



**THE GOOD, THE GREEN AND THE GRAVE:
WHEN PURPOSE MEETS PRESSURE IN
SOCIAL AND SUSTAINABLE BUSINESS**

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I

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Content

Danksagung	II
List of Abbreviations and Acronyms	V
List of Tables	VI
List of Figures.....	VII
CHAPTER 1: Synopsis Markets, Morals and Mindsets: Explaining the Structural Fragility of Social and Sustainable Business	0
1.1. Introduction	1
1.2. Theoretical Classification and Contribution.....	7
1.2.1. A Multilevel Mechanism Model of Sustainability-Oriented Entrepreneurship.....	7
1.2.2. Outcome-based theorizing.....	7
1.2.3. Cross-level decomposition	8
1.3. Methodological Contribution	10
1.3.1. Outcome-based theorizing and the logic of anomaly.....	10
1.4. State of Publication.....	13
References Chapter 1	16
CHAPTER 2: Survival of the Greenest? Life cycles of green and non-green start-ups in Germany	21
2. Abstract.....	22
References Chapter 2	23
CHAPTER 3: Beyond the Badge: Exploring the Connection between Sustainable Business Certifications and Employee Satisfaction	33
3. Abstract.....	34
References Chapter 3	35

CHAPTER 4: Can you have it all? Trade-Offs, Tensions, and the ESG Tightrope in Entrepreneurial Decision-Making.....	43
4. Abstract.....	44
References Chapter 4	45
CHAPTER 5: Shifting Mindsets – Shaping Mali: Can the problem-based, blended-learning approach of EDTECH be the future of adult education and training in Africa	53
5. Abstract.....	54
References Chapter 5	55
6. General Discussion.....	60
6.1. Conclusion	61
6.2. Limitation and Future Research.....	64
6.3. Contributions	65
6.4. Final remarks	66

LIST OF ABBREVIATIONS AND ACRONYMS

ANOVA	Analysis of variance
B2B	Business-to-Business
B2C	Business-to-Customer
CFA	Confirmatory factor analysis
CSR	Corporate Social Responsibility
CSRD	Corporate Sustainability Reporting Directive
DACH	Germany, Austria, Switzerland
EconGood	Economy for the Common Good
EGSS	Environmental Goods and Services Sector
EU	European Union
ERP	Employer Review Platform
ESG	Environmental, Social and Governance
HR	Hazard Rate
HRM	Human Resource Management
LOG	Liability of greenness
LOO	Liability of otherness
LON	Liability of newness
MD	Moral Disengagement
MRS	Marginal rate of substitution
MTMM	Multitrait-Multimethod Matrix
OLS	Ordinary Least Squares
RBV	Resource-based view
SCT	Social Cognitive Theory
SEM	Structural Equation Modeling
SDG	Sustainable Development Goals
UN	United Nations
VSS	Voluntary Sustainability Standards
WTOS	Willigness to trade-offs

LIST OF TABLES

Table 1: Overview of Papers	14
Table 2: Status of Publication and Authorship	15

LIST OF FIGURES

Figure 1: Outline of the Dissertation.....	6
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CHAPTER 1: SYNOPSIS

MARKETS, MORALS AND MINDSETS:

EXPLAINING THE STRUCTURAL FRAGILITY OF

SOCIAL AND SUSTAINABLE BUSINESS

1.1. INTRODUCTION

Entrepreneurship has long been associated with opportunity creation and economic growth. Nowadays, it is increasingly entrusted with the far ambitious goal of advancing sustainability and societal transformation (George et al., 2016; Shepherd & Patzelt, 2011). Social and sustainability-oriented ventures are expected to not only innovate, but also to reconcile economic viability with social and environmental responsibility with their founders being seen as moral leaders (Mair & Martí, 2006; Shepherd & Patzelt, 2011). They have been identified as critical levers for addressing grand challenges, such as climate change, social injustice, global health and institutional voids (George et al., 2016; Grimes et al., 2019). In policy and practice, such businesses have been recognized as playing a significant role in supporting to achieve the United Nations (UN) Sustainable Development Goals (SDGs) (Arora & Mishra, 2019).

As the field of sustainability is gaining more attention, so do the demands for it. Markets primarily reward viability and competitiveness, not purpose, resulting in profound tensions. Ventures grounded in mission-driven ambitions must endure the same structural pressures such as uncertainty and resource scarcity as any other firm while carrying additional normative commitments and stakeholder perceptions (Hall et al., 2010; Sarasvathy et al., 2010) with potentially conflicting demands (Battilana & Lee, 2014; Ebrahim et al., 2014). While some ventures are able to scale up and generate systemic impact, others fail to maintain their integrity, gain access to funding, or survive in market environments. A series of recent scandals involving social or environmental entrepreneurs or firms demonstrate that being a moral leader does not necessarily make you behave like one in real life. Cases in which sustainability-oriented founders or ventures have been involved in misconduct or reputational crisis show the vulnerability of moral positions when symbolic commitments differ from substantive practices

(Choi & Majumdar, 2014; Saebi et al., 2019) (e.g. cases of Fynn Kliemann or GOT BAG (Bomke, 2022)).

