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# Decoding Entrepreneurship

*A Journey through Systematic Literature Reviews*

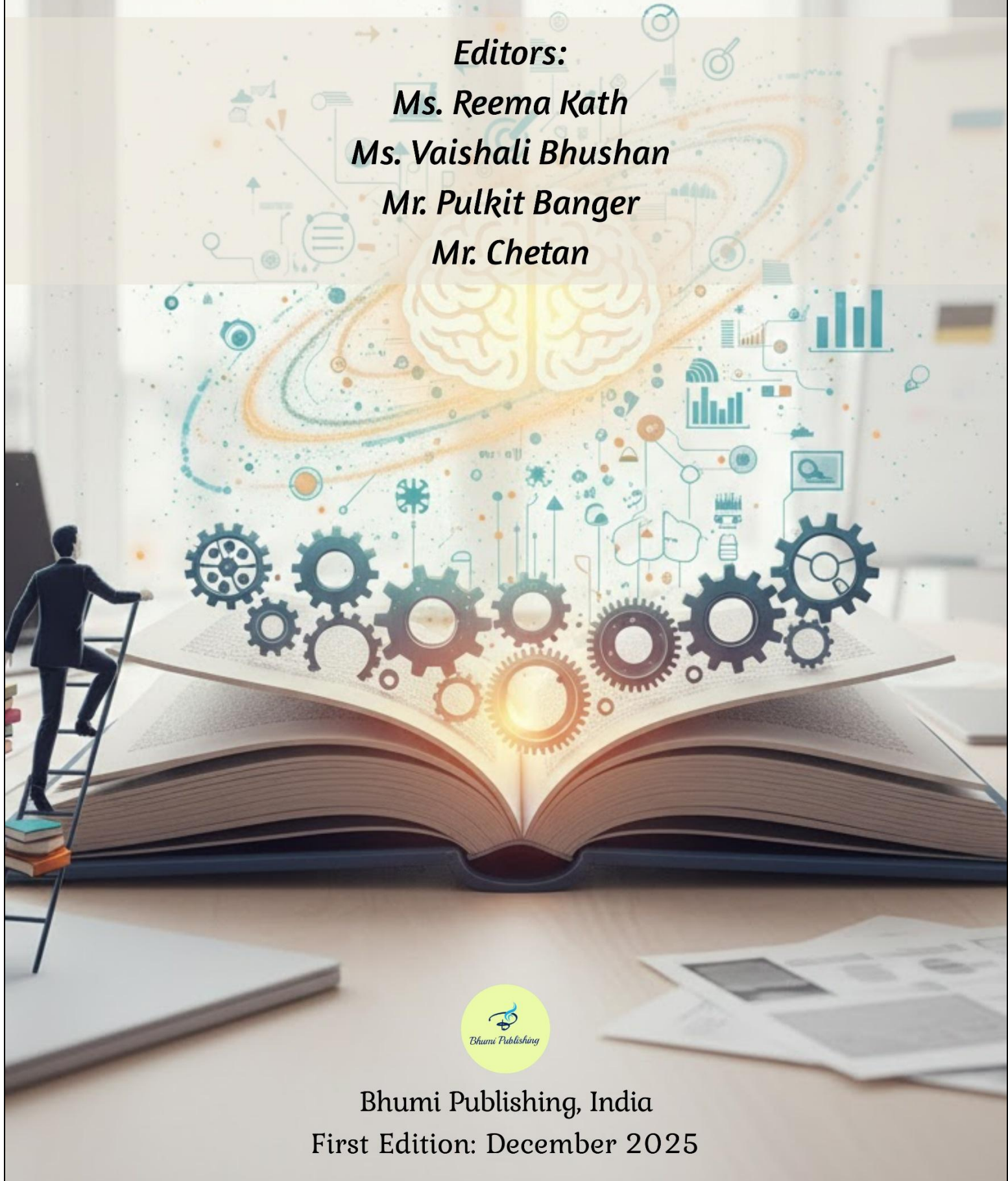
**Editors:**

**Ms. Reema Kath**

**Ms. Vaishali Bhushan**

**Mr. Pulkit Banger**

**Mr. Chetan**



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**E-mail: [bhumipublishing@gmail.com](mailto:bhumipublishing@gmail.com)**



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## **PREFACE**

*Entrepreneurship has long captured the imagination of scholars, practitioners, and policymakers alike. Its dynamism, complexity, and transformative potential continue to shape economies and societies across the globe. Yet, as the volume of research on entrepreneurship expands, so does the challenge of integrating diverse insights into coherent knowledge that can guide theory, practice, and policy. It was against this backdrop that the idea for *Decoding Entrepreneurship: A Journey through SLRs* (Systematic Literature Reviews) was born.*

*This volume brings together systematic literature reviews (SLRs) that collectively map the frontier of entrepreneurship research. Unlike traditional narrative reviews, SLRs follow a rigorous methodology that enhances transparency, replicability, and depth of insight. By foregrounding this approach, we aimed to curate an evidence-driven exploration of key themes, debates, and emerging trends in entrepreneurship.*

*The chapters in this edited volume encompass a wide spectrum of topics—ranging from entrepreneurial cognition and ecosystem dynamics, to social entrepreneurship, digital innovation, sustainability-driven ventures, and methodological advances in review science itself. Each contribution offers a rich synthesis of extant research, identifies gaps in current understanding, and proposes avenues for future inquiry.*

*As editors, our aspiration was not merely to compile high-quality reviews, but to invite readers into a dialogue between past research and future possibility. We believe that systematic literature reviews act as intellectual beacons—illuminating what we know, where consensus exists, and where novel questions beckon. In an age where information is abundant but clarity is scarce, this work strives to provide both rigor and relevance.*

*We are deeply grateful to the contributing authors, whose expertise and dedication have shaped this book into a resource that we hope will be valuable to scholars, doctoral researchers, educators, and practitioners alike. We also extend our thanks to the peer reviewers, whose constructive feedback strengthened the quality and coherence of each chapter.*

*Finally, we acknowledge that the journey through scholarly literature is never complete. As research continues to evolve, so too will our understanding of entrepreneurship. It is our hope that this volume not only synthesizes prior work but also inspires new scholarship that pushes the boundaries of knowledge.*

**- Editors**

## **ACKNOWLEDGEMENT**

*The completion of *Decoding Entrepreneurship: A Journey through SLRs* (Systematic Literature Reviews) represents the collective effort, enthusiasm, and intellectual generosity of many individuals and institutions. It is with gratitude that we acknowledge their contributions and support.*

*First and foremost, we extend our deepest appreciation to all the authors who contributed to this volume. Their commitment to rigorous scholarship, thoughtful analysis, and collaborative engagement has made this book possible. Each chapter reflects not only the importance of systematic literature reviews in advancing entrepreneurship research but also the depth of expertise and passion that our contributors brought to this endeavor.*

*We would also like to thank the anonymous reviewers whose constructive feedback strengthened the clarity, coherence, and scholarly quality of the chapters. Their insights were instrumental in refining the arguments and enhancing the overall rigor of the book.*

*We are immensely grateful to our editorial and production teams for their professionalism and dedication. Their meticulous attention to detail—through manuscript preparation, formatting, copyediting, and coordination with authors—ensured a smooth and timely publication process.*

*We also acknowledge the support of our respective institutions, colleagues, and research communities. Their encouragement, academic dialogue, and shared commitment to the advancement of entrepreneurship studies have been a source of motivation throughout this project.*

*To our families and friends, we offer heartfelt thanks for their patience, understanding, and encouragement during the many hours dedicated to this work.*

*Finally, we are thankful to the readers of this book. It is our hope that this volume serves as a valuable resource for scholars, educators, doctoral researchers, and practitioners, and that it inspires continued inquiry into the dynamic and ever-evolving field of entrepreneurship.*

**- Editors**

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# **A SYSTEMATIC LITERATURE REVIEW OF ENTREPRENEURIAL OPPORTUNITY DEVELOPMENT PROCESS: MODELS, CONTEXTS, AND MECHANISMS**

**Pulkit Banger**

LM Thapar School of Management,

Thapar Institute of Engineering and Technology (Deemed to be University),

Patiala, Punjab, India

Corresponding author E-mail: [pbanger\\_phd25@thapar.edu](mailto:pbanger_phd25@thapar.edu)

## **Abstract**

So how would entrepreneurs make ideas a successful business? Although the development of opportunities is a topic that has been explored and the theories have been well-established over the decades, we simply do not have the whole picture of how opportunity development works in practice. To answer this basic question, this systematic literature review reviews 25 current empirical studies published in the best entrepreneurship journals since 2022. We learn that one thing is much more dynamic and complicated as opposed to the traditional assumptions that the evolution of opportunities is a clean and linear journey that is propelled by personal entrepreneurial qualities. Rather, we discover that the successful construction of opportunities by entrepreneurs is found in the interplay of three inseparable and interdependent factors which include the theoretical frameworks they are based on (different ways of thinking about and conceptualizing opportunity), the contextual factors (their industry, their cultural, their geographic, their relations networks, etc.) that surround them, and the processes they actively undertake (including alertness, identity work, social relationships, experimentation, and even leisure activities). The significance of these findings in particular is that the same entrepreneurial activity, prototyping, networking, or iterative learning, can have vastly different results based on the extent to which these three issues are compatible and mutually supporting. We find that institutional rules have varying implications at the various stages of venture development and that many processes tend to reinforce one another when the environment is right with a vengeance, and such success in entrepreneurship serves as a driver to successive opportunity perception by increasing well-being on an aggregate level. This combined system gives an insight to entrepreneurs, educators and business leaders in real, actionable terms of how to create the environment in which opportunities actually thrive, and at the same time offers entrepreneurship researchers an insight into the complexity, dynamism and interconnection at a very profound level of how ventures do come to pass.

## **Introduction**

Entrepreneurial ideas flourish when they're shaped by active engagement with markets, networks, and institutions. The opportunity development process—the path from a first insight to a successful venture—moves through cycles of testing hypotheses, taking in feedback, and refining strategy (Shane & Venkataraman, 2000; Alvarez & Barney, 2007). Instead of being fixed discoveries, opportunities arise as entrepreneurs create value by adapting to real-world conditions (Frese & Gielnik, 2023).

The action-process model by Frese and Gielnik is the pioneering model that reflects this energy in three stages, including- prelaunch (identifying and shaping ideas), launch (bringing ventures to life), and post launch (scaling and refining). Their model outlines four psychological engines: goal setting, action planning, feedback processing, and strategy revision that drive entrepreneurs in their way of constant adaptation to the conditions of a complex situation.

Looking outside the individual prism challenges us to discover how institutions, cultures, and ecosystems both create entrepreneurial paths- cultivating or introducing new paths to innovation. What new insights do we get when we use other models in the development of opportunities? Within the last three years, the ground-breaking researches (2022-2025) have shed light on these dimensions by:

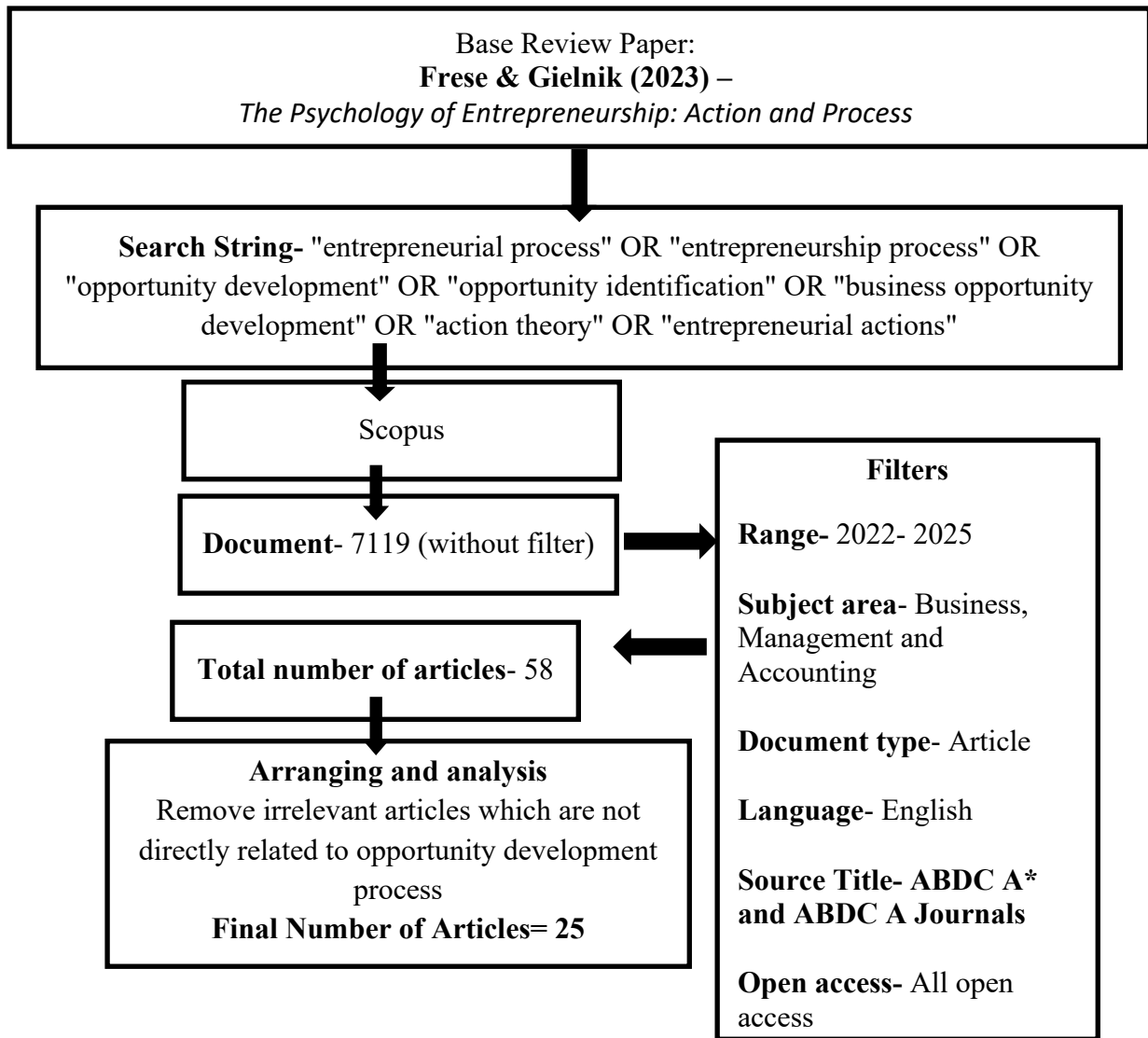
- **Broader Models-** Introducing new theoretical frameworks that combine institutional, cultural, and multi-level perspectives
- **Contextual Insights-** Identifying contextual forces like digital platforms and regional clusters that shape where and how opportunities appear
- **Diverse Mechanisms-** Highlighting developmental mechanisms like identity crafting, leisure-driven experimentation, entrepreneurial alertness, social capital dynamics, and prototyping bricolage that drive the journey from idea to venture

To explore how opportunities develop in practice, we systematically reviewed 25 recent studies (2022–2025) from major entrepreneurship journals to better understand the mechanisms behind opportunity development. From a close reading of these contributions, three broad inter related themes emerged: **Models-** that map the theoretical pathways of opportunity development; **Contexts-** institutional, regional, and environmental where opportunities are created and shaped; and **Mechanisms-** cognitive, social, and behavioral—that turn ideas into action. These interconnected themes form a multi-layered framework that deepens Frese and Gielnik's action-process model and explains how entrepreneurial ventures are shaped through interactions between individual agency and broader environmental forces.

## **Research Methodology**

We started by doing a systematic search on Google Scholar using the keywords "opportunity development process in entrepreneurship" with filters applied for review articles published since

2021. Following the top results we found a paper titled "The Psychology of Entrepreneurship: Action and Process" by Frese and Gielnik (2023), published in an ABDC A\* ranked journal, which provided the basis of the action-process lens of opportunity development, thus serving as the base for our study.



**Figure 1: Research Methodology**

We developed specific search strings with such a conceptual anchor, which included the following terms: entrepreneurial process, opportunity development, opportunity recognition, and entrepreneurial actions to select all of the relevant process-oriented studies.

Then, as shown in figure 1, these searches were implemented in Scopus with the restriction of peer-reviewed journal articles in the areas of Business, Management, and Accounting, published in the last 3 years, 2022-2025, this period of 2022-2025 was strategically selected to include the latest period of research on entrepreneurship influenced by post-pandemic upheavals, growth of digital platforms, and the shifting institutional and working conditions. The period indicates a

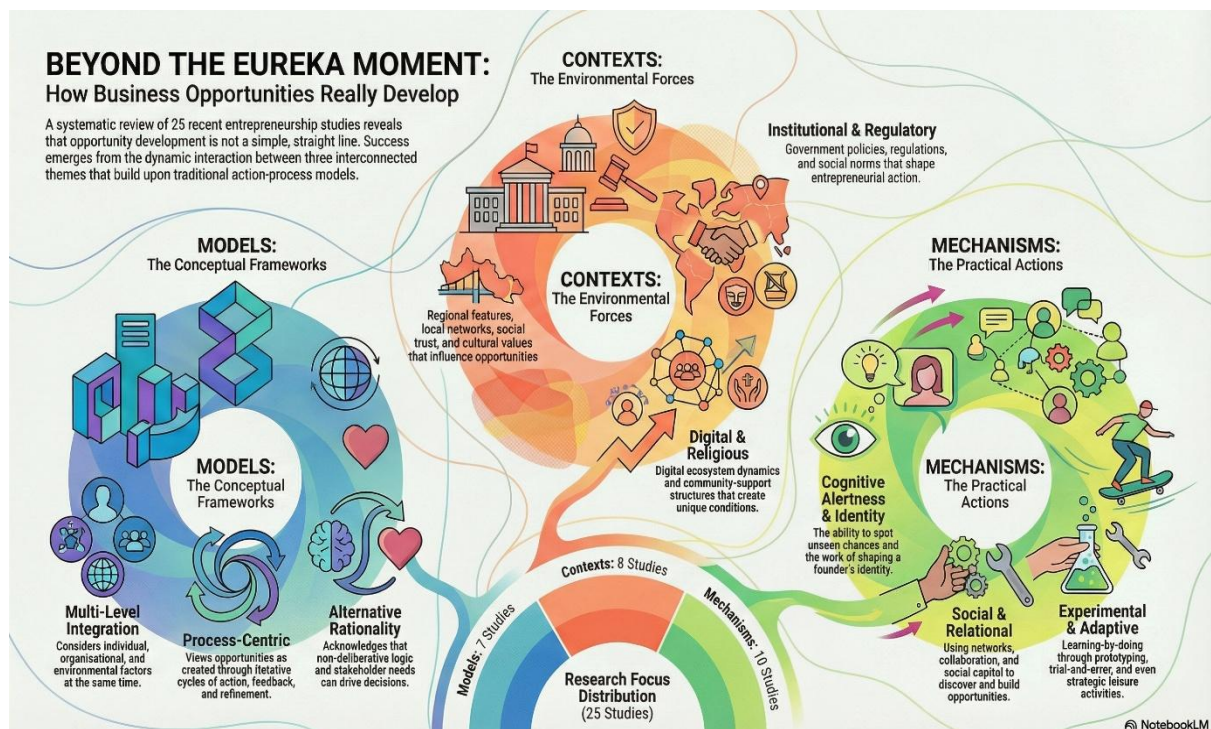
conceptual change in the linear opportunity recognition models to a more dynamic and process-based and more context-dependent view of opportunity development. We further used filters to ensure that only English articles in top-tier (ABDC A\* and ABDC A) journals that are open access were used. Our first search brought 7,119 documents, which we filtered by duplicates and obviously irrelevant issues, and we ended up with 58.

Finally, after carefully studying the titles and abstracts, we filtered out the papers that did not aggressively address the opportunity development process. This filtration was done keeping in mind our core focus on theoretical models, contextual enablers, and mechanistic drivers and thus produced the ultimate set of 25 papers for detailed thematic analysis.

## Findings

### Thematic Overview

Figure 2 gives a graphical presentation overview of the thematic framework that was formed through the systematic review. It shows that the creation of entrepreneurial opportunities is not a one-time experience referred to as a eureka moment but a process that is maintained and sustained by three mutually reliant dimensions, namely Models, Contexts, and Mechanisms. The conceptual models define the understanding of opportunity, the contextual forces that can or cannot trigger opportunities, and the mechanism by which ideas are converted to action by means of cognitive, social and experimental processes. The figure further points to the allocation of academic focus on these themes, which supports the integrative and non-linear character of opportunity development that is found in the studies reviewed.

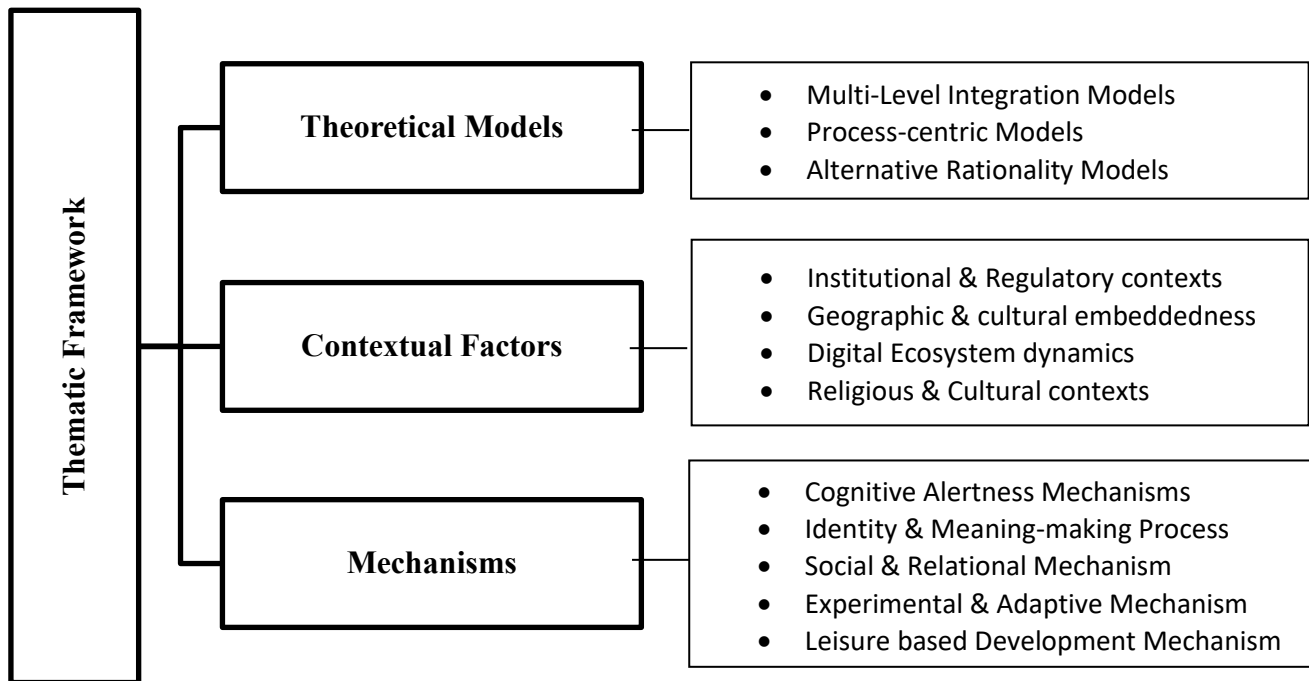


**Figure 2: Visual Synthesis of the thematic framework (Generated via NotebookLM)**

## Thematic Analysis

Our systematic review and analysis of 25 recent studies (2022–2025) identifies three interconnected themes that extend our understanding of the entrepreneurial opportunity development process beyond Frese and Gielnik’s action-process model. Figure 1 shows the overarching thematic framework.

The thematic analysis as shown in figure 3 reveals that development of entrepreneurial opportunities is a multi-dimensional process that arises as a result of dynamic interactions between theoretical approaches (Models), environmental factors (Contexts), and working processes (Mechanisms). The framework is a synthesis of knowledge of various methodological strategies and theoretical approaches offering a holistic picture of current opportunities development studies.



**Figure 3: Thematic framework for Entrepreneurial Opportunity Development**

### 1. Theoretical Models

These are the conceptual frameworks and analytical lenses researchers use to understand and explain how opportunities develop.

#### 1.1 Multi-Level Integration Models

Multi-level integration models are complex theoretical models that investigate the development of the opportunities at the individual, organizational, and environmental levels, at the same time. The latter models are especially noticeable in the research on the impact of birth order on networking behavior and entrepreneurial action (Kensbock, 2025) that illustrates that the specific aspects of personal traits and situational factors interact with each other to determine the patterns of recognizing and taking advantage of opportunities.

The multi-level approach acknowledges that the opportunity development process cannot be explained by individual-level analysis but should be cross-levelally integrated, which is based on the effects of macro-environmental conditions on micro-level entrepreneurial behaviours (Gielnik *et al.*, 2025). As demonstrated by research, action-oriented entrepreneurship training is mediated by multi-level processes, with the motivation of individuals and action being reciprocated by each other to keep the learning process sustained by the wider training contexts (Gielnik *et al.*, 2025).

Such models are specifically useful in describing how circumstances provide opportunities that either facilitate or limit individual entrepreneurial agency, and proposes the view that opportunity development occurs as complex interactions between individual factors and social settings and environmental circumstances (Brundin *et al.*, 2025).

### **1.2 Process-Centric Models**

Process-based models represent opportunity development as processes of sequential, iterative development which are typified by learning cycles, feedback and refinement processes (Paust *et al.*, 2025; Davidsson and Gruenhagen, 2022). These models point out that the opportunities are not pre-existing things to be uncovered but dynamic possibilities that are created and transformed with the help of the entrepreneurial action.

Entrepreneurial prototyping has been shown to work by process-focused methods to rely on flexible experimentation and guided transformation with entrepreneurs resorting to prototype recycling and skills bricolage to overcome resource limitations (Paust *et al.*, 2025). This is an iterative process that allows entrepreneurs to make assumptions, get feedback, and refine ideas about opportunities by observing the market.

The perspective of processes shows us two different kinds of process research: processes as paths through qualitative change, and processes as directional and temporal paths to goals (Davidsson and Gruenhagen, 2022). This differentiation enables researchers to know whether the opportunity development is stage-based or is a continuous transformation that results because of the entrepreneurial action and the feedback of the surrounding environment.

### **1.3 Alternative Rationality Models**

Alternative rationality models are rational choice assumptions that adopt non-deliberative pathways, effectuation logic, and the consideration of limited self-interest in opportunity development (Hunt *et al.*, 2022; Thompson *et al.*, 2023; Ramoglou *et al.*, 2023). Such models acknowledge the fact that the environment in which entrepreneurs have to operate frequently fails to permit the use of traditional methods of analysis which, in turn, can be either insufficient or even counterproductive.

Studies have shown that less-reasoned, less-deliberative tendencies are very often part of entrepreneurial action, but they do not amount to entrepreneurial failures, just other ways of

engaging in business venturing that cannot be discounted (Hunt *et al.*, 2022). Entrepreneurs are commonly seen as dynamic combinations of rational and non-rational disposition, and thus the opportunity-making process can be responsive to cognitive adaptability instead of being confined by analytical paradigms.

The stakeholder theory is another rationality frame as it highlights stakeholder-based thinking and non-economic aspects in the process of actualizing opportunities (Ramoglou *et al.*, 2023). This methodology creates strategic opportunity thinking which safeguards entrepreneurs against blind-to-stakeholder attitudes that might hinder the actualization of complex opportunities that demand stakeholder involvement and ethical judgements.

## **2. Contextual Factors**

These are the situational, institutional and environmental factors that influence and limit the opportunity development process.

### **2.1 Institutional and Regulatory Contexts**

Institutional and regulatory conditions offer formalities in which opportunity-development happens, such as government policies, regulatory settings, and quality of institutions that influence the entrepreneurial activities (Alvarez *et al.*, 2025). It has been established that institutional aspects exert varying effects at different levels of the entrepreneurial process where regulations tend to impact on new entrepreneurship and social norms tend to influence potential entrepreneurs.

The multi-country analysis indicates that such dimensions as regulative dimensions related to creation of a new business are more influential in new entrepreneurship and normative dimensions are more influential in potential entrepreneur and individual perceptions related to entrepreneurial self-capacity and experience (Alvarez *et al.*, 2025). The cultural-cognitive dimension demonstrates greater effect on nascent entrepreneurship, which implies that the institutional circumstances act in terms of stage-specific mechanisms.

The study suggests that such different institutional impacts are to be taken into account to create a set of specific target group policies that will stimulate entrepreneurial behavior with specific emphasis on the differences in the level of development between different countries (Alvarez *et al.*, 2025).

### **2.2 Geographic and Cultural Embeddedness**

Geographic and cultural embeddedness is the impact that regional features and the local settings have on the process of opportunity recognition and development (Birkholz, 2025; Corradini, 2022). It is shown that regional embeddedness plays a vital role in general and innovative opportunity perception, where embeddedness is conducted in four levels: actor, network, environment, and culture. Regional embeddedness analysis indicates that innovative regional opportunity perception is not tied to regional embeddedness as much as general opportunity

perception which implies that innovative entrepreneurial activity can more likely overcome local limitation (Birkholz, 2025). The implications of this finding on entrepreneurship policies directed to the development of a regional economy are enormous.

Social trust develops into an important aspect of geographic embeddedness that contributes greatly to new firm creation by improving information exchange and sharing of knowledge between spatially embedded relational networks (Corradini, 2022). The study demonstrates that the relevance of social trust grows in areas with lower levels of economic development which indicates that informal institutions are even more crucial in areas with lower institutional quality.

### **2.3 Religious and Cultural Contexts**

The opportunity development is affected by the religious and cultural settings via the value systems, the meaning-making processes and the community-support support structures (Alemayehu *et al.*, 2023; Linan *et al.*, 2022). Religious social capital is a powerful instrument that leads to entrepreneurial action with unique structural, cognitive, and relational aspects that facilitate the successful entrepreneurial action based on community attention and community spanning.

Studies show that religiously affiliated persons are usually entrenched within religious groups and create robust and distinct social capital in contrast with secular social capital, in which their driving forces and integration within the community (Alemayehu *et al.*, 2023). Spiritual capital in the form of religious contexts is a motivational asset and a support system to an entrepreneurial venture.

The study of gender-role orientation shows how the context of culture predetermines entrepreneurial involvement, and women with a masculine or androgynous orientation are more likely to become entrepreneurs (Linan *et al.*, 2022). The study reveals that gender-role orientation of women influences the differences in the impact of perceived entrepreneurial culture, where supportive culture promoted progress of the masculine-oriented women to the negative impact of the androgynous-oriented women.

## **3. Mechanisms**

Processes of operation, cognitive and behavioural dynamics by which entrepreneurs form opportunities in practice.

### **3.1 Cognitive Alertness Mechanisms**

The cognitive alertness systems refer to the perceptual and cognitive processing capabilities that make entrepreneurs to identify opportunities that the rest might not notice (Pidduck and Clark, 2025). This study goes beyond the Big O (recognition of opportunities to launch new ventures) to propose a culturally-conscious, process perspective, which takes into account continuous alertness during the process of venture development instead of viewing cognitive constructs as singular occurrences. The cultural-environmentalized process approach acknowledges that people



are sensitive to opportunities and seek them (and manage threats) in an ongoing manner during their entrepreneurial process (Pidduck and Clark, 2025). It is a way of incorporating the knowledge of cross-cultural psychology to offer a more holistic approach to the interpretation of the functioning of alertness in the context of various cultures and at various stages of venture development.

Leisure crafting turns out to be one of the key cognitive processes, the proactive formation of the specific leisure practice to achieve the specific entrepreneurial objectives (Hamrick *et al.*, 2023). The study has found a positive relationship between leisure crafting and opportunity recognition and venture performance through thriving at work as mediating factor, which is moderated by work task focus.

### **3.2 Identity and Meaning-Making Processes**

The identity and sense-making processes are the psychological processes by which entrepreneurs shape their entrepreneurial identities and make sense of opportunities by reference to their self-concept and value systems (O'Neil *et al.*, 2022; Shir and Ryff, 2022). Founder identity evolution is a process of existence that is built through an authenticity work process in which the first time entrepreneurs attempt to fit their personal identity with their founder identity as it is progressing over time.

The research has found out that personal identity is a guide through which the founder identity evolves in addition to the current researches on role and social identities (O'Neil *et al.*, 2022). Work on authenticity can be described as the effort founders make to experience authenticity and appear authentic when taking entrepreneurial action, which underscores authentic identity development as negotiated.

Another perspective on identity mechanisms is self-organization and eudaimonic well-being as the latter introduces entrepreneurship as a value-oriented form of agency that has a close relationship with the growth, development, and well-being of individuals (Shir and Ryff, 2022). The study illustrates the occurrence of fundamental elements of psychological well-being as the venture creation steps of deliberation, planning, implementation and reflection.

### **3.3 Social and Relational Mechanisms**

Social and relational processes include the network-based processes that develop opportunities due to interactions social and relations, and cooperative work (Yang and Leposky, 2022; Thorgren and Williams, 2023). The value co-creation in servitization shows that entrepreneurial behavior by middle managers (boundary spanning and bricolage) enables in the discovery and creation of service opportunities.

Studies indicate that servitization strengthens the value co-creation processes by exploiting or exploring the service opportunities by middle managers, which suggests the reciprocal relationship between value co-creation processes and opportunities development (Yang and

Leposky, 2022). This entrepreneur model focuses on the role of actors of individual level in the development of opportunity in collaboration.

Post-disruption entrepreneuring uncovers the ability of the entrepreneurial action to generate personal gains regardless of whether a venture occurs and thrives (Thorgren and Williams, 2023). The study illustrates that the entrepreneurship has become an available mental framework that enables adaptation through three elements, which include disruption evaluation influence, entrepreneuring application, and anticipated goals that bring a sense of meaning, motivation, and purpose.

### **3.4 Experimental and Adaptive Mechanisms**

Experimental and adaptive mechanisms are learning-by-doing strategies, which allow the development of opportunities based on the trial-and-error process and the formation of adaptive capacity (Mirkovski *et al.*, 2024; Long *et al.*, 2023). The studies of service intermediaries show how firms can attain entrepreneurial growth in the face of resource limitations based on seven support mechanisms namely need articulating, social embedding, linking, governing, clarifying, renegotiating, and mediating.

The service intermediaries that facilitate resource orchestration allow firms to use external resources and capabilities without necessarily having to accumulate internal resources (Mirkovski *et al.*, 2024). This adjusting mechanism is especially useful in the case of small firms that want to utilize expansion opportunities on international markets where resource and capabilities constraints would otherwise not allow them to expand.

The distribution of resources within nascent venture performance is identified as different amid the entrepreneurial organizing activities (Long *et al.*, 2023). The study demonstrates performance punishment and performance increases due to introduction of staff to certain areas, which indicate optimal performance of certain combinations of entrepreneurial organizing factors.

### **3.5 Leisure-Based Development Mechanisms**

The leisure-based development mechanisms constitute the incorporation of the lifestyle preferences and personal fulfillment motivation into the opportunity development processes (Hamrick *et al.*, 2023). Although such a sub-theme is a smaller one under mechanisms category, it captures major modern-day trends in the field of entrepreneurship whereby work-life integration and personal meaning are becoming more and more significant in the determination of opportunity recognition and opportunity pursuit.

Leisure crafting shows how the entrepreneur can leverage his leisure period to increase opportunity recognition and venture performance (Hamrick *et al.*, 2023). The mechanism works by mediating between thriving at work and implying that the strategic leisure may be an important boost to entrepreneurial performance through work-related well-being and cognitive functioning.

The study is generative in nature on the essence of leisure and the micro-processes that facilitate entrepreneurship, which should be the case of generating non-work activities that may be of significant importance to the development of opportunities than before (Hamrick *et al.*, 2023).

The 25 papers across the three themes, as shown in Table 1, are as follows: seven develop models that map the stages of opportunity development, eight examine the contexts that shape where and under what conditions opportunities arise, and ten explore the mechanisms - the cognitive, social, and behavioural processes that drive opportunities from initial recognition to actualization.

**Table 1: Thematic identification across the 25 papers**

Author	Title	Year	Implications	Theme
Kensbock	Reaching out or going it alone? Birth order shapes networking behavior	2025	Reveals behavioural and cognitive drivers of opportunity identification	<i>Mechanisms</i>
Brundin <i>et al.</i>	Shaping and furthering core conversations in entrepreneurship research	2025	Contributes conceptual models for mapping opportunity development sequences	<i>Models</i>
Paust <i>et al.</i>	Entrepreneurial prototyping: purpose, prototype recycling, and skills bricolage	2025	Offers insights into iterative development and resource optimization	<i>Models</i>
Birkholz	Regional embeddedness is the key: Quantity and quality of opportunity perception	2025	Highlights role of geographic and institutional contexts in opportunity emergence	<i>Contexts</i>
Alvarez <i>et al.</i>	Do institutional dimensions matter at different stages of the process?	2025	Demonstrates how formal and informal institutions influence opportunity development	<i>Contexts</i>
Gielnik <i>et al.</i>	A path-centric account of action-oriented entrepreneurship training	2025	Contributes conceptual models for mapping opportunity development sequences	<i>Models</i>
Pidduck <i>et al.</i>	Alert during what? Beyond the "Big O" to a culturally-cognizant process view	2025	Explains cognitive processes underlying opportunity recognition and evaluation	<i>Mechanisms</i>
Mirkovski <i>et al.</i>	Achieving entrepreneurial growth despite resource constraints	2024	Identifies environmental conditions that facilitate opportunity development	<i>Contexts</i>

Audretsch <i>et al.</i>	Power and entrepreneurship	2023	Identifies environmental conditions that facilitate opportunity development	<i>Contexts</i>
Ramoglou <i>et al.</i>	Is There Opportunity Without Stakeholders?	2023	Contributes conceptual models for mapping opportunity development sequences	<i>Models</i>
Thompson <i>et al.</i>	Concepts as Mirrors and Torches: Rigor and Relevance	2023	Contributes conceptual models for mapping opportunity development sequences	<i>Models</i>
Hamrick <i>et al.</i>	Work hard or play hard: leisure crafting and opportunity recognition	2023	Reveals behavioural and cognitive drivers of opportunity identification	<i>Mechanisms</i>
Alemayehu <i>et al.</i>	The formation and role of religious social capital	2023	Reveals behavioural and cognitive drivers of opportunity identification	<i>Mechanisms</i>
Long <i>et al.</i>	Entrepreneurial organizing activities and nascent venture performance	2023	Reveals behavioural and cognitive drivers of opportunity identification	<i>Mechanisms</i>
Thorgren <i>et al.</i>	Progress without a venture? Individual benefits of post-disruption entrepreneuring	2023	Reveals behavioural and cognitive drivers of opportunity identification	<i>Mechanisms</i>
Yang <i>et al.</i>	An entrepreneurial framework for value co-creation in servitization	2022	Identifies environmental conditions that facilitate opportunity development	<i>Contexts</i>
Liñán <i>et al.</i>	Does entrepreneurship fit her? Women entrepreneurs, gender-role orientation	2022	Identifies environmental conditions that facilitate opportunity development	<i>Contexts</i>
Roelandt <i>et al.</i>	The contribution of board experience to opportunity development	2022	Contributes conceptual models for mapping opportunity development sequences	<i>Models</i>
Alaassar <i>et al.</i>	Ecosystem dynamics: exploring the interplay within fintech ecosystems	2022	Reveals ecosystem-level factors that enable or constrain opportunity development	<i>Contexts</i>
Schou <i>et al.</i>	Entrepreneurial learning in online communities	2022	Illustrates how experiential learning drives iterative opportunity refinement	<i>Mechanisms</i>

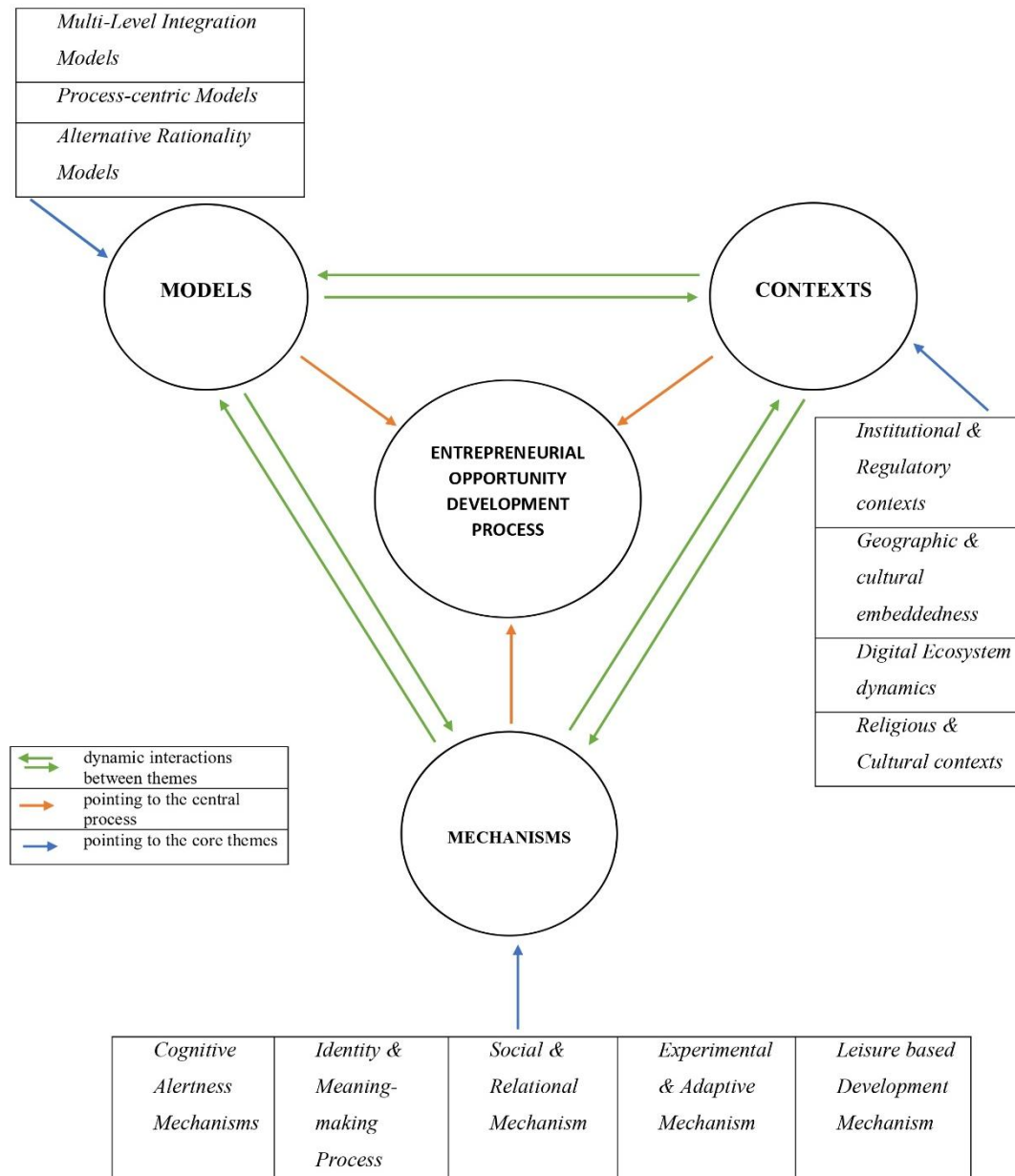
Hunt <i>et al.</i>	Cracks in the wall: Entrepreneurial action theory and weakening rationality	2022	Reveals behavioural and cognitive drivers of opportunity identification	<i>Mechanisms</i>
Shir <i>et al.</i>	Entrepreneurship, Self-Organization, and Eudaimonic Well-Being	2022	Reveals behavioural and cognitive drivers of opportunity identification	<i>Mechanisms</i>
O'Neil <i>et al.</i>	The evolution of founder identity as an authenticity work process	2022	Shows how entrepreneur identity formation affects opportunity development	<i>Mechanisms</i>
Corradini	Social trust and new firm formation: a regional perspective	2022	Highlights role of geographic and institutional contexts in opportunity emergence	<i>Contexts</i>
Davidsson <i>et al.</i>	Two types of entrepreneurship process research revisited	2022	Provides theoretical framework for understanding opportunity development stages	<i>Models</i>

### **Thematic Integration and Process dynamics**

The detailed overview of 25 studies shows that entrepreneurial opportunity development is formed in dynamic and multi-way processes between theoretical models, situational factors, and processes instead of linear developments or single theoretical constructs. Figure 4 shows this integration model in which multi-level integration models have their practical value in combination with institutional contexts and cognitive alertness mechanisms (Kensbock, 2025; Alvarez *et al.*, 2025; Pidduck and Clark, 2025), and process-based approaches work best with geographic embeddedness and iterative learning processes (Paust *et al.*, 2025; Birkholz, 2025; Corradini, 2022; Davidsson & Gruenhagen, 2022). The alternative rationality models are reflected in the dynamics of digital ecosystems where the thinking of stakeholders is operationalized through the process of value co-creation in the complex multi-stakeholder environment (Hunt *et al.*, 2022; Ramoglou *et al.*, 2023; Yang and Leposky, 2022; Alaassar *et al.*, 2022; Thompson *et al.*, 2023).

