

## GUEST EDITORIAL PREFACE

# **Special Issue on Sustainable Entrepreneurship in a Socially Responsible World: How “Eco-Friendly” and Ethically Correct Entrepreneurial Practices Can Improve Business Performances**

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*Do really “eco-friendly” and ethically correct entrepreneurial practices improve entrepreneurial and business performances? A glance to sustainable entrepreneurial practices.*

In 1987, the World Commission on Economic Development (WCED) popularized the term ‘sustainable development’ in its well-cited report, *Our Common Future*. According to the WCED, sustainable development “is development that meets the needs of the present without compromising the ability of future generations to meet their own needs”. Social and political contests are then the fundamental part of the journey of negotiating the balance between society, state, and market. Are emerging markets sensitive to corporate responsibility issues? The WCED asserted that sustainable

development required the simultaneous adoption of environmental, economic, and equity principles. This assertion was met with skepticism as it challenged the deep-rooted assumption that environmental integrity and social equity were at odds with economic prosperity. Many large multinationals have accepted the argument that these principles of sustainable development were internally consistent. Over time, corporate commitment to sustainable development has changed considerably. As corporate sustainable development becomes more commonplace, there is an associated need to understand the forces that influence this commitment. It is important to understand how social and economic processes interact in order to answer when and why firms commit to sustainable development and how a sustainable and “eco-friendly” entrepreneurship can

be developed in a socially responsible world. This Special Issue of the *International Journal of Social Ecology and Sustainable Development* (IJSESD) has had the ambitious aim to discuss the emerging interest in socially responsible entrepreneurship and sustainable management and its organizational determinants. Thus we encouraged the submission of papers that analyzed and interpreted policies for the creation of an entrepreneurial ecosystem, by answering to the following research questions: which entrepreneurial ecosystems and populations of firms are sources of economic growth? Is there a right entrepreneurial rate that can guarantee growth and regional development? How can policies catalyze the emergence or creation of an entrepreneurial ecosystem? Seemingly we welcomed papers that focused on the concept of entrepreneurship and management in a corporate sustainable perspective through i) eco-control systems and environmental management theories, ii) knowledge management theories, iii) eco-management theories, iv) corporate social responsibility theory and v) any other theoretical lens that enhances our understanding of the interface between firms and sustainable socially responsible development. Likewise papers considering the impact of corporate sustainable values on the performances of family enterprises have been greatly appreciated, as well. The papers received compose a complex mosaic that adds original contributions to the managerial literature and to the empirical studies on the topic, thus giving a broad and comprehensive thematic object of this special issue.

The study titled “Relationship between governance, performance and solvency: an empirical test in Italian unlisted family SMEs”, by Francesco Campanella and Domenico Graziano, analyzes the relationships between sustainable governance and economic-financial performance in family businesses. It brings an original vision of social responsible governance because it analyzes a sample of small and medium-sized unlisted companies located in Campania, an Italian region that, during the past times, has suffered for many unethically entrepreneurial practices from its entrepreneurs

and that is now needing renewed sustainable managerial practices in order to overcome the economic crisis.

The research paper “*Knowledge accumulation and reuse for spinning off firms from learning organizations: an individual knowledge based perspective*”, by Maria Rosaria Della Peruta and Manlio Del Giudice, giving the inadequacy of the classic patterns to exploit and transfer knowledge assets outside the research laboratories and the corporations, looked at the spin off processes from learning organizations as a way to transfer them for stimulating new sustainable entrepreneurship (i.e. in a perspective of reusing the knowledge previously accumulated). The research showed that academic and corporate spin offs are differently influenced by the knowledge accumulated in the contexts of origin, thus rising many ethical and socially responsible implications in that knowledge reuse.

The research article “*Business strategy, market governance and performance: insights from a case study*”, by Maria Rosaria Della Peruta and Marina Maggioni, underlines the paradoxes and the questions emerging from academic research into the mechanisms by which large corporations generate ethically sustainable profits. Many current streams of thinking on the sustainability of competitive advantages have missed the aim of giving a decisive and exclusive relevance to the paradigms through which we are accustomed to study or suggest financially sustainable interventions for the enterprise as a whole or some of its parts. The research paper takes into account the case study of the large corporation Wal-Mart in order to illustrate how a top-performing firm can compete in order to legitimize ethically driven intentions and achievements in a global context, by using sustainable managerial practices.

The research paper “*Corporate sustainable growth and the financing of innovation: Evidence from cash-flow disaggregation*”, by Amani Kahloul and Ezzeddine Zouari, points out on the evidence that very few proofs, if at all, exist on the link between R&D and cash-flow components and its implications in terms

of its contribution to the corporate sustainable growth. Thus, in their study, they decomposed cash-flow into its permanent and transitory components and provided formal evidence that R&D- current cash-flow sensitivity is downward biased and that R&D- permanent cash-flow sensitivity better informs about the contribution of cash-flow to R&D smoothing, which shows a managerial commitment to sustainability. Their intriguing results revealed a managerial preference for immediate growth, which jeopardizes sustainable growth, because of the risk of costly liquidation inherent to the reliance on the volatile transitory cash-flows.

Finally, the research study “*Sustainable enterprise excellence and the continuously relevant & responsible organization*”, by Rick Edgeman, Anne Bøllingtoft, Jacob Eskildsen, Pernille Kallehave and Thomas Kjærgaard, highlights how innovation and sustainability may be critical to the design, activities, results, and financial viability of any organization.

Innovation and sustainability are strategically integrated to deliver what they refer to as “innovating sustainability”. This provides an accelerated means path toward sustainable enterprise excellence, and hence toward the asymptotic aspiration of being a continuously relevant organization. The concepts like “innovating sustainability” (IS), “sustainable enterprise excellence” (SEE), and “continuously relevant organizations” (CRO) are here introduced for the first time by the authors, thus helping to enrich the management literature on the subject.

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