This disconnection between theoretical expectations and practices is a long-standing issue in the organizational literature, described as decoupling (Meyer & Rowan, 1977; Bromley & Powell, 2012). More recently, in the field of sustainability the literature has focused on greenwashing: the ways companies stakeholder legitimacy by giving the impression that they care for the environment more than they really do (Delmas & Burbano, 2011; Lyon & Montgomery, 2015). This implies the need to use more critical and nuanced measures of sustainability orientation and organizational resilience to move beyond merely expressed interests. In the case of social entrepreneurship, the intersection of social and commercial logics can create fault lines and vulnerabilities (Battilana & Lee, 2014; Smith & Besharov, 2019). Hybrid organizations need to constantly reconcile the imperative of social mission with the imperative of economic sustainability, and these tensions can be generative as well as fraught (Ebrahim et al., 2014). If not empirically tested, entrepreneurship for sustainability could be either over-glorified or over-criticized. Various studies have provided insight into the cognition underlying impact-driven entrepreneurship (Miller et al., 2012; Mitchell et al., 2007), the legitimacy strategies employed by hybrid organizations (Battilana & Lee, 2014, Tolbert & Zucker, 2019), and the governance issues associated with multiple institutional logics (Ebrahim et al., 2014; Smith & Besharov, 2019). An analysis of cognitive, organizational and field-level aspects of sustainability-oriented entrepreneurship is not only analytically challenging but also required given the growing institutional complexity and controversy surrounding social and sustainable enterprises. Simultaneously to being inextricably linked to moral values and social impact, sustainability-oriented entrepreneurship is embedded in fields characterized by dynamics of symbolic, reputation and financial interests that may be divergent (George et al., 2016; Wickert et al., 2021).

Despite this rapidly growing body of research on sustainable and social entrepreneurship, there is a lack of integrated, multi-level understanding of how sustainability-oriented approaches are implemented and how these implementations shape the development of organizations and their broader societal contributions (Felin et al., 2015; Shepherd & Patzelt, 2022). What remains underdeveloped is a mechanism-based approach that connects how sustainability commitments are formed in the mindsets, institutionalized within organizations, and ultimately tested under market conditions.

This dissertation attempts to address these challenges with a research design that combines various perspectives and rigorous measurement instruments that are enacted within and across individual, organizational, and field levels of analysis and their impact on venture evolution and sustainable development outcomes.

To answer these questions, this dissertation employs a multi-level, reverse-logic research design that begins with heterogeneity in market-level survival rates, based on longitudinal registry data, and systematically decomposes these outcomes into organizational, moral, and cognitive mechanisms. It examines how sustainability certifications shape internal legitimacy and employee satisfaction, how social and commercial entrepreneurs differ in ESG trade-off reasoning, and how growth-mindset interventions influence formation of sustainability-oriented entrepreneurial intentions. Through this process, the dissertation develops a multilevel model of how sustainability-oriented logics are interpreted and altered as they trickle down across levels of analysis as shown in Figure 1. To be more precise, these complexities are addressed through a design that deliberately integrates multiple lenses:

First, it provides a robust system-level indicator. Instead of using subjective social impact or prestige as proxies, the analysis focuses on the objective event of insolvencies as empirical evidence of system robustness. Organizational longevity has been perceived as a powerful signal of structural robustness in the face of market and institutional challenges (Cumming &

Johan, 2019; Stinchcombe, 1965). With a focus on the hazard rate and archival data over time, the dissertation is less prone to normative and ideological exaggeration and more interested in actual results rather than proclaimed goals.

Second, the organizational level of analysis includes data on the B Corp and Economy for the Common Good (EconGood) certifications. Both certifications are used here, as they cover comparably broad scopes of sustainability assessment, and integrate environmental, social, governance and stakeholder criteria into a total score as well as sub-scores such as in workers-dimensions (Berrone et al., 2019; Hiller, 2013). While no certification is immune to critique, the use of multi-dimensional certifications decreases the likelihood of equating restricted sustainability activities with general organizational alignment. In addition, by combining certification data with independent employee satisfaction measures from an Employer Rating Platform (ERP), the dissertation directly addresses the potential gap between formal structures and internal experiences, thereby engaging decoupling theory empirically (Bromley & Powell, 2012).

Third, conjoint analysis of moral mechanisms also allows us to explore how ESG themes are being weighted in trade-off settings by entrepreneurs. According to moral disengagement theory (Bandura et al., 1996; Bandura, 2002), individuals may cognitively reconstruct morally questionable conducts to make it socially justifiable under conditions of constraint or competition. By comparing revealed preference structures among social and commercial entrepreneurs, this dissertation does not assume moral high ground but empirically explores the extent to which logics of sustainability are being exercised in a choice setting. This acknowledges the potential disconnect between moral attitude and strategic practice, as well as the need to examine, not to assume sustainability practices on each level of the ESG-dimension.