Effects of contextual amplification reveal the influence of environment factors, which form a stage specific effect on the development of opportunities, and institutional dimensions produce varying effects on the development of new entrepreneurship; normative dimensions on potential entrepreneurs (Alvarez *et al.*, 2025). The dynamics of the digital ecosystem introduce accelerating and inhibiting forces in which fintech entrepreneurial ecosystems enable access to resources and establish competitive boundaries (Alaassar *et al.*, 2022), necessitating service intermediary support that occurs through resource orchestration (Mirkovski *et al.*, 2024).

Mechanistic convergence takes place when two or more operational processes interact, e.g. cognitive alertness mechanisms converging with leisure creating behavior so as to enhance opportunity recognition by thriving at work (Pidduck *et al.*, 2025; Hamrick *et al.*, 2023), and identity-based integration allows entrepreneurs to align personal values with environmental opportunities by using authenticity work and meaning-making processes facilitated by religious social capital and cultural embeddedness (O'Neil *et al.*, 2022; Shir *et al.*, 2022, Alemayehu *et al.*, 2023; Birkholz, 2025; Linan *et al.*, 2022).



**Figure 4: Integrated Framework of Entrepreneurial Opportunity Development Process with Dynamic Interactions**

The critical insight is configurational complexity that shows that to achieve optimal opportunity development, there are ideal constructions of theoretical approaches, situational circumstances,

and working mechanisms instead of best practices, and the same activities can produce performance penalties and performance benefits based on the time and arrangements (Long *et al.*, 2023). Network spanning effects can reveal the availability of the social and relational mechanisms to form boundary-spanning activity that connects various theoretical approaches and contextual spaces (Yang and Leposky, 2022), and post-disruption entrepreneuring shows how social mechanisms may form individual gains irrespective of the results of the venture (Thorgren and Williams, 2023). Recursive feedback dynamics demonstrate that the self-reinforcing cycles of successful opportunity development is based on eudaimonic well-being that increases both individual development and venture performance (Shir and Ryff, 2022) and that temporal integration patterns indicate various combinations of themes throughout the stages of venture development that need to be dynamically reconfigured as ventures develop (Audretsch and Fiedler, 2023; Roelandt *et al.*, 2022; Schou *et al.*, 2022). The proposed integrated framework proves that the process of entrepreneurial opportunity development is multi-level as effective development is achieved through holistic approaches that embrace the dynamic interactions of all three themes instead of looking at individual elements of the process (Brundin *et al.*, 2025; Gielnik *et al.*, 2025).

## **Discussion**

This work aimed to combine the recent research on the development of entrepreneurial opportunities and go beyond the concepts of entrepreneurial opportunities that are linear or that occur in stages. The findings demonstrated that opportunity development can be best explained as an emergent, multi-directional, and configurational process, which gets shaped by the continuous interaction of theoretical models, contextual conditions, and underlying mechanisms. Instead of developing through a series of foreseeable steps, the process of opportunity development is re-patterned dynamically as the entrepreneurs adjust to evolving environments, institutional limits, and individual meanings systems.

The review extends the action-process model proposed by Frese and Gielnik by showing that entrepreneurial action processes become effective only when embedded within supportive institutional and contextual arrangements. The multi-level integration models, e.g., are stronger and more powerful in their explanations when consistent with the regulatory environment and cultural-cognitive institutions defining alertness and action of entrepreneurs. In a like manner, process-based models work best through geographically and socially contextualized environments that make iterative learning, experimentation, and feedback possible. The results of these studies show that the agent of entrepreneurship cannot be studied in the context of an individual environment, and it is a part of a larger framework that it must be applied to.

An important lesson that is learnt during this review is the concept of configurational complexity. Models, contexts and mechanisms are combined differently in different stages of

venture development to produce divergent outcomes due to the same entrepreneurial activities or prototyping, networking, or learning-by-doing. This questions universalistic assumptions of best practices in entrepreneurship and puts emphasis on contextual fit. There are institutional dimensions, such as, the stage-specific effects, that regulatory structures affect venture emergence and normative and cultural-cognitive dimensions affect entrepreneurial intentions and endurance.

The results also indicate the relevance of feedback dynamics of opportunity development, which is recursive in nature. The success of opportunity enactment improves the psychological welfare of entrepreneurs that boosts their ability to perceive and seek further opportunities. Identity work, authenticity, and leisure-based development mechanisms are important to maintain this feedback loop by helping to match entrepreneurial activity and personal values and meaning. The process of opportunity development is, therefore, not just an economical process but also a very human one inherent in the psychological development, social relations, and experience of life itself.

## **Implications**

### **Theoretical Implications**

This review contributes significantly to literature in entrepreneurship in a number of ways. First, it contributes to the opportunity development theory by resetting the opportunities as configurational products, as opposed to discrete revelations or progressive sequences. The study shows that alignment or lack thereof of these dimensions over time is what constitutes opportunity development by bridging models, contexts, and mechanisms together into a single framework.

Second, the results provide extensions of process-based approaches that emphasize the impact of contextual amplification and indicate how institutional, cultural, and digital settings can favorably or inhibit entrepreneurial action at various ranks. This shows a problem with the overly individualistic explanations of opportunity development, and a more explicit focus on multi-level and cross-contextual interactions in future theory construction.

Third, the research has added to the new discourse of the relationship between entrepreneurship and well-being, identity, and meaning-making. Through the discovery of recursive links between the opportunity enactment and psychological health, the review places opportunity development as a self-reinforcing process that incorporates economic, socio-cultural, and individual results. This introduces new conceptual methods of analyzing the entrepreneurship as an act of value-oriented human agency, as opposed to the market-based activity only.

### **Practical Implications**

For entrepreneurs, the results indicate that the development of opportunities is not contingent on strategies that are universally applicable; it is rather a matter of developing a fit between the



personal cognitive orientations and the contextual conditions and action mechanisms. The reflection practices are thus likely to be beneficial to entrepreneurs as they enable them to evaluate the appropriateness of their strategies to the institutional, cultural, and relational environments they are working in.

For entrepreneurship educators, the findings indicate the need to shift to the context-sensitive learning strategies, which are experiential, as opposed to the standardized training models. Prescriptive venture creation templates should not be the focus of educational programs, but instead experimentation, identity development, and adaptive learning should be prioritized.

For the policymakers, the results mean that they must make the entrepreneurship-support policies stage-dependent and context-dependent. Institutional and regulatory interventions which aid venture emergence might be quite different than those which aid entrepreneurial growth. Understanding the difference of regional and cultural environment as well as digital ecosystem can result in better and inclusive entrepreneurship politics.

### **Limitations and Future Research Directions**

The study has limitations which can provide guidelines on the way forward of future research. To begin with, the search is restricted to the studies published since 2022. Although this time frame reflects the recent conceptual changes in the field of entrepreneurship research, it might overlook the previous groundbreaking knowledge that might add to the framework.

Second, the review is limited to peer-reviewed articles in A and A\* journals including ABDC A. Even though this guarantees a high quality of scholarship, it can also restrict exposure to new ideas published more in a specialized or interdisciplinary publication.

Third, the integrative framework that came out of this review is a mere conceptual framework that has not been tested empirically. The future research needs to aim at quantifying, qualifying or mixed-method studies that identify the variables of the configurations found in this review. The longitudinal research designs would be of great help especially in studying the evolution of the opportunity development configurations across the venture stages.

The cross-cultural differences in identity, leisure, and well-being process could also be studied by future researchers and the recursive feedback loop between the opportunity enactment and the psychological outcomes empirically tested. This work would also enhance the explanatory and predictive abilities of the proposed framework.

### **Conclusion**

This systematic literature review shows that the development of entrepreneurial opportunities is a complex process that is not linear and cannot be predicted through a set of universal factors but as a dynamic, multi-level phenomenon that is influenced by the interplay of theoretical models, forces in the context, and action mechanisms. The study offers an integrative framework on the

basis of synthesis of recent studies that enhances the current process theories and emphasizes the configurational character of the opportunity development.

The results highlight the fact that successful opportunity development is not triggered by a particular action or a specific set of qualities but rather made possible through the congruity of cognitive, social, and environmental factors across a time span. This review will help build a more subtle picture of the creation, maintenance, and modification of opportunities in practice because it provides a holistic view. The framework gives a platform on which empirical studies may be pursued in the future and it also offers practical information to entrepreneurs, educators and policymakers to create conditions where entrepreneurial opportunities can truly flourish.

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## **ENTREPRENEURIAL COGNITION: A SYSTEMATIC LITERATURE REVIEW ACROSS THE VENTURE CREATION PROCESS**

**Shubhra Bhugra**

LM Thapar School of Management,

Thapar Institute of Engineering and Technology (Deemed to be University),

Patiala, Punjab, India

Corresponding author E-mail: [sbhugra\\_phdp25@thapar.edu](mailto:sbhugra_phdp25@thapar.edu)

### **Abstract**

This systematic literature review on Entrepreneurial Cognition is synthesization of 22 peerreviewed studies published between 2007 and 2025 to map the intellectual landscape of entrepreneurial cognition. Following the PRISMA guidelines I have followed three (3) stages to shortlist the research papers from the top entrepreneurship journals to analyze the empirical and conceptual contributions to the field of entrepreneurial cognition. The thematic findings reveal six dominant themes -- Cognitive traits, Metacognition, Cognitive Adaptability, Human Experiences, Decision-making Processes, Social Cognitive factors that influence entrepreneurial behavior across the venture creation stages and contributes differently to the outcome. Cognitive traits like intuition, analytical thinking, effectuation, sensemaking, self-efficacy, affect, role schema, social capital, human past experience as pivotal constructs influencing opportunity identification, planning, and resource mobilization. Methodologically, the field demonstrates a balanced mix of quantitative, qualitative, and conceptual approaches, with a growing emphasis on metacognitive models and cognitive adaptability. This review contributes to the theoretical consolidation of entrepreneurial cognition by offering a structured thematic framework and highlighting the relationship of distinctive cognitive traits influencing the entrepreneur behavior and actions across the venture creation stages ultimately contributing towards the success or failure and outcome of the process. Implications for future research include expanding multi-level analyses, refining cognitive measurement tools, and integrating dynamic cognitive mechanisms into entrepreneurial process models.

**Keywords:** Entrepreneurship; Entrepreneur; Cognition; Cognitive

### **Introduction & Background**

Entrepreneurial cognition has emerged as a critical lens for understanding how entrepreneurs perceive, assess, and act upon opportunities amid uncertainty and complexity. Mitchell *et al.* (2007) raised a foundational question during his study on entrepreneurial cognition research: *How do entrepreneurs think?* They seek to uncover the cognitive mechanisms that enable entrepreneurs to identify, evaluate, and exploit opportunities under unknown risky conditions.

Their study emphasizes the role of cognitive structures—such as scripts, schemas, and heuristics—in shaping entrepreneurial decision-making and opportunity recognition. They laid the groundwork for a systematic exploration of how expert cognition, intentionality, and metacognitive awareness distinguish entrepreneurial actors from others in the business ecosystem. Thus, they defined Entrepreneurial cognition as the knowledge structures that people use to make assessments, judgments or decisions involving opportunity evaluation and venture creation and growth (Mitchell *et al.*, 2007). Scholarship in this area has grown dramatically over the last 20 years, combining knowledge from behavioural economics, strategy, and psychology to explain how cognitive processes influence the goals, choices, and results of entrepreneurs. Cognitive factors have played an important and supporting role in the new venture creation stages. The cognitive approach helps the individual to process the concepts and information, construct opportunities, do planning and respond to risky and dynamic environments. Entrepreneurs process information via multiple schemas present in their mind which push them to “Connect the dots” and take critical decisions during the uncertain conditions. Past studies have contributed valuable theoretical and empirical insights ranging from heuristics and biases, opportunity recognition, metacognition and entrepreneurial intentions & to cognition in teams and ecosystems. The growing need of research in intersection of entrepreneurial and cognition for an understanding of how entrepreneurial cognition has been conceptualized, the antecedents that shape it, and the outcomes it produces. To address this gap, this systematic literature review synthesizes findings from 22 peer review papers published (English Language) between 2007 and 2025, with the aim of mapping the intellectual evolution of the field, identifying recurring themes and methodological approaches and key findings. This paper focus on the multiple cognition factors and their relationships effecting the outcome in different stages of venture creation. This synthesis provides a comprehensive view of how entrepreneurial cognition has been studies and expressed across time.

### **Research Methodology**

To identify the relevant contributions to entrepreneurial cognition research, I conducted a review of peer – reviewed articles published in English language from the time frame of 18 years. The review follows PRISMA guidelines, ensuring transparency in identification, screening, eligibility, and inclusion. This approach is efficient and involved the identification of journals, choice of keywords, and selection of articles. I conducted the review in three distinct stages, following the PRISMA guidelines.

### **Identification**

The systematic literature review began with the identification stage, involving comprehensive searches across relevant academic databases and journal platforms. The primary objective was to cast a broad net to capture all potentially pertinent studies on entrepreneurial cognition. The

search strategy involved carefully constructed search strings applied to specific fields, along with the application of various filters to refine the initial results.

The following table summarizes the key parameters and outcomes of our identification process:

**Table 1: Key parameters and outcomes of identification process**

Databases	Google Scholar, top-ranked journals
Search Strings	“Entrepreneurship” OR “Entrepreneur” AND “Cognition” OR “Cognitive” (applied to title, keywords, abstract)
Initial Records	214,000 hits
Filters Applied	Peer-reviewed research papers, review articles, book reviews, English language only
Timeframe	2007–2025
Result	Reduced to 19,300 records

This systematic approach yielded an initial substantial number of records, which were subsequently refined through the application of specified inclusion criteria, leading to a manageable set for the next stages of the review.

### Screening

Following the extensive identification phase, the screening stage was initiated to systematically filter the collected records based on pre-established eligibility criteria. This rigorous process aimed to reduce the volume of studies to a manageable and highly relevant set for in-depth analysis. The screening process involved several layers of refinement, as detailed below:

**Table 2: Journal screening process**

Journal Screening**:	Restricted to top 5 entrepreneurship journals (ETP, JBV, SEJ, JSBM, JMS)
Result:	4,835 records
Inclusions (Filter):	Only A* and A-ranked journals (ABDC list), open access.
Result:	1,000 records
Exclusions:	Removed duplicates and irrelevant keyword overlaps (e.g., “teams”)
Result:	600 records

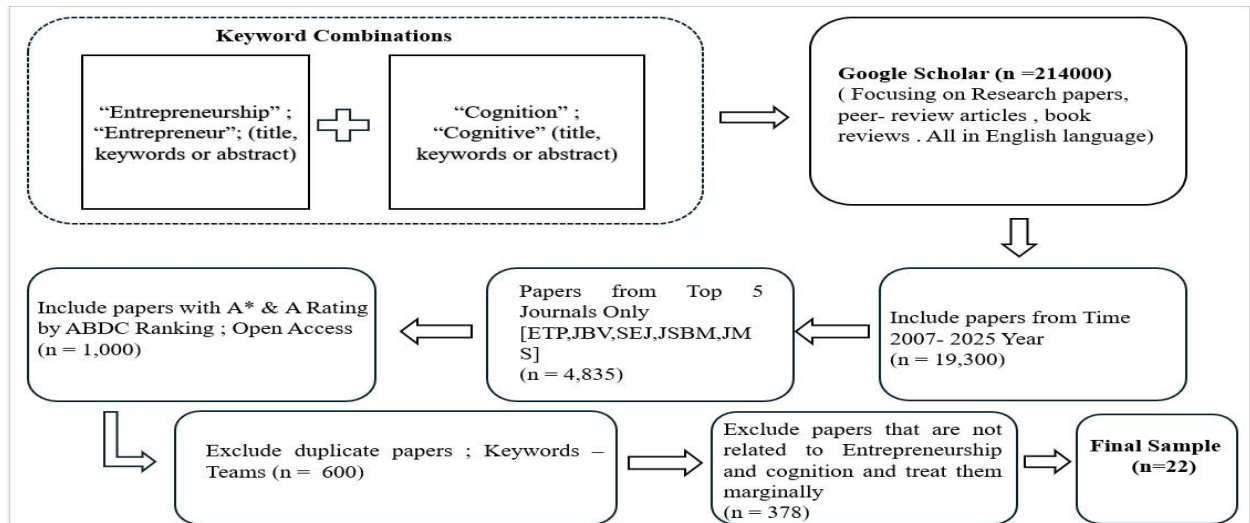
This comprehensive screening process, applying both restrictive journal-based filters and precise inclusion/exclusion criteria, effectively reduced the initial pool of studies from the identification stage to 600 records, which are now poised for the subsequent full-text review.

### Eligibility

Articles are reviewed by the abstracts for initial level screenings. In this stage we have evaluated articles which are of direct relevance to entrepreneurship and cognition, while keeping the exclusion criteria of discarding the studies (n = 378 records) which are not related to subject or

treating it marginally. So, after screening rigorously we have concluded with the final 22 highquality articles for analyzing entrepreneurial cognition, ensuring both depth and focus.

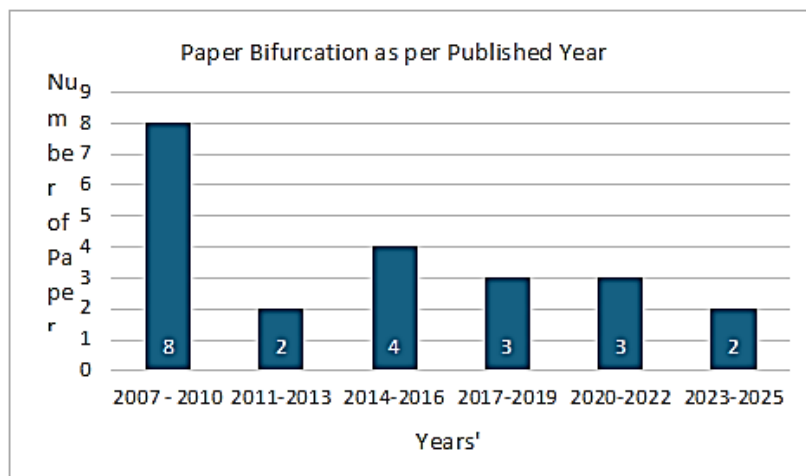
### PRISMA Flow Chart



**Figure 1: PRISMA Flow Chart**

### Bibliometric Analysis of the research papers

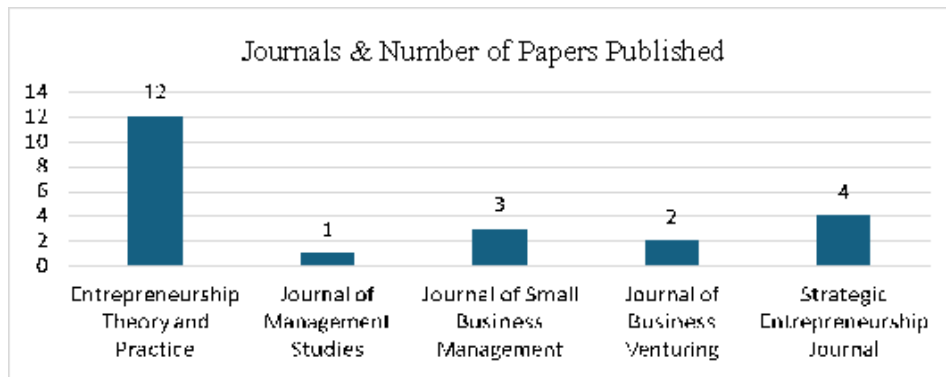
This analysis examines the distribution of the published papers over the time and across the journals offering a quantitative overview of the research activity.



**Figure 2: Paper bifurcation as per published year**

The fig. 2 illustrates the publication trends of the identified papers from 2007 to 2025. The earliest period (2007 - 2010) shows a significant concentration of research with 8 papers published, indicating an initial strong interest or a foundational period for this topic. After this period, a significant dip has been observed during the period of 2011 – 2013, followed by slight increase in the number of papers in 2014 onwards.





**Figure 3: Journals & Number of papers published**

The Fig. 3 highlights the contribution of the top entrepreneurship journals to the body of literature on entrepreneurial cognition within the study. Entrepreneurship Theory and Practice stand out as the most prolific journal, contributing 12 papers, which is significantly higher than any other journal in the selected set. This indicates its central role in publishing research on entrepreneurial cognition.

### **Thematic Overview of Studies**

To systematically organize and analyze the diverse body of literature on entrepreneurial cognition, a comprehensive study classification table (Table - 3) has been compiled. This table provides a structured overview of each research paper including in the study detailing key information on author, publications, year, methodology and the context of the paper. The primary aim of this classification is to facilitate a deeper understanding of the methodological approaches and thematic focus within the field, thereby enabling a more nuanced synthesis of findings.

### **Methodological Approach**

The included papers explain a variety of methodological approaches reflecting multidimensional characteristics of entrepreneurial cognition research. Some papers use quantitative methodology in combination with confirmatory and empirical study to test hypothesis and analyses the relationships between the cognition factors or mechanisms and entrepreneurial outcome. Most of studies frequently use surveys, experimental study to examine the relationships between the cognitive variables influence in the venture creation stages. A few use conceptual, theory driven approach to form crucial segment providing the foundational frameworks and deep theoretical understanding. Some study has used qualitative and empirical methodology to explore phenomena through in-depth analysis & to explore narrative and insights from real world experiences.

**Table 3: Study Classification Table**

**Table 3: Study Classification Table**

Sr. No.	Author(s)	Title	Journal	Year	Methodology	Context
1	Baron, R. A.	Behavioral and Cognitive Factors in Entrepreneurship: Entrepreneurs as the Active Element in New Venture Creation	Strategic Entrepreneurship Journal	2007	Qualitative; Conceptual Review	Explains the entrepreneur as a driving force in venture creation, focusing on behavior, cognition, and affect influencing opportunity recognition and resource acquisition.
2	Bastian, B.; Hjelle, M.; Shepherd, D.	Systemizing Entrepreneurial Metacognition: Thinking About the Past and Future	Entrepreneurship Theory and Practice	2025	Conceptual; Theory-driven	Defines entrepreneurial metacognition as self-aware, regulated thinking; synthesizes five attributes and develops a conceptual model linking antecedents and outcomes.
3	Brinckmann, J.; Kim, S. M.	Why We Plan: The Impact of Nascent Entrepreneurs' Cognitive Characteristics and Human Capital on Business Planning	Strategic Entrepreneurship Journal	2015	Quantitative	Examines how cognitive traits and human capital influence planning behavior among nascent entrepreneurs.
4	Byrne, O.; Shepherd, D. A.	Different Strokes for Different Folks: Entrepreneurial Narratives of Emotion, Cognition, and Making Sense of Business Failure	Entrepreneurship Theory and Practice	2015	Empirical	Explores emotional narratives and sensemaking processes following business failure.
5	Chadwick, I. C.; Raver, J. L.	Psychological Resilience and Its Downstream Effects for Business Survival in Nascent Entrepreneurship	Entrepreneurship Theory and Practice	2018	Quantitative; Empirical	Studies resilience as a cognitive factor affecting venture survival using broaden-and-build theory.
6	Corbett, A. C.; Hmieleski, K. M.	The Conflicting Cognitions of Corporate Entrepreneurs	Entrepreneurship Theory and Practice	2007	Conceptual; Theory-driven	Discusses role and event schemas influencing corporate entrepreneurial decision-making.

7	Corbett, A. C.; Neck, H. M.; DeTienne, D. R.	How Corporate Entrepreneurs Learn from Fledgling Innovation Initiatives	Entrepreneurship Theory and Practice	2007	Qualitative	Examines learning and cognitive processes after early-stage innovation failures.
8	Fisher, G.; Neubert, E.	Evaluating Ventures Fast and Slow: Sensemaking, Intuition, and Deliberation	Entrepreneurship Theory and Practice	2022	Conceptual; Theory-driven	Proposes a model integrating intuition (Type 1) and deliberation (Type 2) in resource decisions.
9	Fossen, F. M.; Neyse, L.	Entrepreneurship, Management, and Cognitive Reflection	Entrepreneurship Theory and Practice	2023	Quantitative; Empirical	Investigates intuition, cognitive reflection, and decision accuracy under uncertainty.
10	Frederiks, A. J. <i>et al.</i>	Entrepreneurial Cognition and the Quality of New Venture Ideas	Journal of Business Venturing	2019	Quantitative; Empirical	Examines future-oriented cognition and its impact on new venture idea quality.
11	Grégoire, D.; Corbett, A.; McMullen, J.	The Cognitive Perspective in Entrepreneurship	Journal of Management Studies	2011	Conceptual; Theory-driven	Reviews entrepreneurial cognition research and sets a future research agenda.
12	Groves, K.; Vance, C.; Choi, D.	Examining Entrepreneurial Cognition	Journal of Small Business Management	2011	Quantitative; Empirical	Explores linear, nonlinear, and balanced thinking styles influencing success.
13	Haynie, J. M.; Shepherd, D. A.; Patzelt, H.	Cognitive Adaptability and an Entrepreneurial Task	Entrepreneurship Theory and Practice	2010	Quantitative	Explains metacognition and adaptability in uncertain entrepreneurial environments.
14	Haynie, M.; Shepherd, D. A.	A Measure of Adaptive Cognition for Entrepreneurship Research	Entrepreneurship Theory and Practice	2009	Quantitative; Confirmatory	Introduces and validates a 36-item cognitive adaptability scale.
15	Hsu, D. K.; Wiklund, J.; Cotton, R. D.	Success, Failure, and Entrepreneurial Reentry	Entrepreneurship Theory and Practice	2017	Quantitative; Empirical	Examines reentry intentions using self-efficacy and prospect theory.

16	Haynie, J. M. <i>et al.</i>	A Situated Metacognitive Model of the Entrepreneurial Mindset	Journal of Business Venturing	2010	Conceptual; Theory-driven	Develops a framework emphasizing metacognition in uncertain decision contexts.
17	Kaffka, G. A. <i>et al.</i>	A Socially Situated Cognitive Approach to Processing Critical Feedback	Journal of Small Business Management	2021	Qualitative; Conceptual & Empirical	Introduces “sense-breaking” and feedback-driven sensemaking mechanisms.
18	Kickul, J. <i>et al.</i>	Intuition Versus Analysis? Testing Differential Models of Cognitive Style	Entrepreneurship Theory and Practice	2009	Quantitative; Empirical	Tests intuitive vs analytical cognition on self-efficacy and venture creation.
19	Martins, L. L.; Rindova, V. P.; Greenbaum, B. E.	Unlocking the Hidden Value of Concepts	Strategic Entrepreneurship Journal	2015	Conceptual; Theory-driven	Explains business model innovation through cognitive tools and schemas.
20	Mitchell, R. K. <i>et al.</i>	The Central Question in Entrepreneurial Cognition Research	Entrepreneurship Theory and Practice	2007	Conceptual; Theory-driven	Reviews progress and sets agenda for entrepreneurial cognition research.
21	Narayanan, V. K.; Zane, L. J.; Liguori, E.	Critical Methodological Considerations for Entrepreneurial Cognition Research	Journal of Small Business Management	2020	Conceptual; Theory-driven	Synthesizes methodological challenges in cognition research.
22	Pryor, C. <i>et al.</i>	Toward an Integration of Behavioral and Cognitive Influences	Strategic Entrepreneurship Journal	2015	Conceptual; Theory-driven	Integrates behavioral and cognitive perspectives in entrepreneurship processes.

## **Thematic Focus**

The “Context” Column (Ref. Table-3) delineates several overarching themes in the field of entrepreneurial cognition research offered a structured understanding of the field. Cognitive Traits examine the influence of attributes like intuition, analytical thinking, sense breaking, passion etc in entrepreneurial success and venture creation. Another key area is learning & sensemaking, which investigates how entrepreneurs learn from experiences and construct meaning during opportunity development (Byrne O, Shepherd DA, 2015). A prominent theme is decision-making processes, exploring how entrepreneurs navigate uncertainty through deliberation & cognitive reflection (Fossen FM, Neyse L, 2023). Complementing this is metacognition and adaptability, focusing on self-reflection and the regulation of cognitive processes within entrepreneurial contexts (Bastian B, Hjelle M, Shepherd D, 2025). This thematic classification provides a concise overview of the literature's cognitive dimensions

## **Thematic Synthesis**

### **Cognitive Themes in Opportunity Identification Stage of Venture Creation**

Entrepreneurial cognition is shaped by diverse cognitive styles that influence how individuals identify opportunities, plan ventures, and marshal resources. The following themes—intuition, analytical thinking, sensemaking, sense breaking, passion, affect, effectuation, emotions and self-efficacy—represent key cognitive elements that interact across venture creation stages. "Intuition" as the key element which dominates the decisions in uncertainty and risky conditions (Fossen and Neyse, 2023). According to Kickul *et al.* (2009), Intuition positively influences opportunity identification and entrepreneurial intentions, especially when self-efficacy is high unlike analytical style. However, during the planning and marshalling stage its impact is less significant or even inversely related to self-efficacy, suggesting that intuition may be more useful in early-stage ideation than in execution phases. A distinction between intuitive and contemplative thinking styles is made in dual-process theories. Intuitive style is fast and effortless relying on business heuristics, but have high risk of failures. Unlike, contemplative or analytical style is slow and needs more cognitive effort and the decisions making is logical and have low risk for failures. The cognitive ability to switch from Intuitive to contemplative style when necessary is called cognitive reflection (Fossen FM, Neyse L., 2023). As recent empirical study done by Fossen FM, Neyse L. (2023) shows that entrepreneurs make more intuitive decisions than managers. As overconfidence is one key variable which moderates the effect on the differences in the cognition reflection test (CRT) score of entrepreneurs and managers between the occupational groups and there are no significant differences between employers and non-employers with respect to CRT performance. Descriptive analysis shows that entrepreneurs overestimate themselves more than managers, and they are also more intuitive decision-makers.

Effectuation has been conceptualized as a distinctive form of entrepreneurial expertise, wherein venture development is guided by the entrepreneur's existing means—such as personal knowledge, skills, and networks—and shaped by their cognitive framing of unfolding circumstances. This perspective emphasizes that entrepreneurs do not merely apply general principles but rely on their unique repertoire to interpret and act within dynamic environments (Mitchell *et al.*, 2007). This study highlights entrepreneurs' cognitive repertoire as key to navigating uncertainty, while Baron (2007) shows how affective states shape biases and creativity.

As per Baron (2007) research, Affect refers to relatively temporary and mild moods or feelings individuals experience throughout their daily lives (event-induced or state affect) as well as to more stable tendencies to experience positive or negative feelings. Thus, Affect shapes cognitive biases and creativity. Research also added that positive affect enhances opportunity recognition but may also induce overconfidence.

Sense making & sense breaking is a vast cognition factors which plays a role majority in opportunity development phase of venture creation. As Pryor C *et al.* (2015) defined sensemaking as the cognitive process through which individuals assign meaning to new beliefs that arise from gaps in understanding or unexpected experiences. Sensemaking occurs through the interplay between cognition and environment. It goes through three phases – attention, selection and retention to fill the gaps in understanding for an individual. As per kaffka GA *et al.* (2021) research, entrepreneurs process critical feedback through the concept of sense breaking and discuss the resultant cognitive changes using the socially situated cognitive perspective. Sense breaking is disruptive and negative emotions which entrepreneurs feel on receiving critical feedback from stakeholders during opportunity development process. This process further triggers through 3 mechanisms - redirecting, reframing, questioning to get novel sensemaking as positive outcome.

Self-efficacy is a foundational cognitive trait that moderates the influence of other styles. High self-efficacy amplifies the positive effects of intuition, passion, and sensemaking, while mitigating the limitations of analytical overthinking and emotional distress. It predicts entrepreneurial intentions, resilience, and reentry after failure. Byrne O, Shepherd DA. (2015) found evidence that negative and positive emotions act in concert to facilitate sensemaking—high negative emotions motivate, and high positive emotions inform, sensemaking efforts. The study also gives insights into the nature of entrepreneurs' narratives and the role of positive emotions in explaining how the negative emotions and emotion focused coping enables cognitions for making sense of business failure. Author called this study to theorize on “learning from failure” and “entrepreneurial grief” to explain the real feelings, thoughts, and behaviors of entrepreneurs attempting to make sense of their business failure experiences. This study reveals how entrepreneurs' emotional narratives— marked by negative emotions, emotion-focused

coping, and emerging positivity—enable deeper sensemaking of business failure. Positive emotions expand cognitive capacity, fostering reflection and insight essential for processing and learning from failure experiences. Failure is a natural part of starting and running a business. The past study suggests this truth encourages both researchers and entrepreneur to accept it too, because doing so can actually help them succeed in the future (Corbett AC, Neck HM, DeTienne DR (2007)). Author suggests that corporate entrepreneurs often make use of cognitive scripts (termination scripts) for taking decision to ramp down the project development and they found evidence of learning from the script deployment. During the initial script-coding led to the emergence of three distinct cognitive scripts that corporate entrepreneurs used to make termination decisions regarding failing or fledgling innovation projects, those are undisciplined termination, strategic termination & innovation drift. The study found evidence that the learning varies with the different script being used during the termination decision process.

Frederiks *et al.* (2018) empirically examined the differences made by future oriented cognitive processes on the quality of new venture ideas generated by the individuals. Using experimentation, author has compared prospective thinking, counterfactual thinking and perspective taking. Results show that prospective thinking and perspective taking leads to higher-quality NVIs, suggesting it plays a critical role in entrepreneurial ideation. Martins *et al.* (2015) suggests that innovation is born from generative cognitive processes such as conceptual combination and analogical reasoning which open ups new avenues for value creation and business model design.

### **Cognition Themes in the Planning Stage of Venture Creation**

The planning stage of venture creation demands analytical, logical, adaptive and reflective cognition. Three cognitive themes in this stage – Metacognitive Ability, Cognitive Adaptability and Human Past Experience play an important role in shaping the entrepreneur judgement and strategic planning.

Entrepreneurial Metacognition as the mental activities of generating self-awareness and monitoring and controlling one's cognition about identifying potential opportunities, creating a new venture, and/or managing a new venture (Bastian B, Hjelle M, Shepherd D., 2025). Emotional and cognitive antecedents play a central role in initiating entrepreneurial metacognition. Emotional drivers are affective experiences like excitement, anxiety, or passion that led entrepreneurs to examine their cognitive processes. Cognitive drivers arise when entrepreneurs become consciously aware of noticing, interpreting, or evaluating information from their environment, thus triggering metacognitive awareness and regulation. As per Bastian B *et al.*, 2025 there are 5 attributes (Adaptive Cognition, Metaheuristics, Self-regulated cognition, Cultural adaptation and meta competencies) which contributes to entrepreneurial metacognition as per the literature review done by them. Metacognition can influence new venture formation by facilitating the generation of entrepreneurial intentions to start and planning

phase of a new venture creation. Some studies show that meta-competencies and meta-heuristics could be considered as critical mechanisms by which entrepreneurial metacognition operates. A few studies posit individuals constrained in their metacognitive abilities are less likely to engage alternative strategies, and are therefore less adaptable when the decision-context changes, or when it is novel and uncertain.

Haynie (2010) research suggests that individuals with high metacognitive knowledge use feedback more effectively than individuals who have less metacognitive knowledge, and this performance difference is greater for cognitive feedback than for outcome feedback. Study shows individuals with higher metacognitive ability are better able to adapt their decision-making strategies in entrepreneurial tasks, even when they lack prior entrepreneurial knowledge. Alternatively, metacognition is also referred as a second-order cognitive process that encompasses one's conscious knowledge and management of the structures of knowledge employed in rendering judgments, assessments, and decisions. In entrepreneurial settings, it occurs when individuals face uncertain or new decision tasks and proactively apply reflective strategies—like questioning oneself, reasoning by analogy, and incremental testing of options. An entrepreneur with heightened metacognitive awareness can draw upon prior experiences, domain expertise, and intuitive insight to generate and evaluate a diverse set of strategic options, thereby enhancing both decision-making flexibility and the quality of chosen alternatives (Haynie *et al.*, 2010). Grégoire, Corbett, & McMullen, 2011 emphasizes studying the origins, development, and interactions of cognitive variables, integrating cognitive science principles to better understand entrepreneurial thinking and action. Author proposes a process-oriented, multi-level research agenda to study entrepreneurial cognition. As per J.M. Haynie *et al.*, 2010 metacognitive experience represents a stock of cognitive resources representative of the entrepreneur's intuitions, affective experiences, and emotions, which can be brought to bear on formulating a metacognitive strategy to realize a desired outcome. Also, studies have pointed out that metacognition is an essential for explaining how individuals engage in cognitive activities such as thinking, articulating, debating and problem solving etc.

Bastian B, Hjelle M, Shepherd D. (2025) define the entrepreneur's adaptive cognition as their capability to change their cognitive approach to achieve desirable outcomes in a dynamic business environment. Haynie and Shepherd (2009) developed a measure for adaptive cognition, showing that entrepreneurs who adjust their thinking in response to feedback and environmental cues demonstrate superior planning outcomes. Based on social cognition theory adaptive cognition describes the ability to be dynamic, flexible, and self-regulating in one's cognition given dynamic and uncertain task environments" (Haynie *et al.*, 2010). This adaptability supports linear and nonlinear reasoning, as highlighted by Groves *et al.* (2011), facilitating both linear analysis and creative problem-solving. Therefore, based on social cognition theory



adaptive cognition describes the ability to be “dynamic, flexible, and self-regulating in one’s cognition given dynamic and uncertain task environments” (Haynie *et al.*, 2010).

Human past experience contributes to planning stage via script development and pattern recognitions. Past experience of entrepreneurs collectively contributed to form cognitive schemes which guide decision making during uncertain situations. Individuals learn through experiences as they encounter variations in experience, they can tweak or revise scripts. Script revision can involve adding detail to a script, developing increasingly abstract scripts that enable individuals to behave appropriately in a wide range of similar situations or, in some cases even wholesale abandonment of a given script and development of entirely new ones. Scripts help resolve uncertainty by guiding behaviors in common social settings and interactions.

As Corbett (2007) explains the role schema as a cognitive structure or mental framework relating to how one’s knowledge is organized about the set of behaviors expected of a person in a certain job, function, or role. And an event schema as a mental road map. Role schema for corporate entrepreneurs is higher than the individual entrepreneurs and positively influence the intentions and readiness for the venture creation and development, with a moderating positive effect of context of the organization.

As per Brinckmann J, Kim SM (2015), entrepreneurial self-efficacy and perseverance are two important cognitive traits which contribute towards the business planning. Author also mentioned the role of human capital (education & prior experience) on creating and planning the business. As per the studies, nascent founders with high self-efficacy are more likely to develop formal business plan unlike the founders with high perseverance. High perseverance founders are more likely indulged in business planning activities only. Study also added that the founders with education, prior entrepreneurial and managerial experience are more likely to engage in business planning activities.

### **Cognition Theme in Marshalling of Resources Stage**

Resource mobilization is the core aspect of the entrepreneurship. As entrepreneurs often lack the full set of resources needed to pursue opportunities, launching the business successfully. As past study mentions that to launch a venture, entrepreneur has to rely on external support from multiple external actors like crowd funding, family, friends, investors, venture capitalists etc. This process enables access to financial capital (like funding), human capital (such as skills), and social capital (including networks and information), offered by actors with diverse motivations. Fisher G, Neubert E. (2022) explains on how resource providers evaluate entrepreneurial ventures under uncertainty, emphasizing the interplay of sensemaking, intuition, and deliberation. Their conceptual model highlights how individual and social factors shape support decisions, with intuitive judgments often preceding deliberate reasoning.

From the perspective of entrepreneurs or individuals during the launch of the ventures, the marshalling stage involves acquiring of resources through strategic cognition and social

engagements. Three sub-themes are identified which contributes directly to this stage – Social Cognition, Decision Making and Risk Assessment. Social Cognition has a crucial role for entrepreneurs during the new venture creature, developing the opportunities for the existing one or be it acquiring of the resources. Social cognition has two (2) important aspect i.e Social Skills and Social Capital (Baron, 2007). Both aspects of social cognition directly enhance networking, hence facilitating resource acquisition (Kaffka *et al.*, 2021).

Another cognitive factor is decision-making styles which vary with intuitive and analytical style of individuals' cognition. Analytical cognition shows strong positive influence on intentions and self-efficacy, while intuitive styles yield weaker or inverse effects (Kickul *et al.*, 2009). Entrepreneurs with high self-efficacy are more confident in resource-related decisions, even under uncertainty (Hsu DK *et al.*, 2017). Past scholars have worked on risk assessment and cognitive bias as well with respective entrepreneurship cognition. Risk assessment is shaped by prior experience and cognitive framing. Entrepreneurs often rely on event schemas and arrangement scripts to navigate contextual differences (Corbett & Hmieleski, 2007). These schemas support corporate entrepreneurs more than individual ones, highlighting the role of formal network cognition. The structural lens highlights how social structures shape and are shaped by entrepreneurial behavior. Within this, scripts act as behavioral mechanisms—recurrent patterns learned through experience that guide action in familiar contexts. Entrepreneurs use scripts to reduce uncertainty, replicate effective behaviors, and adapt to new situations. These scripts evolve through abstraction and revision, linking individual cognition to broader institutional routines and enabling venture creation and strategic action (Pryor *et al.*, 2015).

Chadwick IC, Raver JL.(2018) used Broaden and Build Theory lens to empirically study the effects of positive emotions in coping up with the stressful situations and decision makings. The Study integrated the broaden and build theory highlighting the adaptive role of positive emotions—into entrepreneurship research. It posits that entrepreneurs who leverage psychological resilience as a personal resource tend to (a) expand their cognitive appraisals, perceiving stressors as surmountable challenges, (b) engage in more proactive business-building behaviors, and consequently (c) sustain their ventures over time. As per Broaden-and-build theory individuals experience positive emotions, their thought-action repertoires are broadened in ways that enable them to build skills and resources to cope, grow, and even survive. Positive emotions broaden the scope of individual' s attention to make them flexible, open minded, constructive and creative in their perceptions of stressful situations. The entrepreneurs who are proactive develop relevant skills and resources (e.g., social, financial, and psychological) that better prepare and motivate them toward meeting future demands of their new venture (Chadwick IC, Raver JL. 2018).

### Thematic Summary Table

Below table (Table – 4) presents a structured synthesis of cognitive themes across three stages of new venture creation—opportunity identification, planning, and resource marshalling. It categorizes studies by key cognitive mechanisms (e.g., intuitive vs. analytical styles, metacognition, social cognition), linking them to parameters like self-efficacy, intentions, and decision-making. Relationships range from direct and strong influences to inverse or restricted effects, revealing how traits such as pattern recognition, affect, role schemas, and resilience shape entrepreneurial outcomes. This bifurcation highlights the nuanced interplay between cognition, context, and behavior, offering a granular view of how cognitive processes evolve across the entrepreneurial journey.

