> </ul> </li> <li>- Do you think that external pressure can impact your values and motivations? <ul style="list-style-type: none"> <li>- How do the economic, social, and environmental factors within your company interconnect?</li> </ul> </li> <li>- In what ways do societal norms and values around sustainability influence your entrepreneurial decisions?</li> <li>- How do you anticipate the long-term impacts of your business decisions on sustainability?</li> </ul>	<p>Critical Realism: The Actual</p> <p>Gaining new knowledge</p> <ul style="list-style-type: none"> <li>- Changing behaviors</li> <li>- Changing view on the world</li> </ul>
<p><b><i>Macro-level influences on the micro-level</i></b></p>	

<ul style="list-style-type: none"> <li>- Are there any rules or regulations that have shaped your business practices or will do so in the future?</li> <li>- How do you stay informed about changes or updates in sustainability-related regulations that may impact your startup?</li> <li>- Would you say that your entrepreneurial persona matches the expectations people have of “sustainable entrepreneurs”?</li> <li>- How do you ensure that your company's practices align with cultural norms regarding sustainability?</li> <li>- How do you navigate cultural norms or expectations while implementing sustainable initiatives within your company?</li> </ul>	<p>Critical Realism: The Real</p> <p>Contextual and environmental factors</p> <ul style="list-style-type: none"> <li>- Social norms</li> <li>- Regulations</li> <li>- Culture</li> </ul>
<p><b><i>Ending</i></b></p>	
<ul style="list-style-type: none"> <li>- Reflecting on your entrepreneurial journey, has there been any moment when your values or assumptions about business and sustainability changed?</li> <li>- If starting all over again, what would you do differently?</li> </ul>	<p>Sustainable Entrepreneurial Mindset</p> <ul style="list-style-type: none"> <li>- Balance present needs with future welfare; Drives societal transition; Prioritize broader impacts.</li> </ul>

## Appendix B - Characteristics of Selected Sample

Participant	Gender	Nationality	Company	Sustainability related field	Company creation in	Proven track record through
Participant 1	Man	Belgian	Koastal	Food Supply Chain	Sweden	Co-founded by EU
Participant 2	Man	Swedish	WaterSprint	Water Sanitation	Sweden	IWW Water Centre
Participant 3	Woman	Swedish	Panter	Plastic Waste	Sweden	Tingstad Kommun
Participant 4	Man	Swedish	Sproud	Food Supply Chain	Sweden	ISO 26000 Verification
Participant 5	Man	Dutch	Fjällgås AB	Tourism	Sweden	Partnership with Green Innovation Park
Participant 6	Man	Swedish	Alovivum AB	Consultancy	Sweden	Actively engaging in pursuit of the following SDGs: - SDG 2 - SDG 3 - SDG 6 - SDG 7 - SDG 11 - SDG 12 - SDG 13
Participant 7	Man	Swedish	Coride	CO2 Emissions and Climate Change	Sweden	Part of Sweden Green Mobility Program

Participant 8	Man	Swedish	Omniloop	Transportation	Sweden	Green Last Mile Europe Report 2023
Participant 9	Man	Swedish	LaddaTillsammans	Energy Consumption and Climate Change	Sweden	Climate agreement with Helsingborg Kommun
Participant 10	Woman	Swedish	ElonRoad	Energy Consumption and CO2 Emissions	Sweden	Almi Invest, Partner with Trafikverket for fossil free transport systems