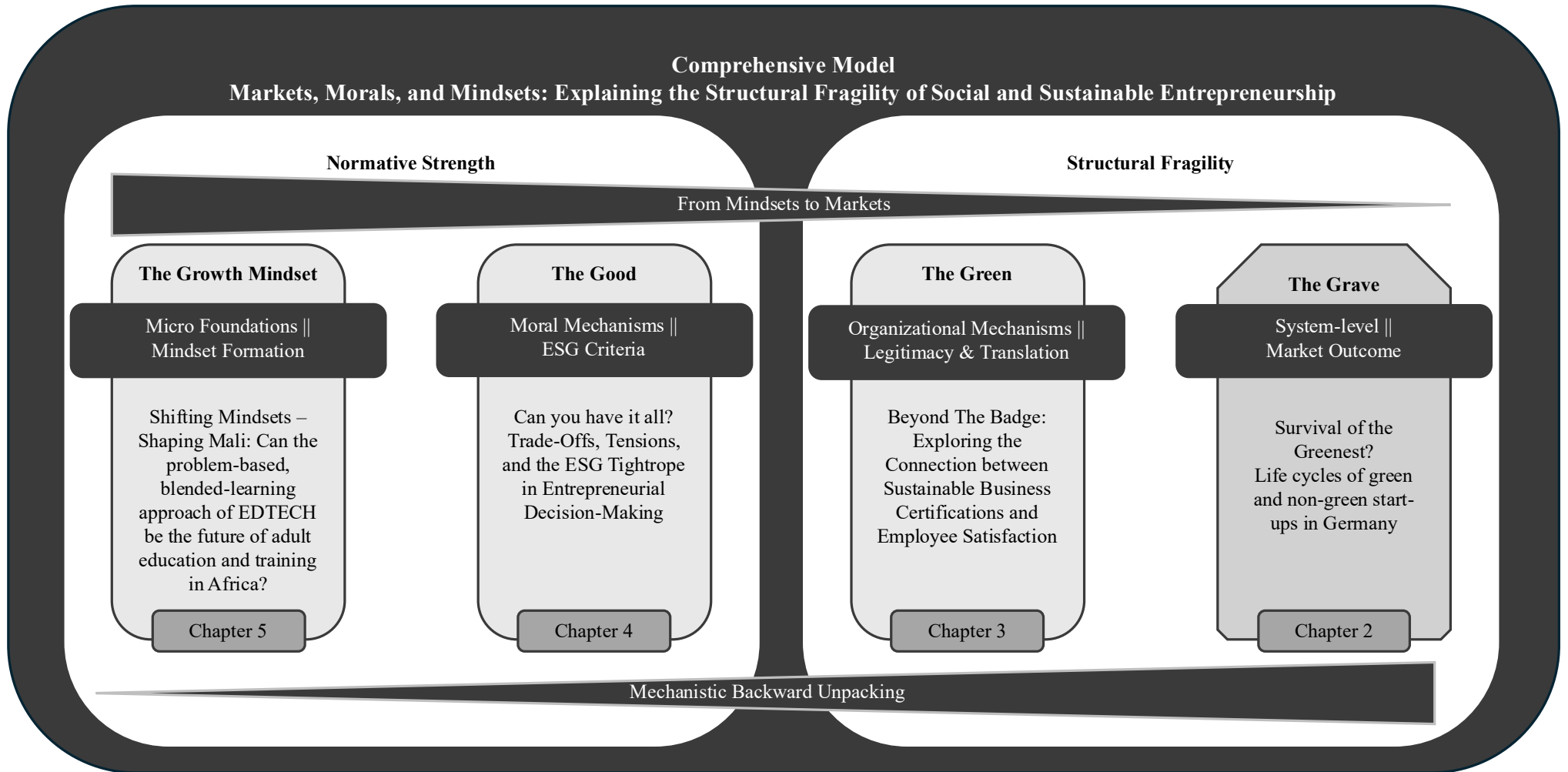
Finally, the use of growth-mindset interventions speaks to the micro-foundations of sustainability-oriented cognition. Research on entrepreneurial cognition emphasizes the

importance of beliefs, opportunity recognition and identity as drivers of venture action (Dweck, 2015; Miller et al., 2012; Mitchell et al., 2007). The dissertation adopts a micro-foundational perspective by considering whether and how frames of growth-mindset interventions can be impacted at the nascent level. This micro-foundational approach means that sustainability-orientation is not only being conceptualized at the structural and reputational levels, but also as a cognitive-motivational construct which may have bearing on future organizational decisions.

Taking everything into consideration, these design features provide the dissertation with the scope to engage with prominent issues in the literatures on sustainability and social entrepreneurship: symbolic inflation, greenwashing, decoupling, mission drift and moral inconsistency. In addition, the dissertation does not rely on any one measure of sustainability and instead employs several holistic lenses across survival outcomes, certification systems, moral trade-off logic within ESG and cognitive development. This facilitates a more nuanced and less romantic picture of sustainability logics in action.

By this, the results respond to recent calls for microfoundations and multilevel theorizing in entrepreneurship (Shepherd & Patzelt, 2022) and institutional research (Felin et al., 2015). Through the combination of the cognitive, organizational and system levels of analysis, this dissertation provides an empirically grounded theoretical framework to assess the potential of social and sustainable entrepreneurship to drive systemic transitions as well as the conditions under which this potential might be constrained. In that respect, the diversity of levels of analysis employed by this dissertation is not only a matter of methodological pluralism. It is also a consequence of the multifaceted nature of sustainable entrepreneurship in a modern market economy. Responding to Grand Challenges, including addressing the SDGs, it cannot be assumed by the mission alone but rather has to be found in practice, governance, decision making and longevity.

Figure 1: Outline of the Dissertation



1.2. THEORETICAL CLASSIFICATION AND CONTRIBUTION

1.2.1. A Multilevel Mechanism Model of Sustainability-Oriented Entrepreneurship

Overall, this dissertation presents a multi-level and problem-focused research design to investigate an empirical puzzle at the market level. Rather than taking normative assumptions about the positive effect of a sustainability orientation for granted, this study starts from systematic variation in organizational outcomes and then decomposes the micro- and meso-level mechanisms that could potentially account for this variation. Such a reverse-logic research design is aligned with a phenomenon-driven approach to theory-building (Hambrick, 2007) (See Figure 1) and addresses recent calls for cross-level research in entrepreneurship (Shepherd & Patzelt, 2022) and institutional analysis (George et al., 2016).

1.2.2. Outcome-based theorizing

At the same time, this design represents an instance of outcome-based theorizing. Organizational survival serves as an observable and consequential indicator of structural resilience under real-world market conditions (Stinchcombe, 1965). The unexpected vulnerability of sustainability-oriented startups, especially in comparison to their conventional counterparts, forms the puzzle that guides subsequent theoretical elaboration. All empirical studies draw on real-world entrepreneurs and operating firms, and although the mindset study involves an intervention design, it likewise captures real-world behavioral outcomes rather than attitudinal shifts. By focusing on outcome variance rather than inspirational anecdotes, normative bias is minimized while a diagnostic perspective on sustainability-oriented businesses is looked at.