**Table 4: Cognitive and Behavioral Determinants across Stages of New Venture Creation**

Stage of New Venture Creation	Key Themes	Trait / Mechanism / Style	Parameter	Nature of Relationship
<b>1. Searching for Opportunities / Opportunity Identification</b>	Cognitive traits & styles	Intuitive style	Self-efficacy	Direct positive relation
			Intentions	Strong positive influence
		Analytical style	Self-efficacy	Inverse relation
			Intentions	Negative influence
		Pattern recognition	Focused entrepreneur	Direct positive relation
	Affect (mood/emotions)	Behaviour & creativity	Opportunity recognition	Direct positive relation
		Bias	Judgement	Direct positive relation
	Passion	—	Focused entrepreneur	Positive relation
	Sensemaking	Clear thoughts & judgement shaping	Opportunity evaluation	Direct positive relation
	Sense breaking	Emotional distress	Learning from failure	Direct positive relation
	Context	Role schemas	Opportunity support	Supporting relationship
	Role schemas of intrapreneurs	Event schemas	Opportunity creation	Partly supporting relationship
	Context (large organisations)	Role schemas	Opportunity identification	Non-supporting relationship

	Intention of individual	Environment & self-efficacy	Entrepreneurial intention	Direct positive relation
	Role schema – context	Cognition & behaviour	Venture initiation	Strong influence
	Intention of individual	Self-efficacy	Entrepreneurial intention	Direct positive relation
	Role schema (uncertainty)	Venture creation schema	Venture initiation	Restricted relationship
	Overconfidence	Intuitive decision making	Venture decisions	Strong influence
	Non-linear thinking	—	Entrepreneurial success	Direct positive relation
	Past experience → script development → pattern recognition	—	Opportunity identification	Positive relation
	Prospective thinking	—	High-quality new venture ideas (NVIs)	Positive relation
	Perspective taking	—	High-quality new venture ideas (NVIs)	Positive relation
	High negative emotions	Sensemaking of failure experience	Learning outcomes	Direct relation
<b>2. Planning</b>	Metacognition / cognitive adaptability / human past experiences	Analytical style	Self-efficacy	Direct positive relation
			Intentions	Strong positive influence
		Intuitive style	Self-efficacy	Inverse relation
			Intentions	Negative influence
	Context (size & scale of organisation)	Role schemas	Readiness of individual	Higher for corporate entrepreneurs than individual entrepreneurs
	Linear thinking (analytical,	—	Better planning	Direct positive relation

	rational, logical)			
	Heuristics & bias	—	Decision making	Direct positive relation
	Metacognitive ability	—	Decision making	Indirect inverse relationship
	Metacognitive awareness	Perceived novelty, uncertainty & dynamism	Task interpretation	Direct positive relation
	Self-efficacy	—	Goals & motivation of nascent entrepreneurs	Direct positive relation
<b>3. Marshalling of Resources</b>	Social cognition / decision making & risk assessment	Analytical style	Self-efficacy	High
			Intentions	Strong positive influence
		Intuitive style	Self-efficacy	Inverse relation
			Intentions	Not significant
	Social skills	—	Social networks	Direct positive relation
	Social capital	—	Social networks	Direct positive relation
	Event schemas (arrangement scripts)	Contextual differences	Formal network schemas	Greater support for corporate entrepreneurs
	Sensemaking (stories, gestures, pitching)	—	Resource investment decisions	Strong influence
	Psychological resilience	—	Successful entrepreneur	Positive relation
	Sensemaking–intuition–deliberation model	—	Resource provider's decision	Direct impact

### Synthesis Key Themes and Papers Bifurcation

Below table (table -5) presents a bifurcation of key cognitive themes and associated research papers in entrepreneurial cognition. Each theme is supported by seminal and contemporary works, revealing how diverse cognitive traits, behaviors and mechanisms shape entrepreneurial journey. This synthesis highlights the multifaceted nature of cognition in entrepreneurship.

**Table 5: Key Themes and Representative Research Papers**

Theme	Research Papers (Author/Year)
Cognitive Style / Traits	Baron, R. A. (2007); Brinckmann, J., & Kim, S. M. (2015); Byrne, O., & Shepherd, D. A. (2015); Corbett, A. C., & Hmieleski, K. M. (2007); Corbett, A. C., Neck, H. M., & DeTienne, D. R. (2007); Fisher, G., & Neubert, E. (2022); Fossen, F. M., & Neyse, L. (2023); Frederiks, A. J., <i>et al.</i> (2019); Groves, K., Vance, C., & Choi, D. (2011); Hsu, D. K., Wiklund, J., & Cotton, R. D. (2017); Kaffka, G. A., <i>et al.</i> (2021); Kickul, J., <i>et al.</i> (2009); Mitchell, R. K., Busenitz, L. W., Bird, B., <i>et al.</i> (2007); Pryor, C., <i>et al.</i> (2015).
Metacognition / Metacognitive Ability	Bastian, B., Hjelle, M., & Shepherd, D. (2025); Byrne, O., & Shepherd, D. A. (2015); Corbett, A. C., Neck, H. M., & DeTienne, D. R. (2007); Grégoire, D., Corbett, A., & McMullen, J. (2011); Haynie, J. M., Shepherd, D. A., & Patzelt, H. (2010); Haynie, M., & Shepherd, D. A. (2009); Haynie, J. M., <i>et al.</i> (2010); Martins, L. L., Rindova, V. P., & Greenbaum, B. E. (2015); Mitchell, R. K., Busenitz, L. W., Bird, B., <i>et al.</i> (2007); Narayanan, V. K., Zane, L. J., & Liguori, E. (2020).
Cognitive Adaptability	Haynie, M., & Shepherd, D. A. (2009); Haynie, J. M., <i>et al.</i> (2010).
Human Past Experience	Brinckmann, J., & Kim, S. M. (2015).
Social Cognition	Baron, R. A. (2007).
Decision Making & Risk Assessment	Chadwick, I. C., & Raver, J. L. (2018); Fisher, G., & Neubert, E. (2022); Narayanan, V. K., Zane, L. J., & Liguori, E. (2020).

### **Limitations of Existing Literature & Suggestions for Future Research**

The existing literature on entrepreneurial cognition reveals several limitations that constrain theoretical advancement and practical application. Many studies remain conceptual, lacking empirical validation and relying heavily on retrospective self-reporting, which introduces memory bias and limits real-time insights. Research often focuses on individual traits, not much contribution to team-level cognition, contextual dynamics, corporate settings and cross-cultural variability. Constructs such as metacognition, cognitive adaptability, and dual cognitive styles are underexplored, it is suggested to future scholars to study on the conceptual and empirical work on the same. Some of the studies explains the integration with disciplines like neuroscience and behavioral economics also however contribution to this area of research remains unexplored. Although much of work has been done which shows the cognitive factors influences the outcome in the venture creation stages but some of the literature shows methodological unfit approach such as absence of longitudinal designs, triangulated data which further restrict the view of how cognitive mechanisms evolve across the venture stages and influence the outcome of the entrepreneurial journey. To address above gaps, future research should adopt robust empirical methods, including longitudinal and experimental designs, and explore cognition at multiple levels—individual, team, & organizational level by incorporating social and cultural dynamics. Scholars are encouraged to investigate how traits like intuition, overconfidence, and emotional resilience interact with metacognitive processes, and how cognitive scripts, schemas, and strategies evolve over time, especially in response to feedback, failure, and uncertainty. Integrating neuroscience tools, enhancing construct validity, and developing cognitive training interventions can deepen insights into entrepreneurial thinking and decision-making, ultimately enriching both theory and practice.

**Table 6: Research Gaps and Future Research Directions in Entrepreneurial Cognition**

<b>Sr. No.</b>	<b>Author (Year)</b>	<b>Gaps in Study</b>	<b>Future Research Directions</b>
1	Baron, R. A. (2007)	Cognitive processes underlying opportunity identification and evaluation remain underexplored, particularly in dynamic environments.	Future studies may focus on cognitive modelling of entrepreneurial decision-making and cross-disciplinary integration.
2	Bastian, B., Hjelle, M., & Shepherd, D. (2025)	Entirely theoretical; lacks empirical validation. Does not explain how metacognition influences outcomes such as opportunity recognition, resilience, or strategic adaptation.	Researchers should explore entrepreneurial metacognition at collective levels and examine the roles of emotions, culture, neurodiversity, and uncertainty.

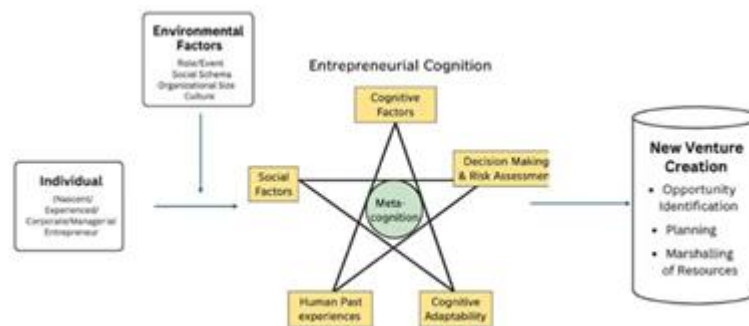
3	Brinckmann, J., & Kim, S. M. (2015)	Focuses only on solo-founded ventures; limited cognitive constructs examined.	Future research should examine team-level cognition and conduct longitudinal studies on evolving planning behaviours.
4	Byrne, O., & Shepherd, D. A. (2015)	Absence of longitudinal, real-time data; reliance on retrospective narratives may introduce memory bias.	Future studies may examine diverse emotional states and emotion-focused coping strategies in failure sensemaking.
5	Chadwick, I. C., & Raver, J. L. (2018)	Small and potentially non-representative sample; modest reliability of resilience measures.	Future research should study resilience interactions with optimism and adaptability using longitudinal and cross-cultural designs.
6	Corbett, A. C., & Hmieleski, K. M. (2007)	Lacks empirical testing of conflicting role and event schemas in corporate entrepreneurship.	Researchers should empirically examine schema reconciliation in dynamic organizational contexts.
7	Corbett, A. C., Neck, H. M., & DeTienne, D. R. (2007)	Limited generalizability beyond corporate settings; potential hindsight bias.	Longitudinal and cross-sector studies should explore the evolution of termination scripts.
8	Fisher, G., & Neubert, E. (2022)	Conceptual model lacks empirical validation; limited understanding of investor-type influences.	Experimental and narrative-based studies should examine sensemaking, intuition, and deliberation in support decisions.
9	Fossen, F. M., & Neyse, L. (2023)	Does not disentangle occupational sorting from experiential learning effects.	Future work should examine overconfidence in relation to cognitive reflection.
10	Frederiks, A. J., <i>et al.</i> (2019)	Limited analysis of individual cognitive processes affecting NVI quality.	Future studies should test mechanisms across contexts, using longitudinal and priming-based designs.
11	Grégoire, D., Corbett, A., & McMullen, J. (2011)	Overemphasis on cognitive consequences; limited focus on origins and multilevel dynamics.	Future research should examine cognitive origins, processes, and multilevel analyses.
12	Groves, K., Vance, C., & Choi, D. (2011)	Lack of longitudinal evidence on balanced thinking styles.	Future research could test training interventions to enhance cognitive balance.



13	Haynie, J. M., Shepherd, D. A., & Patzelt, H. (2010)	Limited insight into how feedback is internalized to enhance adaptability.	Scholars should explore how different feedback types influence cognitive strategy shifts.
14	Haynie, M., & Shepherd, D. A. (2009)	Limited cultural validation; lacks insight into adaptability over time and links with other traits.	Future studies should explore adaptability across cultures, stages, and cognitive traits.
15	Hsu, D. K., Wiklund, J., & Cotton, R. D. (2017)	Contextual factors such as industry and prior experience are not considered.	Future research should examine emotional resilience and learning effects on reentry decisions.
16	Haynie, J. M., <i>et al.</i> (2010)	Limited empirical validation; weak integration with intuition, overconfidence, and emotion regulation.	Longitudinal and qualitative studies should examine metacognitive dynamics across contexts.
17	Kaffka, G. A., <i>et al.</i> (2021)	Sense-breaking remains empirically underexplored.	Future studies should examine recovery from cognitive breakdowns and emotion-driven pivots.
18	Kickul, J., <i>et al.</i> (2009)	Limited integration of dual cognitive styles; minimal focus on situational influences.	Future research should explore dynamic integration of intuitive and analytical cognition.
19	Martins, L. L., Rindova, V. P., & Greenbaum, B. E. (2015)	Primarily theoretical; limited organizational and social cognition focus.	Empirical studies should test cognitive mechanisms in business model innovation and teams.
20	Mitchell, R. K., Busenitz, L. W., Bird, B., <i>et al.</i> (2007)	Conceptual with minimal empirical grounding; limited engagement with cognitive sciences.	Develop validated instruments and explore cross-cultural and cross-industry cognition.
21	Narayanan, V. K., Zane, L. J., & Liguori, E. (2020)	Limited capture of dynamic and situated cognition; cross-cultural generalizability issues.	Future research should integrate neuroscience tools, longitudinal designs, and triangulation.
22	Pryor, C., <i>et al.</i> (2015)	Lacks empirical testing and temporal analysis of cognition–behaviour interplay.	Longitudinal, process-oriented studies should explore evolving scripts and venture outcomes.

## Conclusion:

The systematic literature review on entrepreneurial cognition reveals that cognition in entrepreneurship is a multifaceted and multidimensional construct shaped by individual traits, environmental contexts, and dynamic cognitive processes. The synthesis also explains that entrepreneurial cognition is not a monolithic construct but a constellation of interrelated cognitive mechanisms—ranging from intuition and analytical reasoning to metacognition and sensemaking—that dynamically interact across the venture creation process. While early research emphasized individual traits and heuristics, recent studies have shifted toward adaptive cognition, feedback processing, and socially embedded decision-making. Drawing from 22 peer-reviewed studies published during past 18 years, the review highlights how entrepreneurs engage in opportunity identification, planning, and resource marshalling through a complex interplay of intuition, analytical reasoning, metacognition, and adaptive cognition.



**Figure 4: Star shaped conceptual model**

The accompanying star-shaped conceptual model visually synthesizes this complexity: at its center lies meta-cognition, representing the entrepreneur’s ability to reflect on and regulate their own thinking. Radiating from this core are five cognitive dimensions— Cognitive Factors, Decision Making & Risk Assessment, Cognitive Adaptability, Human Past Experiences, and Social Factors—each contributing uniquely to entrepreneurial judgment, behavior and action. These dimensions are influenced by two external forces: the Individual (e.g., nascent, experienced, corporate, managerial entrepreneurs) and Environmental Factors (e.g., role schemas, organizational culture, social norms), both of which feed into the cognitive core. The model culminates in New Venture Creation, where cognition translates into entrepreneurial outcomes across three stages: Opportunity Identification, Planning, and Marshalling of Resources. This integrative framework not only reflects the intellectual evolution of the field but also underscores the need to study entrepreneurial cognition as a dynamic, context-sensitive process that bridges thought and action. It offers a robust foundation for future research to explore cognition as both an individual capability and a socially embedded phenomenon driving entrepreneurial success.

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## **A SYSTEMATIC REVIEW OF ENTREPRENEURIAL IDENTITY LITERATURE**

**Anishka Bhargava**

LM Thapar School of Management,  
Thapar Institute of Engineering and Technology (Deemed to be University),  
Patiala, Punjab, India

### **Abstract:**

Entrepreneurial identity is both one of the central and disjointed areas of entrepreneurship research that bridges the gap between personal identity and social and institutional environments. Recent studies identify identity as social construction and negotiation; nevertheless, the body of knowledge does not synthesize how the processes can be observed in different entrepreneurial contexts. To close this gap, this systematic literature review will investigate 25 high-quality A and A+ articles (2021-2025) randomly selected through the PRISMA-based approach to search in the Scopus-based articles index. Based on the Social Identity Theory, Identity Theory, and the Identity Work Framework, the review groups the findings into three thematic areas. First, Identity Construction and Dynamics explore how entrepreneurial identities are formed in intergenerational transmission in family firms, the role conflict in succession, and the process of negotiations with cultural norms, specifically gender expectations. Second, Multidimensional Influences on Entrepreneurial Identity presents the mechanism of identity formation in three levels: individual (personal values, hybrid identities), organizational (academic-entrepreneurial tensions, coworking spaces), and institutional (neoliberal policies, patriarchal structures). Third, Stakeholder Perceptions, Identity Presentation, and Legitimacy show how business owners manage identity disclosure in a strategic way in order to retain legitimacy when addressing social appraisals and territory. All of these themes aim to explain the concept of entrepreneurial identity as a varied, context-dependent and socially constructed process as opposed to a fixed personal attribute. Besides summarizing current research, the review offers a thematic and theoretical framework that characterizes the development of the entrepreneurial identity research to multidimensional, intersectional and performative paradigms. The paper ends in its conclusion by recommending integrative directions in future studies that will reconnect the relationship between micro-level identity work and the broader institutional, cultural and social dynamics.

### **Introduction**

Research on entrepreneurial identity (EI) has progressed considerably in recent years, focusing on how entrepreneurs perceive and construct their identities and the consequent impact on their decisions and business practices (Bagherian, Strano, *et al.*, 2025; Sentuti & Cesaroni, 2024). This

expanding field recognizes identity as a dynamic, socially constructed entity shaped by intricate contexts, such as family enterprises, gender norms, and institutional frameworks (Ozasir Kacar *et al.*, 2023; Rugina & Ahl, 2024). Emerging literature reveals that EI is negotiated over time, affected by intergenerational influences in family firms and broader cultural pressures (Bagherian, Soleimanof, *et al.*, 2025; Bagherian, Strano, *et al.*, 2025). The negotiation process is complex, as it reconciles personal ambitions with familial expectations and societal conventions (Quynh Dinh, 2025; Sentuti & Cesaroni, 2024).

Moreover, identity work involves various elements, such as hybrid social identities (Annika Mara Aust *et al.*, 2025), psychological resilience (Knox & Casulli, 2023), and institutional legitimacy (Prochotta *et al.*, 2022).

This systematic review integrates 25 empirical studies published between 2021 and 2025, selected via a PRISMA-guided methodology from Scopus-indexed A/A\* journals. It categorizes the narrative into three thematic clusters: identity construction and dynamics; multidimensional influences shaping identity; and the interplay of stakeholder perception and legitimacy.

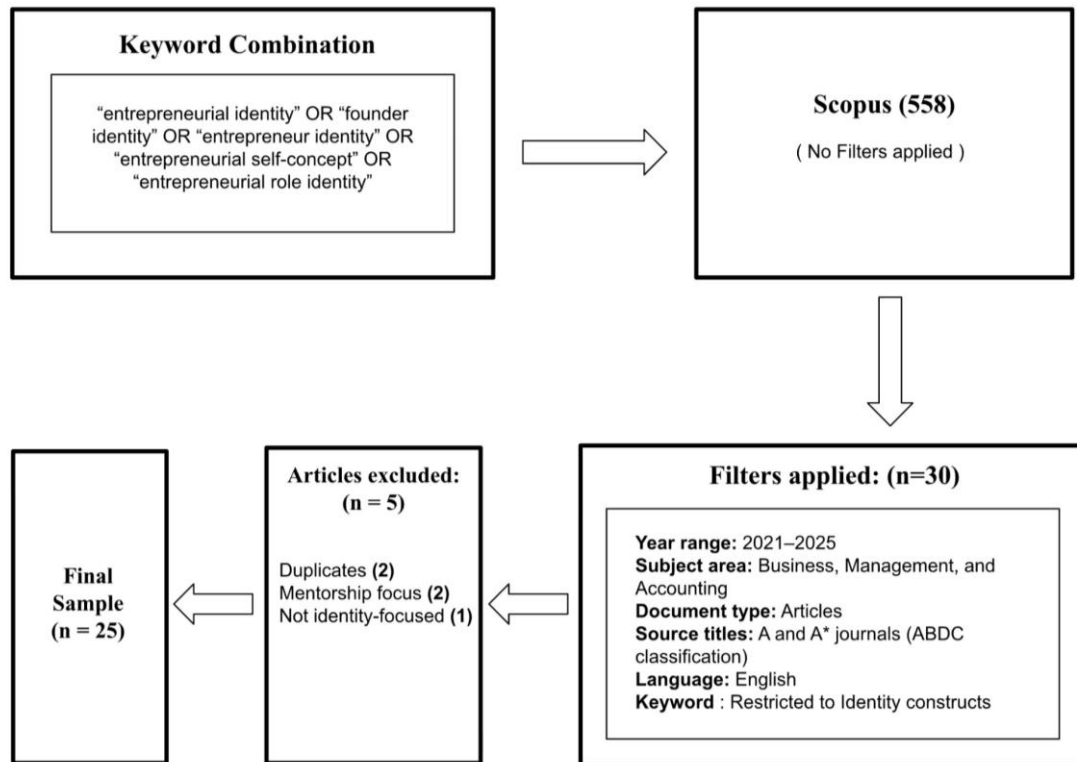
This structured analysis offers an in-depth understanding of the present state of entrepreneurial identity scholarship, highlighting persistent tensions and evolving discourses, while identifying gaps for future research that recognizes EI's dynamic, contextual, and relational attributes.

## **Methodology**

The review was conducted in accordance with the PRISMA guidelines of systematic literature reviews. The articles were only found within Scopus database, which provides exhaustive access to peer-reviewed journals in the fields of business and management. The search query used a combination of several identity-related keywords to retrieve a wide range of pertinent literature, such as: “entrepreneurial identity”, “founder identity”, “entrepreneurial identity”, “entrepreneurial self-concept” and “entrepreneurial role identity”. Several filters were used in the search process to make sure that it was rigorous. The period of publication of the articles was restricted to 2021-2025, the subject area was also restricted to Business, Management, and Accounting, and only A and A\* journals as categorized by ABDC were considered. Articles were in English and had to be classified as peer-reviewed journal articles. Also, the results were narrowed by adding key word restrictions on identity constructs like Identity Work, Identity Construction, Founder Identity, Social Identity Theory, Gender, Hybrid Organizing, Identity Tension, and Role Identity Change etc.

The first search yielded 558 articles, which were narrowed down to 30 after the use of filters. This was followed by a second round of screening of titles and abstracts in order to filter out irrelevant or duplicate studies. Five articles were filtered out on the basis of duplication, emphasis on mentorship without an identity dimension, and the wider scope of entrepreneurship

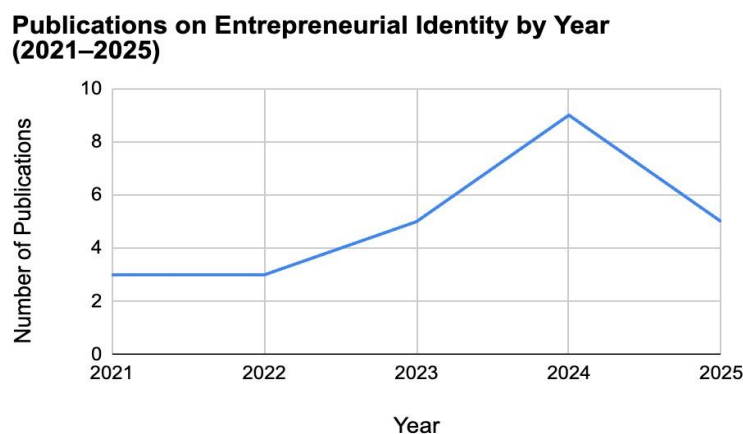
without consideration of identity. The resulting corpus was 25 articles that are the foundation of the thematic analysis presented in this review.



**Figure 1: Flow Diagram describing the Literature Collection**

### Article distribution by Years and Journals

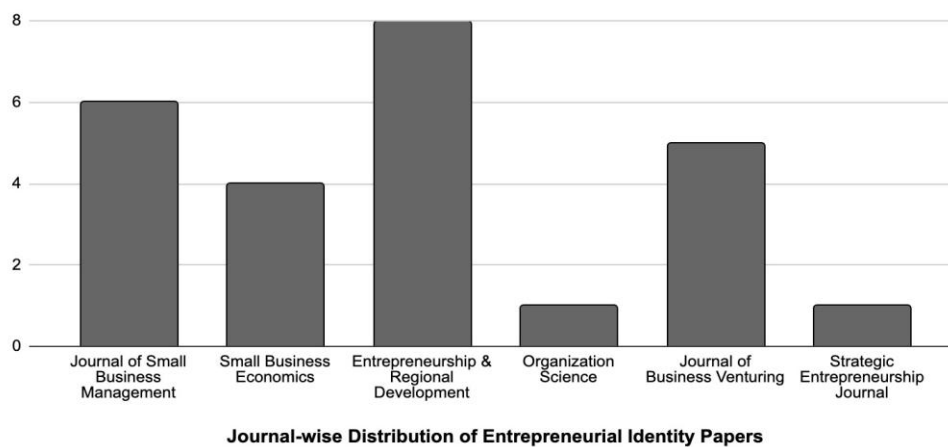
In this corpus, there were different numbers of publications on entrepreneurial identity between the review period of 2021-2025. The output, as indicated in Figure 2, was consistent in 2021 and 2022, increased sharply in 2023, reached its peak in 2024, and fell again in 2025. It does not assert a field-wide trend but is merely a distribution of articles included in this systematic review.



**Figure 2: Publication on entrepreneurial identity**

Figure 3 reveals that out of the 25 articles selected, most of them were published in Entrepreneurship and Regional Development, Journal of Small Business Management, and

Journal of Business Venturing. Fewer articles were found in journals like Small Business Economics, Organization Science, and Strategic Entrepreneurship Journal.



**Figure 3: Journalwise distribution of entrepreneurial papers**

### **Thematic Analysis**

The corpus of 25 papers has been categorized into three general themes reflecting different yet related perspectives on entrepreneurial identity research.

#### **Identity Construction and Dynamics**

Contemporary entrepreneurship studies revolve around the dynamic nature of constructing entrepreneurial identity (EI). Entrepreneurial identity (EI) refers to how the entrepreneur proactively constructs, negotiates and renegotiates their own identities as a response to changing personal goals, social networks and contextual factors which are often embedded within familiar, cultural and institutional frameworks.

#### **Intergenerational Transmission in Family Firms**

The family business contexts provide especially striking examples of how entrepreneurial identity can be developed in the context of intergenerational interactions. (Bagherian, Soleimanof, *et al.*, 2025) illustrate that entrepreneurial identity is not merely inherited; rather, it is actively conveyed and redefined across generations through intricate negotiations concerning family legacy, expectations, and the evolution of roles. This transmission is facilitated by ongoing communication processes within the family that reinforce, alter, or challenge identity narratives, as further examined by (Sentuti & Cesaroni, 2024). These studies underscore that intergenerational identity work is an interactive and socially embedded process, characterized by tensions between founder legacies and successor aspirations (Bagherian, Strano, *et al.*, 2025; Sentuti & Cesaroni, 2024)

#### **Identity Negotiation and Role Conflict**

Complex tensions arise regarding succession and role expectations in family businesses. The non-linear and often conflictual nature of identity work is well captured by the research such as the "Exodus" research that examines the negotiation of non-successor daughters in



entrepreneurial roles that is not established within traditional family business norms (Sentuti & Cesaroni, 2024). The reconceptualization of identity demonstrates a more widespread struggle between personal ambitions and family expectations, highlighting the contradictions and challenges that entrepreneurs are required to overcome on a consistent basis. (Quynh Dinh, 2025) examines how role conflict complicates identity enactment, illustrating the contested nature of entrepreneurial identity where sustaining coherence amidst competing demands constitutes a fundamental challenge (Sentuti & Cesaroni, 2024; Quynh Dinh, 2025).

### **Social and Cultural Influences on Identity Construction**

The influence of social and cultural forces on entrepreneurial identity is considerable, compared to families. (Rugina & Ahl, 2024) demonstrate the profound influence of gender norms on the identity work of women entrepreneurs, whereas conventional norms restrict or reframe the expression and assertion of entrepreneurial roles. (Ozasir Kacar *et al.*, 2023) further position EI within institutional settings, illustrating how neoliberal regimes and conservative gender norms act as structural forces that shape identity trajectories and possibilities for resistance or conformity. This underscores EI as a continuous negotiation, not only within personal or familial contexts but also across more extensive societal frameworks (Ozasir Kacar *et al.*, 2023; Rugina & Ahl, 2024).

### **Multidimensional Influences on Entrepreneurial Identity**

Entrepreneurial identity is not formed in isolation; rather, it develops through the ongoing interplay of diverse influences, including individual traits, organizational settings, and broader socio-institutional contexts. This theme elucidates the intricacies of identity work by emphasizing the overlapping and intersecting layers of influence, resulting in a diverse array of entrepreneurial identity narratives and practices.

### **Personal Values and Hybrid Social Identities**

A significant amount of existing literature points at the crucial role of personal values and hybrid social identities in entrepreneurial identity. (Annika Mara Aust *et al.*, 2025) discuss the process of approaching the issue of identity when academics are split between research and entrepreneurial activities, finding that by means of adopting a psychological resilience and strategic adaptation, academics manage the dilemma of self and profession. (Knox & Casulli, 2023) explore how individuals perform identities in various entrepreneurial contexts, negotiating conflicting striving agendas that reflect personal meaning-making and societal expectations. This corpus showcases how hybrid identities forge complex, occasionally conflicting self-perceptions that entrepreneurs must adeptly manage (Annika Mara Aust *et al.*, 2025; Knox & Casulli, 2023).

### **Organizational Contexts: Roles and Expectations**

Organizational affiliation and venture context serve as pivotal arenas for the development of entrepreneurial identity. (Majoor-Kozlinska *et al.*, 2024) state that in university environments,

entrepreneurial identity often intersects with academic identity, requiring a delicate balance between scientific credibility and commercial objectives. (Bouncken *et al.*, 2024) elucidate the mechanisms by which co-working and collaborative settings facilitate identity anchoring and negotiation amid porous organizational boundaries. (Delichte *et al.*, 2024) also discuss institutional tensions that arise when religious beliefs conflict with entrepreneurial motivation and identity.

### **Institutional and Societal Influences**

Larger institutional and social pressures are key paradigms that influence the different forms of entrepreneurial identity. The argument of patriarchal economic frameworks and traditional gender ideals shapes identity negotiations to affect entrepreneurial roles as revealed by (Rugina & Ahl, 2024). The effects of neoliberal economic policies and socio-political norms as important institutional agents that influence the possibilities of identity and entrepreneurial strategies are explained by (Ozasir Kacar *et al.*, 2023). These macro-level factors can both strengthen conformity and stimulate various forms of resistance and hybridization. The variety of institutional pressures requires entrepreneurs to perform identities in a sophisticated and flexible manner, constantly interpreting, adapting, and sometimes challenging existing norms (Ozasir Kacar *et al.*, 2023; Rugina & Ahl, 2024).

### **Stakeholder Perceptions, Identity Presentation, and Legitimacy**

In research on entrepreneurial identity, the social aspect is evident in how entrepreneurs address stakeholder perceptions, strategically showcase their identities, and negotiate legitimacy in intricate social and spatial environments. In entrepreneurial identity research, the social dimension is seen in the way in which entrepreneurs respond to the perceptions of stakeholders, in which they strategically showcase their identities, and participate in legitimacy negotiations in complex social and spatial environments.

### **Strategic Identity Management**

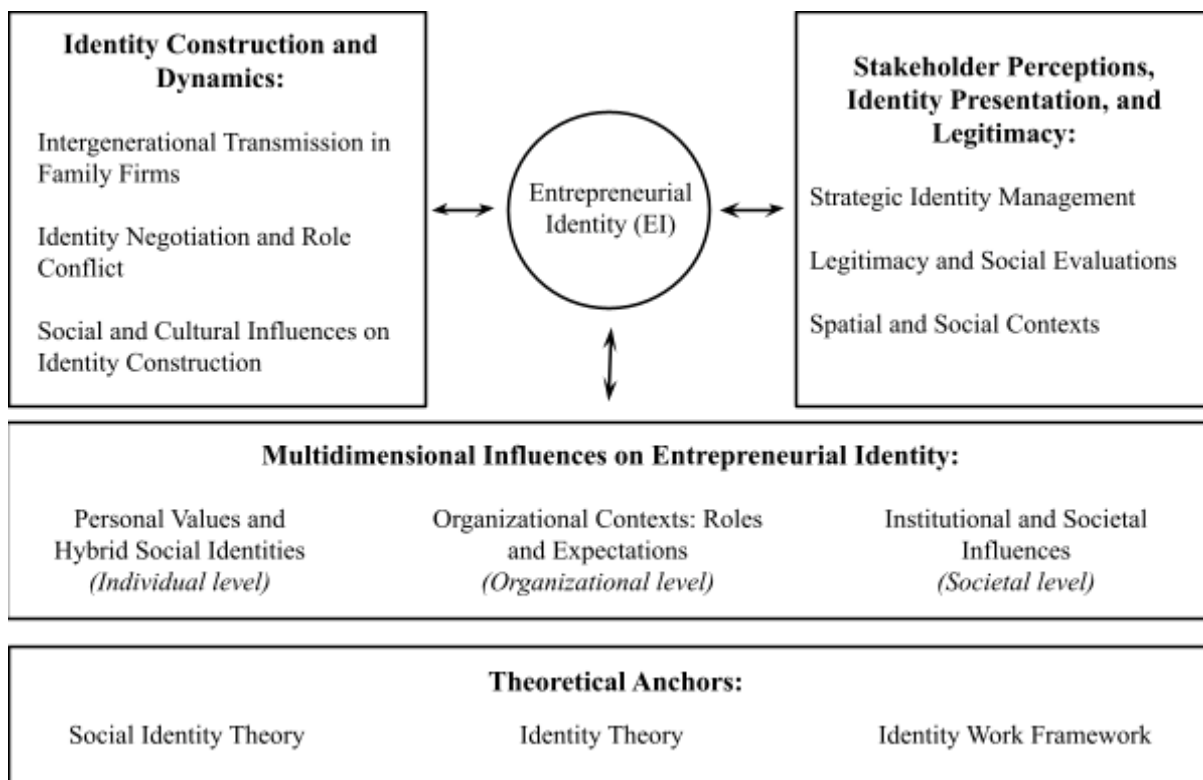
In a bid to control how they are seen by the public and stakeholders, entrepreneurs actively work on their identities. To influence the legitimacy of a venture and the management of narratives, (Howard *et al.*, 2021) focus on strategic disclosure of identity by founder CEOs to the media and other stakeholders. examine the strategic disclosure of identity by founder CEOs to media and key stakeholders in order to affect venture legitimacy and narrative control. This strategic disclosure is not merely passive; it constitutes a highly reflexive, continuous process that balances authenticity with impression management (Howard *et al.*, 2021). (Knox & Casulli, 2023) explain how founders deal with the stress that comes from having to meet different identity demands by carefully promoting parts of their identity that appeal to different audiences. This shows the performative side of entrepreneurial identity.

## Legitimacy and Social Evaluations

Legitimacy is socially constructed through the interactions and assessments of relevant stakeholders, including investors, customers, and peers. (Prochotta *et al.*, 2022) investigate the societal assessment of entrepreneurs' identities, often influenced by clichés or dominant narratives that can obstruct authentic self-expression. Entrepreneurs must negotiate these narratives by adhering and rejecting to keep credibility while maintaining personal coherence. Media evaluations play a crucial role in shaping and sustaining perceptions of entrepreneurial identity (Prochotta *et al.*, 2022).

## Spatial and Social Contexts

Contextual settings, including coworking spaces and entrepreneurial ecosystems, offer essential spatial environments for identity development and negotiation. (Bouncken *et al.*, 2024) emphasize coworking environments as conducive venues where entrepreneurs develop and establish hybrid identities, thereby acquiring legitimacy and social support within these groups. These spatial contexts influence entrepreneurs' self-image and the perception of others, serving as a conduit between their internal identity and outward perception (Bouncken *et al.*, 2024).



**Figure 4: Integrated thematic framework of entrepreneurial identity research**

Figure 4 displays the integrated thematic framework derived from the 25 articles included in this systematic literature review. The core concept is Entrepreneurial Identity (EI). It is envisioned as a dynamic and evolving construct influenced by the interplay of three primary themes. The first theme, Identity Construction and Dynamics, discusses the methods by which entrepreneurial

identities emerge, are disseminated, and transformed throughout time by social, cultural, and generational influences. Secondly, *Multidimensional Influences on Entrepreneurial Identity*, shows how identity is formed at the individual, organizational, and societal levels, where individual values, contextual roles, and institutional influences all come together. The third theme, *Stakeholder Perceptions, Identity Presentation, and Legitimacy*, investigates the strategic management, performance, and legitimization of entrepreneurs' identities via social evaluation and contextual enactments. Three key theoretical frameworks form the basis for these themes: Social Identity Theory, Identity Theory, and the Identity Work Framework. These concepts describe the continuous negotiation and performance of identity inside and across business contexts.

### **Discussion**

In the 25 papers under consideration, one can see that the concept of entrepreneurial identity (EI) is no longer a single and fixed phenomenon but a living story constantly influenced by individual past, interpersonal relations, and institutional demands. The most notable thing in this review was the consistency in how identity work was described as highly personal and contextually bound.

In family firms, in particular, identity seldom moves across generations unchanged. The writings of Bagherian and others and Sentuti and Cesaroni show that the real motivation of identity continuity is intergenerational communication and not just inheritance. Daughters, sons and successors tend to redefine their family legacies in their own perspectives, as they defy conventional scripts and, in some cases, leave altogether. This renders the family firm a place of continuity as well as silent rebellion.

Meanwhile, other researches not based within family systems indicate how entrepreneurs negotiate role conflict and role identity within other contexts. Hybrid founders or academic entrepreneurs (e.g., Majoor-Kozlinska *et al.*, Aust *et al.*) invariably switch between two conflicting logics: science and commerce, idealism and pragmatism. Such tensions do not undermine identity; on the contrary, they tend to reinforce identity by their power of endurance and reflection. In that regard, identity balances authenticity and adaptation.

The other lesson is the way that macro and institutional frameworks script entrepreneurial self-understanding in an understated manner. Papers like (Rugina & Ahl, 2024) and (Ozasir Kacar *et al.*, 2023) reveal how the opportunities are conditioned by patriarchy, neoliberalism, and religious norms, not to mention the terminology that entrepreneurs use to define themselves. These results serve to remind us that even in most personal accounts of entrepreneurship, we are all threaded within bigger social layers such as gender, class, race and culture that silently dictate what types of identities seem possible or legitimate.

Lastly, I was especially surprised by the research on stakeholder perceptions and legitimacy. Entrepreneurs, in particular publicly-facing founders, are painfully conscious of reality that identity is performance too. Legitimacy is a two-sided sword, providing recognition, but in most cases at the expense of strengthening stereotypes whether through strategic media disclosure (Howard *et al.*, 2021), visual disclosure (Prochotta *et al.*, 2022), or day-in day-out impression management. However, it is precisely these same interactions that are necessary; they convert the concept of personal self into a perceived credibility

Collectively, the review demonstrates that entrepreneurial identity work is a negotiation between the definition of self and the sense of social expectation, the will to be authentic and the necessity to fit in. In any environment, family, academic, hybrid, or institutional, entrepreneurs are constantly reinventing who they become to the context of others.

## **Conclusion**

This review shows that entrepreneurial identity can be seen as a multilevel, dynamic construct, which is influenced by intergenerational legacies, hybrid role, and the perpetual need to seek legitimacy. The thematic synthesis reveals the manner in which identity is created with the mundane processes of reflection, adaptation and communication.

This study contributes to understanding three interdependent themes that are interdependent, including identity construction and dynamics, multidimensional influences, and stakeholder legitimacy, as they are integrated in a single framework through the prism of Social Identity Theory, Identity Theory, and Identity Work Framework.

Looking ahead, future research could deepen this understanding by tracing identity evolution longitudinally, incorporating visual and narrative methods, and exploring contexts often overlooked--such as underrepresented communities, digital entrepreneurs, or post-failure trajectories. Beyond scholarship, this synthesis also holds practical resonance: for educators and incubators, supporting entrepreneurs means nurturing not only skillsets but also self-sets--the evolving sense of who they are and how they see themselves within the entrepreneurial ecosystem.

In future research, further investigation can help advance this knowledge by longitudinally tracking the evolution of identity, using visual and narrative approaches, and considering other settings that have typically been ignored, including underrepresented groups, digital entrepreneurs, or post-failure experiences. Outside of the scholarly world, there is also practical resonance to such a synthesis especially to educators and incubators. The endeavor to assist entrepreneurs involves not only enhancing their skillsets but also nurturing their selfsets, which encompass their identity and self-perception within the entrepreneurial environment.

Table 1 gives a summary of the thematic grouping of the 25 articles.

**Table 1: Thematic grouping of the 25 articles**

Theme	List of Papers
<b>Identity Construction &amp; Dynamics</b>	<p>Transmission of entrepreneurial identity across generations in business families: Understanding the effect of family communications</p> <p>Entrepreneurial identity formation in family firms: the transgenerational impact of parents' fear of failure</p> <p>A battle of hearts and minds: social construction of founder identity in family business exit through a family drama</p> <p>The exodus from family businesses: How non-successor daughters form their entrepreneurial identity in the business families context</p> <p>Patriarchy repackaged: how a neoliberal economy and conservative gender norms shape entrepreneurial identities in Eastern Europe</p> <p>A racial identity approach to entrepreneurship: the lived experiences of African American and Black entrepreneurs</p> <p>A Part of, or Apart from, Me?: Linking Dynamic Founder-Venture Identity Relationships to New Venture Strategy</p> <p>Escaping the shadow of the past: historical context and generational identity work among young entrepreneurs in Phnom Penh's nascent start-up scene</p> <p>Moving on: Narrative Identity Reconstruction after Entrepreneurial Failure</p> <p>Navigating the highs and lows of entrepreneurial identity threats to persist: The countervailing force of a relational identity with God</p> <p>Making, unmaking and remaking of context in entrepreneurial identity construction and experiences: a comparative analysis between Türkiye and the Netherlands</p> <p>The evolution of founder identity as an authenticity work process</p> <p>Navigating compromise: How founder authenticity affects venture identification amidst organizational hybridity</p>

<b>Multidimensional Influences</b>	<p>Entrepreneurial opportunities as expressions of personal identities: interpretative engagement through personal value structures</p> <p>Identity work in different entrepreneurial settings: dominant interpretive repertoires and divergent striving agendas</p> <p>To profit or not to profit: Founder identity at the intersection of religion and entrepreneurship</p> <p>Becoming an academic entrepreneur: how scientists develop an entrepreneurial identity</p> <p>Academics and entrepreneurs: Enablers of hybrid identity centrality among university researchers</p> <p>Exploring relationship between hybrid founder social identities and entrepreneurs' psychological resilience</p> <p>Role conflict, entrepreneurial identity, and academic entrepreneurship: the effects of immigration status</p>
<b>Stakeholder Perceptions, Identity and Legitimacy</b>	<p>Exploring founder identity tension, resolution, and venture pursuit</p> <p>Aiming for legitimacy but perpetuating clichés–Social evaluations of the entrepreneurial identity</p> <p>A contextual analysis of entrepreneurial identity and experience: women entrepreneurs in Turkey</p> <p>Entrepreneurial identity and strategic disclosure: Founder CEOs and new venture media strategy</p> <p>Contextualizing founder identity in coworking spaces</p>

The full list of the 25 articles that comprise the final SLR corpus is given in Table 2

**Table 2: Literature on Entrepreneurial Identity**

Author(s)	Title	Year	Journal	Main Contribution
Bagherian <i>et al.</i>	Transmission of entrepreneurial identity across generations in business families: Understanding the effect of family communications	2025	<i>Journal of Small Business Management</i>	Identifies family communication as a key mechanism for entrepreneurial identity transmission and intergenerational continuity.
Santos <i>et al.</i>	A racial identity approach to entrepreneurship: The lived experiences of African American and Black entrepreneurs	2025	<i>Small Business Economics</i>	Explores how race and intersectionality shape entrepreneurial identity, legitimacy, and systemic barriers.

Bagherian <i>et al.</i>	Entrepreneurial identity formation in family firms: The transgenerational impact of parents' fear of failure	2025	<i>Journal of Small Business Management</i>	Shows parental fear of failure as a critical antecedent influencing identity formation across generations.
Dinh, T. T. Q.	A battle of hearts and minds: Social construction of founder identity in family business exit through a family drama	2025	<i>Entrepreneurship &amp; Regional Development</i>	Examines emotional, relational, and narrative co-construction of founder identity during family business exit.
Aust, A. M. <i>et al.</i>	Exploring relationship between hybrid founder social identities and entrepreneurs' psychological resilience	2025	<i>Journal of Small Business Management</i>	Quantitative evidence linking hybrid social identities with psychological resilience using social identity and broaden-and-build theories.
Crosina <i>et al.</i>	A part of, or apart from, me? Linking dynamic founder–venture identity relationships to new venture strategy	2024	<i>Organization Science</i>	Explores identity integration and fragmentation between personal and venture identities and related emotional tensions.
Choi <i>et al.</i>	Role conflict, entrepreneurial identity, and academic entrepreneurship: The effects of immigration status	2024	<i>Small Business Economics</i>	Highlights role conflict, boundary management, and coping strategies among immigrant academic entrepreneurs.
Delichte <i>et al.</i>	To profit or not to profit: Founder identity at the intersection of religion and entrepreneurship	2024	<i>Journal of Business Venturing</i>	Examines hybrid identities combining religious, social, and commercial logics and related cognitive tensions.
Ozasir Kacar	Making, unmaking and remaking of context in entrepreneurial identity construction and experiences	2024	<i>Small Business Economics</i>	Comparative study (Türkiye vs. Netherlands) showing identity construction shaped by institutional and sociocultural contexts.



Bouncken <i>et al.</i>	Contextualizing founder identity in coworking spaces	2024	<i>Journal of Small Business Management</i>	Demonstrates how identity alignment with coworking communities enhances founder legitimacy and venture performance.
Majoor-Kozlinska <i>et al.</i>	Academics and entrepreneurs: Enablers of hybrid identity centrality among university researchers	2024	<i>Journal of Small Business Management</i>	Analyzes hybrid identity centrality among academic entrepreneurs using social and hybrid identity frameworks.
Sentuti & Cesaroni	The exodus from family businesses: How non-successor daughters form their entrepreneurial identity	2024	<i>Entrepreneurship &amp; Regional Development</i>	Shows identity construction through agency and resistance among non-successor daughters in family firms.
Rugina & Ahl	Patriarchy repackaged: How neoliberal economy and conservative gender norms shape entrepreneurial identities	2024	<i>Entrepreneurship &amp; Regional Development</i>	Examines interaction of neoliberalism and gender norms in shaping women's entrepreneurial identities in Eastern Europe.
Madjdi <i>et al.</i>	Entrepreneurial opportunities as expressions of personal identities	2024	<i>Entrepreneurship &amp; Regional Development</i>	Uses interpretivism to link opportunity recognition with personal values and identity-based typologies.
Smith <i>et al.</i>	Navigating the highs and lows of entrepreneurial identity threats to persist	2023	<i>Journal of Business Venturing</i>	Introduces the Relational Identity with God (RIG) as a stabilizing force under identity threat.
Castelló <i>et al.</i>	Moving on: Narrative identity reconstruction after entrepreneurial failure	2023	<i>Journal of Business Venturing</i>	Explores resilience and sensemaking through narrative identity reconstruction after failure.
Ozasir Kacar <i>et al.</i>	A contextual analysis of entrepreneurial identity and experience	2023	<i>Entrepreneurship &amp; Regional Development</i>	Shows how institutional and gender norms shape women entrepreneurs' identity experiences in Turkey.

Knox & Casulli	Exploring founder identity tension, resolution, and venture pursuit	2023	<i>Journal of Small Business Management</i>	Longitudinal study of identity tension between artistic and commercial logics among creative founders.
van Merriënboer <i>et al.</i>	Escaping the shadow of the past: Historical context and generational identity work	2023	<i>Entrepreneurship &amp; Regional Development</i>	Introduces generational identity work for legitimacy among young Cambodian entrepreneurs.
Hayter <i>et al.</i>	Becoming an academic entrepreneur	2022	<i>Small Business Economics</i>	Proposes the Liminal Venturing Model explaining identity transition of scientists to entrepreneurs.
Prochotta <i>et al.</i>	Aiming for legitimacy but perpetuating clichés	2022	<i>Entrepreneurship &amp; Regional Development</i>	Shows how legitimacy-seeking reinforces stereotypes; introduces visual-sorting methodology.
O'Neil <i>et al.</i>	The evolution of founder identity as an authenticity work process	2022	<i>Journal of Business Venturing</i>	Explains authenticity work as alignment between personal and entrepreneurial identities.
Howard <i>et al.</i>	Entrepreneurial identity and strategic disclosure	2021	<i>Strategic Entrepreneurship Journal</i>	Demonstrates how founder–CEO identity shapes media strategy and external legitimacy.
Wagenschwanz & Grimes	Navigating compromise: Founder authenticity and venture identification	2021	<i>Journal of Business Venturing</i>	Explores authenticity alignment and identity maintenance in hybrid ventures.
Knox <i>et al.</i>	Identity work in different entrepreneurial settings	2021	<i>Entrepreneurship &amp; Regional Development</i>	Proposes dominant interpretive repertoires shaping identity work and entrepreneurial striving agendas.

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# **A SYSTEMATIC LITERATURE REVIEW ON UNDERSTANDING THE INFLUENCE OF THE EISENHARDT METHOD ON THEORY BUILDING IN ENTREPRENEURSHIP RESEARCH**

**Chetan**

LM Thapar School of Management,

Thapar Institute of Engineering and Technology (Deemed to be University),

Patiala, Punjab, India

Corresponding author E-mail: [cchetan\\_phd25@thapar.edu](mailto:cchetan_phd25@thapar.edu)

## **Abstract**

Understanding how qualitative methods help build theory is a core concern in entrepreneurship research. Eisenhardt's case study approach, in particular, has become a key way to generate empirically grounded, context-rich theories. This is a systematic literature review that will explore how the Eisenhardt approach has contributed to theory building within the research in the field of entrepreneurship by reviewing 25 empirical studies (2021-2025). Four themes were identified that were interrelated; Entrepreneurial Ecosystems and Networks, Sustainability and Social Impact, Entrepreneurial Processes and Growth, and Legitimacy and Institutional Context. The review shows that the fundamental elements of the Eisenhardt method such as theoretical sampling, cross case comparison, and the building of theories iteratively are effective in making complex phenomena in entrepreneurship and produce subtle theories. Thematic integration provides major connections among domains, which means that the approach is useful in addressing empirical intricacy with theoretical applicability. Future studies can increase the number of contexts where the applications have not been applied and also utilise multi-level and longitudinal designs to enhance entrepreneurship theory building.

**Keywords:** Eisenhardt, Multiple Case, Multi-Case, Case Study, Case-Based, Case Research

## **Introduction**

Entrepreneurship research has increasingly relied on qualitative methods to understand complex organizational phenomena and build theory (Newman & Badger, 2025; Hampel & Dalpiaz, 2025; Karahan, 2024). Among these, Eisenhardt's (1989) case study method stands out as a reliable way to develop theory from empirical observation through careful case selection, cross-case comparison, and iterative theory building (Harima *et al.*, 2024; Ancona *et al.*, 2023; van Lancker *et al.*, 2023). Despite its clear value for theory development in management studies, we still don't know how widely or how faithfully Eisenhardt's method is used in current entrepreneurship research, which raises questions about methodological practice and theoretical rigor in the field (Spivack & Lahti, 2025; Siefkes, 2025).

Since its publication more than 30 years ago, Eisenhardt's approach has become a wellknown and often-cited methodology in management and entrepreneurship studies (Scheidgen *et al.*, 2023; Cloutier & Messeghem, 2022; van Werven, 2024). Researchers have applied it to venture creation, venture growth, organizational dynamics, international entrepreneurship, technology commercialization, and strategic decision-making (Mirkovski *et al.*, 2024; Rondi & Magrelli, 2024; Cestino-Castilla *et al.*, 2023; Cyron *et al.*, 2024). It's been especially influential for theories of opportunity recognition, resource acquisition, and innovation in new ventures (Serres *et al.*, 2022; Koehne *et al.*, 2022; Cavotta & Dalpiaz, 2022). Still, despite its prominence, there's little systematic evidence about how widely it's been adopted and put into practice (Spivack & Lahti, 2025; Newman & Badger, 2025).

There have been major developments in entrepreneurship research, and new theories and changing contexts call for updates to methodology (Karahan, 2024; Jönsson, 2024; Zalkat *et al.*, 2024). Venture creation and management now look different because of digital technologies, global networks, sustainability pressures, and more complex stakeholder landscapes (Harima *et al.*, 2024; Ancona *et al.*, 2023; Scheidgen *et al.*, 2023; Cyron *et al.*, 2024). That raises an important question: can established methods like Eisenhardt's still be used in contemporary entrepreneurship research (Mirkovski *et al.*, 2024; Conz *et al.*, 2023; van Lancker *et al.*, 2023)?

To answer this, the review examines 25 entrepreneurship studies published from 2021 to 2025, focusing on how they adopt and apply the Eisenhardt method. The papers cluster into four themes: Entrepreneurial Ecosystems and Networks (Harima *et al.*, 2024; Ancona *et al.*, 2023; Scheidgen *et al.*, 2023; van Werven, 2024; Cloutier & Messeghem, 2022; Zhang *et al.*, 2023; Stamm & Gutzeit, 2022); Sustainability and Social Impact (Newman & Badger, 2025; Siefkes, 2025; Karahan, 2024; Jönsson, 2024; Zalkat *et al.*, 2024; Aquino, 2022); Entrepreneurial Processes and Growth (Mirkovski *et al.*, 2024; Rondi & Magrelli, 2024; Cyron *et al.*, 2024; van Lancker *et al.*, 2023; Conz *et al.*, 2023; Cestino-Castilla *et al.*, 2023; Kosmynin *et al.*, 2023); and Legitimacy and Institutional Context (Hampel & Dalpiaz, 2025; Spivack & Lahti, 2025; Serres *et al.*, 2022; Koehne *et al.*, 2022; Cavotta & Dalpiaz, 2022). The review evaluates key methodological elements: theoretical rigor in sampling, justification for case selection, variety of data sources, quality of within-case and cross-case analysis, and how well theory is integrated with the literature.

The review aims to document current practices, synthesize theoretical contributions from rigorous applications, and highlight methodological innovations and evidence-based recommendations to advance case study research in entrepreneurship. It is meant to inform and strengthen research practices in the study of entrepreneurship and to confirm that the Eisenhardt method continues to be a useful tool for theory building by systematically mapping how it is applied.

## **Literature Review**

Rigorous case study research in entrepreneurship depends on clear methods that prioritize transparency, validity, and systematic analysis. Dube and Paré (2003) reviewed 183 information-systems case studies using the Eisenhardt (1989) and Yin (1994) frameworks and found a big gap between recommended methods and actual practice. They pointed to weak justification for case selection, shallow cross-case analysis, and poor documentation of validity across design, data collection, and analysis. While their focus was information systems, their broad criteria—rigor, construct validity, internal validity, and external validity—serve as basic standards that apply directly to entrepreneurship case studies. Supporting this rigor-focused view, Mathauer and Hofmann (2019) show that systematic case analysis of technology adoption in logistics points to organizational readiness, technology attributes, external pressures, and change management as key factors. Similarly, Pearse (2019) explains the pattern-matching logic Eisenhardt uses and gives practical advice on how to compare evidence across cases in inductive theory-building. These influential works make clear that rigorous case study research requires methodological soundness, transparent procedures, and systematic analysis—foundations for meaningful theory development in entrepreneurial contexts.

The theoretical core of Eisenhardt's methodology is recognizing patterns and systematically synthesizing data from multiple sources. It's not limited to primary case data; it also applies to literature-based theory building. Galvagno and Dalli (2014) used bibliometric co-citation analysis of over 1,500 publications on value co-creation to show how structured coding, thematic mapping, and pattern identification—techniques Eisenhardt used in cross-case analysis—can be applied to literature synthesis to reveal hidden theoretical links. Danese *et al.* (2018) support this approach: their systematic review of more than 200 articles on lean management demonstrates structured coding, thematic synthesis, and pattern identification comparable to Eisenhardt's method. Their framework highlights five conceptual fragments and dominant research themes, and it proposes comprehensive research agendas to address the gaps. Shafiee *et al.* (2019) combine systematic literature review and grounded theory with multiple-case analysis to produce a sustainable tourism model through iterative analysis and theoretical integration—directly applying and extending Eisenhardt's principles. Theodorakopoulos *et al.* (2014) offer an example of theory development from business incubation literature via systematic evaluation, pattern identification, and measurement using situated learning theory; they propose three propositions related to relational and intangible factors. Cukier and Kon (2018) analyze eight ecosystem cases to develop a five-stage framework of ecosystem maturity built on repeated case comparisons and pattern discovery, illustrating how systematic cross-case analysis deepens our understanding of entrepreneurial ecosystems.



Although Eisenhardt's main principles remain central, modern applications show much more flexibility in methods and adaptation to new phenomena and contexts. Palomino and Tello (2014) adapt Eisenhardt's approach for secondary data analysis, combining qualitative and quantitative sources with a focus on flexibility, iterative coding, and pattern matching, demonstrating its usefulness for archived or digital sources, especially in entrepreneurship studies. Richter *et al.* (2016) emphasize the need for rigorous, systematic analysis linking case evidence to valid theory testing, reinforcing Eisenhardt's principles and highlighting methodological standards required in international business research. Gkeredakis and Constantinides (2019) propose phenomenon-based problematization as a complementary theory-building strategy that prioritizes framing the phenomenon and defining the problem up front, arguing that digital-era organizational research would benefit from deeper phenomenon understanding before case analysis. Chandra and Shang (2017) present a constructivist qualitative approach that incorporates digital tools, reflexivity, and researcher positionality, showing that systematic qualitative methods can be rigorous in different ways than Eisenhardt's. Gomaa *et al.* (2018) apply systematic coding, pattern matching, and iterative theory development to study knowledge sharing in healthcare innovation, reflecting Eisenhardt's core elements in specialized innovation settings. Kenney and Zingales (2019) advocate systematic pattern recognition and cross-case analysis to build robust theories of innovation ecosystems, while Poole *et al.* (2019) offer methodological guidance similar to Eisenhardt's principles, such as rigorous data synthesis and pattern identification. This research shows that while Eisenhardt's original principles remain crucial for rigorous entrepreneurship research, the approach is very flexible. It works with different data types (primary and secondary), fits both positivist and constructivist perspectives, and applies across areas like ecosystems, sustainability, technology adoption, and knowledge sharing. It lets researchers adapt systematic theory-building practices to specific contexts without losing analytical rigor or integrity.

In entrepreneurship research, the Eisenhardt approach produces practical, context-specific theories about modern phenomena. Using grounded theory and multiple case studies, Kothari (2017) examines twelve stories of female entrepreneurs in India and identifies five success factors—persistence, social capital, legitimacy, adaptive management, and family integration—showing how the method can generate gender-specific insights. Theodorakopoulos *et al.* (2014) build a situated theory on business incubation from a systematic literature review, finding that successful incubators function as communities of practice that enable knowledge sharing, identity formation, and brokerage effectiveness—relational aspects often overlooked in structural analyses. Niu and Fan (2018) apply an Eisenhardt-aligned method to online review management in hospitality and find that personalized, timely responses raise customer satisfaction far more than generic replies, illustrating how cross-case comparison can reveal

growth patterns missing from conventional venture models. Van der Merwe *et al.* (2018) merge grounded theory with a systematic review to create enterprise growth frameworks for Base-of-the-Pyramid markets, showing that successful ventures emphasize market understanding, resource creativity, and partnerships. These examples demonstrate that the Eisenhardt approach yields both rigorous theory and practical frameworks addressing issues like gender-focused ventures, environmental construction ecosystems, and emerging markets, confirming its ongoing value in entrepreneurship studies.

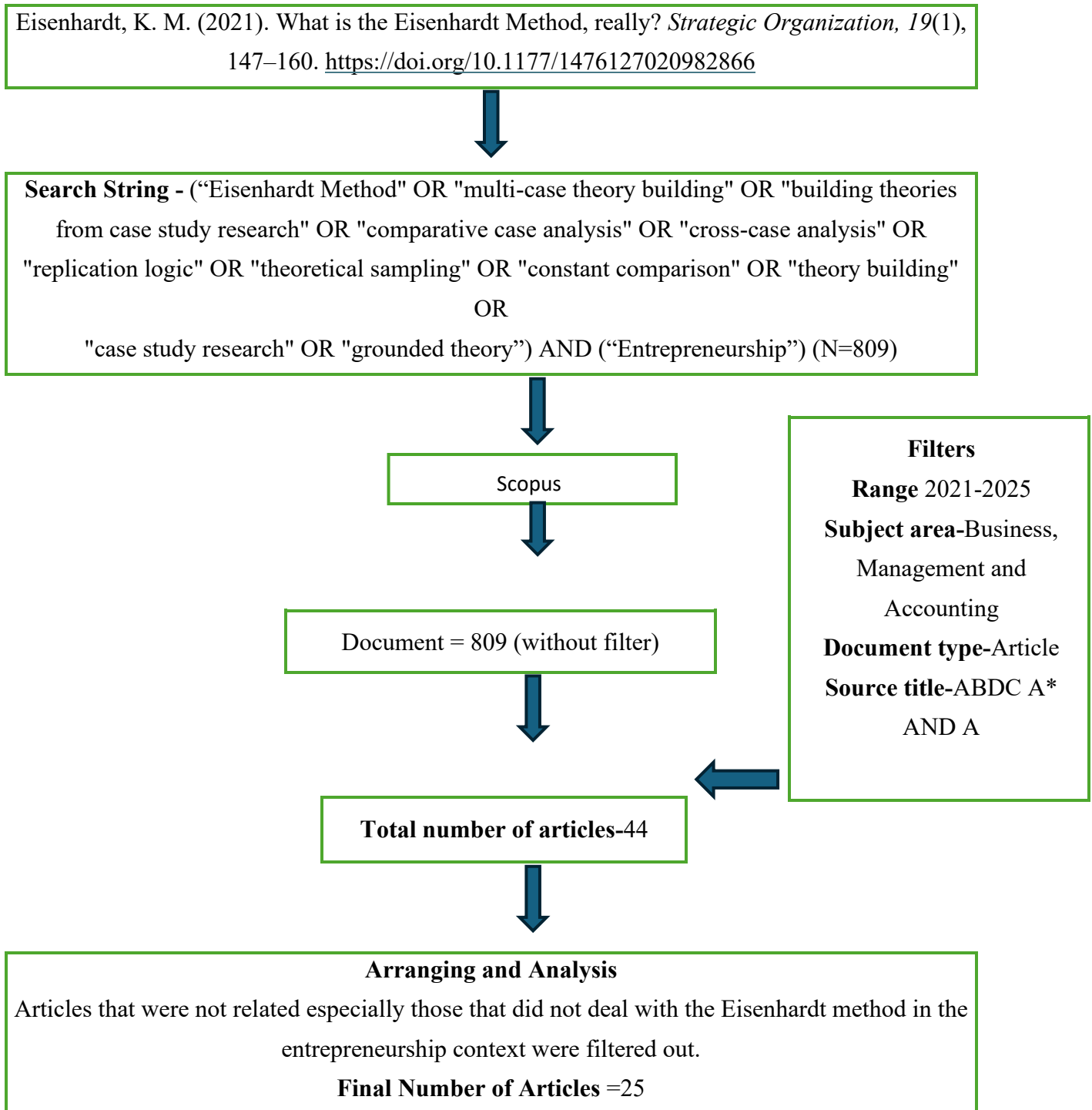
The earlier literature review provided covered the foundational and methodological elements of Eisenhardt's approach in entrepreneurship research. This study builds on that foundation by examining a more recent and larger set of 25 high-impact papers, offering a broader and more empirical look at how the method is used in practice. Rather than simply summarizing themes or discussing theories, this review measures how closely studies follow core Eisenhardt components, evaluates methodological rigor, and uses visual analytics to reveal patterns, variations, and adaptations. It also connects methodological choices to the kinds of theoretical contributions produced, showing how careful case study design tends to yield stronger, more transferable theory in entrepreneurship. This data-driven, visually clear approach both confirms current practices and highlights gaps and opportunities, giving practical guidance for future research and advancing understanding of Eisenhardt's method and its impact in contemporary entrepreneurship studies.

### **Research Methodology**

A preliminary search on Google Scholar using such keywords as (Eisenhardt method review paper) was carried out to find pillar and corner stone studies. A base paper from A star-rated ABDC journal was chosen as the reference for further extraction. From that paper, the abstract and keywords were taken and used to broaden the search for related studies. Those terms were then searched in the Scopus database to systematically build a larger pool of articles on the Eisenhardt qualitative case study approach in entrepreneurship. The abstract and keywords to run a targeted search in the Scopus database. Then I applied filters document type, subject area, and journal ranking to narrow the results. That process let me pare a large pool of publications down to the 25 top-ranked A\* and A articles most relevant to my research.

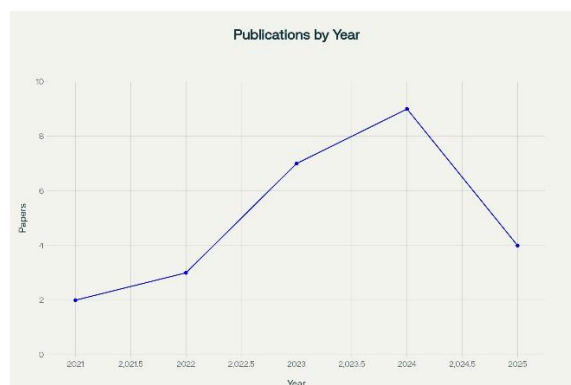
On this basis, a systematic selection of quality research in the field of entrepreneurship which was published between 2021 and 2025 was made, making a special focus on articles using the qualitative case study approach of Eisenhardt. Thematic analysis classified papers Crisis-Adaptive & Resilient Entrepreneurship, Social Impact & Sustainable Entrepreneurship, Knowledge-Based & Educational Entrepreneurship, and Innovation & Technology-Driven Entrepreneurship.

A Flow Diagram describing the literature collection



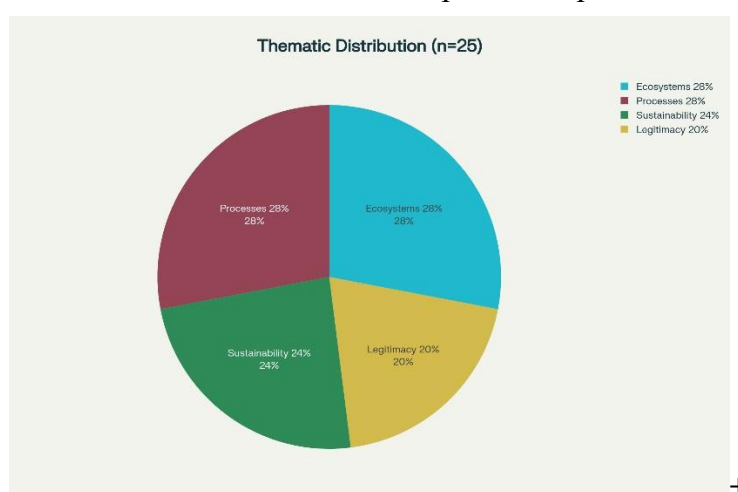
### Content Analysis

The section provides detailed content analysis of the 25 reviewed studies, the functioning of Eisenhardt methodology in practice and the theoretical progress that follows. It is a synthesis of substantive research material through thematic coding and integrative analysis that determines how systematic theorizing contributes to the growth of knowledge in entrepreneurship.



**Figure 1: Publication Distribution by Year**

The descriptive analysis of publication characteristics fig 3 shows the trajectory and distribution patterns of Eisenhardt method-based research in entrepreneurship from 2021 to 2025.

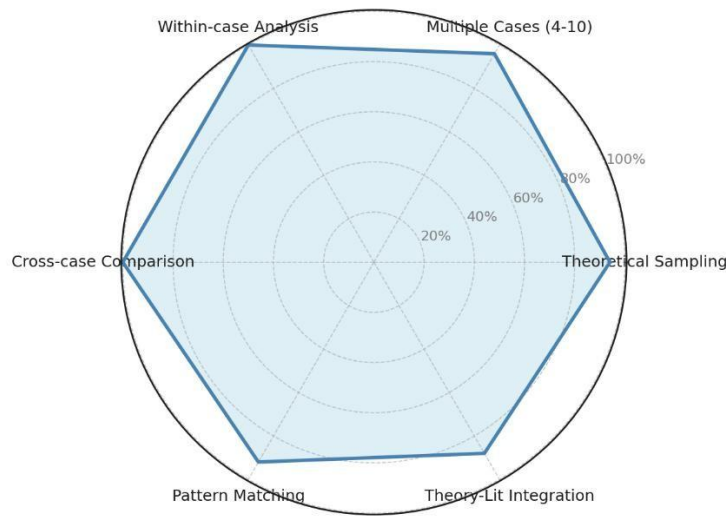


**Figure 4: Thematic Distribution of Papers**

Beyond consistent methods, the 25 studies reviewed show the flexibility of Eisenhardt's approach in various research settings. The fig 4 shows the themes and areas of case study research in entrepreneurship. It shows how researchers use systematic theory-building methods to understand topics such as startup ecosystem development, sustainable venture creation, technology adoption, and organizational legitimacy. The way these themes are distributed helps us understand how strong methods lead to theoretical insights across different entrepreneurship topics.

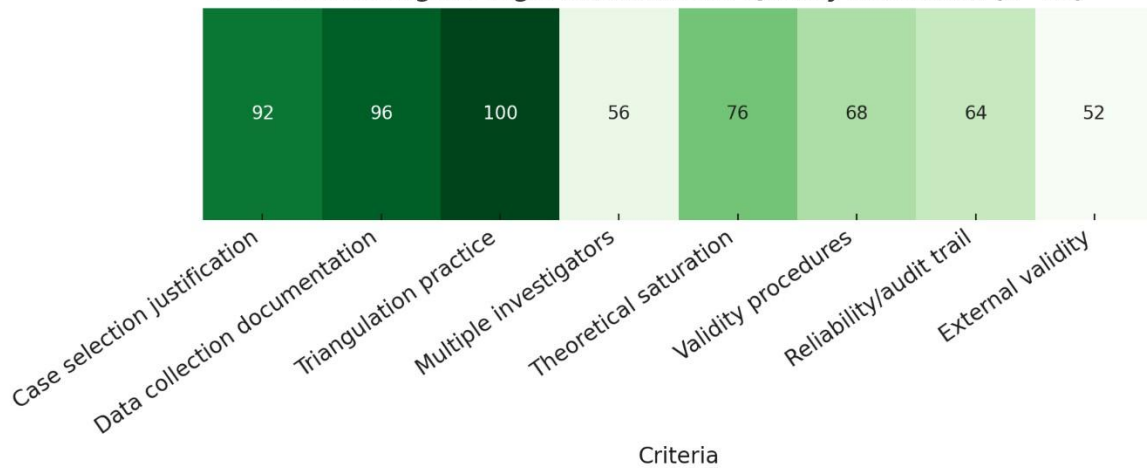
The fig 5 uses the Eisenhardt's main methods shows strong consistency across the 25 studies reviewed. All studies rely on within-case and cross-case analyses, which are the basis of Eisenhardt's systematic comparison approach. Theoretical sampling and multiple case design are almost always used, ensuring careful case selection and detailed comparison. Pattern matching and integration of theory with literature are also common, showing a solid commitment to methodological thoroughness. Minor differences (4-12%) likely reflect adaptations to specific contexts, highlighting the method's flexibility within its structured framework.

**Eisenhardt Method Component Implementation (n=25)**



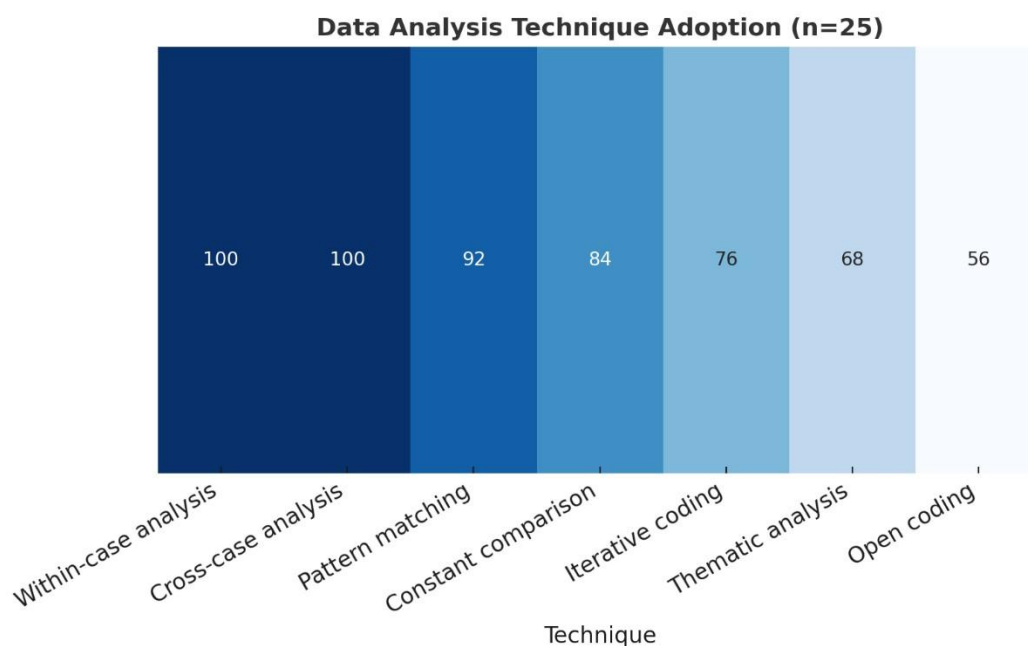
**Figure 5: Eisenhardt Method Component Implementation**

**Methodological Rigor Assessment: Quality Indicators (n=25)**



**Figure 6: Methodological Rigor Assessment**

The fig 6 show's that Methodological rigor indicators in the 25 studies we reviewed show consistently high quality. Triangulation is a common practice. It appears in all studies, which ensures strong validity. Data collection methods are clearly documented in 96% of the cases, which improves reproducibility. Justifications for case selection, which reflect the rigor of theoretical sampling, are found in 92% of studies. Evidence of theoretical saturation is present in 76% of papers, indicating strong analytical depth. However, considerations for external validity are noted in only 52% of cases, and the involvement of multiple researchers is found in 56%. These areas need further improvement. Practices related to reliability and audit trails are observed in 64% of studies, while validity procedures are present in 68%. This shows moderate adherence and indicates there is still room for improvement in maintaining rigor throughout the research process.

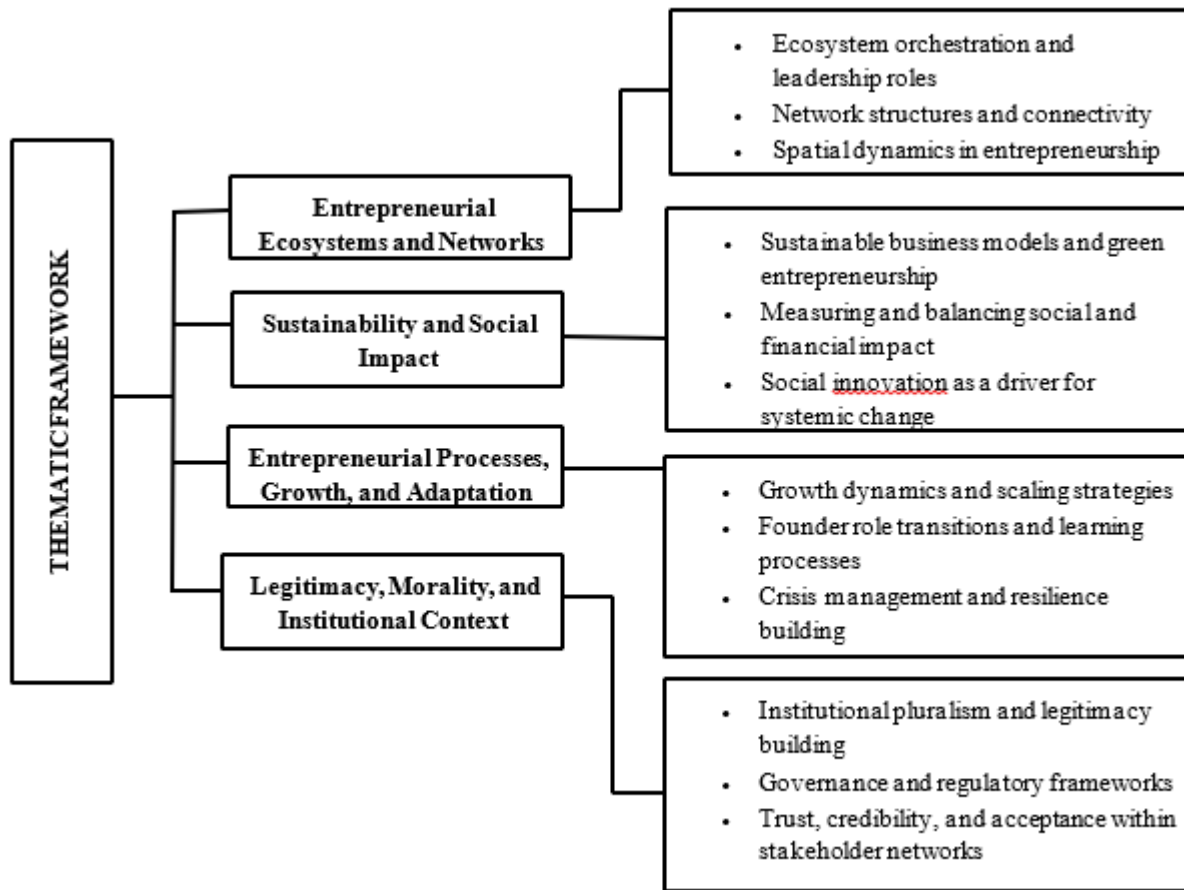


**Figure 7: Data Analysis Technique Adoption**

All 25 reviewed studies use both within-case and cross-case analysis, which are the foundational steps in Eisenhardt's methodology. Pattern matching appears in 92% of the studies, showing strong adherence to key methodological principles. Constant comparison coding is present in 84% of the papers, helping researchers develop theories over time. Additionally, iterative coding shows up in 76% of studies, while thematic and open coding are used in 68% and 56% of studies, respectively. Notably, nearly half of the studies apply all five of these core analysis techniques, indicating strong methodological rigor. This widespread use highlights the strong adoption and consistency of Eisenhardt's approach in entrepreneurship research.

### Findings & Discussion

This systematic literature review provides the results of the multifaceted impact of the Eisenhardt method on the theory building in entrepreneurship research. A thematic analysis of 25 empirical studies found four fundamental areas of concern that can be central to the understanding of this influence: Entrepreneurial Ecosystems and Networks, Sustainability and Social Impact, Entrepreneurial Processes, Growth, and Adaptation, and Legitimacy, Morality, and Institutional Context. All these themes show the ability of the method to produce complex, dynamic and contextual specificities of entrepreneurial phenomenon to build sophisticated theoretical frameworks. These findings are merged and discussed further as it explains the role of the Eisenhardt method in the rich, empirically based, and practically applicable theory generation that spans a wide range of areas of the entrepreneurial activity and tackles the modern-day challenges existing in the field.



**Figure 8: Thematic Framework of Influence of the Eisenhardt Method**

**Entrepreneurial Ecosystems and Networks**—This theme underlines the relationship between systems of entrepreneurs, organizations, and institutions to promote entrepreneurial activity by means of collaboration, sharing of knowledge, and innovation to support and develop ventures.

*Ecosystem orchestration and leadership roles* -In this, the role of key actors (leaders, institutions, or orchestrators) in the coordination and management of resources, relationships, and collaborations in entrepreneurial ecosystems to spur innovation and growth is explored.

*Network structures and connectivity* - Concentrates on the patterns, quality and dynamics of interactions between entrepreneurs, organizations and stakeholders which create social capital and allow exchange of knowledge, resources and the creation of opportunities.

*Spatial dynamics in entrepreneurship* -Studies the impact of geography, place, and space on entrepreneurial performance, place-based network, clustering, and place-based ecosystem building.

**Sustainability and Social Impact** -The theme focuses on responsible entrepreneurship, in which business ventures combine green practices and social missions to overcome the inequalities, build communities, and encourage sustainable and ethical entrepreneurial activities.

*Sustainable business models and green entrepreneurship*- Research entrepreneurial initiatives to incorporate environmental sustainability within their operations to come up with a model that balances profit and ecological stewardship.

*Measuring and balancing social and financial impact*-The concerns are the methodologies and frameworks employed by ventures to estimate and balance the creation of social value and the financial performance, dealing with difficulties in measuring the impacts.

*Social innovation as a driver for systemic change*- Explores the way entrepreneurial projects bring new social practices, processes, or solutions to societal problems and bring about transformative change in systems or communities.

**Entrepreneurial Processes, Growth, and Adaptation**- This theme can be traced as entrepreneurs navigate through venture creation, scaling, and crisis by changing all three strategies, roles, and resources to ensure the changing face of the entrepreneurship over time.

*Growth dynamics and scaling strategies*: Examines the expansion of the venture and the difficulties encountered and approaches used by it to support growth and scale on a sustainable basis.

*Founder role transitions and learning processes*- Considers the changing role of entrepreneurs as their businesses expand, such as the need to acquire skills, change identities, and be ready to learn to continue being successful.

*Crisis management and resilience building*- **Looks** at the reactions of entrepreneurial activities to disruption, failure or crisis and builds the ability to change and recover and maintain business operations.

**Legitimacy, Morality, and Institutional Context**- This theme emphasizes the ways in which entrepreneurs achieve legitimacy in different moral and institutional settings, struggle with ethical issues, cultural frameworks, and governmental structures to earn trust and credibility.

*Institutional pluralism and legitimacy building*-The way ventures negotiate many, even conflicting, institutional norms and expectations to achieve legitimacy among various stakeholders.

*Governance and regulatory frameworks*-Emphasizes the impact of governmental institutions and institutional policies on entrepreneurial activity in order to define the orientation of ethical conduct and adherence to rules and norms.

*Trust, credibility, and acceptance within stakeholder networks*-Discusses how entrepreneurs can establish trust and credibility, finding acceptance and support among customers, investors, members of a community, and regulators.

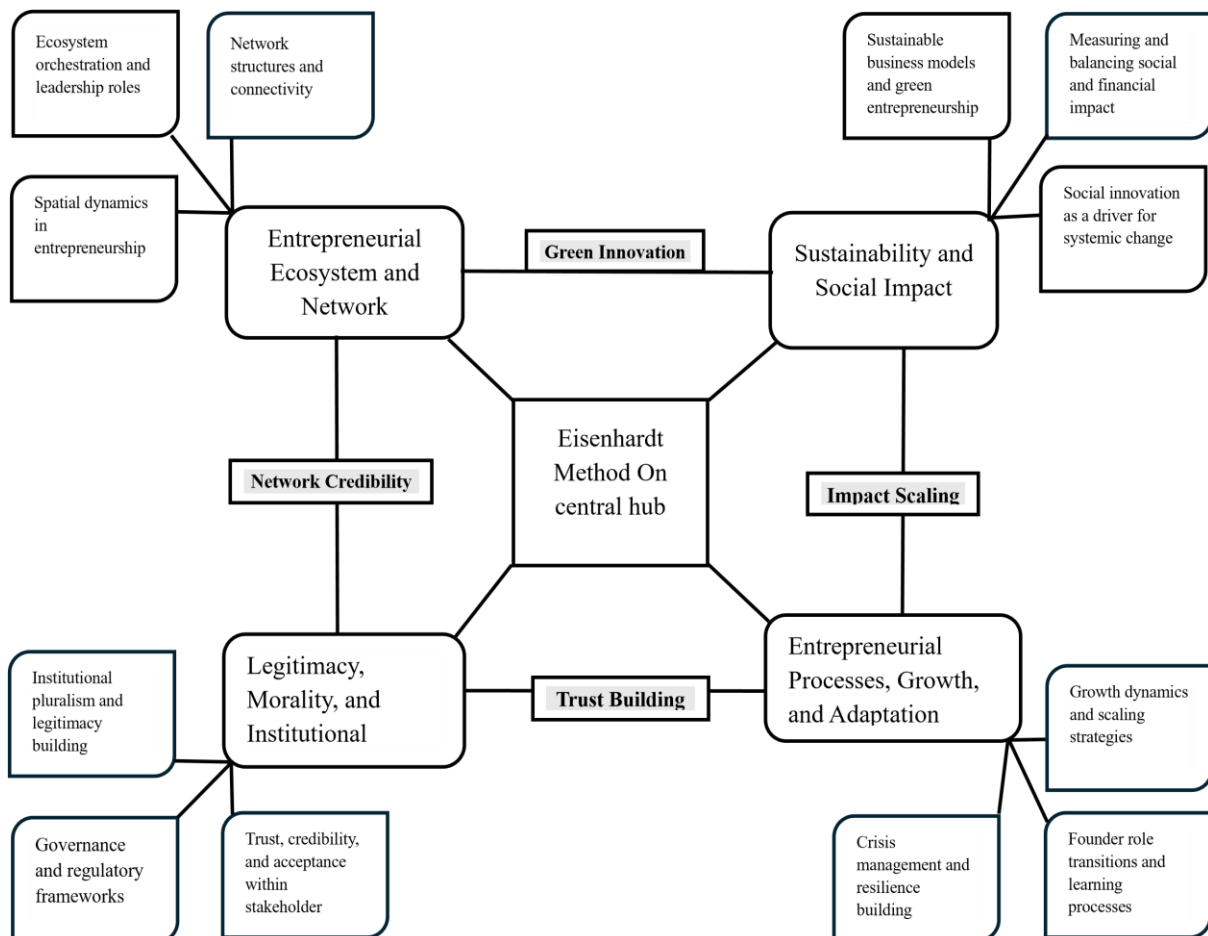
We have found out that three vital processes characterize the successful theory-building process using the Eisenhardt approach: pattern recognition across cases, which establishes generalizable relationships; contextual sensitivity, which maintains the existence of important nuances; and theoretical integration that relates the emergent knowledge to the existing knowledge. The mechanisms are observed in every one of the analysed themes: ecosystem orchestration and sustainability innovation, growth processes and legitimacy building, which proves the versatility and strength of the method.



*Methodological Rigor and Theoretical Contribution*-The review also shows that the methodological rigor of different studies is different, and the most effective ones are the ones that follow the major principles of Eisenhardt but also adjust them to the local conditions. There is genuine theory refinement rather than mechanical application; this is the use of the method in these studies. The method is helpful in developing middle-range theory, as it bridges the gaps between the abstract and the real world and allows finding both generalized and contextual trends.

*Cross-Thematic Integration and Synthesis*-The Eisenhardt approach creates bridges among different fields of the entrepreneurship study that facilitate integrative paradigms that transcend the atomistic worldviews. This cross-thematic synthesis moves the entrepreneurship theory in a more holistic and interconnected perspective of the phenomenon of entrepreneurship.

*Contemporary Relevance and Methodological Evolution*-The method has remained relevant because of its transformation into digital data integration, real-time analysis, and multistakeholder inclusion in recent adaptations. Although these innovations are faithful to methods, they increase the ability of the method in producing subtle and modern theoretical understanding.



**Figure 9: Thematic Integration Network: Eisenhardt Method in Entrepreneurship Theory Building**

This network diagram shows how the Eisenhardt method is the nexus of theory building in the area of entrepreneurship studies, linking four large thematic areas. The relationships that are interconnected show.

### **Key Integration Patterns**

- **Network Credibility:** How ecosystems and legitimacy themes intersect
- **Impact Scaling:** The connection between sustainability and growth processes
- **Trust Building:** The relationship between legitimacy and adaptation
- **Green Innovation:** How ecosystems enable sustainable entrepreneurship

The chart can be used visually to explain how the Eisenhardt approach can be used to develop the holistic theory that cuts across the silos of traditional research to develop coherent frameworks that can be applied to various entrepreneurial issues at the same time. This illustrates the uniqueness of the method in providing exhaustive theories that capture the interview relationship of the modern entrepreneurship phenomena.

### **Implications for Theory Building in Entrepreneurship**

*Practical and Empirical relevance*-The Eisenhardt approach makes empirical data central to theory, which generates contextually based and practically helpful insights that will advance both research and entrepreneurship.

*Middle-range Theory Development*-Its cross-case/iterative methodology makes it possible to come up with middle-range theories that bridge conceptual abstractions and situations of the world, exposing both universal and situational trends.

*Handling Complexity*-The flexibility and rigor with which it is approached enables the method to be highly appropriate in investigation of complex, multi-stakeholder, and dynamic phenomena of entrepreneurship, which will guarantee its enduring applicability in the current theory construction.