1.2.3. Cross-level decomposition

The empirical program is structured as a theoretically nested sequence of explanatory levels: system-level outcomes, organizational mechanisms, moral-cognitive processes, and micro-foundations of entrepreneurial framing (See Table 1).

- **The system-level** analysis reveals the paradox of structural resilience and hazard of insolvencies. The study on the survival of green versus non-green startups uses longitudinal registry data and applies survival modeling techniques. This empirical approach allows for time-sensitive measurement of organizational resilience and captures structural robustness under real-world market pressures (Cumming & Johan, 2019; Paterson et al., 2002). By using objective outcome data instead of perceptual performance measures or self-reported impact indicators, this research sets the stage for the dissertation by focusing on hard outcomes that reflect the cumulative effect of strategic and structural choices.
- **The organizational level:** legitimacy construction and internal alignment. To investigate the process by which sustainability becomes institutionalized within organizations, this dissertation combines certification data of B Corp and EconGood with independent employee ratings from an ERP. This research design utilizes signaling theory (Connelly et al., 2011; Spence, 2002) and, at the same time, draws on the Resource-based view (RBV) (Barney & Arian, 2005; Bromley & Powell, 2012; Meyer & Rowan, 1977). By matching certifications as external signals with stakeholder perceptions, such as in this case, employee with their ratings on the ERP, this research assesses whether symbolic legitimacy translates into organizational robustness. This level sheds light on how sustainability narratives become inscribed in governance structures, routines, and stakeholder expectations and how this inscription may

simultaneously generate legitimacy benefits and narrative rigidities (Dart, 2004; Delmas & Burbano, 2011; Luke et al., 2013).

- **Moral-cognitive level:** trade-off reasoning under constraint. The conjoint study on ESG trade-offs disentangles preference structures and moral weighting mechanisms among entrepreneurs. By observing revealed decision patterns in hypothetical scenarios, this research directly tests how moral reasoning affects strategic prioritization (Bandura, 1996; Mitchell et al., 2007) drawing on the Social Cognitive Theory (SCT) with a focus on Moral Disengagement (MD) as well as Founder Identity Theory (Bandura, 1996, Baker & Powell, 2020; Ko & Kim, 2020). Conjoint analysis allows for isolating the relative weight of People, Planet, and Profit in situations of trade-off and, in this way, identifies systematic differences in cognitive framing between social and commercial entrepreneurs. This level elucidates how moral consistency affects adaptability if ventures face resource constraints or conflicting demands.
- **Micro-foundations:** formation of sustainability-oriented mindsets. The field experiment on growth and entrepreneurial mindset formation contributes quasi-experimental insights into the cognitive micro-foundations of entrepreneurship (Dweck, 2015; Krueger, 2009). Although the treatment effects are small, this research component informs our understanding of how sustainability-oriented cognition forms and potentially affects subsequent decision-making processes. In this way, it strengthens the micro-foundational basis of the dissertation and addresses recent calls for incorporating psychological processes into organizational research (Felin et al., 2015).

1.3. METHODOLOGICAL CONTRIBUTION

Beyond the theoretical contributions, the dissertation provides a methodological contribution by offering a template for studying paradoxical organizational phenomena. By combining survival analysis, large-scale archival data, experimental conjoint design, and quasi-experimental field intervention within a reverse-logic framework, it demonstrates how to empirically test cross-level arguments. In this way, the dissertation directly responds to recent calls for incorporating micro-foundations into macro-level outcomes in entrepreneurship research (Shepherd & Patzelt, 2022) and for analyzing the unintended side effects of normatively valued phenomena (George et al., 2016). Rather than presupposing that sustainability orientation is beneficial, the research design scrutinizes its structural consequences and, in so doing, contributes to a more mature and empirically informed understanding of hybrid organizing.

1.3.1. Outcome-based theorizing and the logic of anomaly

The systematic differences in survival rates between sustainability-oriented and conventional firms and start-ups represent the paradox that the dissertation seeks to explain. In starting from an anomaly rather than a broader narrative about the importance of sustainability, the dissertation employs an outcome-based approach to theorizing (Davis & Marquis, 2005) allowing the research to minimize normative interpretations (Tsoukas, 1989) and develops a more diagnostic, analytical approach to understanding the consequences of sustainability-oriented entrepreneurship (cf. Van de Ven et al., 2007).

System level: The quantitative study of green versus non-green startup survival uses longitudinal registry data and survival analysis to model Kaplan Meier curves, Log-rank tests

and Cox-proportional hazard models. Survival analysis offers a time-sensitive way to model venture fragility and resilience under real-world competitive conditions (Cumming & Johan, 2019; Paterson et al., 2002). In employing this analytical technique, the dissertation moves beyond perceptual performance metrics or self-reported impact measures to anchor the research in objective outcomes that reflect the cumulative effects of strategic and structural choices.

Organizational level: The quantitative study of certification and employee satisfaction integrates independent data on venture certification, such as a legitimacy construction to match the internal alignment of perceived employee satisfaction from ERP data with external validation through B Corp and EconGood certifications. At this level of analysis, the study examines how sustainability narratives become inscribed in structures, routines, and stakeholder expectations and how these inscriptions may yield legitimacy benefits and narrative rigidities (Diochon & Anderson, 2011) using ANOVA, Q-Q plots and Levene's test as well as Tukey-Kramer post hoc tests.

Moral-cognitive level: The conjoint experiment on ESG trade-offs models preference structures and moral weighting among entrepreneurs. The revealed preference approach adopted in this design allows for direct observation of how moral reasoning affects strategic prioritization (Bandura et al., 1996; Mitchell et al., 2007). The conjoint design permits a clearer decomposition of the relative weights attached to the ESG dimensions under conditions of trade-offs combined with scales on MD and founder identity using regression analysis, ANOVA and Tukey's Honestly Significant Difference (HSD). Introducing latent constructs to further analyze the willingness to trade-offs (WTOS) and balance scores. This study examines how moral consistency affects adaptability when ventures confront resource constraints or conflicting stakeholder demands.

Micro-foundations: The field experiment on growth and entrepreneurial mindset formation introduces quasi-experimental data on the emergence of cognitive frames such as

growth mindset (Dweck, 2015; Krueger, 2009). Though the treatment effects tested through Difference-in-Difference analysis and Mann-Whitney U-tests are modest, this study helps elucidate how a sustainability-oriented mindset develops and how that mindset may shape subsequent decision-making and action. In so doing, the study strengthens the micro-foundational logic of the study and responds to recent calls for incorporating psychological concepts into organizational analysis (Felin et al., 2015).

The research design follows abductive logic (Timmermans & Tavory, 2012), wherein an anomalous empirical pattern such as different survival rates triggers an abductive process theoretical elaboration to account for that anomaly. Various studies are nested in broader explanatory architecture rather than being parallel studies.

The four empirical layers of this thesis can be metaphorically represented by the growth-mindset, the good, the green and the grave. The growth-mindset represents the cognitive micro-foundations of an entrepreneurial mindset in terms of the development of entrepreneurial intentions and value-orientations. **The good** is the moral counterpart, exploring how social and commercial entrepreneurs perceive ESG attributes and handle moral dilemmas. **The green** is the organizational materialization of a sustainability-orientation in terms of, for instance, certification, governance and legitimacy building. **The grave** is the market level where eventually sustainability-oriented projects must survive the graveyard of insolvency. These four theoretical enactments together sketch the process of how social and sustainable business logics are being constructed, institutionalized and evaluated (see Table 1). It contributes to the formulation of cross-level theory by starting from the market and moving backwards to its cognitive and organizational origins.

1.4. STATE OF PUBLICATION

The four papers included in this dissertation are at different stages of development and publication, reflecting the iterative and cumulative nature of the research process. Together, they demonstrate a coherent research approach that has evolved from initial empirical exploration to increasingly theory-integrated contributions. Table 2 provides an overview of the current research status and the academic conferences where the papers were presented to an academic audience, as well as the authorship of each paper.

Table 1: Overview of Papers

Title	Level	Research Aims	Contributions	Theoretical Perspectives	Data & Methods
Paper 1: Survival of the Greenest? Life cycles of green and non-green start-ups in Germany	System Market	To examine whether and under what conditions sustainability-oriented startups differ in survival trajectories and insolvency hazards compared to non-green startups.	(1) Provides population-level evidence on survival patterns of green vs. non-green startups. (2) Specifies structural boundary conditions (resource intensity, financing frictions, ecosystem dependencies). (3) Advances a contingent view of sustainability and resilience.	Sustainable Entrepreneurship Institutional Theory Liability of Newness	Longitudinal registry data (Green Startup Monitor & startupdetector) Survival analysis / Hazard models
Paper 2: Beyond The Badge: Exploring The Connection Between Sustainable Business Certifications And Employee Satisfaction	Organizational	To investigate how sustainability certifications (B Corp, Economy for the Common Good) relate to employee satisfaction and internal legitimacy.	(1) Empirically tests alignment between external certification and internal employee experience. (2) Contributes to decoupling and signaling debates.	Signaling Theory Resource-Based View	Large-scale dataset combining certification data (B Corp & EconGood) with employee satisfaction ratings (kununu) Regression analyses / Moderation effects
Paper 3: Can you have it all? Trade-Offs, Tensions, and the ESG Tightrope in Entrepreneurial Decision-Making	Moral- Cognitive	To examine how social and commercial entrepreneurs differ in ESG prioritization and moral trade-off reasoning.	(1) Provides micro-foundations of sustainability-oriented decision-making. (2) Empirically compares moral weighting structures across venture types. (3) Extends moral disengagement theory into entrepreneurship research.	Moral Disengagement Founder Identity	Conjoint experiment with real entrepreneurs ESG trade-off scenarios Statistical modeling of attribute weighting
Paper 4: Shifting Mindsets – Shaping Mali: Can the problem-based, blended-learning approach of EDTECH be the future of adult education and training in Africa?	Individual Micro	To assess whether growth-mindset interventions influence entrepreneurial and sustainability-oriented intentions among early-stage participants.	(1) Links mindset development to real-world entrepreneurial engagement. (2) Adds developmental perspective to sustainable entrepreneurship research.	Growth Mindset Entrepreneurial Intention Theory	Field-based intervention study (t0, t1, t2) Control group comparison Survey-based measurement of mindset and entrepreneurial activity