### Qualitative Entrepreneurship Studies Using Eisenhardt-Inspired Methods

Authors & Year	Title	Journal	Key Ideas	Theme	Country / Sector	Eisenhardt Method Used	Main Contribution
Newman & Badger (2025)	Emancipatory entrepreneurship in postcolonial contexts	<i>Journal of Business Venturing</i>	Emancipatory entrepreneurship empowering marginalized communities in postcolonial settings	Sustainability and Social Impact	Multi-country / Social Enterprise	Theoretical sampling, cross-case comparison, theory–literature enfolding	Framework for emancipatory entrepreneurship in emerging contexts
Hampel & Dalpiaz (2025)	When hype collides with morality: How entrepreneurial ventures navigate	<i>Journal of Business Venturing</i>	Navigating moral tensions amid ESG pressures and greenwashing	Legitimacy, Morality, and Institutional Context	Global / Technology Startups	Within-case analysis, iterative coding, cross-case pattern identification	Morality navigation theory for ethical ventures
Spivack & Lahti (2025)	Legitimacy perceptions amid institutional pluralism	<i>Journal of Business Venturing</i>	Legitimacy perceptions under institutional pluralism	Legitimacy, Morality, and Institutional Context	Multi-country / Tech Ventures	Theoretical sampling, multi-stakeholder perspectives, emergent theory	Legitimacy perception model in plural institutions
Siefkes (2025)	A guide to becoming green: Insights from angel investors	<i>Journal of Small Business Management</i>	Investor criteria and strategies supporting green entrepreneurship	Sustainability and Social Impact	Germany / Green Business	Replication logic, case selection, data saturation	Green entrepreneurship investor insights and criteria
Rondi &	The evolution of	<i>Strategic</i>	Transformation of	Entrepreneurial	Italy / Craft	Longitudinal case	Craft

Magrelli (2024)	craft work in the strategic domain	<i>Entrepreneurship Journal</i>	craft-based work in strategic entrepreneurship	Ecosystems and Networks	Business	analysis, within-case narratives, comparative framework	entrepreneurship evolution theory
Harima <i>et al.</i> (2024)	Ecosystem orchestration: Unpacking the leaders' roles	<i>Entrepreneurship Theory and Practice</i>	Leadership roles and orchestration mechanisms in ecosystems	Entrepreneurial Ecosystems and Networks	Global / Tech Ecosystems	Cross-case comparison, template analysis, pattern identification	Ecosystem orchestration roles and leadership functions
Karahan (2024)	Advancing sustainable entrepreneurial universities	<i>Small Business Economics</i>	Sustainable practices and entrepreneurial initiatives in universities	Sustainability and Social Impact	Turkey / Educational Entrepreneurship	Multiple case study, data triangulation, constant comparison	Sustainable university entrepreneurship framework
Zalkat <i>et al.</i> (2024)	Refugee entrepreneurship motivations in Sweden	<i>Small Business Economics</i>	Motivations driving refugee entrepreneurs in host countries	Entrepreneurial Processes, Growth, and Adaptation	Sweden / Refugee Entrepreneurs	Purposive sampling, inductive analysis, thematic saturation	Refugee entrepreneur motivation and integration theory
van Werven (2024)	Entrepreneurship in religious organizations: How faith shapes processes	<i>Small Business Economics</i>	Influence of religious faith on entrepreneurial processes	Legitimacy, Morality, and Institutional Context	Netherlands / Religious Organizations	Faith-context sampling, institutional case analysis, mechanism identification	Faith–institutional entrepreneurship integration

Cyron <i>et al.</i> (2024)	Beware the community type: Engagement and growth dynamics	<i>Small Business Economics</i>	Effects of community type on engagement and venture growth	Sustainability and Social Impact	Global / Community Platforms	Systematic case comparison, variation analysis	Community platform engagement dynamics
Jönsson (2024)	Exploring social and spatial roles of social enterprises	<i>Entrepreneurship &amp; Regional Development</i>	Spatial and social roles of social enterprises in regions	Sustainability and Social Impact	Sweden / Social Enterprises	Spatial theoretical sampling, within- and cross-case coding	Social enterprise spatial impact model
Mirkovski <i>et al.</i> (2024)	Achieving entrepreneurial growth despite resource constraints	<i>Small Business Economics</i>	Growth strategies under severe resource constraints	Entrepreneurial Processes, Growth, and Adaptation	Multi-country / Growth-stage Startups	Resource-constraint analysis, cross-case templates	Resource-constraint adaptation strategies
Ancona <i>et al.</i> (2023)	Network-based principles of entrepreneurial ecosystems	<i>Small Business Economics</i>	Network-based organizing principles driving ecosystem effectiveness	Entrepreneurial Ecosystems and Networks	Global / Ecosystem Networks	Network case selection, ecosystem comparison	Network principles for ecosystem effectiveness
Kosmynin <i>et al.</i> (2023)	Tales of the unexpected: Repair work of entrepreneurs	<i>Entrepreneurship Theory and Practice</i>	Entrepreneurial repair work and sensemaking in uncertainty	Entrepreneurial Processes, Growth, and Adaptation	Global / Entrepreneurial Adaptation	Anomaly sampling, repair mechanism tracking	Entrepreneurial sensemaking and repair processes
Scheidgen <i>et al.</i> (2023)	Berlin is hotter than Silicon Valley! Networking insights	<i>Entrepreneurship Theory and Practice</i>	Networking dynamics across startup ecosystems	Entrepreneurial Ecosystems and Networks	Germany / Startup Ecosystems	Geographic sampling, comparative networking analysis	Effects of geographic clustering and network intensity

Conz <i>et al.</i> (2023)	Responding to unexpected crises: Roles of entrepreneurs	<i>Small Business Economics</i>	Entrepreneurial responses and adaptation during crises	Entrepreneurial Processes, Growth, and Adaptation	Global / Crisis-adaptive Firms	Crisis-event sampling, response mechanism analysis	Crisis resilience and adaptation mechanisms
van Lancker <i>et al.</i> (2023)	Preparing for scaling: Founder role transitions	<i>Journal of Business Venturing</i>	Founder identity and role transitions during scaling	Entrepreneurial Processes, Growth, and Adaptation	Multi-country / Scaling Ventures	Longitudinal sampling, role transition tracking	Founder role transition and scaling theory
Cestino-Castilla <i>et al.</i> (2023)	External enablers in existing organizations	<i>Strategic Entrepreneurship Journal</i>	External factors enabling corporate entrepreneurship	Entrepreneurial Processes, Growth, and Adaptation	Multi-country / Organizational Change	External-enabler case selection, comparative analysis	External enablers in organizational venturing
Zhang <i>et al.</i> (2023)	Design standardization by Airbnb multi-unit hosts	<i>Annals of Tourism Research</i>	Standardization strategies in platform-based hosting	Sustainability and Social Impact	Global / Digital Platforms	Platform-host sampling, pattern analysis	Standardization strategy in platform ecosystems
Stamm & Gutzeit (2022)	Group conditions for entrepreneurial visions	<i>Small Business Economics</i>	Conditions enabling collaborative vision formation	Entrepreneurial Processes, Growth, and Adaptation	Global / Venture Collaboration	Group-formation sampling, collaborative analysis	Collaborative entrepreneurial vision framework
Cloutier & Messeghem (2022)	Whirlwind model of entrepreneurial ecosystem practices	<i>Small Business Economics</i>	Dynamic orchestration practices in ecosystems	Entrepreneurial Ecosystems and Networks	Canada / Regional Ecosystems	Ecosystem practice case selection, comparative modeling	Ecosystem orchestration practices model

Aquino (2022)	Community change through tourism social entrepreneurship	<i>Annals of Tourism Research</i>	Tourism social entrepreneurship driving community change	Sustainability and Social Impact	Caribbean / Tourism Entrepreneurship	Contextual sampling, community engagement analysis	Tourism social entrepreneurship community impact
Koehne et al. (2022)	The potentials and perils of prosocial power	<i>Journal of Business Venturing</i>	Benefits and risks of prosocial power in social ventures	Sustainability and Social Impact	Multi-country / Social Impact	Power-dynamic sampling, multistakeholder analysis	Prosocial power and social impact dynamics
Serres et al. (2022)	Social corporations under the spotlight: Governance	<i>Journal of Business Venturing</i>	Governance mechanisms and legitimacy challenges	Legitimacy, Morality, and Institutional Context	France / Social Corporations	Governance case sampling, legitimacy analysis	Governance and legitimacy in social corporations
Cavotta & Dalpiaz (2022)	Good apples in spoiled barrels: A temporal model	<i>Journal of Business Venturing</i>	Navigating institutional challenges over time	Sustainability and Social Impact	Global / Institutional Challenge	Temporal case sampling, institutional pressure tracking	Temporal model of institutional challenge navigation

### **Limitations and Challenges**

This SLR is restricted to English-based studies (2021-2025) in selected databases, excluding possible but non-English-language relevant or emerging research. Thematic interpretation might not be comprehensive regarding study nuances, and it was analysed according to what was published and not based on the entire methodological information.

*Implementation Challenges:* The application of Eisenhardt methods is usually inconsistently rigorous, with some studies applying it in a superficial way. The geographic and temporal diversity is limited by the resource needs, insufficient case selection and limited theoretical rationalization make cross-case comparisons less strong.

*The Barriers to Development of Theory:* The use of western-centric samples restricts the generalization of theories, partial integration results in disjointed knowledge, and restricting time boundaries make it difficult to explain the changing dynamics of entrepreneurship.

### **Future Research Directions**

*Methodological Innovation* - Future studies must focus on the multi-level embedded case designs that combine individual, organizational, and ecosystem perspectives and include digital data streams and real-time analytics to contribute to a more vivid and accurate theory building.

*Contextual Expansion:* To expand the theoretical boundary conditions, scholars must use the Eisenhardt method on under-researched areas such as emerging ecosystems of the economy, digital platform entrepreneurs, crisis-driven entrepreneurs, and marginalized community entrepreneurs.

*Longitudinal Process Theory:* Researchers are encouraged to focus more on longitudinal cohort research that tracks the entrepreneurs over a long time to observe the temporal patterns, learning patterns and dynamic adaptation processes that the present cross-sectional applications lack.

*Integration and Synthesis on a Theoretical Level:* future research needs to clearly relate insights derived out of cases with existing entrepreneurship and institutional models as well as form cross-thematic theories that cross-cuts across standard research inquiry.

*Practice-Oriented Theory Building:* The researchers are supposed to emphasize the creation of practical frameworks, which will guide the entrepreneurial practice, policy-making, and ecosystem organization and align them with theoretical soundness and empirical basis.

### **Conclusion**

This review shows that the Eisenhardt method—using careful case selection, repeated within- and cross-case analysis, and ongoing engagement with existing literature—remains essential for building theory in entrepreneurship. Synthesizing 25 recent studies, we demonstrate how this approach has produced detailed frameworks for ecosystem orchestration, dual-impact business models, dynamic growth and adaptation, and legitimacy strategies, effectively linking deep empirical work with theoretical rigor. To keep and grow these contributions, future



research should use multi-level and longitudinal case designs, study underexplored settings like emerging economies and digital platforms, and better integrate new case insights with established theoretical paradigms, advancing entrepreneurship scholarship in both reach and practical use.

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## **ENTREPRENEURIAL ORIENTATION AND INNOVATION IN THE DIGITAL AND SUSTAINABILITY ERA: A SYSTEMATIC LITERATURE REVIEW**

**Vaishali Bhushan**

LM Thapar School of Management,

Thapar Institute of Engineering and Technology (Deemed to be University),

Patiala, Punjab, India

Corresponding author E-mail: [vbhushan\\_phd24@thapar.edu](mailto:vbhushan_phd24@thapar.edu)

### **Abstract:**

Entrepreneurial orientation (EO) is still an important idea in entrepreneurship and strategic management. It shows how companies try to be inventive, proactive, and willing to take risks. Nonetheless, swift progress in digital transformation and the increasing significance of sustainability have redefined the environments in which EO functions. This study performs a systematic literature review (SLR) of 25 peer-reviewed A and A\* journal papers published from 2020 to 2025 to consolidate existing knowledge and pinpoint upcoming trends. In accordance with PRISMA guidelines, the review amalgamates thematic and bibliometric analyses to identify four principal clusters: (1) EO and innovation, (2) EO and strategic orientations, (3) EO, dynamic capabilities, and business model innovation, and (4) EO in emerging contexts such as sustainability, crowdfunding, and digital ecosystems. The findings indicate that EO remains a significant catalyst for innovation and performance; nevertheless, its efficacy is contingent upon its alignment with dynamic capacities, absorptive capacity, and complementary orientations, including market, learning, and sustainability orientations. EO is becoming more and more like a multi-level and relational construct that is shaped by institutional and technical circumstances that affect its results. The study suggests a comprehensive conceptual framework that connects EO, capacities, and sustainability, and presents a prospective research agenda that prioritizes longitudinal, multi-method, and crossnational studies. This research aids in redefining EO as a dynamic, contextually responsive orientation essential for organizations addressing digital disruption and sustainability problems in the 21st century.

**Keywords:** Entrepreneurial Orientation (EO), Innovation, Dynamic Capabilities, Business Model Innovation, Sustainability, Strategic Orientations, Digital Transformation, Absorptive Capacity

### **Introduction**

Entrepreneurial orientation (EO) is one of the most lasting and well studied ideas in research on entrepreneurship. EO, which comes from the important works of Miller (1983) and Covin and Slevin (1989), describes a company's strategic position as one that is inventive, willing to take

risks, and proactive. EO has been confirmed as a reliable indicator of organizational performance across many industries, sizes, and regions (Rauch *et al.*, 2009; Wiklund & Shepherd, 2005). Its significance in entrepreneurship and strategic management literature arises from its capacity to elucidate how organizations discern, assess, and leverage opportunities in uncertain contexts (Wales *et al.*, 2020).

The traditional characteristics of EO still matter, but the world has changed a lot in the last ten years, which makes many wonder if EO is still relevant and where it works. The competitive landscape is changing because of digital transformation, disruptive technologies, and the global sustainability agenda (Kraus *et al.*, 2023; Ritala *et al.*, 2021). Companies can't only rely on conventional entrepreneurial behavior anymore; they need to make sure that their EO is in line with digital tools, dynamic capabilities, and what society expects (He *et al.*, 2024; Shahzad & Xu, 2024). For example, companies that use blockchain or AI not only have to deal with technological uncertainties, but they also have to deal with institutional constraints to be ethical, sustainable, and inclusive (Cowden & Tang, 2022). Likewise, the amalgamation of entrepreneurial orientation (EO) with frameworks such as market orientation (MO), learning orientation (LO), and sustainability orientation (SO) indicates that EO is progressively operating as an element of a more extensive array of strategic orientations rather than as an isolated construct (Wales *et al.*, 2018; Eggers *et al.*, 2020; He *et al.*, 2024).

Scholars have reacted to these changes by broadening the focus of EO study. Recent research investigates antecedents including affect, networks, and absorptive capacity; analyzes the synergy and conflict of entrepreneurial orientation (EO) with other orientations; and examines EO's influence on digital transformation, disruptive innovation, and sustainability (Bernoster *et al.*, 2020; Kohtamäki *et al.*, 2020; Kraus *et al.*, 2023). Nevertheless, in spite of the multitude of investigations, the results continue to be disjointed. Some research affirms EO's beneficial impact on innovation (Rauch *et al.*, 2009; Szambelan & Jiang, 2020), while others indicate that the advantages are dependent on contextual moderators, including dynamic capacities or national culture (Monferrer *et al.*, 2021; Wales *et al.*, 2019). EO's connection to sustainability is also complicated; it can help us reach our Sustainable Development Goals (SDGs), but taking too many risks could hurt our long-term sustainability goals (He *et al.*, 2024; Horne *et al.*, 2020). These varied results show that there needs to be a comprehensive synthesis of contemporary EO research.

This work fills the gap by doing a systematic literature review (SLR) of 25 peer-reviewed articles that were published in top A and A\* journals between 2020 and 2025. The review follows standard SLR techniques (Donthu *et al.*, 2021) by using a structured database search and clear rules on what to include and what to leave out. Furthermore, bibliometric mapping was employed to discern theme clusters, so assuring that the synthesis is both methodologically

sound and rooted in the intellectual framework of the discipline (Lampe *et al.*, 2020). The last group of research looks at a wide range of situations, such as small and medium-sized businesses (SMEs), family businesses, companies that have gone digital, and businesses that are focused on sustainability (Alayo *et al.*, 2023; Shahzad & Xu, 2024).

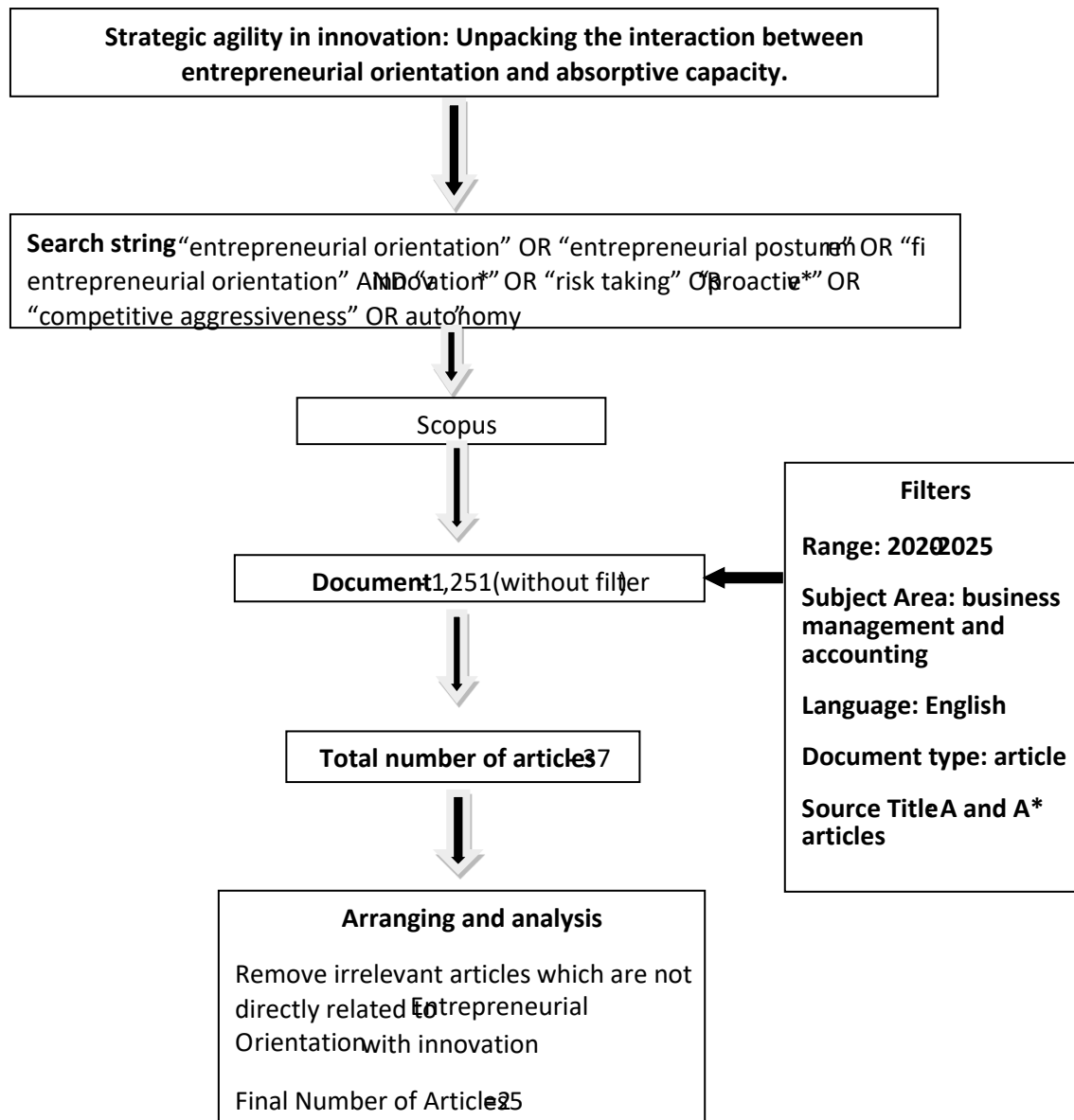
## **Methodology**

The approach of this systematic literature review adhered to recognized norms to guarantee transparency, rigor, and replicability (Page *et al.*, 2021). A thorough search of peer-reviewed articles published from 2020 to 2025 was conducted primarily through the Scopus database, supplemented by Google Scholar for thoroughness, concentrating on journals rated as A or A\* by ABDC/ABS rankings. The search strategy utilized pertinent keywords and Boolean operators such as entrepreneurial orientation, innovation, risk-taking, proactiveness, sustainability, and digital transformation to identify studies that explicitly examine the EO construct and its relationship with innovation, digitalization, and sustainability.

Inclusion requirements required articles to be empirical or conceptual studies that explicitly connect entrepreneurial orientation (EO) to innovation or performance results, published in high-quality English-language journals (Rauch *et al.*, 2009; Wales *et al.*, 2020). Articles were omitted if they did not directly address EO, were not peer-reviewed, or were deemed irrelevant to the business and management field. The first database searches found about 230 publications. These were then vetted based on their titles and abstracts to get rid of duplicates and works that weren't useful. After that, 50 full texts were evaluated based on the inclusion and exclusion criteria, and 25 articles were chosen for a more in-depth review.

We carefully pulled data from each chosen publication, including bibliographic information, the method used, the study's context, the operationalization of EO, the main outcomes, and any mediators or modifiers. An iterative coding technique facilitated thematic categorization across four principal clusters: EO and innovation, EO and strategic orientations, EO, capabilities and business models, and EO in emerging contexts highlighting sustainability and digital transformation. Bibliometric mapping was used to show thematic clusters and intellectual structures in the literature that was reviewed (Zupic & Čater, 2015) in order to make the research more rigorous and valid.

Quality appraisal concentrated on methodological rigor, clarity of EO measurement, applicability to digital or sustainability contexts, and the transferability of findings. Only studies that met this strict quality standards were included. The selection and screening processes were recorded and illustrated in accordance with PRISMA criteria (Page *et al.*, 2021), so guaranteeing replicability and transparency. This strict, step-by-step procedure is what makes the synthesis reliable and the conclusions from this systematic literature evaluation credible.



## Thematic Review

The systematic synthesis of the 25 reviewed articles revealed four dominant themes that collectively define the contemporary state of entrepreneurial orientation (EO) research. These themes are: (1) EO and innovation, (2) EO and strategic orientations, (3) EO, capabilities, and business models, and (4) EO in emerging contexts and sustainability. This section discusses each theme in detail, drawing on empirical and conceptual contributions.

### Theme 1: Entrepreneurial Orientation and Innovation

The bibliometric mapping revealed EO and innovation as the most pivotal and concentrated theme in the literature (Lampe *et al.*, 2020). Innovation continues to be the area where EO has the most powerful and stable effect. In some studies, EO is regarded as a catalyst for innovation performance, allowing companies to engage in both incremental and disruptive innovations (Rauch *et al.*, 2009; Kraus *et al.*, 2023). For instance, Kraus *et al.* (2023) show that EO is very important for enabling disruptive innovation in companies that rely heavily on technology.

Cadden *et al.* (2023) also discover that EO, when integrated with big data analytics, markedly improves SMEs' capacity to produce innovative solutions. Ritala *et al.* (2021) assert that individual-level entrepreneurial orientation enhances the execution of digital strategies, therefore fostering organizational innovation. These results show that EO remains a significant precursor of inventive capability (Wiklund & Shepherd, 2005).

Nonetheless, the literature also underscores significant contingencies. Szambelan and Jiang (2020) assert that entrepreneurial orientation (EO) mediates the relationship between effectual control orientation and innovation, positing that EO serves as a conduit between entrepreneurial logics and innovative outcomes. Kohtamäki *et al.* (2020) assert that insufficient absorptive capacity may hinder the translation of entrepreneurial orientation (EO) into innovation, which corresponds with the overarching resource-based and dynamic capacities frameworks (Teece, 2007; Ferreira *et al.*, 2020).

To sum up, EO and innovation have a strong relationship, although it depends on the situation. It works best when it is part of plans for absorptive capacity, dynamic capacities, and digital transformation (Kohtamäki *et al.*, 2020; Ritala *et al.*, 2021). These results position EO–innovation as the primary driver of current EO research.

## **Theme 2: EO and Strategic Orientations**

A second line of research looks at EO in relation to other strategic orientations, such as market orientation (MO), learning orientation (LO), and sustainability orientation (SO). This theme signifies EO's relational placement within a comprehensive strategy framework (Wales *et al.*, 2018; Eggers *et al.*, 2020).

Empirical investigations furnish evidence of both complementarities and conflicts. Wales *et al.* (2018) demonstrate that both EO and MO contribute to sales growth, with EO often having a more pronounced impact. Eggers *et al.* (2020) present the concept of entrepreneurial marketing, positing that entrepreneurial orientation (EO) and marketing orientation (MO) collaboratively improve business performance, particularly in competitive marketplaces. He *et al.* (2024) examines the relationship between EO and SO, emphasizing that although both separately facilitate digital innovation, their connection may create conflicts—especially when EO's risk-taking approach conflicts with SO's emphasis on long-term sustainability (Shahzad & Xu, 2024). Methodologically, numerous investigations in this domain utilize PLS-SEM and fsQCA to examine mediating and moderating effects (Monferrer *et al.*, 2021; Fiss, 2011). Monferrer *et al.* (2021) delineate ambidextrous capabilities as mediators between entrepreneurial orientation (EO) and network management orientation (MO) in international new ventures. These methodological contributions illustrate the intricacy of EO's relationships and enhance theory by conceptualizing EO as an element of a broader portfolio of orientations rather than as an isolated construct (He *et al.*, 2024; Wales *et al.*, 2020). The literature indicates that the value of EO is contingent not only upon its intensity but also upon its arrangement with other orientations.



Complementarities improve innovation and performance, but conflicts might hurt sustainability or responsiveness to the market (Eggers *et al.*, 2020; He *et al.*, 2024).

### **Theme 3: EO, Capabilities, and Business Models**

The third element links EO to dynamic capacities and business model innovation (BMI), which are two important ideas that connect entrepreneurship with strategic management (Teece, 2007). These associations demonstrate that EO functions via organizational resources and learning mechanisms rather than through direct impacts (Kohtamäki *et al.*, 2020; Ferreira *et al.*, 2020).

Kohtamäki *et al.* (2020) show that EO enhances strategic agility when paired with absorptive capacity, enabling enterprises to recognize and capitalize on possibilities in volatile contexts. Ferreira *et al.* (2020) also show how EO works well with creative and dynamic capacities to improve innovation capability. Monferrer *et al.* (2021) apply this reasoning to international entrepreneurship, demonstrating that network entrepreneurial orientation and ambidextrous qualities collaboratively enhance performance in international new businesses.

EO is also very closely related to business model innovation (BMI). Research indicates that entrepreneurial orientation (EO) promotes experimentation with mechanisms for value creation and capture, allowing companies to adapt their business models in response to evolving environmental conditions (Foss & Saebi, 2017; Alayo *et al.*, 2023). Configurational methodologies like fsQCA demonstrate that entrepreneurial orientation (EO) interacts with environmental dynamism and strategic agility to influence outcomes (Fiss, 2011).

In summary, EO is best understood as a mechanism that enables resources to be used in a way that turns an entrepreneurial mindset into a long-term competitive advantage (Kohtamäki *et al.*, 2020; Teece, 2007; Alayo *et al.*, 2023).

### **Theme 4: EO in Emerging Contexts and Sustainability**

The last subject looks at EO's position in new areas like sustainability, crowdsourcing, and digital ecosystems. These studies show how EO has changed throughout time to deal with big problems and digitalization (Shahzad & Xu, 2024; He *et al.*, 2024).

Research connecting EO to sustainability and the Sustainable Development Goals (SDGs) has become more important. Shahzad and Xu (2024) demonstrate that entrepreneurial orientation (EO), in conjunction with market skills, expedites advancement towards the Sustainable Development Goals (SDGs), especially when tempered by a global perspective. Horne *et al.* (2020) correlate entrepreneurial activities with the SDGs, validating EO's significance in sustainability-oriented enterprise. However, tensions remain: He *et al.* (2024) warn that EO's propensity for risk-taking may be at odds with SO's long-term focus, indicating that entrepreneurial dynamism must be reconciled with responsibility (Ritala *et al.*, 2021). EO's function in digital environments is likewise perpetually growing. Tang *et al.* (2021) discover that cultural time orientation affects the way EO effects innovative initiatives. Research in crowdfunding and social media contexts elucidates the amplification of entrepreneurial

orientation's impact on opportunity recognition and invention (Kraus *et al.*, 2023; Cadden *et al.*, 2023).

In general, EO's incorporation into the fields of sustainability and digital technology is a new area of research. Nonetheless, theoretical integration is still inadequate, and subsequent research must align EO's opportunity-seeking behavior with the imperative for responsible innovation (He *et al.*, 2024; Shahzad & Xu, 2024; Horne *et al.*, 2020).

**Table 1: Thematic Synthesis – organizes the 25 articles under four themes and summarizes their main findings**

Theme	Key Papers	Main Findings
EO and Innovation	Kraus <i>et al.</i> (2023); Cadden <i>et al.</i> (2023); Ritala <i>et al.</i> (2021); Szambelan & Jiang (2020)	EO is strongly linked to innovation, driving incremental and disruptive outcomes, contingent on absorptive capacity and capabilities.
EO and Strategic Orientations	Wales <i>et al.</i> (2018); Eggers <i>et al.</i> (2020); He <i>et al.</i> (2024); Monferrer <i>et al.</i> (2021)	EO interacts with market, learning, and sustainability orientations, sometimes complementary, sometimes conflicting.
EO, Capabilities, and Business Models	Kohtamäki <i>et al.</i> (2020); Ferreira <i>et al.</i> (2020); Alayo <i>et al.</i> (2023); Monferrer <i>et al.</i> (2021)	EO supports dynamic capabilities, ambidexterity, and business model innovation, influencing international performance.
EO in Emerging Contexts and Sustainability	Shahzad & Xu (2024); Horne <i>et al.</i> (2020); He <i>et al.</i> (2024); Tang <i>et al.</i> (2021)	EO expands into sustainability, crowdfunding, and green innovations, enabling SDGs but with potential tensions.

## Discussion

The synthesis of 25 recent studies on entrepreneurial orientation (EO) yields numerous critical insights concerning the present condition and future direction of EO research. The integration of thematic and bibliometric studies illustrates that EO continues to be a significant construct, albeit its function is changing in response to emerging strategic and environmental issues (Wales *et al.*, 2020; Kohtamäki *et al.*, 2020). EO is the driving force behind innovation, encouraging both incremental and disruptive innovation (Kraus *et al.*, 2023; Rauch *et al.*, 2009). However, the results of innovation depend on how well EO fits with absorptive capacity, dynamic capacities, and digital transformation plans (Ferreira *et al.*, 2020; Teece, 2007). This context-sensitive quality shows that EO's effect on company performance depends on how well resources are used and how well capabilities are developed (Ritala *et al.*, 2021).

Additionally, EO seldom operates independently. It interacts dynamically with various strategic orientations, including market orientation (MO), learning orientation (LO), and sustainability

orientation (SO) (Eggers *et al.*, 2020; He *et al.*, 2024; Wales *et al.*, 2018). The synergies that come from the relationship between EO and MO or LO make businesses more responsive to customers and encourage ongoing learning (Wales *et al.*, 2020). On the other hand, tensions may emerge when EO's propensity for risk-taking clashes with SO's focus on long-term accountability (Shahzad & Xu, 2024; Horne *et al.*, 2020). Theoretically, this endorses the view of EO as an element of a portfolio of strategic orientations rather than as an isolated construct (He *et al.*, 2024; Monferrer *et al.*, 2021).

Another conclusion is that EO's effect on business results is often mediated by dynamic capabilities and business model innovation (BMI). Absorptive capacity, ambidextrous capabilities, and inventiveness are essential enablers that influence the efficacy of entrepreneurial orientation (EO) by equipping organizations to identify, exploit, and reconfigure possibilities (Kohtamäki *et al.*, 2020; Ferreira *et al.*, 2020). EO also helps BMI by encouraging people to try new ways of making and getting value (Alayo *et al.*, 2023; Foss & Saebi, 2017). This mediating role establishes EO as a resource-enabling attitude, consistent with the dynamic capacities perspective that associates entrepreneurial action with organizational adaptability (Teece, 2007; Ritala *et al.*, 2021).

Lastly, EO's influence has now expanded to encompass new, sustainability-oriented, and digitally mediated environments (He *et al.*, 2024; Shahzad & Xu, 2024). Entrepreneurial orientation (EO) has been linked to advancements in Sustainable Development Goals (SDGs) via innovation and the generation of opportunities (Horne *et al.*, 2020), however results are inconclusive. Although EO promotes sustainability-focused entrepreneurship, excessive risktaking may undermine long-term social and environmental goals (He *et al.*, 2024). This complexity necessitates the integration of entrepreneurial orientation with institutional theory and sustainability frameworks to enhance the understanding of how entrepreneurial conduct corresponds with global concerns (Wales *et al.*, 2019; Kraus *et al.*, 2023).

In general, the results back up the idea of rethinking EO as a multi-level and relational idea. On an individual level, emotions, thoughts, and a global perspective all determine how someone acts as an entrepreneur (Bernoster *et al.*, 2020). At the organizational level, EO interacts with various orientations and competencies. At the institutional level, EO is influenced by policy incentives, cultural factors, and sustainability imperatives (Shahzad & Xu, 2024; Horne *et al.*, 2020). This multi-level framework links EO research with the dynamic capabilities approach, institutional theory, and grand-challenge study.

## **Conclusion**

Entrepreneurial orientation (EO) has constituted a fundamental aspect of entrepreneurship and strategic management study for numerous decades (Miller, 1983; Covin & Slevin, 1989). Traditionally characterized by innovativeness, proactiveness, and risk-taking, entrepreneurial orientation (EO) improves organizational performance and competitiveness across several

industries (Rauch *et al.*, 2009; Wiklund & Shepherd, 2005). This comprehensive literature analysis demonstrates that digital transformation and sustainability imperatives are redefining the definition and implementation of EO (He *et al.*, 2024; Kraus *et al.*, 2023).

This review synthesized 25 peer-reviewed articles (2020–2025) and identified four thematic clusters that delineate EO's evolution: (1) EO and innovation, (2) EO and strategic orientations, (3) EO, capabilities, and business models, and (4) EO in emerging and sustainability contexts (Lampe *et al.*, 2020; Donthu *et al.*, 2021). The data substantiates EO's robust association with innovation while emphasizing that its influence is contingent upon dynamic qualities, including absorptive capacity and strategic agility (Kohtamäki *et al.*, 2020;

Teece, 2007). EO's engagement with MO, LO, and SO elucidates both synergies and conflicts that affect organizational results (Eggers *et al.*, 2020; He *et al.*, 2024).

The review theoretically situates EO as a dynamic and contextually responsive orientation. It combines micro-level entrepreneurial behavior with macro-level institutional and sustainability contexts (Wales *et al.*, 2019; Shahzad & Xu, 2024). In practice, managers ought to synchronize entrepreneurial orientation with digital transformation and capability enhancement to guarantee that entrepreneurial ventures result in enduring innovation and accountable performance (Kohtamäki *et al.*, 2020; Alayo *et al.*, 2023). Policymakers can foster entrepreneurial ecosystems that promote entrepreneurial orientation (EO) while integrating sustainability incentives and regulatory assistance (Horne *et al.*, 2020; Shahzad & Xu, 2024).

Subsequent research should utilize longitudinal, multi-method, and multi-level frameworks to investigate the causal influence of EO on innovation and sustainability outcomes (Page *et al.*, 2021; Donthu *et al.*, 2021). Researchers ought to investigate EO's influence in the digital economy, especially in relation to AI, blockchain, and platform ecosystems, to comprehend the evolution of entrepreneurial attitudes in technology-driven contexts (Kraus *et al.*, 2023; Tang *et al.*, 2021).

In conclusion, EO is still an important way to think about and understand how businesses deal with uncertainty, innovation, and sustainability. Organizations can get a competitive edge and be relevant to society in the digital and sustainability era by accepting EO as a relational and adaptive idea.

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## **DIGITAL ENTREPRENEURSHIP: A SYSTEMATIC LITERATURE REVIEW**

**Reema Kath**

LM Thapar School of Management,

Thapar Institute of Engineering and Technology (Deemed to be University),

Patiala, Punjab, India

Corresponding author E-mail: [rkath\\_phd25@thapar.edu](mailto:rkath_phd25@thapar.edu)

### **Abstract**

Digital technologies have fundamentally reshaped entrepreneurship, enabling new ways of creating, financing, and scaling ventures. However, despite the rapid growth of scholarship on digital entrepreneurship, research remains fragmented across various themes, including finance, identity, and ecosystems. This study conducts a systematic literature review (SLR) to consolidate recent advances and provide an integrated understanding of the field. Using the Scopus database, an initial pool of 4,346 documents published between 2021 and 2025 was refined through a transparent multi-stage filtration process, resulting in a final dataset of 29 peer-reviewed articles from ABDC A\* and A journals. The thematic analysis reveals three dominant areas. First, research on digital finance and platforms highlights opportunities and risks, as crowdfunding, fintech, and blockchain democratize access to capital but raise challenges to governance and credibility. Second, studies of identity and inclusion show how digital affordances enable women, mothers, and marginalized groups to negotiate entrepreneurial identities and build communities, even as platform gatekeeping and structural inequalities constrain outcomes. Third, scholarship on ecosystems and resilience demonstrates that digital infrastructures support geographically unbounded ecosystems and enable adaptation in crises. However, benefits are uneven and shaped by digital maturity, institutional frameworks, and political identity. This review contributes by synthesizing fragmented insights, identifying cross-cutting paradoxes, and proposing directions for future research on governance mechanisms, identity formation, and resilience in digitally mediated contexts. It concludes that digital entrepreneurship is empowering and risky, underscoring the need for integrative scholarship and inclusive policy design.

### **Introduction**

The rapid proliferation of digital technologies has transformed the entrepreneurial landscape, reshaping how ventures are created, financed, and scaled. Entrepreneurs today operate in an environment where digital infrastructures—ranging from blockchain and artificial intelligence (AI) to social media platforms and online communities—are central to opportunity recognition and resource mobilisation (Nambisan, 2017; Nambisan *et al.*, 2019). Digital entrepreneurship,

broadly defined as entrepreneurial activity enabled or significantly mediated by digital technologies, has become a focal point of scholarly and practical attention. Scholars emphasise that digitalisation not only accelerates entrepreneurial processes but also alters the logic of entrepreneurial ecosystems by lowering entry barriers, expanding access to global markets, and enabling new forms of value creation (Autio *et al.*, 2018; von Briel *et al.*, 2018). As platform-based markets, blockchain innovations, and digital communities continue to expand, understanding digital entrepreneurship is timely and essential.

The importance of digital entrepreneurship is evident across multiple domains. In entrepreneurial finance, digital technologies have opened new funding avenues, including equity crowdfunding, fintech solutions, and initial coin offerings (ICOs) (Fisch, 2019; Block *et al.*, 2021). These mechanisms democratize access to capital and introduce challenges around governance, signalling, and investor protection (Mataigne *et al.*, 2025). Beyond finance, identity and inclusion in digital spaces have emerged as critical themes. Women, mothers, and entrepreneurs in marginalized contexts increasingly use digital platforms to negotiate entrepreneurial identities, build communities, and overcome institutional barriers (McAdam *et al.*, 2019; Zhao & Wry, 2016). At the same time, cultural entrepreneurs on platforms such as YouTube demonstrate how algorithms and professional gatekeepers shape visibility and legitimacy (Malik *et al.*, 2024). Moreover, digital ecosystems are evolving beyond geographic boundaries. Traditional entrepreneurial ecosystems were viewed as territorially bounded (Stam, 2015), but recent scholarship highlights geographically unbounded, digitally mediated ecosystems that transcend spatial constraints (Audretsch *et al.*, 2024). Finally, crisis contexts such as the COVID-19 pandemic and India's demonetization have shown the resilience enabled by digital tools, with entrepreneurs adopting fintech and ICT to survive uncertainty, even as others face digital overload and techno-stress (Ratten, 2020; Tarafdar *et al.*, 2019; Lahiri *et al.*, 2025). Collectively, these diverse developments illustrate the transformative role of digital entrepreneurship in shaping ventures, markets, and societies.

Despite this momentum, research on digital entrepreneurship remains fragmented. Distinct streams often focus on aspects—finance, identity, ecosystems, or crisis resilience—in isolation. While earlier reviews have advanced the field (Kraus *et al.*, 2019; Nambisan *et al.*, 2019), they are too broad or outdated, particularly given the surge in studies after 2020 and the rise of blockchain-based ventures. Moreover, recent contributions are scattered across multiple disciplines, from entrepreneurship and management to information systems and cultural studies, without a unifying synthesis. This fragmentation limits the development of integrative frameworks and hinders cumulative theoretical advancement.

This paper addresses that gap by conducting a systematic literature review (SLR) of digital entrepreneurship research published between 2021 and 2025 in high-quality journals (ABDC A\*



and A). Following established SLR protocols (Tranfield *et al.*, 2003; Snyder, 2019), an initial Scopus search yielded 4,346 documents. Through a rigorous stepwise filtering process—considering publication years, subject areas, document types, journal rankings, language, and open access—29 final articles were selected for analysis. These articles span a broad spectrum, covering digital finance, gender and identity in digital spaces, entrepreneurial ecosystems, crisis-driven digital adoption, and strategies for scaling digital ventures. Together, they provide a rich foundation for mapping recent developments in digital entrepreneurship.

To guide this review, the study poses three research questions:

- **RQ1:** What thematic areas characterise digital entrepreneurship research between 2021 and 2025?
- **RQ2:** Which theoretical frameworks and methodological approaches underpin this body of work?
- **RQ3:** What gaps and opportunities exist for advancing digital entrepreneurship research?

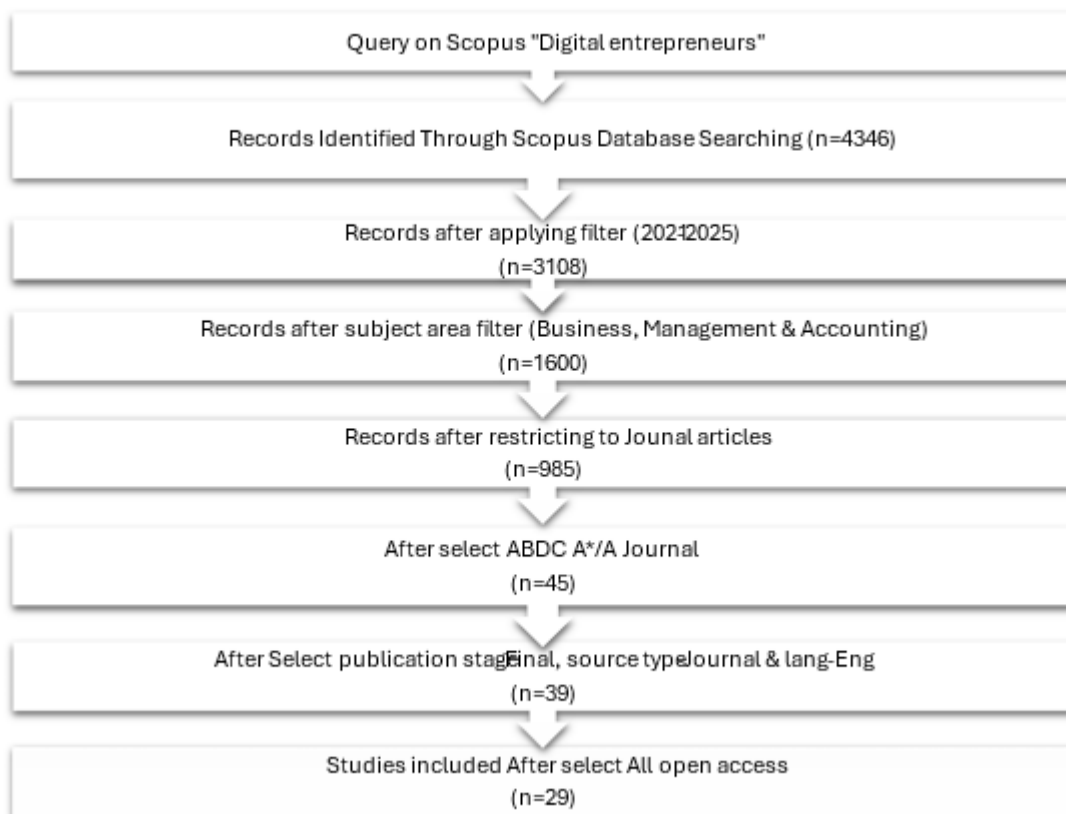
This review makes three contributions. First, it synthesises fragmented insights and identifies thematic clusters, offering a clearer picture of the intellectual contours of digital entrepreneurship. Second, it highlights underexplored areas, such as the governance of digital finance platforms, the sustainability of unbounded ecosystems, and the well-being implications of digital work for entrepreneurs. Third, it develops a forward-looking research agenda to inform scholarship and practice. By consolidating recent advances, this review provides an integrative overview of digital entrepreneurship and charts pathways for inclusive, sustainable, and resilient entrepreneurial futures.

## **Methodology**

This study followed a systematic literature review (SLR) approach to ensure transparency, replicability, and methodological rigour. Following established guidelines (Tranfield *et al.*, 2003; Snyder, 2019), the review was conducted in four key stages: database selection, screening and filtration, eligibility assessment, and final inclusion of articles. This structured process ensured that only relevant, high-quality studies were retained for synthesis.

Scopus was selected as the primary database because of its comprehensive coverage of peerreviewed journals across business, management, and related disciplines and its suitability for systematic reviews (Donthu *et al.*, 2021). The review focused on studies published between 2021 and 2025, marked by accelerated digitalization, the expansion of platform-based markets, and the increasing relevance of technologies such as fintech, blockchain, and artificial intelligence in entrepreneurship. Restricting the time frame to this recent period allowed the review to capture contemporary debates and insights that reflect post-pandemic transformations in entrepreneurial practice and research.

The initial search produced 4,346 documents. A structured filtration process was applied to refine the dataset step by step. Limiting results to 2021–2025 reduced the sample to 3,108 documents. Focusing on the subject area of *Business, Management, and Accounting* narrowed the pool to 1,600 documents. Restricting to journal articles only yielded 985 studies. Only journals ranked *A or A on the ABDC list\** were included to ensure scholarly quality, reducing the sample to 45 articles. Further filters were applied to retain only finalstage publications in English-language journals, resulting in 39 studies. Finally, only openaccess articles were considered for inclusion, which produced a final dataset of 29 articles for review



**Figure 1: PRISMA flow diagram for study selection**

Explicit inclusion and exclusion criteria were used to ensure conceptual alignment with the study’s objectives. Articles were included if they focused explicitly on digital entrepreneurship or entrepreneurial activity enabled by digital technologies, were published in peer-reviewed journals, and fell within the designated timeframe. Studies were excluded if they examined digital technologies without a direct entrepreneurial perspective, were not research articles (e.g., editorials or conference papers), or fell outside the scope of entrepreneurship research. Two reviewers independently screened abstracts and full texts, and disagreements were resolved through discussion to enhance reliability (Kitchenham & Charters, 2007).