Table 2: Status of Publication and Authorship

Chapter No.	Title	Current State	Conferences	Share of Contribution Author(s) and Institution (in %)
2	Survival of the Greenest? Life cycles of green and non-green start-ups in Germany	Shorter German version accepted in <i>Der Betriebswirt</i> , publication in process for 2026.	2025: G-Forum in Stuttgart (Germany) 2026: FGF-Frühjahrestreffen in Kopenhagen (Denmark) 2026: Babson BCERC University of Alabama, Tuscaloosa (USA) – accepted, not yet participated	Sumaya Islam Paderborn University (100)
3	Beyond The Badge: Exploring The Connection Between Sustainable Business Certifications And Employee Satisfaction	Submitted to <i>Corporate Social Responsibility and Environmental Management</i> (February 2026)	2023: 6th Paper Development Seminar, Seville (Spain) 2024: FGF-Frühjahrestreffen in Dortmund (Germany) 2024: G-Forum in Ingolstadt (Germany) 2024: EURAM in Bath (United Kingdom) 2025: G-Forum in Stuttgart (Germany)	Malte Bau Otto-von-Guericke-University Magdeburg (40) Sumaya Islam Paderborn University (40) Michael Wunsch University of Bayreuth (20)
4	Can you have it all? Trade-Offs, Tensions, and the ESG Tightrope in Entrepreneurial Decision-Making	The study has been approved by the ethics committee of Paderborn University. Planned submission to <i>Journal of Business Ethics</i> in March 2026	2023: 6th Paper Development Seminar, Seville (Spain) 2024: FGF-Frühjahrestreffen in Dortmund (Germany) 2024: 20th Annual Social Entrepreneurship Conference at IMD Lausanne (Switzerland) 2024: G-Forum in Ingolstadt (Germany) 2025: EURAM in Bath (United Kingdom) – Acceptance	Sumaya Islam Paderborn University (50) Tobias Buchta Paderborn University (30) Colin Wooldridge Texas A&M University-Corpus Christi (20)
5	Shifting Mindsets – Shaping Mali: Can the problem-based, blended-learning approach of EDTECH be the future of adult education and training in Africa?	The study has been approved by the ethics committee of Paderborn University. Publication Status: Review-rejected from <i>Group & Organization Management</i> (GOM)	2022: Fakultätsforschungsworkshop in Melle (Germany) 2022: SASE in Amsterdam (Netherlands) 2023: G-Forum in Darmstadt (Germany) 2023: AOM in Boston (USA)	Enja Marie Herdejürgen Paderborn University (33,33) Sumaya Islam Paderborn University (33,33) Martin Schneider Paderborn University (33,33)

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**CHAPTER 2: SURVIVAL OF THE GREENEST?
LIFE CYCLES OF GREEN AND NON-GREEN START-
UPS IN GERMANY**

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2. ABSTRACT

Green start-ups are frequently portrayed as major drivers of the sustainable revolution, yet little is known about their true risk of insolvency. Using a population-wide register dataset of 30, 523 German startups, the failure rates of green and non-green startups are compared. While there is a theoretical argument that a commitment to sustainability provides legitimacy and access to patient capital, the empirical evidence is still scarce and dependent on the context and ecosystem.

The results are striking. Using survival analysis, it is shown that green startups are significantly more likely to fail than non-green startups both in the short and long term. These time patterns are consistent: green startups are more likely to go into insolvency than non-green startups not only during the first years of life but also at later stages of firm development. This evidence challenges the existence of a green survival premium and suggests a liability of newness and greenness; that is, engaging in sustainability makes startups more unstable throughout their life cycle. Overall, these findings provide a more refined comprehension of sustainable entrepreneurship by highlighting the structural and persistent nature of the risks of failure of green startups. They also invite governments and investors to reconsider their policies of support and to develop long-term instruments that better match the specific risk profiles and capital needs of sustainability-oriented startups.

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**CHAPTER 3: BEYOND THE BADGE:
EXPLORING THE CONNECTION BETWEEN
SUSTAINABLE BUSINESS CERTIFICATIONS AND
EMPLOYEE SATISFACTION**

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3. ABSTRACT

This study examines the relationship between sustainability certifications and employee satisfaction by conceptualizing certifications as external signals and internal organizational resources. Drawing on signaling theory and the resource-based view (RBV), we analyze a dataset of 173 certified firms and a control group of 20,022 firms, combining certification data from B Corp and Economy for the Common Good (EconGood) with reviews from *kununu*, the leading employer review platform (ERP) in the DACH region (Germany, Austria, Switzerland). Both certifications are Voluntary Sustainability Standards (VSS) and have scoring dimensions with a focus on workers. Using ANOVA, regressions, and confirmatory factor analysis (CFA), we compare the association between certifications and employee evaluation to test whether these two signal types indeed match. We find that certified companies are evaluated better by their employees compared to non-certified companies. However, we do not find an association between the scores achieved in certifications and employee evaluations. CFA reveals a significant but moderate correlation between the constructs measured by the ERP and the worker dimensions of the certifications, indicating partial conceptual overlap. Our results contribute to organizational behavior and corporate social responsibility literature as we identify a decoupling of external certification metrics from internal employee evaluations. We point to the need for companies to ensure that their commitments to sustainability match the experience perceived by employees and provide ethically relevant insights into ways in which organizations can enhance the credibility of their sustainability claims. In this way, our study advances theory, as it combines the RBV and the signaling view to explain why external signals for sustainability may not be in line with employee evaluations, thus enriching the conceptual understanding of authenticity in CSR.

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**CHAPTER 4: CAN YOU HAVE IT ALL?
TRADE-OFFS, TENSIONS, AND THE ESG
TIGHTROPE IN ENTREPRENEURIAL DECISION-
MAKING**

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4. ABSTRACT

Entrepreneurial decision-making often unfolds in an environment of uncertainty, resource constraints, and conflicting value systems, intensifying the tension between mission-oriented ideals and pragmatic economic constraints. In this paper, we analyze entrepreneurs' willingness to compromise on environmental, social, and governance (ESG) criteria and their underlying cognitive justifications. Our study with 79 entrepreneurs combines a conjoint design with validated scales for moral disengagement (MD) and founder identity. We investigate (a) the entrepreneurs' preferences for ESG attributes, (b) their general willingness to compromise on ESG criteria, and (c) the differences between social and commercial entrepreneurs. Our results show that first, entrepreneurs' willingness to compromise on ESG criteria is positively related to their level of MD, second, entrepreneurs' willingness to compromise on ESG criteria depends on their founder identity: missionaries, common among social entrepreneurs, show lower MD and lower willingness to compromise on ESG criteria, while darwinians, common among commercial entrepreneurs, show higher MD and higher willingness to compromise on ESG criteria, and third, entrepreneurs have a blind spot for the governance criterion when making ESG-related decisions. Our study contributes to the literature on entrepreneurship and business ethics by offering a context-specific theoretical model of MD in the new venture creation process and by providing evidence of differences in MD between social and commercial entrepreneurs. Thus, the findings reveal that MD and its interaction with founder identity play a key role in influencing ESG decisions, which in turn impact the legitimation and reputation of new ventures, stakeholder trust, and progress in achieving the United Nations' Sustainable Development Goals. Besides, they have implications for investors, regulators, and entrepreneurship ecosystem builders who seek to foster sustainable new ventures amid ESG reporting mandates and accountability pressures.