For each of the 29 retained articles, bibliographic and thematic information was extracted into a structured database. Key dimensions included author(s), year of publication, journal,

methodology, theoretical framework, and main findings. This systematic extraction enabled the identification of recurring themes, methodological patterns, and theoretical contributions across the literature. To enhance transparency, the article selection process was documented using the PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) framework, which illustrates the refinement of studies from the initial pool of 4,346 documents to the final inclusion of 29 articles (Page *et al.*, 2021).

## **Thematic Analysis**

### **Digital Finance, Platforms, and Governance**

Research on digital entrepreneurship strongly emphasizes the transformation of entrepreneurial finance through digital platforms. Crowdfunding, fintech, blockchain, and initial coin offerings (ICOs) create new avenues for entrepreneurs to access capital, reducing barriers and fostering financial inclusion (Block *et al.*, 2021; Fisch, 2019). However, these opportunities come with governance and legitimacy challenges. For instance, platform insiders' use of false signaling in crowdfunding undermines post-campaign venture success (Mataigne *et al.*, 2025), while blockbuster projects reshape entry dynamics, often attracting lower-quality entrants to more permissive platforms (Doshi, 2025). At the same time, founder characteristics such as extraversion influence how sustainability narratives are received in

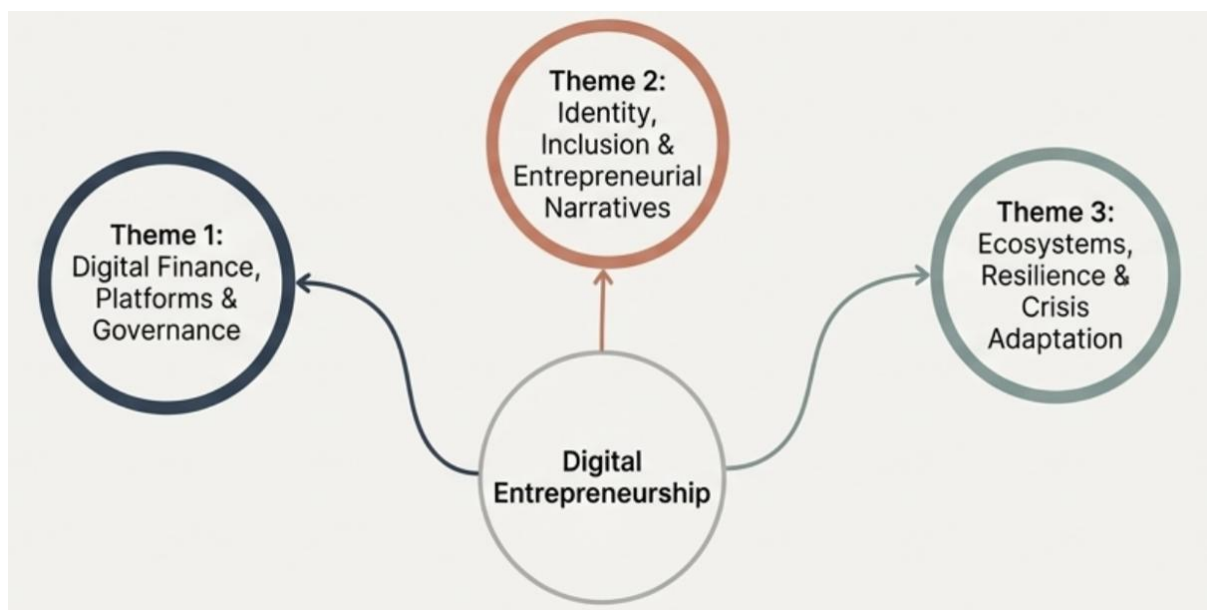
ICOs, revealing the importance of personality and institutional contexts in digital finance (Xia *et al.*, 2023). Beyond finance, cultural markets such as YouTube illustrate how algorithms and professional gatekeepers jointly shape entrepreneurial visibility and legitimacy (Malik *et al.*, 2024). These studies highlight that while digital platforms democratize access to resources, they raise critical concerns about governance, credibility, and control.

### **Identity, Inclusion, and Entrepreneurial Narratives in Digital Spaces**

A second central theme highlights how digital platforms enable identity construction, inclusion, and storytelling for diverse entrepreneurial groups. Women entrepreneurs, for example, leverage digital affordances such as online learning, networking, and scaling tools to overcome cultural and institutional barriers in restrictive contexts like China (Scaling the Great Wall, 2024). Similarly, mothers and women in liminal digital spaces negotiate identities and build supportive communities that foster belonging and empowerment (McAdam *et al.*, 2019). Social media entrepreneurs also use digital platforms to craft entrepreneurial journeys where identity work, narrative construction, and audience engagement are essential for growth and legitimacy (Creating Entrepreneurial Story, 2023). While these findings demonstrate the empowering potential of digital spaces, they also reveal persistent inequalities and platform-level constraints. Digital platforms thus serve as both enablers of entrepreneurial inclusion and arenas where structural barriers continue to shape outcomes.

### Ecosystems, Resilience, and Crisis Adaptation

The third theme underscores the role of digitalization in reshaping entrepreneurial ecosystems and enabling resilience in times of uncertainty. Emerging research suggests that entrepreneurial ecosystems are no longer confined to geographic boundaries but are increasingly unbounded, with digital platforms allowing entrepreneurs to assemble resources and knowledge across multiple locations (Audretsch *et al.*, 2024). This evolution is particularly salient during crises. In Germany, for example, digital maturity amplified the benefits of state aid during the COVID-19 pandemic, showing that digital readiness conditions policy effectiveness for self-employed entrepreneurs (German Financial Aid Study, 2024). Likewise, studies of India's demonetization reveal how political identity influenced necessity entrepreneurs' adoption of digital payment technologies, illustrating how institutional shocks interact with cognition and digital capability (Lahiri *et al.*, 2025). This body of work demonstrates that digital infrastructures enhance resilience by enabling adaptation, but outcomes remain uneven and contingent on infrastructure, political alignment, and ecosystem design.



**Figure 2: Thematic framework model of digital entrepreneurship**

### Discussion

This review highlights that digital entrepreneurship research from 2021 to 2025 is characterized by three dominant areas: digital finance and platforms, identity and inclusion in digital spaces, and ecosystems and resilience during crises. Collectively, these streams illustrate how digitalization is reshaping entrepreneurship by opening new opportunities, creating new risks, and blurring traditional boundaries of practice.

Studies on digital finance and platforms demonstrate the double-edged nature of technological innovation. Crowdfunding, fintech, and blockchain have expanded access to entrepreneurial finance and democratized participation, yet concerns about governance, false signaling, and

platform gatekeeping remain pressing (Mataigne *et al.*, 2025; Doshi, 2025). In parallel, research on digital identities and inclusion shows that digital affordances empower women, mothers, and marginalized groups to construct entrepreneurial identities and build supportive communities, even as algorithmic curation and structural inequalities limit these gains (McAdam *et al.*, 2019; Scaling the Great Wall, 2024). Finally, studies of ecosystems and resilience highlight that digital infrastructures extend entrepreneurial opportunities beyond geographic boundaries and support adaptation in times of crisis, though outcomes are uneven and shaped by digital maturity, institutional frameworks, and political identity (Audretsch *et al.*, 2024; Lahiri *et al.*, 2025).

These findings underline three contributions of recent scholarship: digital platforms democratize entrepreneurship while introducing new governance challenges, digital spaces enable identity construction but remain contested, and digital ecosystems enhance resilience but distribute benefits unevenly. Future research should therefore prioritize examining platform governance mechanisms that balance openness with integrity, exploring how entrepreneurial identities evolve across cultural and institutional contexts, and integrating digital, institutional, and cognitive perspectives to explain resilience in uncertain environments. By addressing these areas, scholarship can advance toward a more holistic understanding of digital entrepreneurship that captures its potential and paradoxes.

### **Future Research Directions**

This review highlights several avenues for future research that emerge from the gaps and limitations of the current body of work.

First, studies on digital finance and platforms reveal a persistent tension between democratized access and governance integrity. While crowdfunding, fintech, and blockchain lower entry barriers, false signalling, opportunistic behaviour, and uneven platform governance raise concerns (Mataigne *et al.*, 2025; Doshi, 2025). Future research should therefore examine how different governance mechanisms—such as disclosure requirements, algorithmic safeguards, or regulatory interventions—can balance openness with credibility. Comparative studies across platforms and institutional contexts would provide insights into how design choices shape entrepreneurial entry, investor trust, and long-term venture performance.

Second, research on identity, inclusion, and entrepreneurial narratives shows that digital spaces enable women, mothers, and marginalised groups to construct entrepreneurial identities and overcome barriers (McAdam *et al.*, 2019; Scaling the Great Wall, 2024). However, the persistence of algorithmic gatekeeping and structural inequalities suggests that empowerment is partial and context-dependent. Future studies could adopt longitudinal and cross-cultural approaches to trace how entrepreneurial identities evolve over time and across platforms. Moreover, scholars could explore how intersectional factors such as gender, class, and political identity interact with digital affordances to enable or constrain inclusion.

Third, findings indicate that digital infrastructures strengthen resilience, but the benefits are unevenly distributed in ecosystems, resilience, and crisis adaptation. For example, digital maturity amplified the effects of German state aid during COVID-19, while political alignment influenced digital payment adoption in India's demonetization crisis (German Financial Aid Study, 2024; Lahiri *et al.*, 2025). This suggests that resilience outcomes depend not only on digital capability but also on institutional and cognitive factors. Future research should therefore integrate digital, institutional, and identity perspectives to develop multilevel models of resilience. Comparative studies across crises, industries, and geographies would deepen understanding of why some entrepreneurs thrive while others remain vulnerable.

These gaps point to the need for research that moves beyond documenting opportunities to critically examining the conditions under which digital entrepreneurship is inclusive, sustainable, and resilient. Scholars can advance a more nuanced and holistic understanding of digital entrepreneurship by addressing governance challenges in digital finance, exploring identity formation across diverse contexts, and theorizing resilience in digitally mediated ecosystems.

## **Conclusion**

This systematic literature review set out to consolidate and analyse recent scholarship on digital entrepreneurship published between 2021 and 2025 in high-quality journals. From an initial pool of 4,346 documents retrieved from Scopus, a rigorous filtration process led to a final dataset of 29 peer-reviewed articles. These studies demonstrate that digital entrepreneurship is not a narrow sub-field but a multidimensional domain at the intersection of finance, identity, and ecosystems. By synthesising this work, the review provides an integrated account of how digital technologies reshape entrepreneurial opportunities, practices, and outcomes.

The analysis revealed three dominant themes. The first centres on digital finance and platforms, where innovations such as crowdfunding, fintech, blockchain, and cultural platforms like YouTube have transformed how entrepreneurs access resources and audiences. While these platforms expand opportunities, they also raise governance and credibility concerns, with false signaling, opportunistic entry, and algorithmic gatekeeping creating vulnerabilities. The second theme relates to identity, inclusion, and entrepreneurial narratives. Here, digital affordances enable women, mothers, and marginalised groups to negotiate identities, build supportive communities, and craft entrepreneurial journeys. However, empowerment remains partial, as algorithmic curation and structural inequalities limit visibility and opportunity. The third theme concerns ecosystems, resilience, and crisis adaptation. Digital infrastructures increasingly support geographically unbounded ecosystems and enhance entrepreneurial survival during crises, yet benefits are unevenly distributed, shaped by digital maturity, institutional frameworks, and political identity.

These findings make several contributions to the field. First, they demonstrate that digital entrepreneurship research is fragmented but converging around critical themes that bridge technological, social, and institutional perspectives. Second, they highlight the dual nature of digital technologies: while enabling democratisation and inclusion, they simultaneously produce risks and reproduce inequalities. Third, they underscore the importance of context—technological infrastructures, cultural settings, and political alignments—in shaping entrepreneurial outcomes.

For scholars, the review offers a synthesis that clarifies where the field stands and where it must move. Future research should explore governance mechanisms that preserve openness while ensuring credibility in digital finance, conduct longitudinal studies on identity formation in digital spaces, and develop multi-level models of resilience that integrate digital, institutional, and cognitive perspectives. For practitioners and policymakers, the findings suggest that digital tools alone are insufficient to guarantee entrepreneurial success; they must be accompanied by supportive governance, inclusive platform design, and enabling ecosystems.

In conclusion, this review demonstrates that digital entrepreneurship is both a space of opportunity and a paradox. It democratizes access to resources, fosters inclusion, and supports resilience, yet also amplifies governance challenges, reproduces inequalities, and distributes benefits unevenly. Addressing these contradictions requires integrative and forward-looking scholarship and policies that are both enabling and protective. By consolidating recent advances and identifying critical gaps, this review provides a foundation for advancing digital entrepreneurship toward a more inclusive, sustainable, and resilient future.

### **Limitations**

While this review provides a comprehensive synthesis of recent scholarship on digital entrepreneurship, several limitations should be acknowledged. First, the study relied exclusively on the Scopus database, which, although extensive, may have excluded relevant studies indexed elsewhere, such as Web of Science or specialized disciplinary databases. Second, the inclusion criteria restricted the review to *ABDC-ranked A and A journals\** and open-access publications, which ensured quality and accessibility but may have omitted valuable insights from lower-ranked journals, book chapters, or practitioner-oriented outlets. Third, the review focused on articles published between 2021 and 2025, emphasising the most recent developments; however, this temporal focus may underrepresent earlier foundational contributions or long-term historical trends in digital entrepreneurship. Finally, the review analysed published studies only, excluding grey literature and ongoing projects that might provide additional insights into emerging practices.

These limitations highlight the need for caution in generalising the findings beyond the reviewed sample. Future reviews could broaden database coverage, include multiple quality tiers of

journals, and adopt longer timeframes to capture the evolution of digital entrepreneurship more fully.

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# **SUSTAINABLE ENTREPRENEURSHIP AT THE CROSSROADS OF BUSINESS MODEL & INNOVATION, POLICY AND ECOSYSTEMS: A SYSTEMATIC LITERATURE REVIEW**

**Alice Pradhan**

LM Thapar School of Management,  
Thapar Institute of Engineering and Technology (Deemed to be University),  
Patiala, Punjab, India

## **Abstract**

Sustainable entrepreneurship is a rapidly evolving interdisciplinary field that integrates innovation, environmental protection and social impact. This systematic literature review synthesizes theoretical and empirical contributions across economics, sociology, management and policies to explore how entrepreneurial ventures can simultaneously drive economic growth and foster ecological and social wellbeing. The review highlights a paradigm shift from traditional profit centric model towards regenerative business practices that align innovation with responsibility.

Key advancements include the adoption of digital technologies that democratize sustainability innovation and the emergence of entrepreneurs as institutional change agents who influence policy, reshape cultural norms and transform market structures. However, the literature reveals persistent gaps in understanding the interplay between digital infrastructures, policy mechanisms and ecosystem collaboration in sustainable venture development. Addressing these gaps requires a dynamic, system oriented approach that encourages firm-level analysis and embraces longitudinal research, cross-disciplinary inquiry and global ecosystem perspective.

This review proposes a forward looking research agenda that emphasizes the transformative potential of entrepreneurship to regenerate the social and natural systems upon which it depends. By embedding sustainability into the core of entrepreneurial practice, the field can contribute significantly to a more adaptive, inclusive and ecologically balanced future.

**Keywords:** Sustainable Entrepreneurship, Green Entrepreneurship, Environmental Entrepreneurship.

## **Introduction**

“Sustainable development is the development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”

**- Gro Harlem Brundtland**

The above quotes highlight the facts that sustainability is not an option; it is a responsibility. Due to the ongoing climate change, ozone depletion, biodiversity degradation the quote by Gro

Harlem Brundtland resonate as a guiding principle behind the research, policy and entrepreneurship practice. It emphasizes the fact that entrepreneurship need to balance between present demand and future well-being with innovation. A well-integrated approach is required to tackle these exigent challenges for a sustainable future.

“Reform or revolutionize the pattern of production by exploiting an invention or, more generally, an untried technological possibility for producing a new commodity or producing an old one in a new way, by opening up a new source of supply of materials or a new outlet for products, by reorganizing an industry, and so on.” - **Joseph Schumpeter**

According to Joseph Schumpeter entrepreneurs are not merely business owners or risk –takers. They constantly shape the market and drive economic, aesthetic and social capital. Traditionally the role of entrepreneurs is focused on economic growth, job creation and balancing between present and future needs. However, it became clear that innovation and growth alone are not sufficient to address the global challenges. So, the role of entrepreneurship in resolving such environmental challenges is emerging as a prominent topic of interest for research.

Researchers such as **Schaltegger and Wagner (2011)** emphasize that entrepreneurs can drive societal change more effectively than regulation alone. By integrating sustainability into their core operations, businesses can promote systemic transformation rather than merely complying with policies. Similarly, **Lüdeke-Freund (2020)** argues that innovation must be embedded in purposeful business models to ensure that it creates real environmental and social value. Sustainable entrepreneurship therefore connects innovation with impact reframing business as a mechanism for positive change.

**York and Venkataraman (2010)** reinforce this view by portraying entrepreneurs as proactive problemsolvers who create new sustainable pathways through innovation and adaptation. **Shepherd and Patzelt (2011)** capture this essence by defining sustainable entrepreneurship as the preservation of nature and community while creating future-oriented opportunities that yield both economic and non-economic benefits.

Sustainable entrepreneurship has emerged as a response to this gap, which offers a more holistic perspective that seeks to create economic, environmental, and social value simultaneously. Sustainable entrepreneurship is not about not only how businesses can succeed, but also how it can contribute positively to society and ecosystem. It also raises the question, how can entrepreneurship, as a driver of innovation, contribute to society?

### **Scope of Literature Review**

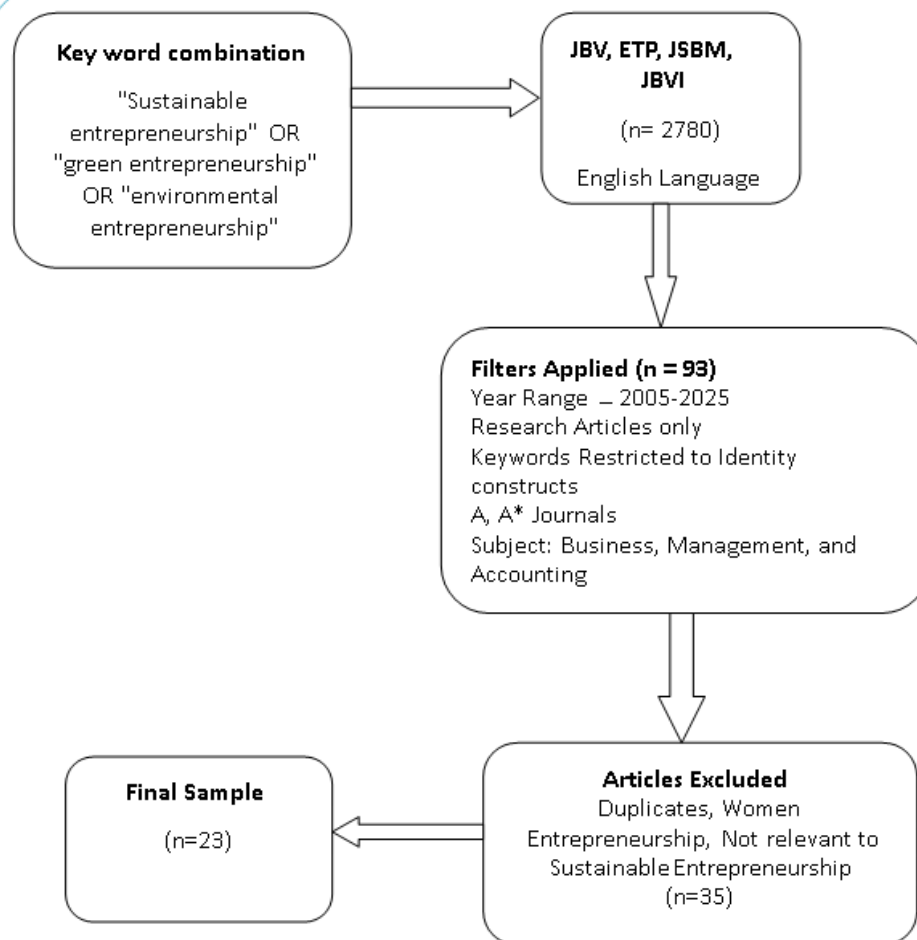
The paper is intended to serve the following goals: -

- Understanding Sustainable Entrepreneurship from literature.
- Analysing sustainable entrepreneurship on three major forms- Business Models & Innovation, Policy ,

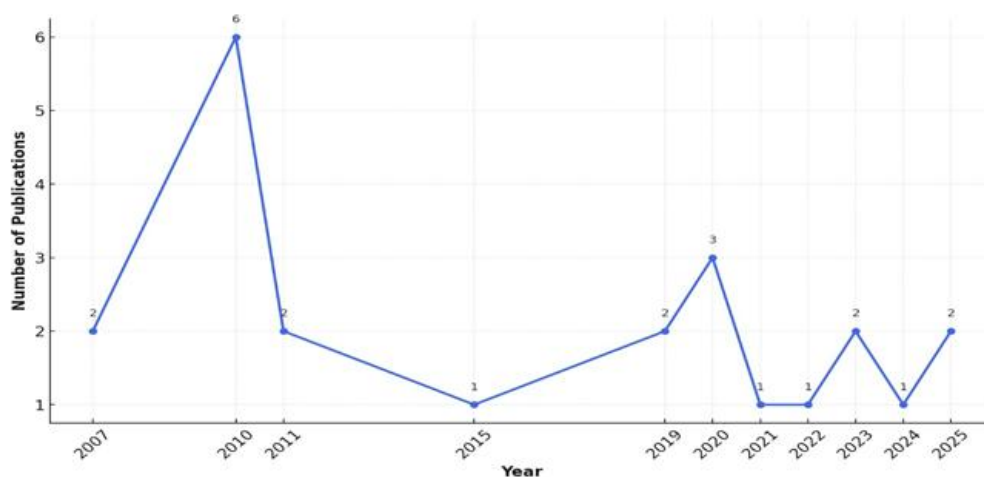
- Ecosystem
- Review how the literature explains the balance between economic performances, environmental and social responsibilities including entrepreneur trade-offs.
- Identify the research gaps and future directions.

### Methodology

The methodology adopted for selecting papers on sustainable entrepreneurship began with a systematic keyword search using “sustainable entrepreneurship”, “green entrepreneurship”, and “environmental entrepreneurship”. To ensure academic quality and relevance, the search was conducted within leading journals in the entrepreneurship field, Journal of Business Venturing (JBV), Entrepreneurship Theory and Practice (ETP), and Journal of Small Business Management (JSBM) Journal of Business Venturing Insights (JBVI) as these sources are widely recognized for publishing influential work on entrepreneurship and sustainability. They are consistently ranked in the ABDC A or A\* categories and represent the most credible sources in entrepreneurship research. The initial stage search yielded 2780 articles, which formed the preliminary pool for analysis.



**Figure 1: Flow diagram describing literature collection**



**Figure 2: Chronological categorisation of reviewed papers**

From this pool, a series of filters were applied to refine the dataset. The review was restricted to peer-reviewed research articles published between 2005 and 2025. To maintain academic rigor, only papers published in ABDC A and A\* ranked journals were considered. The subject areas were narrowed to Business, Management, and Accounting. Articles published in English were retained. Editorials, book reviews, and conference papers were excluded. This initial filtering reduced the pool to 93 papers. A further screening stage was then carried out which involved a close reading of titles, abstracts, and keywords to determine whether sustainability formed the central construct of each study. Papers that referred to sustainability merely as a peripheral issue, or that concentrated mainly on topics such as women’s entrepreneurship, general innovation management, or entrepreneurial ecosystems without a sustainability focus, were excluded. Duplicate records were removed. This stage resulted in the exclusion of 58 papers. The final dataset consisted of 23 papers, which were systematically reviewed.

The selected papers represented a balance mix of conceptual and empirical studies which ensures both comprehensive and analytical depth in coverage. Each paper was evaluated based on its objectives, theoretical grounding, research methodology and key findings. Through iterative analysis and comparison, three dominant thematic perspectives were identified: the business-model and innovation perspective, the policy framework perspective, and the ecosystem perspective. These themes formed the basis of analytical foundation for understanding how entrepreneurs embed sustainability into innovation, how policy and institutions shape entrepreneurial behavior and how ecosystems support the scaling of sustainable ventures.

The review process was carefully structured to ensure transparency, credibility and reproducibility. Each stage of the screening and selection process adhered to pre-defined inclusion and exclusion criteria to minimize bias. The thematic analysis was conducted rigorously with repeated cross-validation to maintain consistency in interpretation. This systematic approach produced a coherent and reliable synthesis of the literature. It captures two

decades of scholarly progress in sustainable entrepreneurship and highlights its evolution through business innovation, policy development and ecosystem collaboration.



**Figure 3: Distribution of Reviewed Papers by Journal**

## **Literature Review**

### **Definitions and Understanding of Sustainable Entrepreneurship**

Sustainable entrepreneurship has emerged at the crossroads of innovation, responsibility, and opportunity. It marks a transformation in how entrepreneurship is understood not simply as an economic endeavor but as a means of creating holistic value that balances profit, people and the planet.

The development of sustainable entrepreneurship depends on a combination of individual values, strategic organizational strategies, and enabling environments. Similar to resilience in individuals, sustainability in entrepreneurship cultivated through ongoing adaptation, learning and resourcefulness.

The concept first gained academic prominence through the works of Dean and McMullen (2007) and Cohen and Winn (2007). They argued that environmental degradation and market inefficiencies are not just barriers but potential ground of entrepreneurial opportunity. According to their view, systematic flaws such as externalities, information asymmetry and distorted pricing systems give rise to both sustainability challenges and entrepreneurial possibilities. Entrepreneurs who recognise and act upon these gaps can generate benefits both economic and ecological benefits.

Building on this foundation, Shepherd and Patzelt (2011) introduced a comprehensive definition of sustainable entrepreneurship as the preservation of nature and community while delivering economic and non-economic gains. This definition broadened the entrepreneurial lens to include responsibility toward social and ecological systems not merely the marketplace. Schaltegger and Wagner (2011) further advanced this logic by presenting entrepreneurs as “agents of change” who actively drive sustainability transitions through innovation rather than simply reacting to regulatory pressure.

Later, Lüdeke-Freund (2020) enriched this understanding by connecting sustainability to business model theory. This theory argues that innovation only achieves meaningful impact only when integrated into purposeful models that create and capture social and ecological value. York

and Venkataraman (2010) added an institutional perspective suggesting that entrepreneurship can correct environmental degradation through market-based solutions. Similarly Hall, Daneke, and Lenox (2010) illustrated how sustainable development evolved from being a global policy concern to a practical, entrepreneurial activity that aligned with Sustainable Development Goals. In more recent discourse the idea of digital sustainability has expanded the scope of this field. George, Merrill, and Schillebeeckx (2021) showed how technologies like artificial intelligence blockchain and the Internet of Things (IoT) help entrepreneurs build scalable, transparent and collaborative sustainability-oriented ventures. These studies reflect a clear evolution. Sustainable entrepreneurship is evolving beyond merely an ethical or environmental concern. It is emerging as a dynamic, interdisciplinary domain that integrates innovation, business design, policy, and digital transformation to achieve long-term resilience.

### **Role and Contribution of Sustainable Entrepreneurship**

Sustainable entrepreneurship has emerged as a transformative force that goes beyond traditional business boundaries. It has evolved from being a niche, firm-level practice into a systemic mechanism for advancing social, economic, and environmental well-being. According to Schaltegger and Wagner (2011), entrepreneurs serve as active change agents who drive market transformation by embedding sustainability into core innovation processes rather than merely following environmental regulations. They redefine markets, influence consumer behavior and stimulate transitions toward cleaner more inclusive economies.

Hall *et al.* (2010) describe this evolution as a shift from corporate sustainability focused mainly on compliance and efficiency to entrepreneurial sustainability which thrives on creativity and opportunity recognition. Within this evolving landscape both small and large enterprises play complementary roles. Hockerts and Wüstenhagen (2010) highlight the synergy between “Emerging Davids,” who initiate disruptive eco-innovations, and “Greening Goliaths” who leverage their scale to mainstream those innovations across industries. Together they create a co-evolutionary pathway where bold ideas become mainstream practices.

At the center of this transformation lies the business model. Lüdeke-Freund (2020) views that business models are not just economic frameworks but it is strategic tools for integrating sustainability into daily operations. Similarly Parrish (2010) emphasizes that sustainability driven entrepreneurs build organizations rooted in purpose. It shows that social and ecological goals can coexist with competitiveness. These ventures demonstrate that sustainability is not an alternative to profitability but a redefinition of it. Sustainability has long-term value creation depends on ethical and regenerative business practices.

Sustainable entrepreneurship also contributes at institutional and policy levels. Pacheco *et al.* (2010) introduced the “green prison” dilemma, showing how rigid market and policy environments can discourage sustainable innovation. Entrepreneurs must navigate and challenge



these constraints to create new rules and alliances that reward sustainable behavior. Salmivaara and Kibler (2020) highlight how policy rhetoric shapes legitimacy. Riandita *et al.* (2022) show that entrepreneurs engage in “legitimation work” to build trust and credibility with stakeholders further strengthening their societal influence.

In today’s digital era sustainable entrepreneurship extends across digital and global ecosystems. George *et al.* (2021) and Audretsch *et al.* (2024) reveal that technology and connectivity have dissolved geographical boundaries allowing entrepreneurs to form geographically unbounded ecosystems. These digital networks support collaboration, transparency and resource sharing enabling ventures to scale their solutions globally. Volkmann *et al.* (2019) and Huang *et al.* (2023) show that when governments, investors, and communities align their goals through shared education, technology and policy frameworks the collective impact of these ecosystems is amplified.

Sustainable entrepreneurship has evolved into a multidimensional process that fuels economic growth but also cultivates resilience and inclusivity. It redefines value creation shifting focus from profit maximization to system transformation thus positioning entrepreneurs as visionary architects of sustainable futures.

### **Thematic Analysis**

An in-depth review of 23 peer-reviewed papers revealed three core themes that define how sustainable entrepreneurship is conceptualized and practiced:

- Business Models and Innovation
- Policy Frameworks
- Ecosystem Perspective.

These themes collectively explain how sustainable entrepreneurship is framed and operational.

#### **(i) Business Models and Innovation**

Business models and innovation form the foundation of sustainability-driven entrepreneurship. Research shows that entrepreneurs convert environmental problems and market inefficiencies into viable opportunities by redesigning how value is created, delivered, and captured (Dean & McMullen, 2007; Cohen & Winn, 2007). Lüdeke-Freund (2020) identifies business models as the bridge between creativity and measurable sustainability outcomes, arguing that successful ventures align purpose with profit and integrate sustainability into their value logic.

Hockerts and Wüstenhagen (2010) illustrate how disruptive start-ups (“Emerging Davids”) innovate, while established firms (“Greening Goliaths”) scale and normalize those innovations. Parrish (2010) and

Shepherd and Patzelt (2011) demonstrate that purpose-driven organizations use design principles such as “benefit stacking” and “strategic satisficing” to balance ethical and financial objectives. York and Venkataraman (2010) and Hall *et al.* (2010) highlight that environmental uncertainty

and market failures are fertile grounds for innovation which allows entrepreneurs to re-imagine inefficiency as opportunity.

Recent studies link sustainability innovation with digital transformation. George *et al.* (2021) emphasize how technologies like AI, blockchain, and IoT enable transparency and scalability. Audretsch *et al.* (2024) and Leendertse and van Rijnsoever (2025) demonstrate that combining digital tools with regional infrastructure nurtures venture-specific ecosystems. Hoogendoorn *et al.* (2019) and Huang *et al.* (2023) caution entrepreneurs that they must navigate financial and institutional barriers. These are often the underlying factor behind the lag in achieving innovative ambition.

Business model innovation represents the essence of sustainable entrepreneurship. It transforms values and ideas into structured, competitive systems that deliver economic, social and ecological impact simultaneously.

## **(ii) Policy Frameworks**

Policy plays vital role in shaping both opportunities and constraints of sustainable entrepreneurship. Effective policies can stimulate venture creation and expansion, while inconsistent frameworks can stifle innovation. Hall *et al.* (2010) and Lüdeke-Freund (2020) highlight that coherent regulatory mechanisms such as R&D subsidies, green financing, and impact investment incentives help entrepreneurs overcome resource constraints during early growth phases.

Pacheco *et al.* (2010) introduced the “green prison” concept explaining that entrepreneurs need institutional reform to escape competitive traps that reward unsustainable behavior. Salmivaara and Kibler (2020) show that policy rhetoric, combining moral and pragmatic appeals shapes public perception and legitimacy. Riandita *et al.* (2022) extend this by showing how start-ups engage in “legitimation work” to complement policy efforts through partnerships and storytelling.

Watson *et al.* (2023) add that policies should operate across micro, meso, and macro levels which provides resources, builds competencies and creates sustainable markets. Huang *et al.* (2023) further argue that policies that integrate education, innovation, and responsible consumption outperform isolated measures. Kautonen *et al.* (2020) and Hoogendoorn *et al.* (2019) warn that excessive regulatory pressure can lead to “revenue drift” which compromise on sustainability.

Effective policy frameworks act not only as regulatory instruments but also address market inefficiencies, validating sustainable ventures and nurturing environments where entrepreneurship can align economic gains with environmental well-being.

### **(iii) Ecosystem Perspective**

Sustainable entrepreneurship thrives in interconnected ecosystems that connect entrepreneurs, institutions, investors, and communities. Sustainable Entrepreneurial Ecosystem literature defines sustainable entrepreneurship as the product of interdependent systems of finance, knowledge, culture, and governance (Volkman *et al.*, 2019; Leendertse & van Rijnsoever, 2025). These ecosystems integrate entrepreneurial strengths with sustainability-specific mechanisms like impact investment, green incubators, and circular economy networks.

Empirical evidence shows that collaboration and knowledge sharing within these ecosystems accelerates innovation diffusion and enhances sustainability outcomes. Riandita *et al.* (2022), Hockerts and Wüstenhagen (2010) show that partnerships between start-ups and established firms reduce liabilities of newness and build market legitimacy. George *et al.* (2021) and Audretsch *et al.* (2024) illustrate how digitalisation creates globally connected, hybrid ecosystems allowing ventures to access markets and knowledge beyond their geographic boundaries.

Research by Muñoz and Dimov (2015) and Huang *et al.* (2023) confirm that no single factor guarantees sustainable entrepreneurship success; rather, it arises from synergy of supportive education, infrastructure, and responsible consumption. Research in emerging contexts (Canova *et al.*, 2025) shows that entrepreneurs often act as cultural bridges, co-creating legitimacy in regions where institutional support is limited.

Thus, ecosystems serve as the social, informational, and institutional architecture through which sustainable entrepreneurship evolves. Strong ecosystems enable ventures not only endure but also cocreate systemic solutions that align with sustainability.

**Table 1: Literature review summary of sustainable entrepreneurship and thematic analysis**

Sr. No.	Title	Author(s)	Journal	Year	Theme	Core Construct
1	The new field of sustainable entrepreneurship: Studying entrepreneurial action linking “what is to be sustained” with “what is to be developed”	Dean A. Shepherd; Holger Patzelt	<i>Entrepreneurship Theory and Practice</i>	2011	Business Model & Innovation	Establishes a meta-theoretical foundation of sustainable entrepreneurship through the constructs “what is to be sustained,” “what is to be developed,” and entrepreneurial actions.
2	“Rhetoric mix” of argumentations: How policy rhetoric conveys meaning of entrepreneurship for sustainable development	Virva Salmivaara; Ewald Kibler	<i>Entrepreneurship Theory and Practice</i>	2020	Policy Frameworks	Introduces the construct of a rhetoric mix to explain how policy discourse shapes the institutional meaning of sustainable entrepreneurship.
3	Market imperfections, opportunity and sustainable entrepreneurship	Boyd Cohen; Monika I. Winn	<i>Journal of Business Venturing</i>	2007	Business Model & Innovation	Develops a theoretical framework linking market imperfections to sustainable entrepreneurial opportunities, positioning sustainable entrepreneurship as a corrective market force.
4	Greening pastures: Ecosystems for sustainable entrepreneurship	Jip Leendertse; Frank van Rijnsoever	<i>Small Business Economics</i>	2025	Ecosystem Perspective	Demonstrates that resources, networks, and supportive institutions are more critical for sustainable start-up success than sustainability-specific measures alone.

5	Toward a theory of sustainable entrepreneurship: Reducing environmental degradation through entrepreneurial action	Thomas J. Dean; Jeffrey S. McMullen	<i>Journal of Business Venturing</i>	2007	Policy Frameworks	Frames sustainable entrepreneurship as identifying and acting upon opportunities arising from market failures.
6	Greening Goliaths versus emerging Davids: Theorizing about the role of incumbents and new entrants in sustainable entrepreneurship	Kai Hockerts et al.	<i>Journal of Business Venturing</i>	2010	Ecosystem Perspective	Proposes a dynamic industry transformation model using the constructs “Greening Goliaths” and “Emerging Davids.”
7	Sustainable entrepreneurship and sustainability innovation: Categories and interactions	Stefan Schaltegger; Marcus Wagner	<i>Business Strategy and the Environment</i>	2011	Business Model & Innovation	Presents a conceptual framework linking sustainable entrepreneurship with sustainability innovation and firm positioning.
8	From stigma to solution: Sanitation and sustainable entrepreneurship in emerging economies	Justin T. Canova; Sarah Nahar; Todd W. Moss	<i>Journal of Business Venturing Insights</i>	2025	Ecosystem Perspective	Introduces stigma as a key construct shaping sustainable entrepreneurial opportunities in the sanitation sector.
9	Digital sustainability and entrepreneurship: How digital innovations are helping tackle climate change and sustainable development	Gerard George; Ryan K. Merrill; Simon J. D. Schillebeeckx	<i>Entrepreneurship Theory and Practice</i>	2020	Business Model & Innovation	Conceptualizes digital technologies as catalysts embedding economic, social, and environmental goals into innovation and business models.

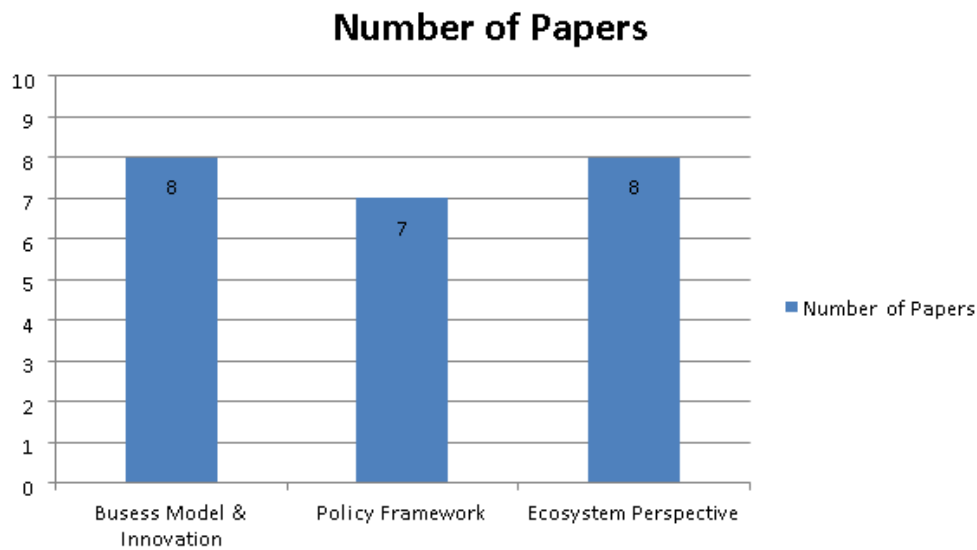
10	Legitimation work in sustainable entrepreneurship: Sustainability ventures' journey towards the establishment of major partnerships	Andra Riandita; Anders Broström; Andreas Feldmann; Raffaella Cagliano	<i>International Small Business Journal</i>	2022	Ecosystem Perspective	Explains how sustainability ventures build legitimacy by navigating commercial and environmental logics to form strategic alliances.
11	The call of the whole in understanding the development of sustainable ventures	Pablo Muñoz; Dimo Dimov	<i>Journal of Business Venturing</i>	2015	Ecosystem Perspective	Shows how sustainability orientation and entrepreneurial intention shape venture development and exchange relationships.
12	The dark side of sustainability orientation for SME performance	Teemu Kautonen et al.	<i>Journal of Business Venturing Insights</i>	2020	Business Model & Innovation	Reveals that excessive sustainability focus can negatively affect SME performance.
13	Sustainable entrepreneurial ecosystems: An emerging field of research	C. Volkmann; K. Fichter; M. Klofsten; D. B. Audretsch	<i>Small Business Economics</i>	2021	Ecosystem Perspective	Advances the construct of sustainable entrepreneurial ecosystems integrating ecosystem theory and sustainability.
14	The dawn of geographically unbounded entrepreneurial ecosystems	D. B. Audretsch; A. Fiedler; B. Fath; M. L. Verreynne	<i>Journal of Business Venturing Insights</i>	2024	Ecosystem Perspective	Introduces geographically unbounded ecosystems enabled by global digital networks and resources.

15	The influence of sustainability orientation on entrepreneurial intentions: Investigating the role of business experience	Andreas Kuckertz; Marcus Wagner	<i>Journal of Business Venturing</i>	2010	Policy Frameworks & Intention	Shows sustainability orientation increases entrepreneurial intention, but the effect declines with greater business experience.
16	Escaping the green prison: Entrepreneurship and the creation of opportunities for sustainable development	Desirée F. Pacheco; Thomas J. Dean; David S. Payne	<i>Journal of Business Venturing</i>	2010	Policy Frameworks	Introduces the “green prison” metaphor to describe institutional constraints pushing entrepreneurs toward unsustainable behavior.
17	Sustainability-driven entrepreneurship: Principles of organization design	Bradley D. Parrish	<i>Journal of Business Venturing</i>	2010	Business Model & Innovation	Identifies organizational design principles distinguishing sustainability-driven entrepreneurs from conventional ones.
18	Sustainable development and entrepreneurship: Past contributions and future directions	Jeremy K. Hall; Gregory A. Daneke; Michael J. Lenox	<i>Journal of Business Venturing</i>	2010	Policy Frameworks	Lays the conceptual foundation linking entrepreneurship with global sustainability challenges.
19	The entrepreneur–environment nexus: Uncertainty, innovation, and allocation	Jeffrey G. York; S. Venkataraman	<i>Journal of Business Venturing</i>	2010	Business Model & Innovation	Explores innovation and resource allocation under uncertainty in sustainable entrepreneurial action.
20	Sustainable entrepreneurship, innovation, and business models: Integrative framework and propositions for future research	Florian Lüdeke-Freund	<i>Business Strategy and the Environment</i>	2019	Business Model & Innovation	Introduces the Business Models for Sustainability Innovation (BMfSI) framework.

21	What entrepreneurial ecosystem elements promote sustainable entrepreneurship?	Yangjie Huang; Ping Li; Yajing Bu; Guojing Zhao	<i>Journal of Cleaner Production</i>	2023	Ecosystem Perspective	Identifies education, economic strength, and responsible consumption as key ecosystem drivers.
22	Policy for sustainable entrepreneurship: A crowdsourced framework	Rosina Watson et al.	<i>Journal of Cleaner Production</i>	2023	Policy Frameworks	Proposes a multi-level policy framework supporting sustainable businesses through resources, skills, and impact tracking.
23	Sustainable entrepreneurship: The role of perceived barriers and risk	Brigitte Hoogendoorn; Peter van der Zwan; Roy Thurik	<i>Journal of Business Ethics</i>	2019	Policy Frameworks	Develops an empirical framework linking perceived barriers and risk to sustainable entrepreneurship.



## Results and Trends



**Figure 3: Thematic distribution of papers**

The review of the twenty-three research papers shows that sustainable entrepreneurship has evolved into a transformative approach to business. It integrates innovation, social purpose, and environmental responsibility. The key insight is that sustainability is no longer an additional feature of entrepreneurship, it is the foundation. Across the literature it is emphasized how entrepreneurs are using creativity and innovation to turn global challenges into opportunities. Through emerging technologies, digital platforms, and circular economy practices, entrepreneurs are developing business models that not only generate profit but also contribute positively to society and the environment. This shows a clear departure from the traditional view of entrepreneurship as a purely economic activity toward a more holistic and balanced process.

Another strong theme emerging from the studies is the importance of the institutional and policy environment. Sustainable entrepreneurs often operate in evolving markets where sustainability goals are taking shape. They encounter unique challenges such as limited access to finance, policy misalignment and regulatory gaps. The reviewed literature shows that effective policies are those that do not merely regulate but also encourages innovation, legitimacy and collaboration. When governments, institutions and communities align together to support sustainability-oriented ventures through inclusive frameworks, incentives and education, entrepreneurship becomes a more powerful tool for achieving systemic change.

The studies further reveal that sustainable entrepreneurship functions best as interconnected and collaborative ecosystem. Entrepreneurs do not thrive alone rather they engage with networks of stakeholders. It includes investors, large firms, policymakers and communities who share common sustainability objectives. These ecosystems encourage the exchange of

knowledge, resources, and legitimacy. Digitalisation has expanded these ecosystems across borders, making sustainable entrepreneurship increasingly global and collaborative.

Underlying all these developments is a clear shift in motivation and mindset. The entrepreneurs described in these studies are motivated by a purpose that goes beyond financial success. They view their ventures as instruments of positive change and measure achievement through long-term social and environmental impact rather than short-term gain. However, the research also acknowledges that such purpose-driven orientation can bring challenges, as balancing values with business realities often requires creativity and supportive institutional frameworks.

Overall, the studies portray sustainable entrepreneurship as a multi-dimensional phenomenon. It begins with innovative business models, nurtured within supportive policy frameworks and flourishes through collaborative ecosystems. It represents a new way of creating value which intertwines profit with purpose and positions entrepreneurship as a driving force in achieving sustainable development. Sustainable entrepreneurs are no longer just participants in the market they are active architects of a more equitable, inclusive and environmentally conscious future.

### **Divulcation of Gaps and Future Direction**

The review of papers shows that sustainability has grown into a multidisciplinary field that interconnects innovation, institutional theory, and ecosystem. The field has also made progress in identifying key mechanisms such as legitimacy-building, ecosystem collaboration that shape entrepreneurial action for sustainability. However, despite these advancements several conceptual, methodological and contextual gaps are present which limit the understanding of how sustainable entrepreneurship function in diverse environments.

One of the prominent gaps is integration of digitalization into study of sustainable entrepreneurship. There are literatures on how artificial intelligence, data analytics, blockchain impact sustainable ecosystem. But empirical research shows on how these technologies improve entrepreneurial coordination and accountability remain scarce. So further studies should explore how digital infrastructures transform opportunity creation, resource distribution and system level learning within sustainability driven ventures.

A second gap is the interaction between policy, culture and entrepreneurship. Although the literature shows the importance of institutional frameworks, there is limited understanding of how entrepreneurs in culturally sensitive sectors influence and reshape policy environments. Future work should focus on understanding how entrepreneurs negotiate legitimacy, influence regulation and collaborate with public institutions to promote inclusive sustainability frameworks.

A third gap involves the limited methodological diversity within the field. Much of existing research relies on conceptual discussions which fail to capture the evolving and systematic nature of sustainable entrepreneurship. Future research would benefit from longitudinal, mixed method approaches that can trace how sustainability oriented ventures grow, adapt and interact with their ecosystem over time. Expanding the scope of empirical studies to developing regions would also enrich understanding of the factors that drive sustainability transitions.

Finally, there is a need for a more integrated theoretical perspective that unites innovation, policy and ecosystem research. The field still examines these components separately, overlooking their interdependence. Further studies should focus on dynamic interactions how innovative business models exist within enabling policies, how ecosystems evolve through institutional learning and how entrepreneurs resources across networks. A system level analysis is needed to explain how sustainable ventures emerge and how they thrive in long term transformation.

### **Conclusion**

Entrepreneurship has always been the catalyst for innovation and economic growth but it has become a pathway for creating meaningful and lasting change. Its purpose and impact are being redefined. As we are facing climate change, inequality and resource depletion, sustainability has become inseparable from the entrepreneurial spirit. It is no longer enough for entrepreneurs to innovate for profit alone, they are now called to innovate for the people and planet. Sustainability, with its roots spread across economics, ecology, sociology, ethics offer entrepreneurship a sense of direction to create value that benefits the system.

Bringing sustainability into the core concept of entrepreneurship is not a simple addition to existing theories. It requires a research, how we perceive about opportunity, growth and success. It suggests entrepreneurs to see business as a system, where economic, environmental and social dimensions are interdependent. This shift takes time, patience and collaborative effort. It requires insights from multiple disciplines and aligning them towards a shared vision of sustainable progress.

This evolving connection between entrepreneurship and sustainability is challenging but profoundly rewarding too. It opens pathway for innovation. The integration of sustainability into entrepreneurship represent more than academic evolution. The journey may demand perseverance and creativity but it carries the promise of a better balance between growth, responsibility and hope for next generations.

So, future of sustainable entrepreneurship research lies moving toward integrative, dynamic and empirically grounded models. We should aim to connect digital innovation, institutional reform and ecosystem evolution. This is to explain how sustainability driven ventures not only emerge but also endure and transform their environments. Advancing this agenda will enrich theoretical

understanding while guiding policymakers, educators and entrepreneurs in shaping economies that are both

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## **THE ROLE OF GREEN ENTREPRENEURSHIP IN DRIVING SUSTAINABILITY: A SYSTEMATIC LITERATURE REVIEW**

**Gourav Kamboj**

LM Thapar School of Management,

Thapar Institute of Engineering and Technology (Deemed to be University),

Patiala, Punjab, India

Corresponding author E-mail: [gkamboj\\_phd25@thapar.edu](mailto:gkamboj_phd25@thapar.edu)

### **Abstract**

The growing urgency of climate change and environmental degradation has intensified scholarly and policy interest in the role of entrepreneurship in advancing sustainability. Among various approaches, green entrepreneurship has emerged as a critical mechanism for aligning economic opportunity with ecological responsibility. Despite increasing research, the field remains fragmented, with studies dispersed across themes such as innovation, finance, leadership, and institutional legitimacy. To address this gap, this study conducts a Systematic Literature Review (SLR) of 25 peer-reviewed articles published between 2018 and 2025, including the foundational work of Riandita *et al.* (2021). Following PRISMA guidelines, relevant studies were identified from Scopus and leading journals in entrepreneurship, management, and sustainability. The thematic synthesis reveals four dominant streams: (1) innovation and transformation, highlighting eco-innovation, digital sustainability, and circular business models; (2) finance and markets, emphasizing the role of venture capital, ESG investment, and emerging green markets; (3) leadership and orientation, showing how competencies and green entrepreneurial orientation enhance sustainable performance; and (4) legitimation and ecosystems, underscoring the importance of institutional support, partnerships, and ecosystem engagement. Together, these themes demonstrate that green entrepreneurship drives sustainability most effectively when innovation is reinforced by finance, leadership, and legitimacy. The review contributes by integrating fragmented insights into a coherent framework, offering implications for scholars, practitioners, policymakers, and investors. It also highlights gaps, including the need for longitudinal studies, research in emerging economies, exploration of digital technologies, and analysis of financing mechanisms. By consolidating recent scholarship, this review underscores that green entrepreneurship is not peripheral but a central pathway for enabling sustainability transitions.

**Keywords:** Green Entrepreneurship, Sustainable Entrepreneurship, Eco-Entrepreneurship, Sustainability.

## **Introduction**

The rapid changes in the climate, ecosystems, and natural resources have made the world more urgent in its calls for sustainable development. International frameworks, such as the United Nations' Sustainable Development Goals (SDGs), stress the need to balance economic growth with social and environmental needs (United Nations, 2015). In this situation, entrepreneurship has become a key way to help make systemic changes that lead to sustainability. Entrepreneurial activity can spark long-lasting change in businesses and societies by encouraging new ideas, creating jobs, and changing institutions (Schumpeter, 1934; Dean & McMullen, 2007). In this larger conversation about entrepreneurship, green entrepreneurship has become more important in both academic and practical terms. Green entrepreneurship is often characterized as the establishment and advancement of enterprises that deliberately incorporate environmental sustainability into their fundamental goals, reconciling profit maximization with ecological and social accountability (Gibbs, 2009; Cohen & Winn, 2007). Green entrepreneurship, on the other hand, incorporates sustainability principles into the processes of recognizing opportunities, creating business models, and coming up with new ideas. This is different from traditional entrepreneurship, which focuses mostly on making money. These kinds of businesses help solve environmental challenges and provide them with an edge in new green marketplaces (Demirel *et al.*, 2019; Lotfi *et al.*, 2018). Because of this, green entrepreneurship is not just a niche activity; it is also a strategic approach for enterprises and societies to move toward long-term sustainable growth. Even if more people are interested in green entrepreneurship, research on the subject is still scattered and not very organised. One body of work, for instance, focuses on finance and markets, looking into how green businesses get venture funding, deal with new environmental markets, and deal with the conflict between making money and meeting environmental goals (Mrkajic *et al.*, 2019; Demirel *et al.*, 2019). Another area focuses on leadership and organisational orientation, illustrating how leaders' skills, green entrepreneurial approach, and knowledge management systems affect a company's ability to maintain good performance over time (Ishaq *et al.*, 2023; Al Halbusi *et al.*, 2025). A third point of view looks at innovation and change, concentrating on how green entrepreneurship encourages technological development, digital sustainability, and circular economic transitions (Shehzad *et al.*, 2024; George *et al.*, 2020). Lastly, more and more research are looking into legitimation and ecosystems to see how sustainable enterprises build legitimacy, make partnerships, and work with institutional contexts to make a bigger difference (Riandita *et al.*, 2021; Klofsten *et al.*, 2024; Soublière & Lockwood, 2022).

Although these contributions are significant, the lack of a cohesive synthesis constrains both theoretical and practical comprehension of the mechanisms by which green business fosters sustainability. Previous assessments have either concentrated on sustainability-oriented

entrepreneurship in a general sense (Hall *et al.*, 2010) or highlighted certain sub-domains, such as eco-innovation (Hockerts & Wüstenhagen, 2010). Nevertheless, there persists an absence of systematic consolidation of current information pertaining specifically to green entrepreneurship, particularly considering the escalating urgency of sustainability concerns and the rising volume of publications from 2018 to 2025.

This work fills this gap by doing a Systematic Literature Review (SLR) of 25 peer-reviewed journal papers that were published between 2018 and 2025. The review follows the PRISMA standards to make sure that the selection and analysis of articles is clear, thorough, and can be repeated (Moher *et al.*, 2009). The review aims to unify disparate observations into a cohesive thematic framework that elucidates the role of green entrepreneurship in achieving sustainable results. There are three main goals for this review. First, it carefully organizes and maps the literature to find the main ideas and new areas of investigation. Second, it looks at how green entrepreneurship helps sustainability in the economic, environmental, and social areas. Third, it points out gaps in theory and methods, which sets the stage for future study that will move the discipline forward.

### **Research Questions**

- **RQ1:** What are the dominant themes explored in the literature on green entrepreneurship and sustainability?
- **RQ2:** How does green entrepreneurship contribute to sustainable development outcomes?
- **RQ3:** What are the key research gaps, and how can future studies advance the field?

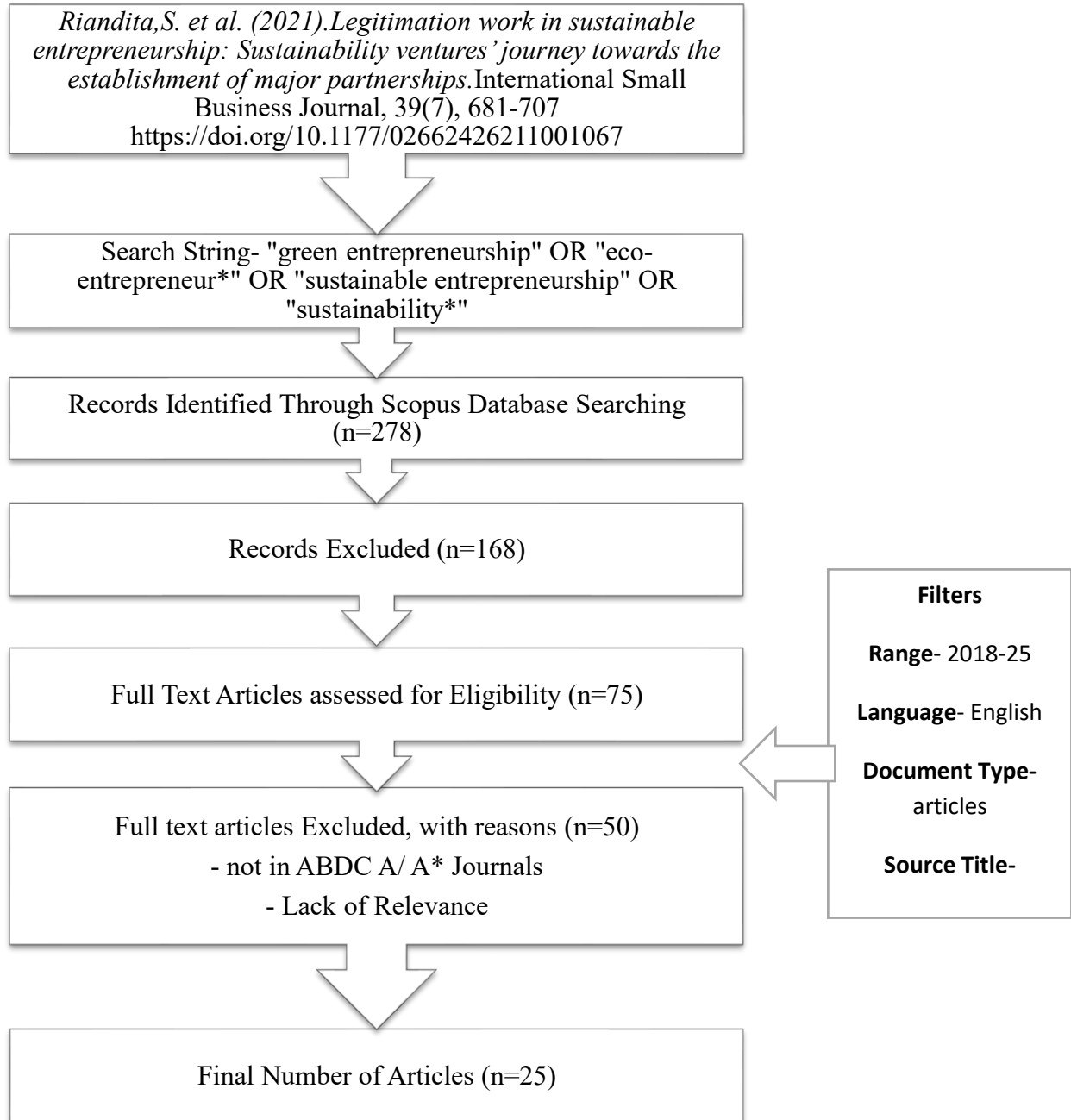
### **Contribution**

This study adds to the body of knowledge by giving a thorough and comprehensive review of green entrepreneurship and how it can help make the world more sustainable. This review combines 25 recent studies (2018–2025) into four thematic streams, which is different from previous research that looked at innovation, finance, leadership, or ecosystems in isolation. This gives us a complete picture of how green entrepreneurship leads to sustainable outcomes. The analysis enhances theory by framing green entrepreneurship as a systemic phenomenon that connects firm-level strategies with wider institutional contexts. It also gives entrepreneurs who want to make their businesses more sustainable, policymakers who want to make ecosystems that help businesses, and investors who want to match their money with environmental impact, useful information. The study lays the groundwork for more rigorous, cross-disciplinary, and policy-relevant research in this field by pointing out gaps in the research and suggesting new directions for it.



## Methodology

This study uses a systematic literature review (SLR) approach to make sure it is rigorous, clear, and repeatable, following the rules set out by Tranfield *et al.* (2003), Snyder (2019), and the PRISMA protocol (Moher *et al.*, 2009).



**Figure 1: PRISMA flow diagram**

The review was guided by three research questions that focused on finding thematic streams in green entrepreneurship, understanding its contribution to sustainability outcomes, and pointing out gaps for future research. Peer-reviewed journal articles were sourced from leading databases, including Scopus and Web of Science, as well as targeted journals known for publishing in entrepreneurship, innovation, and sustainability. Additional studies were identified through

snowballing key references such as Riandita *et al.* (2021), the designated base paper. To make sure the review was up-to-date and relevant, it was limited to English-language articles published between 2018 and 2025. The initial search yielded 278 records. These were screened through a three-stage process: first by removing duplicates, then by assessing titles and abstracts, and finally through full-text review based on predefined criteria. Inclusion criteria required articles to be peer-reviewed, explicitly focused on green or sustainable entrepreneurship, and linked to sustainability outcomes across environmental, social, or economic dimensions. Excluded were conference papers, book chapters, editorials, and studies addressing entrepreneurship without an explicit green or sustainability focus. After applying these criteria, 25 articles were selected as the final dataset, which are in ABDC A or A\* category journals. Data extraction was conducted using a structured coding sheet to capture bibliographic details, research methods, contexts, and thematic contributions. The articles were subsequently analysed using thematic synthesis (Thomas & Harden, 2008), which involved iterative coding and categorisation to identify recurring patterns and conceptual linkages. Four overarching themes emerged: innovation and transformation, finance and markets, leadership and orientation, and legitimization and ecosystems. This thematic structure provided the analytical basis for synthesising how green entrepreneurship drives sustainability while also exposing theoretical and methodological gaps in the field. To enhance reliability, all steps of the review were documented, cross-checked, and aligned with best practices in evidence-informed management research, thereby ensuring the robustness of findings and their value for both academic and practical audiences.

### **Thematic Analysis**

The synthesis of 25 peer-reviewed articles published between 2018 and 2025 reveals four dominant thematic streams that capture how green entrepreneurship contributes to sustainability. These include: (1) innovation and transformation, (2) finance and markets, (3) leadership and orientation, and (4) legitimization and ecosystems. Together, these themes illustrate the multidimensional ways in which green entrepreneurship drives sustainable outcomes.

#### **1. Innovation and Transformation**

A primary focus in the literature is the function of green entrepreneurship in promoting technological and organisational change that enhances sustainability. Researchers assert that green-oriented enterprises serve as catalysts for eco-innovation, creating sustainable products, services, and processes that diminish carbon footprints and reliance on resources (George *et al.*, 2020; Shehzad *et al.*, 2024). This kind of innovation isn't just about technology; it's also about business models. More and more, start-ups are making circular economy ideas a part of their main strategies (Klofsten *et al.*, 2024). Digital sustainability—using digital technologies to fight climate change and make things work better—has also become an important part of change (George *et al.*, 2020). Research constantly demonstrates that green entrepreneurship expedites

sustainability transitions by integrating creativity with absorptive capacity, allowing companies to assimilate knowledge from external sources and implement it in pursuit of sustainable solutions (Shehzad *et al.*, 2024). This stream collectively emphasizes green entrepreneurship as a catalyst for systemic transformation aligned with global sustainability objectives.

## **2. Finance and Markets**

Another subject that comes up a lot is how money and market forces affect the direction of green entrepreneurship. Access to capital continues to be a significant obstacle for environmentally focused enterprises, which frequently encounter greater risks and extended repayment durations in comparison to traditional businesses (Mrkajic *et al.*, 2019). Research indicates that venture capital and impact investment are crucial in legitimising and expanding green start-ups, especially when investors acknowledge the simultaneous economic and ecological benefits these companies provide (Demirel *et al.*, 2019). Emerging green markets are also important facilitators, giving businesses a chance to connect their competitive edge with sustainability needs (Lotfi *et al.*, 2018). The growth of ESG (environmental, social, and governance) frameworks has made it even more clear that market-based tools are important for encouraging green entrepreneurship (Mansouri & Momtaz, 2022). This issue emphasises the interdependent interaction among financial ecosystems, market opportunities, and the enduring development of green enterprises.

## **3. Leadership and Orientation**

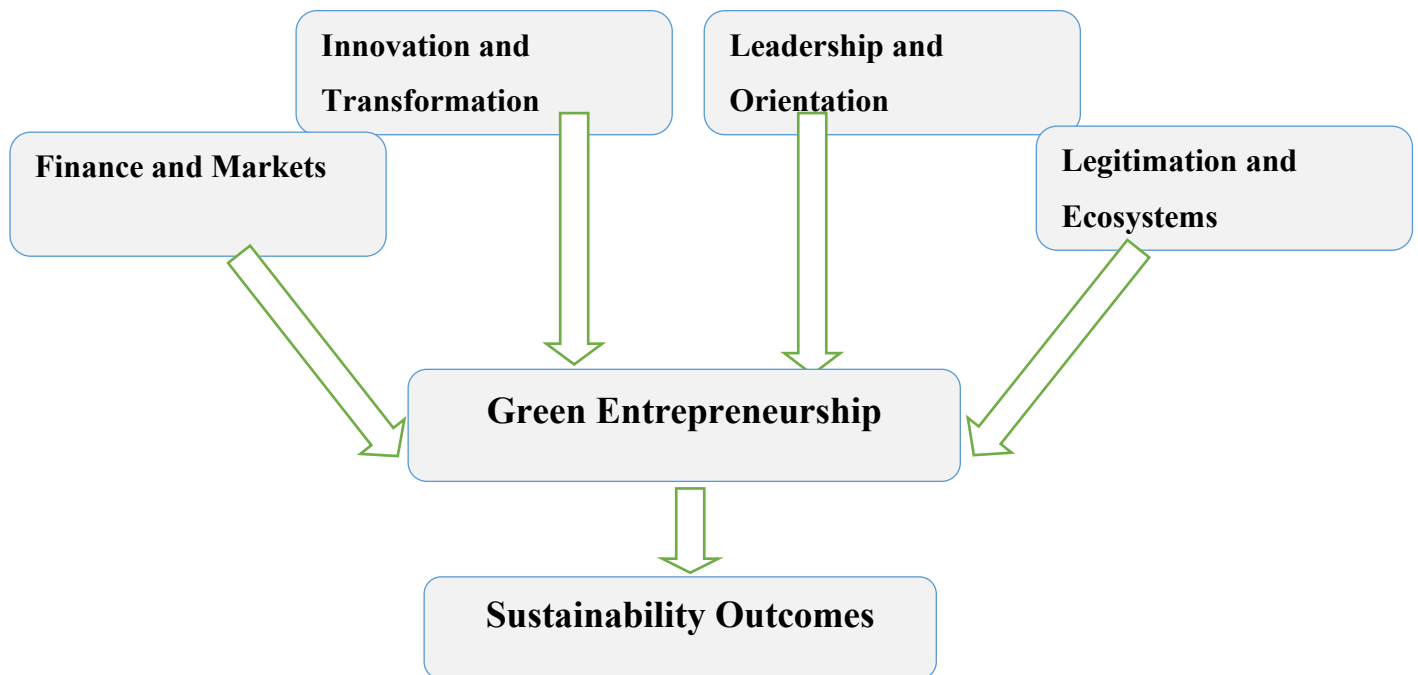
The literature also talks a lot about leadership skills and how organisations work. Scholars contend that the competencies of leaders and the strategic direction of organisations substantially influence the success of green entrepreneurial projects. Ishaq *et al.* (2023) demonstrate that executives exhibiting sustainability-oriented competences improve organisational performance by harmonising an entrepreneurial approach with environmental goals. Likewise, green entrepreneurial orientation—a company's strategic stance on innovation driven by sustainability—has been shown to have a favourable effect on the adoption of a circular economy and sustainable performance (Al Halbusi *et al.*, 2025). Entrepreneurs' personalities, including their pro-environmental views, also affect the kinds of products and procedures that green start-ups come up with (Chapman & Hottenrott, 2022). These studies collectively illustrate that good leadership and sustainability-focused company cultures are crucial for integrating green entrepreneurship into long-term strategic priorities.

## **4. Legitimation and Ecosystems**

A last but equally important theme is about how to make things legitimate and get people involved in the ecosystem. Green entrepreneurs frequently navigate environments where sustainability-focused business concepts encounter scepticism or institutional deficiencies (Riandita *et al.*, 2021). To deal with these problems, entrepreneurs do "legitimation work," which

means making their businesses look legitimate, desirable, and in line with institutional norms (Riandita *et al.*, 2021; Soublière & Lockwood, 2022). This entails establishing strategic alliances, involving stakeholders, and utilising cultural narratives to create resonance with wider audiences. At the ecosystem level, entrepreneurial ecosystems are important for helping sustainability transitions by linking green start-ups with helpful groups like governments, universities, and industry associations (Klofsten *et al.*, 2024; Ben-Hafaïedh *et al.*, 2024). Green businesses not only get resources by being part of supporting ecosystems, but they also help shape institutional changes that speed up the transition to sustainability.

#### Conceptual Framework: Themes of Green Entrepreneurship Driving Sustainability



#### Discussion

This research shows that green entrepreneurship is a complex idea that includes financial, organisational, technological, and institutional areas that all work together to promote sustainability. The four themes that were found—innovation and transformation, financing and markets, leadership and orientation, and legitimation and ecosystems—show different ways that entrepreneurship can create social and environmental value along with economic value. These dimensions interact with one another in a way that either strengthens or weakens the impact, depending on how well they are aligned.

**Innovation and Transformation** are at the heart of sustainability transitions. Green entrepreneurship promotes eco-innovation, digital technologies, and circular models that transform production and consumption systems (George *et al.*, 2020; Shehzad *et al.*, 2024). This is similar to Schumpeter's (1934) idea of "creative destruction," but with a focus on sustainability. However, innovation alone is insufficient; it requires legitimacy, leadership, and resources to achieve scale.

**Finance and markets** act as both enablers and barriers. Venture capital, ESG investment, and emerging green markets provide crucial support but remain concentrated in developed contexts (Mrkajic *et al.*, 2019; Mansouri & Momtaz, 2022). The resulting tension between short-term profitability and long-term ecological objectives reflects the paradox noted by Hockerts and Wüstenhagen (2010). Small and medium enterprises in emerging economies face particularly limited access, underscoring persistent inequalities in financial ecosystems.

**Leadership and orientation** emphasise the human and organisational drivers of sustainability. A proactive green entrepreneurial orientation enhances performance, innovation, and circular economy adoption (Ishaq *et al.*, 2023; Al Halbusi *et al.*, 2025). Building on entrepreneurial orientation theory (Covin & Slevin, 1989), the literature incorporates ecological values as a strategic dimension. Moreover, traits such as pro-environmental values and visionary leadership influence entrepreneurial decision-making (Chapman & Hottenrott, 2022). These insights point to leadership competencies and culture as critical levers for embedding sustainability.

**Legitimation and ecosystems** underline the contextual embeddedness of sustainable ventures. Many entrepreneurs face institutional voids and scepticism, which they address through framing, partnerships, and stakeholder mobilisation (Riandita *et al.*, 2021; Soublière & Lockwood, 2022). Entrepreneurial ecosystems provide infrastructure, networks, and policy support that shape outcomes (Klofsten *et al.*, 2024), aligning with institutional theory's emphasis on the broader environment (Scott, 2014).

Synthesising across themes, green entrepreneurship drives sustainability most effectively when innovation is supported by finance, guided by leadership, and legitimised within ecosystems. Conversely, gaps in funding, policy, or leadership capacity constrain outcomes. Innovation and orientation indicate proactive initiatives, whereas finance and legitimation reveal systemic obstacles. Additionally, research is predominantly conducted in rich economies, resulting in insufficient exploration of emerging and resource-limited countries. This shows that we need a variety of methods, such as longitudinal and comparative research, to better understand the complexities of green entrepreneurship.

In conclusion, this synthesis combines disparate findings into a cohesive framework, framing green entrepreneurship not just as environmental awareness but also as strategic navigation through innovation, markets, leadership, and institutions. It enhances theoretical frameworks by clarifying conceptualisations of sustainable entrepreneurship and provides actionable insights for policymakers, investors, and entrepreneurs aiming to align business practices with global sustainability transitions.

### **Implications of the Study**

This review has significant consequences for philosophy, practice, and policy. Theoretically, it enhances comprehension by amalgamating disparate viewpoints and demonstrating that green

entrepreneurship transcends mere product or process innovation, instead constituting a systemic phenomenon influenced by financial, leadership, and institutional contexts. The findings indicate that for entrepreneurs and managers, sustainability-oriented companies must transcend eco-innovation by developing robust leadership skills, establishing a definitive green entrepreneurial focus, and undertaking legitimisation efforts to foster stakeholder trust. From a policy point of view, the research shows how important it is to have supportive ecosystems, regulatory incentives, and funding methods that can lower barriers and help green businesses grow, especially in developing countries where getting money is still hard. Lastly, the analysis gives investors some ideas about what to do. It says that green businesses need risk-tolerant and patient forms of capital that fit with ESG frameworks in order to keep creating value over the long term. The study shows that green entrepreneurship can only be successful if innovation, finance, leadership, and ecosystem support all work together. It gives scholars, practitioners, and policymakers information that will help them promote sustainable economic transformations.

### **Limitations and Future Research Directions**

This review gives us essential information about how green entrepreneurship might help make the world more sustainable, but there are some problems with it. The study concentrated on 25 peer-reviewed articles released from 2018 to 2025. This guarantees recency and quality, but it leaves out earlier foundational contributions and pertinent investigations outside this range. Second, only English-language publications were taken into account, which could lead to language and publication bias by ignoring non-English or gray literature. Third, the search used only certain databases, which means that research that were indexed in other places may have been missed. Lastly, the thematic synthesis was systematic, but it required subjective interpretation during coding and grouping, which could change how themes are framed. Given these constraints, subsequent research ought to implement longitudinal and cross-national methodologies to examine the evolution of green businesses and their enduring influence across time. More attention is also needed on emerging economies and those with limited resources. These are the places where sustainability problems are the worst, but entrepreneurial solutions are not getting enough attention. Also, the connection between digital technologies and green entrepreneurship, such as artificial intelligence, blockchain, and platform-based solutions, has to be looked into more closely because it might speed up the process of making things more sustainable. We need to do more research on financing options like green bonds, crowdfunding, and ESG investment funds to see how they affect the growth and stability of new businesses. Finally, future studies should include policy analysis to look at how regulatory frameworks, institutional reforms, and cooperation between different sectors help or hurt the growth of green entrepreneurship.

By filling in these gaps, researchers can improve their theoretical understanding, broaden the

range of methods they use, and come up with useful ideas that show how green entrepreneurship can help make the world more sustainable.

## **Conclusion**

This systematic review looked at how green entrepreneurship helps the environment by combining 25 peer-reviewed articles that were published between 2018 and 2025. The analysis revealed four interconnected themes: innovation and transformation, finance and markets, leadership and orientation, and legitimation and ecosystems. Collectively, these themes illustrate that sustainability outcomes result from the alignment of technological innovation, financial resources, leadership capacity, and conducive institutional contexts. The review adds to the body of knowledge by bringing together disparate studies into a single framework, which helps to improve our theoretical understanding of green entrepreneurship as a systemic phenomenon. It also gives entrepreneurs useful advice on the importance of leadership, financing, and working with stakeholders. It also gives politicians and investors ideas for how to create ecosystems and funding mechanisms that make it easier for businesses to be sustainable. At the same time, persistent gaps remain, particularly limited attention to emerging economies, the underexplored role of digital technologies, and the need for longitudinal studies to capture long-term outcomes. Addressing these issues will be essential for building a more comprehensive understanding of the field. Overall, the findings affirm that green entrepreneurship is a central driver of sustainability transitions and highlight the importance of systemic alignment and cross-sector collaboration in unlocking its full potential.

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## AGENCY, VALUE, AND CONTEXT IN SOCIAL ENTREPRENEURSHIP: A THEMATIC REVIEW OF CONTEMPORARY RESEARCH

Nanki Walia

LM Thapar School of Management,

Thapar Institute of Engineering and Technology (Deemed to be University),

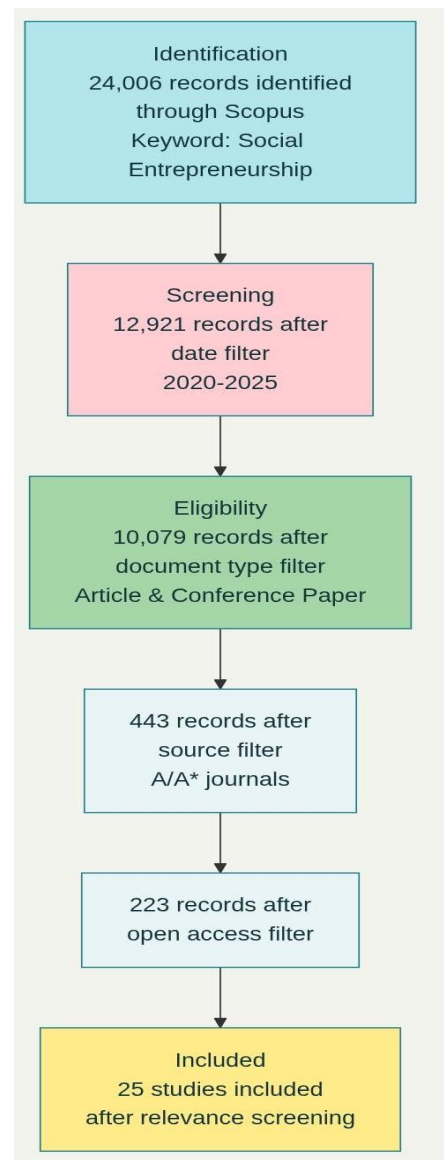
Patiala, Punjab, India

### Introduction

Research on entrepreneurship in the 21st century has evolved beyond mere economic profit, now encompassing critical social, environmental, and systemic issues (Siqueira *et al.*, 2023). Current scholarship, as evidenced by this evaluation of 25 influential studies, highlights the intricacy of social entrepreneurship as a domain influenced by individual cognition, institutional structures, and sociocultural circumstances (Hoogendoorn *et al.*, 2024; Li *et al.*, 2025). The primary academic challenge has transitioned to reconciling entrepreneurial agency with structural conditions and comprehending how social and sustainable value is conceptualized, executed, and legitimized amidst evolving power dynamics, cultural logics, and resource limitations (Keim *et al.*, 2024; Frost *et al.*, 2025). This review delineates and integrates three overarching themes that characterize contemporary intellectual progress in this domain.

### Methodology

The search query was run on Scopus using keywords- “Social Entrepreneurship”, which produced 24006 results. These were filtered for criteria of date- 2020-25, which resulted in 12921 papers, which were further narrowed down using filter of Document type-Article and Conference paper, leading to 10079 results. Post this, a filter of source was used, constricting the results to only A and A\* Journals on Entrepreneurship, namely: Journal of Business Venturing, Entrepreneurship Theory and Practice, Strategic Entrepreneurship Journal, Journal of Small Business Management, Small, Business Economics, Entrepreneurship and Regional Development, International Small Business



Journal and Journal of Business Venturing Insights, leading to 443 results. Lastly, the filter of “All open access” was applied, resulting in 223 papers. These papers were further narrowed down to a final number of 25 papers, based on relevance.

A diagrammatic representation of the same using the PRISMA framework is given in figure.

Here is the list of papers identified:

**Table 1: Thematic Organization of Core Papers**

Sr. No.	Title	Journal Name	Author(s)	Research Objectives
1	Creating economic, social, and environmental change through entrepreneurship: An entrepreneurial autonomy perspective informed by Paulo Freire	Journal of Business Venturing Insights	Ana Cristina O. Siqueira <i>et al.</i>	To extend Paulo Freire’s concepts (limit-situations, untested feasibility, limit-acts) to entrepreneurship and develop an entrepreneurial autonomy perspective
2	Exploring the micro foundations of hybridity: A judgment-based approach	Journal of Business Venturing Insights	Carmen-Elena Dorobat <i>et al.</i>	To examine organizational hybridity through the Judgment-Based Approach (JBA) to entrepreneurship
3	Scaling the right answers – Creating and maintaining hope through social entrepreneurship in light of humanitarian crises	Journal of Business Venturing Insights	Andreas Kuckertz <i>et al.</i>	To provide rapid reflections on social entrepreneurship during the Russo–Ukrainian war, focusing on problem validation and scaling
4	Whatever the problem, entrepreneurship is the solution! Confronting the panacea myth of entrepreneurship with structural injustice	Journal of Business Venturing Insights	Jan Keim <i>et al.</i>	To challenge the “panacea myth” that entrepreneurship can solve all social and environmental problems

5	A long and winding road: The hard graft of scaling social change in complex systems	Journal of Business Venturing Insights	John Healy <i>et al.</i>	To analyse the complexity of scaling social change using case studies on access to medicines, migrant integration, and social care
6	Transnational social venturing	Journal of Business Venturing Insights	Nkosana Mafico <i>et al.</i>	To examine how social class experiences shape transnational social entrepreneurship among the African diaspora
7	Cultivating the ecosystem: How social exchange sows the seeds of entrepreneurial contributions	Journal of Business Venturing Insights	Johannes Hähnlein <i>et al.</i>	To understand when and why entrepreneurs contribute back to their ecosystems
8	Status entrepreneurship: The entrepreneurial pursuit of social distinction	Journal of Business Venturing Insights	Adam K. Frost <i>et al.</i>	To theorize entrepreneurship as a pursuit of social status rather than only economic gain
9	Entrepreneurship, age, and social value creation: A constraint-based individual perspective	Journal of Small Business Management	Brigitte Hoogendoorn <i>et al.</i>	To examine how age, gender, and education influence social value creation in entrepreneurship
10	Exploring the impact of design thinking on social enterprise mission-aligned innovation	Entrepreneurship & Regional Development	Catherine Docherty <i>et al.</i>	To investigate how design thinking enables mission-aligned innovation in social enterprises
11	Natural disasters, personal attributes, and social entrepreneurship: An attention-based view	Small Business Economics	Shihao Wei <i>et al.</i>	To explore how natural disaster intensity and personal attributes jointly influence social entrepreneurship

12	Is nonprofit entrepreneurship unique?	Small Business Economics	Farzana Chowdhury & David B. Audretsch	To determine whether nonprofit entrepreneurship differs from for-profit entrepreneurship
13	The role of cognitive legitimacy in social entrepreneurship: A multilevel analysis	Small Business Economics	Xing Li <i>et al.</i>	To analyse how cognitive legitimacy is conferred on social enterprises
14	Culture and social entrepreneurship: The role of value–practice misalignment	Small Business Economics	Katrina M. Brownell <i>et al.</i>	To study how cultural dissonance between values and practices affects social entrepreneurship
15	Doing good while making profits: A typology of business models for social ventures	Strategic Entrepreneurship Journal	Lien De Cuyper <i>et al.</i>	To develop a typology of social venture business models
16	Stairway to impact or highway to failure? A cognitive perspective on business model design processes in nascent sustainable ventures	Journal of Business Venturing Insights	Eduard Esau <i>et al.</i>	To understand cognitive processes in business model design for sustainable ventures
17	When given two choices, take both! Social impact assessment in social entrepreneurship	Journal of Business Venturing Insights	Pablo Muñoz & Edward N. Gamble	To explore dual approaches to social impact assessment in social ventures
18	Founder–CEO extraversion and sustainability orientation in initial coin offerings	Journal of Business Venturing Insights	Feilian Xia <i>et al.</i>	To examine how founder personality affects sustainability orientation in ICOs
19	Pathways and mechanisms for catalysing social impact through orchestration: Insights from an open social innovation project	Journal of Business Venturing Insights	Johanna Mair <i>et al.</i>	To analyse how orchestration enables social impact in open social innovation

20	Seizing the moment—Strategy, social entrepreneurship, and the pursuit of impact	Strategic Management Journal	Trenton Alma Williams <i>et al.</i>	To understand strategic decision-making in social entrepreneurship
21	In pursuit of diversification opportunities, efficiency, and revenue diversification: A generalization and extension for social entrepreneurship	Strategic Entrepreneurship Journal	Jiaju Yan <i>et al.</i>	To extend diversification theory within the context of social entrepreneurship
22	Turning rebellion into money? Social entrepreneurship as the strategic performance of systems change	Strategic Management Journal	Simon Teasdale <i>et al.</i>	To analyse how social entrepreneurship strategically enacts systems change
23	A cognitive approach to the expected value of work integration social enterprises	Journal of Business Venturing Insights	Romain Boulongne	To model expected value creation in work integration social enterprises
24	The magical language of unrealistic venture ideas in social entrepreneurship	Entrepreneurship & Regional Development	Marieshka Barton & Pablo Muñoz	To explore how unrealistic venture ideas gain legitimacy in social entrepreneurship
25	The potentials and perils of prosocial power: Transnational social entrepreneurship dynamics in vulnerable places	Journal of Business Venturing Insights	Florian Koehne <i>et al.</i>	To examine power dynamics in transnational social entrepreneurship

### Thematic classification of sample papers

Sr. No.	Theme	Sample Papers	Key Constructs / Topics
1	Entrepreneurial Agency, Identity, and Cognition	9, 18, 23, 8, 22, 24, 2, 16, 20	Psychological drivers, status, decision-making, cognitive models
2	Social & Sustainable Value Creation	15, 21, 10, 17, 19, 13, 14, 25	Business models, hybridity, impact, legitimacy, culture
3	Contextual Embeddedness & Ecosystems	7, 5, 1, 4, 11, 12, 6, 3	Ecosystems, panacea myth, disasters, transnationality

#### Entrepreneurial Agency, Identity, and Cognitive Foundations

This theme examines the impact of entrepreneurs' identities, cognitive methods, and psychological characteristics on venture success, especially in social and sustainable contexts (Hoogendoorn *et al.*, 2024). Cognitive and demographic factors, including age, gender, and education, significantly influence entrepreneurs' social value production (Hoogendoorn *et al.*, 2024). Traits such as extraversion in founders influence the sustainability orientation of new ventures, especially within rising technological sectors (Xia *et al.*, 2024). Status entrepreneurship, which utilizes ventures as a means of social differentiation, illustrates how story creation and identity performance enhance entrepreneurial legitimacy and influence (Frost *et al.*, 2025; Teasdale *et al.*, 2024; Barton & Muñoz, 2024). Moreover, investigations into strategic cognition highlight that judgment-based methodologies and adaptive opportunity identification procedures influence entrepreneurial results in hybrid firms (Dorobat *et al.*, 2024; Esau *et al.*, 2025; Williams *et al.*, 2024).

#### Social and Sustainable Value Creation: Models, Impact, and Legitimacy

Value generation in social entrepreneurship increasingly relies on new hybrid business models, comprehensive effect assessments, and enhanced contextual legitimacy (De Cuyper *et al.*, 2024; Yan *et al.*, 2024). Business model innovation, examined by De Cuyper *et al.* (2024), demonstrates many strategies for reconciling economic and social objectives, whereas diversification—analysed by Yan *et al.* (2024)—improves efficiency and sustainability. Design thinking facilitates innovation aligned with organizational missions (Docherty *et al.*, 2024), while multi-method social impact assessment frameworks more effectively encapsulate the intricate consequences of social initiatives (Muñoz & Gamble, 2024). Legitimacy is demonstrated to be a multifaceted phenomenon, influenced by cognitive, cultural, and institutional aspects (Li *et al.*, 2025; Brownell *et al.*, 2025). Studies on power and culture warn that misalignment and asymmetries may erode credibility, particularly in international initiatives (Koehne *et al.*, 2024; Brownell *et al.*, 2025).

### **Contextual Embeddedness: Ecosystems, Hybridity, and Structural Constraints**

Entrepreneurial outcomes are significantly influenced by context, encompassing local and transnational ecosystems, crises, and overarching institutional frameworks (Healy *et al.*, 2024; Mafico *et al.*, 2024). For example, social exchange theory elucidates how entrepreneurs engage with and utilize ecosystem resources (Höhnlein *et al.*, 2025). Research critically interrogates the panacea myth of entrepreneurship, advocating for more nuanced, context-sensitive interventions to rectify systemic injustices (Keim *et al.*, 2024). Investigations into natural disasters and nonprofit initiatives further underscore the interplay between external shocks and institutional factors in facilitating or hindering entrepreneurial activities (Wei *et al.*, 2024; Chowdhury & Audretsch, 2024). Moreover, studies by Kuckertz *et al.* (2023) and Mafico *et al.* (2024) explore the necessity of hope, hybridity, and cross-sector collaboration for the sustainability of social entrepreneurship in extreme circumstances.

### **Conclusion**

Recent research in social entrepreneurship centers on themes of agency, value creation, and context—each of which is complex, interrelated, and subject to dynamic change (Siqueira *et al.*, 2023; De Cuyper *et al.*, 2024). A review of literature from leading journals indicates that impact and sustainability in entrepreneurship result from a complex interaction among individual agency, organizational design, and institutional context (Teasdale *et al.*, 2024; Li *et al.*, 2025). As the field evolves, further research is essential to integrate micro- and macro-level analysis, innovate impact assessments, and emphasize ethical challenges and equity in both theory and practice (Yan *et al.*, 2024; Koehne *et al.*, 2024).