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**CHAPTER 5: SHIFTING MINDSETS – SHAPING
MALI: CAN THE PROBLEM-BASED, BLENDED-
LEARNING APPROACH OF EDTECH BE THE
FUTURE OF ADULT EDUCATION AND TRAINING IN
AFRICA**

Authors: Enja Marie Herdejürgen, Sumaya Islam, Martin Schneider

5. ABSTRACT

Young adults in Africa face a precarious labor market situation, as the demand for jobs far exceeds the supply. Previous training methods targeting formal employment have proven ineffective in this context. We propose that alternative training methods focusing on learners' mindsets enable young adults to tackle their difficult labor market situation through entrepreneurship and self-employment. EDTECH trains young adults in Africa in a context-sensitive manner. The primary objective is not to secure formal employment for learners, but rather to promote a growth mindset among learners, enabling them to improve their economic situation. With the data provided by EDTECH, we conducted a field experiment among the participants and a control group to measure the impact of its learning and training program.

Our findings show that learners address urgent community issues through problem-based and blended learning. More generally, this paper shows that this training package can act as a long-term, immersive growth mindset intervention to enable the participants to enhance either their chances of regional employability or to engage themselves in small or micro levels of entrepreneurship. Based on these results, we suggest EDTECH could serve as a role model for young adult training and education in Africa.

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6. GENERAL DISCUSSION

6.1. CONCLUSION

At its core, this dissertation asks how sustainability-oriented and social entrepreneurial logics unfold across cognitive, organizational, and market domains. It investigates the mechanisms through which these enactments influence organizational trajectories and their broader contributions to sustainable development. Rather than taking as a premise that sustainability is good or bad for entrepreneurs, the dissertation employed an inverted research design. The starting point was observable heterogeneity at the market-level, specifically, differences in survival and failure, which was explained through organizational, moral, and cognitive micro-foundations. Taking the evidence from the four empirical chapters, which drew on survival analysis, certification and employee satisfaction data, conjoint experimentation, and a field-based mindset intervention, together, there is an internally consistent, if more complex, answer. Sustainability-focused logics affect entrepreneurial cognition, moral decision making, organizational signaling, and stakeholder judgments in significant ways, but do so in manners that are conditional and subject to the match between institutional rewards, resource availability, and governance structures. Sustainability is not an unmitigated blessing or an unalloyed curse. It is a potent organizing logic whose effects depend on the social context in which it is deployed, the institutions through which it is exercised, and the governance regime that it inhabits.

Market Level Outcomes: The results from the Cox model indicate that the average insolvency hazard rate for green ventures in the focal institutional setting is higher and faster than the hazard rate of their non-green counterparts. This is surprising, as it suggests that there is no such thing as an automatic and unconditional relationship between a venture's focus on sustainability and its higher resilience. Instead, a venture's structural pre-occupation with sustainability may produce a set of organizational and financial pressures, including the need for more and riskier capital, more risky technological investments, greater dependence on

ecosystems and partnerships, higher and more rigid financing costs, that can overshadow the potential benefits from resource efficiency, cost savings, and risk management. Clearly, the results do not mean that, as such, a focus on sustainability cannot be compatible with resilience. What they mean is that, in the current institutional and market architecture, the economic rewards for sustainability-driven entrepreneurship are conditional, more specifically, not automatic, and heterogenous. It pays to have a structural incentive to behave morally. It does not pay to behave morally.

Organizational Mechanisms: The results from the employee satisfaction analysis indicate that firms that have been awarded the B Corp and EconGood labels tend to have, on average, higher levels of employee satisfaction than non-labeled firms. This evidence is consistent with both signaling theory and the RBV: a venture's focus on sustainability can become a signal that increases legitimacy in the eyes of internal and external stakeholders, generates trust and social approval, and reinforces a venture's sense of identity and purpose. However, the analysis also shows that the relationship between specific worker-related label scores and employee satisfaction is not as strong and robust as expected. This evidence is more consistent with decoupling theory: a venture's focus on sustainability can become a source of legitimacy at the level of formal structures and practices, without necessarily extending to the informal level of actual behavior and experience. Overall, the evidence suggests that legitimacy is an organizational mechanism with strengths and weaknesses. It can influence perceptions, trust, and identity, but it may not always be entirely translated into concrete organizational realities.

Moral Mechanisms: The results from the conjoint analysis of ESG trade-offs indicate that there are systematic differences in the way social and commercial entrepreneurs weigh up moral trade-offs. Social entrepreneurs tend to attribute more balanced weight to the different components of the ESG criteria and are less likely to engage in moral disengagement when

facing trade-offs. This evidence supports the idea that a venture's focus on sustainability is not just a matter of cheap talk. It influences decision heuristics and patterns of moral reasoning. At the same time, however, the evidence also suggests that a more balanced attribution of moral weights can reduce the scope for moral and strategic flexibility under conditions of resource constraint. When ventures are financially strained, attributing equal weight to different and conflicting objectives can undermine the willingness and ability to prioritize. Moral integrity has a value, but so has moral and strategic flexibility in highly dynamic environments. Overall, the results highlight the role of moral cognition in influencing organizational outcomes, but in a non-deterministic way.