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## **A SYSTEMATIC LITERATURE REVIEW ON GENDER AND ENTREPRENEURSHIP: A SPECIFIC EMPHASIS ON WOMEN**

**Bhawna**

LM Thapar School of Management,

Thapar Institute of Engineering and Technology (Deemed to be University),

Patiala, Punjab, India

Corresponding author E-mail: [bbhawna1\\_phd25@thapar.edu](mailto:bbhawna1_phd25@thapar.edu)

### **Abstract**

Women are comprised of half of the global workforce but their entrepreneurial journeys are hindered by some unseen barriers that most people do not recognize or understand. This systematic literature review explains the experiences of women entrepreneurs from different parts of the world—from Egypt to Jordan and China, from Africa to Palestine—and the real problems faced by them on everyday basis. To cover their experiences, high-quality research published between 2022 and 2025 was searched, and final selection of 25 articles from top and management business journals was done that represent the real experiences of women who are willing to initiate or grow their own ventures. The findings are both inspiring and disheartening. Women entrepreneurs have to face more problems than men entrepreneurs. They have to deal with intense cultural pressures and family expectations that men rarely encounter. Women face difficulties in getting access to funding and finding the right mentor who believe in their dreams, support their aspirations and help them attain their goals. Despite all these difficulties, a beacon of hope comes through — technology as it is encouraging women to break through old barriers and access those market opportunities that were earlier out of their reach. This review uncovers that the way forward is not only about identifying the challenges but it's more about establishing the genuine support systems that in real give women fair access to finance, and adopting digital solutions that can reshape the capabilities of women entrepreneurs into successful, flourishing businesses. When this occurs, the benefits extend beyond the women themselves: women entrepreneurs succeed, their success strengthens the communities to grow stronger, and the world acquire the innovation and economic growth that comes from enabling everyone—especially women—to participate equally in business and innovation.

**Keywords:** Gender, Women, Entrepreneurship, Barriers, Challenges, Opportunities, Technology

### **Introduction**

Women are approximately 50 percent of the entire working population in the world yet are far less likely than men to venture into businesses; this presents a gender gap that has cost the world economy billions. Based on the pioneer works of Strawser, Hechavarria, and Passerini (2021),

who draw attention to the fact that women are more necessity-driven than opportunity-driven entrepreneurs and are 50 percent less likely to establish a new business compared to men, the review will analyze 25 recent studies (2022-2025) conducted globally and consider the existing challenges and opportunities of women in entrepreneurship. This review of 25 recent studies shows the real state of women entrepreneurs around the world. It reveals that women entrepreneurs face several obstacles in their daily experiences like cultural pressures, funding and support challenges, and digital hurdles—but at the same time get immense benefit from the new opportunities that technology offers. By studying the real-life experiences of those women, this review presents what actually impact women's entrepreneurial path and also gives the practical changes that can help women to thrive more in their entrepreneurial journey which will lead to a positive change in their communities.

Despite women comprised of half of the workforce globally, their involvement in entrepreneurship is very limited, primarily due to multiple constraints that stop them from starting and growing their own ventures. These barriers are mostly related to the cultural norms and stereotypes to challenges in accessing financial resources and support networks (Mickiewicz & Nguyen, 2025; Nguyen *et al.*, 2025). Studying this from the context of various countries, we got to know that family expectations and social roles place an added pressure on women, and limits their entrepreneurial activities (Baloyo & Jones, 2025; Kashino, 2025).

Access to funding remains one of the significant barriers for women entrepreneurs. Studies shows that women often face more hurdles than men to access capital whether it is through traditional means or innovative funding platforms like crowdfunding (Fellnhöfer & Deng, 2024; Galmangodage *et al.*, 2025). The absence of mentorship and market access further hinders the growth of women entrepreneurs more (Ackah *et al.*, 2024; Isakova & Stroila, 2025).

Technology has its both challenges and opportunities. Digital tools and platforms can assist women to reach broader markets and overcome some conventional barriers but using these tools require digital skills and infrastructure, which are not uniformly available (Khoo *et al.*, 2024; Wiig *et al.*, 2024). Empowering women through digital literacy has the power to transform entrepreneurial ecosystems positively by enabling women entrepreneurs to overcome traditional barriers.

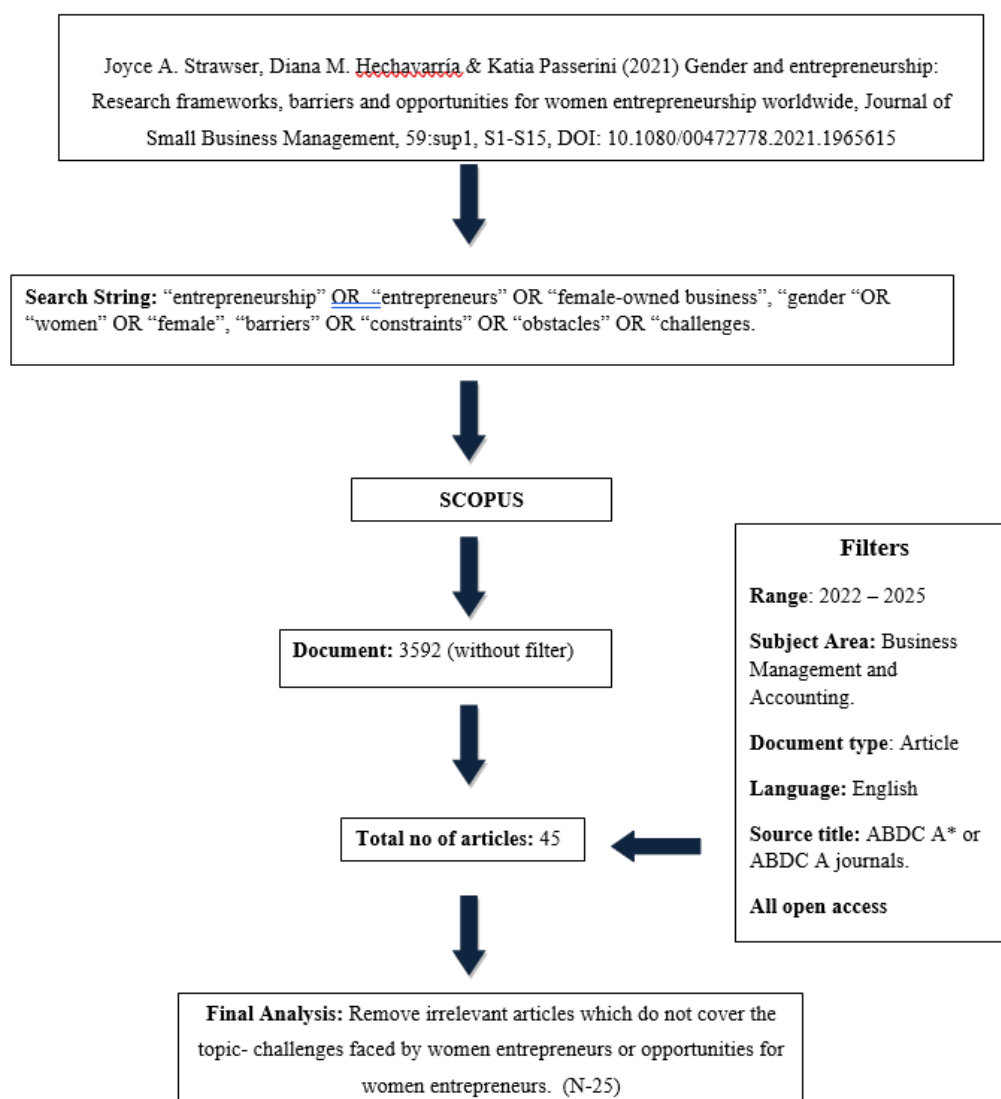
The findings of this review are based on carefully studying a diverse set of 25 papers published in 2022-2025, focusing on quality journals that gives a thorough understanding of current problems and emerging opportunities for women entrepreneurs worldwide.

### **Research Methodology**

Since this number was too large to review properly, several filters This study followed a step-by-step approach based on PRISMA guidelines to identify the most relevant literature on “gender and entrepreneurship”. The process began with a base review paper titled "Gender and

entrepreneurship: Research frameworks, barriers and opportunities for women entrepreneurship worldwide." Keywords were taken from this paper and then they were used to search for relevant literature on the topic using the SCOPUS database. The keywords extracted were — “entrepreneurship,” “entrepreneurs,” “women,” “female,” “barriers,” “obstacles,” “challenges,” and “opportunities”. This search string resulted in 3,592 papers that matched the topic.

were applied to narrow down the search. The time period was limited to papers from 2022-2025 to focus on current research. The subject area was restricted to Business, Management and Accounting journals only. Language was restricted to English, and only quality journals those ranked in - ABDC A\* or ABDC A were considered. Access was limited to freely available articles. A total of 45 articles remained after applying these filters.



### Prisma Chart

Each of the 45 papers was carefully read to check if it really focused on the research topic and covered atleast one of the themes. Papers that only briefly mentioned women or didn't focus on the themes were excluded from the selection. Through this careful review process, 25 papers

were selected that provided the best insights into women's entrepreneurship and offered information about barriers and opportunities for women in business. A final quality check was done to ensure that the selected 25 papers represented different countries, research methods, and viewpoints on women's entrepreneurship, to ensure the robustness of the studies.

### **Thematic Analysis**

After a thorough examination of the 25 papers, three primary themes emerged in understanding women's entrepreneurship today.

#### **Theme 1: Barriers and Challenges**

Most of the women entrepreneurs face real hurdles while they start or wish to grow their businesses. These obstacles mainly include cultural and social pressures. For example: Traditional gender roles and family expectations can limit what women are capable of doing (Mickiewicz & Nguyen, 2025; Nguyen *et al.*, 2025). Social and legal barriers differ in every country but often limit women's entrepreneurial capabilities (Kashino, 2025). For instance, sexual harassment in entrepreneurship remains a serious concern in some areas (Kashino, 2025). Additionally, stereotypes that keep on reminding women "don't act like men" can impede their potential for innovation and acceptance in business environments (Sundermeier, 2024).

#### **Theme 2: Availability of Resources and Support**

It is generally difficult for women to get financial support, find the right mentors and establish networks as compared to their male counterparts (Ackah *et al.*, 2024; Galmangodage *et al.*, 2025). Access to funding is not fair, and many women miss out on crucial programs or grants that could actually help them to grow their businesses (Srroj *et al.*, 2022). Supportive ecosystems that include accelerators, mentorship, and identity-based networks can lead to a huge difference in helping women to succeed in their entrepreneurial journeys (Arshed *et al.*, 2023; Isakova & Stroila, 2025).

#### **Theme 3: Digital Transformation and Empowerment**

Technology is coming up with new exciting opportunities for women entrepreneurs by limiting the traditional barriers. Digital platforms not only help women to run online businesses and join global communities but also to reach newer markets (Khoo *et al.*, 2024; Wiig *et al.*, 2024). However, access to digital skills and internet is still not available everywhere, and overcoming these barriers has become very important for closing the gender gap in entrepreneurship (Khoo *et al.*, 2024; Omran & Yousafzai, 2024).

#### **Miscellaneous Themes**

Some studies address other significant aspects of women's entrepreneurship that don't fit neatly into the aforementioned categories, such as entrepreneurial identity, sustainability, social entrepreneurship, and motivations influenced by societal norms and expectations (Imas & Garcia-Lorenzo, 2023; Siqueira *et al.*, 2023).

Together, these themes show that while women entrepreneurs face many hurdles, new digital solutions and better support systems offer promising paths to overcome them. This review highlights the practical changes needed to help women thrive in entrepreneurship worldwide

**Table 1: Categorization of Research Papers Across Major Themes in Women's Entrepreneurship**

Theme	Papers
<b>Barriers and Challenges</b>	<ul style="list-style-type: none"> <li>● Gender attitudes and business venturing in low gender egalitarianism culture: a study of Egypt and Jordan.</li> <li>● 'In the company of cheerful ladies': whether female entrepreneurs are more productive?</li> <li>● Sexual harassment by multiple stakeholders in entrepreneurship: The case of Japan.</li> <li>● 'They don't waste money on women': gendered entrepreneurial household dynamics and the total social organization of labour.</li> <li>● 'It just seems that they don't act like men': The influence of gender role stereotypes on women's entrepreneurial innovation activities.</li> <li>● Making, unmaking and remaking of context in entrepreneurial identity construction and experiences: a comparative analysis between Türkiye and the Netherlands.</li> <li>● My mother-in-law does not like it: resources, social norms, and entrepreneurial intentions of women in an emerging economy.</li> <li>● Female gender interests and education in women entrepreneurs' definition of success in Uganda.</li> <li>● Scaling the great wall: how women entrepreneurs in China overcome cultural barriers through digital affordances.</li> <li>● Of resistance to patriarchy and occupation through a virtual bazaar: an institutional theory critique of the emancipatory potential of Palestinian women's digital entrepreneurship.</li> </ul>
<b>Availability of Resources and Support</b>	<ul style="list-style-type: none"> <li>● Not Ready yet: Why Accelerators May Not Close the Gender Gap in Entrepreneurship as Expected.</li> <li>● Turning the tables towards gender inclusivity in entrepreneurial ecosystems.</li> <li>● Africa's businesswomen – underfunded or underperforming?</li> <li>● Does gender affect entrepreneurship? Evidence from Spanish and Argentinian business incubators.</li> </ul>

	<ul style="list-style-type: none"> <li>● Investor Intuition Promotes Gender Equality in Access to Reward-Based Crowdfunding.</li> <li>● Is there a gender gap in equity-based crowdfunding?</li> <li>● Small matching grants for women entrepreneurs: lessons from the past recession.</li> <li>● International entrepreneurship in Africa: The roles of institutional voids, entrepreneurial networks and gender.</li> <li>● Ties That Bind or Blind? The Role of Identity and Place in Understanding Women Entrepreneurs' Support Needs.</li> </ul>
<b>Digital Transformation and Empowerment</b>	<ul style="list-style-type: none"> <li>● Scaling the great wall: how women entrepreneurs in China overcome cultural barriers through digital affordances.</li> <li>● Of resistance to patriarchy and occupation through a virtual bazaar: an institutional theory critique of the emancipatory potential of Palestinian women's digital entrepreneurship.</li> <li>● Opportunities and challenges of digital competencies for women tourism entrepreneurs in Latin America: a gendered perspective.</li> <li>● Is there a gender gap in equity-based crowdfunding?</li> <li>● Investor Intuition Promotes Gender Equality in Access to Reward-Based Crowdfunding.</li> </ul>
<b>Miscellaneous</b>	<ul style="list-style-type: none"> <li>● Creating economic, social, and environmental change through entrepreneurship: An entrepreneurial autonomy perspective informed by Paulo Freir.</li> <li>● Epistemic Injustice and Epistemic Resistance: An Intersectional Study of Women's Entrepreneurship Under Occupation and Patriarchy.</li> <li>● A postcolonial and pan-African feminist reading of Zimbabwean women entrepreneurs.</li> <li>● Intersecting where? The multi-scalar contextual embeddedness of intersectional entrepreneurs.</li> </ul>



**Table 2: Overview of reviewed studies classified by title, author, year, Journal and Findings**

Sr. No.	Title	Authors	Year	Journal	Key Findings
1	Gender attitudes and business venturing in low gender egalitarianism culture: A study of Egypt and Jordan	Bach Nguyen <i>et al.</i>	2025	<i>Small Business Economics</i>	Gender attitudes in low-egalitarian cultures strongly shape women's business venturing opportunities.
2	Not Ready Yet: Why accelerators may not close the gender gap in entrepreneurship as expected	Lakni Galmangodage <i>et al.</i>	2025	<i>Gender, Work &amp; Organization</i>	Business accelerators alone are insufficient to close the gender gap in entrepreneurship.
3	'In the company of cheerful ladies': Whether female entrepreneurs are more productive?	Mickiewicz, T., & Nguyen, B.	2025	<i>Small Business Economics</i>	Supportive female networks enhance entrepreneurial productivity.
4	Sexual harassment by multiple stakeholders in entrepreneurship: The case of Japan	Kashino, T.	2025	<i>Journal of Business Venturing Insights</i>	Sexual harassment poses significant barriers to women entrepreneurs in Japan.
5	'They don't waste money on women': Gendered entrepreneurial household dynamics and the total social organization of labour	Baloyo, M. J., & Jones, S.	2025	<i>Entrepreneurship &amp; Regional Development</i>	Household power dynamics restrict women's entrepreneurial agency and resource access.
6	Turning the tables towards gender inclusivity in entrepreneurial ecosystems	Isakova, E., & Stroila, I.	2025	<i>Journal of Business Research</i>	Gender-inclusive ecosystems require intentional cultural and structural changes.

7	Africa's businesswomen – underfunded or underperforming?	Ackah <i>et al.</i>	2024	<i>Small Business Economics</i>	African businesswomen are primarily underfunded rather than underperforming.
8	Does gender affect entrepreneurship? Evidence from Spanish and Argentinian business incubators	Rosado-Cubero <i>et al.</i>	2024	<i>Journal of Business Research</i>	Gender-based challenges persist within incubator-supported entrepreneurship.
9	Investor intuition promotes gender equality in access to reward-based crowdfunding	Fellnhöfer, K., & Deng, Y.	2024	<i>Entrepreneurship Theory and Practice</i>	Investor intuition can reduce gender bias in crowdfunding access.
10	'It just seems that they don't act like men': The influence of gender role stereotypes on women's entrepreneurial innovation activities	Sundermeier, J.	2024	<i>Journal of Business Research</i>	Gender stereotypes constrain women's entrepreneurial innovation activities.
11	Making, unmaking and remaking of context in entrepreneurial identity construction: A comparative analysis between Türkiye and the Netherlands	Ozasir Kacar, S.	2024	<i>Small Business Economics</i>	Entrepreneurial identity is context-dependent and varies across countries.
12	Scaling the Great Wall: How women entrepreneurs in China overcome cultural barriers through digital affordances	Wiig <i>et al.</i>	2024	<i>Entrepreneurship &amp; Regional Development</i>	Digital technologies enable Chinese women to overcome cultural constraints.

13	Women entrepreneurship in China: A bibliometric literature review and future research agenda	Jiang <i>et al.</i>	2024	<i>Journal of Business Research</i>	Research on women's entrepreneurship in China is expanding but remains fragmented.
14	Epistemic injustice and epistemic resistance: An intersectional study of women's entrepreneurship under occupation and patriarchy	Omran, W., & Yousafzai, S.	2024	<i>Entrepreneurship Theory and Practice</i>	Women entrepreneurs resist epistemic injustice through intersectional strategies.
15	Opportunities and challenges of digital competencies for women tourism entrepreneurs in Latin America	Khoo <i>et al.</i>	2024	<i>Journal of Sustainable Tourism</i>	Digital competencies create both opportunities and constraints for women entrepreneurs.
16	Creating economic, social, and environmental change through entrepreneurship: An entrepreneurial autonomy perspective informed by Paulo Freire	Siqueira <i>et al.</i>	2023	<i>Journal of Business Venturing Insights</i>	Entrepreneurial autonomy empowers marginalized women to drive multidimensional change.
17	International entrepreneurship in Africa: The roles of institutional voids, entrepreneurial networks and gender	Pindado <i>et al.</i>	2023	<i>Journal of Business Research</i>	Networks mitigate institutional voids affecting women's international entrepreneurship.
18	My mother-in-law does not like it: Resources, social norms, and entrepreneurial intentions of women in an emerging economy	Karim <i>et al.</i>	2023	<i>Small Business Economics</i>	Social norms and family resources strongly influence women's entrepreneurial intentions.

19	Of resistance to patriarchy and occupation through a virtual bazaar	Althalathini, D., & Tlaiss, H. A.	2023	<i>Entrepreneurship &amp; Regional Development</i>	Digital entrepreneurship enables resistance and emancipation for Palestinian women.
20	Female gender interests and education in women entrepreneurs' definition of success in Uganda	Manzanera-Ruiz <i>et al.</i>	2023	<i>Entrepreneurship &amp; Regional Development</i>	Education and gender interests shape success perceptions among women entrepreneurs.
21	A postcolonial and pan-African feminist reading of Zimbabwean women entrepreneurs	Imas, M., & Garcia-Lorenzo, L.	2023	<i>Gender, Work &amp; Organization</i>	Feminist perspectives deepen understanding of women's entrepreneurial journeys.
22	Ties that bind or blind? The role of identity and place in understanding women entrepreneurs' support needs	Arshed <i>et al.</i>	2023	<i>Entrepreneurship Theory and Practice</i>	Identity and place significantly shape women entrepreneurs' support requirements.
23	Intersecting where? The multi-scalar contextual embeddedness of intersectional entrepreneurs	Yamamura <i>et al.</i>	2022	<i>Entrepreneurship &amp; Regional Development</i>	Intersectional entrepreneurs are embedded across multiple social and spatial levels.
24	Is there a gender gap in equity-based crowdfunding?	Prokop, J., & Wang, D.	2022	<i>Small Business Economics</i>	A persistent gender gap disadvantages women in equity crowdfunding.
25	Small matching grants for women entrepreneurs: Lessons from the past recession	Srroj, S.	2022	<i>Small Business Economics</i>	Small matching grants effectively reduce financial constraints for women entrepreneurs.

## **Discussion**

This systematic review of 25 recent studies reveals valuable insights into the evolving state of women entrepreneurship globally. Despite progress, cultural and institutional barriers remain a major obstacle for women entrepreneurs worldwide, as evidenced by studies from diverse regions showing how gender stereotypes and family expectations shape entrepreneurial choices and outcomes. (Nguyen *et al.*, 2025) Nguyen *et al.* (2025) demonstrate how low gender egalitarianism in Egypt and Jordan affects business venturing, while Kashino (2025) highlights how sexual harassment remains a serious barrier in entrepreneurial environments, particularly in Japan. The research conducted by Mickiewicz and Nguyen (2025), Sundermeier (2024), Kacar (2024), Manzanera-Ruiz *et al.* (2022), Wiig *et al.* (2024), and Althalathini and Tlaiss (2023) examine the experiences of women entrepreneurship across Uganda, Zimbabwe, China, and Palestine and further confirms that these challenges take different forms across contexts but ultimately put a limit on women's business growth and innovation. Baloyo and Jones (2025) reveal how household dynamics undervalue women's entrepreneurial contributions, while Omran and Yousafzai (2023) emphasize on intersectional insights into how patriarchal structures and occupation-related challenges shape women's entrepreneurial experiences. What is most striking is that these barriers are not only external they are deeply rooted in societal norms and institutional structures that need an urgent systemic change.

One of the most repeated findings across studies is that women struggle significantly more than men to access funding, mentorship, and supportive business networks. Galmangodage *et al.* (2025) says that accelerators may not bridge the gender gap as expected. despite their potential, while Prokop and Wang (2022) and Fellnhofner and Deng (2024) highlights that gender disparities exist in both equity-based and reward-based crowdfunding platforms. Rosado-Cubero *et al.* (2024) and Ackah *et al.* (2024) reveals that even in business incubators and across African contexts, gender gaps remain in accessing support and funding. Srhoj (2022) examines how matching grants can help women entrepreneurs overcome resource constraints, while Isakova and Stroila (2025) draw attention to the importance of gender-inclusive entrepreneurial ecosystems. Arshed *et al.* (2022) uncovers how identity and place has an effect on women entrepreneurs' support needs, while Pindado *et al.* (2023) highlight the importance of institutional voids and entrepreneurial networks in determining women's entrepreneurial success, particularly in Africa. The lack of sufficient resources and support networks has tangible economic repercussions —untapped talent results in lost innovation and economic growth for communities.

An encouraging trend in latest literature is the rapidly increasing recognition of technology's transformative power for women entrepreneurs, but access still remains unequally distributed. Wiig *et al.* (2024) demonstrate how digital tools help women in China to accelerate their

businesses and avoid cultural restrictions, while Althalathini and Tlaiss (2023) examine how virtual platforms offer opportunities for Palestinian women entrepreneurs despite patriarchal limitations. Khoo *et al.* (2023) discuss both the opportunities and challenges of developing digital skills in tourism entrepreneurship across Latin America. However, this opportunity is still limited—digital access, infrastructure, and skills are not yet equally available, making it crucial to close the digital divide for inclusive entrepreneurship. Jiang *et al.* (2024) provide a bibliometric review affirming the importance of understanding women entrepreneurship through the lens of digital transformation. Several studies emphasize that women's entrepreneurial experiences are not uniform and that context plays a crucial role. Manzanera-Ruiz *et al.* (2022) investigate how gender interests and education shape women entrepreneurs' definitions of success in Uganda, Imas and Garcia-Lorenzo (2022) offer a postcolonial and pan-African feminist perspective on Zimbabwean women entrepreneurs, and Yamamura *et al.* (2022) examine the multi-layered contextual embeddedness of intersectional entrepreneurs. Karim *et al.* (2022) reveal how social norms and family resources influence women's entrepreneurial intentions in emerging economies. O *et al.* (2023) highlight entrepreneurial autonomy as a pathway for women to create economic, social, and environmental change. Collectively, these 25 studies offer a thorough understanding of women's entrepreneurship, highlighting both ongoing challenges and new opportunities in today's global environment. They illustrate the necessity of customized, context-aware strategies to effectively support women entrepreneurs around the world.

## **Conclusion**

The systematic literature review analyzed 25 high-quality articles that were published in 2022-2025 on the topic of women entrepreneurship worldwide. The review has found three big themes, barriers and challenges based on cultural and institutional circumstances, lack of access to resources and enabling ecosystem, and the potential transformative power of digital technology through rigorous synthesis utilizing PRISMA guidelines. Evidence on this is overwhelming because women entrepreneurs worldwide are tough and enterprising, but they work under unequal conditions which cannot be corrected through individual effort but all-systemic changes. Women businesspersons are challenged by cultural problems, the lack of access to funding, and support networks and they still struggle to succeed and establish successful companies. Technology has opened up new avenues and opportunities that were previously unavailable. The experiences of women entrepreneurship could be entirely reshaped by enhancing support systems, developing more equitable funding models, increasing access to digital resources, and ensuring authentic involvement in entrepreneurial ecosystems.. This review highlights to policymakers the urgent need for specific actions to address funding inequalities and digital literacy. For business accelerators and support organizations, including

women requires a genuine effort to understand their unique needs. Researchers have an apparent reason to seek solutions and best practices that have enabled women entrepreneurs in various settings to succeed. A society that has half the population of people who can fully contribute to the establishment of businesses and implementation of change will be made stronger by being more innovative, enhanced economically and resilient to the community. This review demonstrates that although issues exist, solutions are being identified and the way forward needs to be taken through concerted effort of policy, practice and research.

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# **FROM WOMEN EMPOWERMENT TO WOMEN LED DEVELOPMENT: A STRUCTURED LITERATURE REVIEW ON WOMEN ENTREPRENEURS AND THEIR FINANCING PATTERNS**

**Muskan Arora**

LM Thapar School of Management,

Thapar Institute of Engineering and Technology (Deemed to be University),

Patiala, Punjab, India

Corresponding author E-mail: [marora\\_phd23@thapar.edu](mailto:marora_phd23@thapar.edu)

## **Abstract**

This study employed a systematic review technique to assess the financing patterns of women entrepreneurs. It focused on peer-reviewed journal articles published during the period from 1990 to 2023. The main objective of our study is to examine the extent to which women entrepreneurs can obtain funding from official financial institutions, analyze the conduct of these institutions, and assess the influence of their actions on the financing choices made by women entrepreneurs. Community funding, which is another component of financing, has been examined to provide a full understanding of their financial patterns. Multiple studies have examined the prejudice exhibited by official lenders towards women, as well as women's dependence on community financing to sustain their business endeavors. However, a comprehensive compilation of justifiable arguments was not available. We have endeavored to consolidate all the literature in one location in order to present a thorough overview for future use by scholars, policy makers, and women entrepreneurs themselves.

**Keywords:** Women, Gender, Entrepreneurship, Finance, Community Financing

## **Introduction**

Approximately 40 percent of the global labor force consists of women. Women have a crucial role in several key areas that drive economic progress in some of the most impoverished nations. Female-owned small and medium-sized enterprises (SMEs) make up approximately 30% to 37% of all SMEs in emerging economies, which translates to around 8 million to 10 million women-owned firms. These enterprises experience an annual financial deficit ranging from US\$260 billion to US\$320 billion. This represents the most significant obstacle to their expansion and progress. The Global Findex, an extensive database that assesses individuals' saving, borrowing, and risk management practices in 148 countries, indicates that women have a lower probability of possessing formal bank accounts compared to men. Within developing economies, women exhibit a 20 percent lower likelihood than men of possessing an account at a formal financial

institution, and a 17 percent lower likelihood of engaging in formal borrowing within the preceding year (The World Bank).

Entrepreneurship is commonly recognized as a means of fostering economic progress in several parts of the world (Baumol & Strom, 2007; Bosma *et al.*, 2018), including underdeveloped countries. The availability of key resources necessary to support its implementation is crucial, particularly in settings where access to credit is limited (Koubaa, 2014), and among marginalized segments of society. Our study specifically examines women entrepreneurs and their financing practices, as cash is a crucial resource necessary for entrepreneurial success.

In the face of persistent accounts of gender bias in conventional work environments, there is a notable surge in the proportion of women engaging in entrepreneurial endeavors. An argument based on logical reasoning suggests that the attractiveness of entrepreneurship stems from its potential to liberate individuals from the limitations imposed by gender prejudice in established institutions and society (Ridgeway, 2011; Rindova *et al.*, 2009; Rudman *et al.*, 2012; Th'ebaud, 2016). However, women continue to encounter distinct obstacles in their pursuit of attaining corporate success compared to males. An inherent problem faced by women in business ownership is their heightened financial vulnerability in relation to men (Thébaud, 2015a). Financial capital is an essential resource for the survival of firms run by women. Research indicates that female-owned enterprises are generally less inclined to seek financial capital from formal financiers, such as financial institutions, compared to male-owned enterprises. This conclusion is supported by multiple studies conducted by Cavalluzzo and Wolken (2005), Coleman (2002, 2004), Kwapisz and Hechavarria (2018), Mijid (2015), and Zimmerman Treichel and Scott (2006).

Under such circumstances, women are compelled to either self-fund their business or opt for microfinance programs like the AJO scheme in Africa (Amon Simba). Our objective is to determine if women entrepreneurs choose micro lending due to the socio-economic conditions in the country or if the prejudice of formal lenders towards male entrepreneurs influences their decision to opt for micro financing.

This article will examine the elements that influence the financing decisions made by women entrepreneurs and how these decisions impact the success of their companies. The current literature fails to establish this connection and mostly concentrates on the partiality of formal lenders towards female entrepreneurs.

The results of this study have extensive academic, policy, and practical ramifications. Academics have the potential to create a comprehensive financial model that is well-suited for female entrepreneurs. Policy makers have the ability to create financial policies that prioritize inclusivity and gender equality. Women entrepreneurs can now get the practical knowledge necessary to make informed financial decisions.

## Methodology

We did a literature review on the funding patterns of women entrepreneurs, adhering to the recommended methodology for conducting literature reviews (Short, Citation2009). We conducted a keyword search in the A+ and A journals to locate peer-reviewed articles published in academic journals in English. We specifically looked for articles that included the keywords or related terms "women," "gender," "entrepreneurship," "finance," or "community financing" in their titles, abstracts, or keywords. We conducted a search for articles that were published between the years 1990 and 2023. We rejected studies that did not specifically examine the financing patterns of women entrepreneurs or were not based on empirical research, such as conceptual articles. In addition, we performed a manual search to identify research that examines the impact of gender on financial decision-making. We have found 19 peer-reviewed articles that discuss the financing patterns of women entrepreneurs. These articles will be included in the literature review. We methodically classified the detected papers according to a predetermined coding methodology, which can be obtained from the authors upon request.

Essentially, the subsequent actions were carried out:

- Step 1: Gather materials: compile a roster of scholarly publications. A systematic literature search was performed utilizing specific keywords and well-established bibliographic database systems
- Step 2: Conduct a descriptive analysis to evaluate various elements of the contents, such as their temporal distribution.
- Step 3: Conduct material evaluation by categorically analyzing the sample of research. Outline the primary concerns, findings, and discourse regarding potential avenues for future investigation.

## Choice of suitable databases and search strategy

19 articles have been collected from various Journals in the following manner

Journal title	Quantity
Journal of business venturing	4
Journal of business research	1
Entrepreneurship Theory and Practice	9
Venture Capital	4
Entrepreneurship & Regional Development	1
Total	19

## Gender and Financing Entrepreneurial Ventures

There is a reciprocal relationship between the availability of bank financing for female businesses and their ability to grow: The modest scale and limited expansion of their enterprise hinder their access to bank financing, which in turn restricts their growth potential (Constantinidis *et al.*, 2006). According to some experts (Carter & Williams, 2003; Jennings &

Brush, 2013; Marlow & Patton, 2005; Orser *et al.*, 2006), it is often believed that female-owned enterprises often perform worse than those owned by men due to a lack of sufficient cash. An entrepreneur's capacity to obtain continuous streams of essential resources, such as financial capital, directly influences the growth and performance of a business (Leitch & Hill, 2006). Recent research has indicated that both male and female entrepreneurs have equal access to debt financing. However, there is a difference in the amount of capital raised by male and female entrepreneurs.

Moreover, studies suggest that banks tend to employ lending criteria in a subjective manner, which negatively affects women (Carter *et al.*; Orser & Foster, 1994). Marlow and Patton (2005, p. 718) observed that women entrepreneurs face challenges in securing funding due to the presence of a "normative male model of entrepreneurial achievement" that intentionally puts women at a disadvantage. Research has shown that, while making equivalent attempts to secure various sources of external funding (Brush, Carter, Greene, Gatewood, & Hart, 2006; Orser *et al.*, 2006), women have more challenges in acquiring money compared to men (Verheul & Thurik, 2001). Some studies suggest that the funding disparities between male and female-owned ventures can be attributed to women's hesitancy in seeking financing or differences in the size and sector of their businesses. However, other studies have revealed instances of discriminatory practices by bank loan officers towards women entrepreneurs. Carter *et al.*'s (2007) study, which included experimental and qualitative methods, demonstrated that loan officers utilize distinct evaluative factors when assessing male and female entrepreneurs. Research indicates that women entrepreneurs frequently face doubts regarding the legitimacy and credibility of their ventures. This additional challenge poses an obstacle that women entrepreneurs must overcome in order to secure financing (Brush, Carter, Gatewood, Greene, & Hart, 2004; Constantinidis *et al.*, 2006; Murphy *et al.*, 2007). Insights from gender role congruity theory (Eagly & Karau, 2002) have been used to understand how gender influences the entrepreneurial context and its impact on the level of bank finance acquired by men and women.

### **Women and Community financing**

Prior studies highlight the significance of obtaining financial resources for persons seeking to initiate a company endeavor in difficult entrepreneurial environments (Chliova *et al.*, 2015; Khavul, 2010; Milanov *et al.*, 2015). Micro lending has been recognized as an appropriate method of funding within this field of expertise. We have encountered a particular instance in Africa where a community financing plan called AJO was introduced to provide financial support for the entrepreneurial needs of women (Amon Simba, Oyedele Martins Ogundana, Eric Braune, L'eo–Paul Dana).

Micro lending, as a regulated financial service, necessitates individuals to participate in a financial agreement that encompasses modest loans, savings, insurance, or payment services (Chen *et al.*, 2017; Khavul, 2010; Pham & Lensink, 2007). Studies acknowledge that

microlending incurs transaction costs for both borrowers and lenders (Bhatt & Tang, 1998). Lenders incur expenses related to the process of seeking loanable money, creating credit agreements, analyzing the viability of projects, and examining loan applications (Bhatt & Tang, 1998). Prospective borrowers will need to complete extensive applications, participate in extended training sessions, and endure evaluations of their projects and collateral (Simba *et al.*, 2023). Research indicates that women borrowers in Africa and other regions face more stringent credit approval processes, elevated interest rates, and lower maximum loan amounts when seeking business investments from regulated financial institutions (Brush *et al.*, 2019; Bullough *et al.*, 2022; Cozarenco & Szafarz, 2018).

### Themes

**Theme 1:** There is sufficient research on bias towards women entrepreneurs by loan providers but exact reasons for this bias remains ambiguous

The initial set of reasons pertains to discrimination, specifically in the context of the access to finance debate, inside financial markets, and by financial institutions. This prejudice results in the unequal treatment of women and men who possess similar abilities and desires.

This aligns with the principles of liberal feminist theory, which posits that women face disadvantages compared to men as a result of either explicit discrimination or structural barriers that hinder their access to crucial resources.

The second category of reasons is based on disparities in gender aptitude and preferences. This viewpoint aligns with the principles of social feminist theory, which ascribes the inherent disparities between men and women to variations in their early and continuous socialization (Fischer *et al.*, 1993). It posits that women are not inferior to men, but rather possess distinct yet equally valuable qualities that may not be easily captured by analytical frameworks designed for men (Acker, 1978; Smith, 1988).

Another set of theories is that the inequalities may arise from the possibility that women may be less proficient than males in competitive settings, despite their ability to perform comparably in noncompetitive settings. This creates an obstacle in obtaining financing from official channels.

**1. Title:** *An institutional perspective on borrowing discouragement among female-owned enterprises and the role of regional female empowerment (2021)*

**Journal:** *Journal of Business Venturing*

**Method:** Quantitative

### Key Findings:

- i. Female-owned enterprises are more likely than male-owned firms to experience reluctance or discouragement in seeking loans from financial institutions.
- ii. The positive association between women's ownership status and borrowing discouragement weakens as regional levels of women's social and economic empowerment increase.

**2. Title: *The financing of male- and female-owned businesses***

**Journal:** *Entrepreneurship & Regional Development: An International Journal*

**Method:** Quantitative

**Key Findings:**

- i. Male entrepreneurs allocate substantially larger amounts of capital at the start-up stage compared to female entrepreneurs.
- ii. While women show similarities to men in the use of personal financial resources, they are less inclined to utilize institutional financing options such as bank loans, overdrafts, and supplier credit.

**3. Title: *Does Gender Matter? Women Business Angels and the Supply of Entrepreneurial Finance***

**Journal:** *Entrepreneurship Theory and Practice*

**Method:** Quantitative

**Key Findings:**

- i. Observed differences in investment activity between male and female business angels are largely explained by contextual and individual factors rather than gender alone.
- ii. Women demonstrate a lower propensity to apply for loans; however, when they do apply, their success rates are comparable to men, though often under less favorable lending conditions.

**Theme 2: Micro financing comes as a rescue for women entrepreneurs**

Community-based finance programs in poor countries have the capacity to generate significant positive results for women entrepreneurs (Bhatt & Tang, 1998). Undeniably, providing women entrepreneurs with financial resources helps address prejudice and, crucially, enhances their ability to obtain equity capital and loans (Henry et al, 2017; OECD, 2017), particularly in developing countries. Given the extent of empowerment, women's entrepreneurship has the potential to significantly contribute to both economic and social progress. This impact extends not only to women themselves but also to the economies of various emerging regions.

**Title: *Community financing in entrepreneurship: A focus on women entrepreneurs in the developing world (2023)***

**Research Implications**

- i. Policy institutions are urged to prioritize inclusive structural and policy reform activities in financial markets to promote women's entrepreneurship in developing countries
- ii. Women entrepreneurs acquire knowledge about alternative financing strategies that are worth considering as they strive to secure funding for their entrepreneurial endeavors in developing countries.

# **Title: Empowering Women through Social Entrepreneurship: Case Study of a Women's Cooperative in India (2012)**

## **Research Implications**

- i. This study sheds light on a distinct cohort of female social entrepreneurs who are actively contributing to their society by facilitating the transformation of behavioral patterns and beliefs.
- ii. This study offers the for-profit sector a comprehensive analysis of how Lijjat's consensus-based management, adaptable work criteria, and profit-sharing distributions create an alternative, yet very effective, business model.

## **Theme 3: Factors affecting the financing decisions**

Entrepreneurs make critical decisions regarding resources, such as determining the source of resources, selecting which resources to acquire, and deciding how to utilize them (Hart 1995). The research inquiries in this study examined the factors that influence the financial strategies of enterprises run by women. The factors linked with equity capital were of particular interest. The study utilized a theoretical framework of the funding process and investigated the connections between the purchase of external equity and various resources such as human capital, social capital, and two other types of financial capital - debt financing through loans and bootstrapping.

Source	Conceptual/ Empirical	D.V	Results
E. HOLLY BU'ITNER and BENSON ROSEN (1988)	Empirical	Perception of the bank loan officer	The findings unequivocally validated the premise that women are perceived as less entrepreneurial than men. If loan officers are influenced by the impression that women are unsuitable for business, then females may have a specific disadvantage in securing money, which is a significant barrier for aspiring female entrepreneurs.
E. H. BU'ITNER AND B. ROSEN(1989)	Empirical	(1) Likelihood of granting the \$50,000 loan, (2) likelihood of making a counteroffer of a smaller amount, and (3) The size of the counteroffer.	A substantial three-way interaction was discovered between the gender of the entrepreneur, the structure of the presentation, and the participant's experience in relation to the volume of the counteroffer. Gender of the entrepreneur had the strongest influence on counteroffers in the business plan and videotape interview conditions.



### **Contribution to Theory**

The work we have done has made several significant contributions. Initially, we contribute to the existing body of literature by specifically identifying and providing detailed explanations for the factors that lead to the disparity in funding between firms owned by females and those owned by males. Specifically, we provide an institutional viewpoint that argues that the integration of gender beliefs into the corporate framework that controls the field of entrepreneurship is likely to result in women feeling discouraged from seeking assistance from potential stakeholders.

Studies reveal that banks in underdeveloped countries generally marginalize women from engaging in commercial activities by imposing rigorous application criteria (Bullough *et al.*, 2022; Hechavarria *et al.*, 2019), which are frequently influenced by outdated cultural and social norms (Koubaa, 2014). This exploratory study was specifically designed to analyze the influence and characteristics of social structures that define a community financing scheme utilized by women entrepreneurs in developing countries. The scheme serves as an alternative platform for acquiring initial capital and supporting their entrepreneurial endeavors.

### **Study Limitations and Future Research**

Several significant constraints are acknowledged. The scope of our study was restricted to examining the factors contributing to the prejudice of formal lenders towards women entrepreneurs, without exploring the consequences of such an attitude by the lenders. In addition, significant focus was placed on bank loans and debt financing, while other areas such as crowd funding and angel investment were not addressed.

Considering the existing constraints, it is imperative to conduct further research on the remaining avenues of funding and the decision-making process of female entrepreneurs regarding their finances.

An investigation is necessary to determine if women would favor micro finance over official sources.

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# **Decoding Entrepreneurship: A Journey through Systematic Literature Reviews**

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## **About Editors**



Reema Kath is an accomplished academician and researcher with a robust background in management education. She holds an MBA and is NET qualified, demonstrating her commitment to teaching and research excellence. Currently pursuing her PhD at LM Thapar School of Management, Thapar Institute of Engineering and Technology, Patiala, her research focuses on entrepreneurship and contemporary management practices. She serves as an Assistant Professor at the same institution, engaging in teaching, mentoring, and scholarly activities. As the editor of this book, she has curated diverse perspectives to foster entrepreneurial thinking and practical understanding. Her academic and professional journey reflects a dedication to knowledge creation, critical inquiry, and nurturing the next generation of entrepreneurs.



Vaishali Bhushan is an academician and researcher with a strong foundation in management education. She holds an MBA from Gurukul Kangri Vishwavidyalaya (GKV University) and has developed a keen interest in Information Technology, Human Resources, and contemporary management practices. Currently pursuing her PhD at LM Thapar School of Management, Thapar Institute of Engineering and Technology, Patiala, her research focuses on advancing knowledge in IT and HR. She also serves as an Assistant Professor at the same institution, actively engaged in teaching, mentoring students, and contributing to academic and scholarly activities. Her academic and professional journey demonstrates a commitment to knowledge creation, critical thinking, and nurturing the next generation of management professionals.



Pulkit Banger is an Assistant Professor and PhD scholar at LM Thapar School of Management, Thapar Institute of Engineering and Technology, Patiala. He holds a B.Com from GGDSD College and an M.Com from Panjab University and is UGC-NET qualified, reflecting his academic competence. After gaining two years of corporate experience, he transitioned into academia, where he combines teaching and research with a focus on fostering innovation and critical thinking. Actively engaged in mentoring and scholarly activities, he strives to inspire and guide the next generation of learners while contributing to knowledge creation in management studies.



Chetan is an Assistant Professor and PhD scholar at LM Thapar School of Management, Thapar Institute of Engineering and Technology, Patiala. He holds both B.Com and M.Com degrees from Khalsa College, Patiala, demonstrating a strong foundation in commerce. Alongside his teaching responsibilities, he actively engages in research, contributing to scholarly publications and participating in academic workshops and professional development programs. His dedication to continuous learning and academic excellence is evident in his growing portfolio of teaching and research. Chetan is committed to advancing knowledge, fostering research-oriented scholarship, and mentoring students in the fields of management and commerce.