Micro-Foundations: The results from the field experiment in Mali suggest that the mindset of growth and entrepreneurship can be influenced via education. The intervention has a modest, yet measurable, impact on the growth mindset and entrepreneurial mindset of the treatment group. While the statistical evidence is not strong for all dependent variables, the results indicate that a sustainability mindset can be shaped via education with specific mindset interventions. This evidence at the micro-level underscores that a focus on sustainability is not entirely a structural given, but also, at least in part, a cognitive construct, shaped via socialization, education, and exposure to institutions. At the same time, however, the evidence from the other chapters indicates that the cognitive underpinnings of sustainability do not, by themselves, guarantee structural robustness. Something happens in the journey from the mind to the market.

6.2. LIMITATION AND FUTURE RESEARCH

The results of this dissertation are context specific, both in terms of the institution and the field in which the study was conducted and therefore, explicitly mechanism-driven rather than causally deterministic. The survival, mindset and legitimacy dynamics observed in this study might not be applicable to other countries and regions, other industries, or to the field at different times. Future studies could explore these dynamics comparatively across contexts, longitudinally over the mission trajectory of the field as the results are affected by different circumstances and under different frameworks. In addition, while this dissertation combines different data collection and analytic techniques, there is still room to strengthen causal inference. The findings of the survival analysis show structured patterns consistent with theoretical mechanisms but do not imply that a green orientation alone causes differential survival outcome. The conjoint experiment affords stronger causal inference with respect to moral weighting and its impact on decision preferences. Future research could enhance causal inference by developing experiments or quasi-experiments in natural field settings. The certification analysis reveals an association between signaling and internal satisfaction. Nevertheless, it cannot rule out potential reverse causality, such as more satisfied organizations seeking certification. Therefore, the results can be interpreted as indicative of alignment effects rather than causal ones. The structural vulnerability of green startups might look different in settings with more pronounced public procurement incentives, more developed impact investing markets, or industry-specific technological advantages.

Under these circumstances, the dissertation makes conditional claims rather than universal statements. Sustainability-oriented entrepreneurship is structurally vulnerable under institutional conditions in which moral and symbolic legitimacy are not consistently coupled with long-term economic reward structures. By acknowledging these boundary conditions, the dissertation increases theoretical precision and encourages future research to explore national

differences, sectoral variations, and policy intervention effects. Through grounding itself in market outcomes and tracing backwards, this dissertation offers a contribution to cross-level theorizing, a reconceptualization of legitimacy as a double-edged resource, and a conceptualization of sustainability-oriented as a contextual strategy rather than an always beneficial organizational action.

6.3. CONTRIBUTIONS

Summing up, this dissertation contributes to theory in the following three ways. First, it develops a cross-level model that integrates the cognitive micro-foundations of sustainability, moral decision heuristics, organizational legitimacy mechanisms, and market outcomes. While most of the literature has looked at single levels of analysis in isolation, this dissertation contributes to the development of a more integrative, multi-level perspective on sustainable entrepreneurship and hybrid organizing. Second, it theorizes legitimacy as a contingent resource that can be associated with different outcomes under different conditions. Legitimacy can be a buffer that provides trust, cohesion, and differentiation. But legitimacy can also become a constraint that raises expectations, attracts institutional scrutiny, and fosters strategic inflexibility. Rather than theorizing legitimacy as an unconditional blessing, this dissertation looks at legitimacy as a mechanism whose effects are contingent upon alignment. Third, financing conditions, regulation, ecosystem maturity, and moral trade-offs are all critical scope conditions that influence whether sustainability logics are an enabler or an impediment to viability.

This dissertation also has a number of contributions for practice. For entrepreneurs, the key take-away message is that moral clarity is not a substitute for strategic flexibility. Institutionalizing sustainability is not just a matter of normative commitment, but also of adaptive governance architecture and resource strategies that can cope with institutional

complexity. For investors and business angels, the key implication is that sustainability labels and certifications are not enough. While labels and certifications matter, resilience in the market depends on alignment, diversification, and flexibility. For policy makers, a key implication of this dissertation is that incentives matter. If markets do not provide a consistent reward for the creation of long-term environmental and social value, sustainable entrepreneurship may be tense. It is here that policy makers can play a role, via regulatory instruments, public procurement, and incentive structures that reduce the degree of misalignment.

6.4. FINAL REMARKS

Social entrepreneurship for sustainability is a cultural model that possesses strong symbolic potential in the current socio-economic context, for it implies that economic activity can be consistent with ethical concerns. This dissertation does not question the presence of this potential. It questions the relationship between the levels at which it materializes.

The results demonstrate that sustainability-oriented logics exercise significant influence upon cognitive processes, decision making, and organizational identity. They bestow moral purity and legitimacy. However, resilience is not solely a function of normative robustness but rather a function of institutional compatibility, too. By adopting a multi-level reverse-logic research design, this dissertation provides a more detailed analysis of the notion of social business for sustainability, recognizing both its enabling and constraining conditions. Sustainability is not a self-fulfilling prophecy. Its transformation into resilient organizational realities presupposes a fit between what is ethically desirable, organizationally feasible and institutionally rewarding. In this sense, this dissertation does not close with a value judgment on sustainability. It closes with a conceptual instrument: Social entrepreneurship for sustainability affects organizational resilience, not directly, but through mechanisms operating at the levels of cognition, organization, and institution. Knowledge of these mechanisms is a

necessary condition for sustainability to be transformed from a desideratum into a resilient reality. From the growth-mindset to the good, from the green to the grave, the journey of sustainability-oriented entrepreneurship reveals that impact is not promised by aspiration, but forged through the alignment of minds, morals, organizations, and markets.