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Beyond Profit: Strengthening Entrepreneurial Success Through Ethics and Responsible Business Practices

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Abstract

Entrepreneurial success is increasingly shaped by businesses' ability to achieve economic performance while maintaining ethical conduct and responsible relationships with stakeholders. This article examines how ethics and responsible business practices can strengthen entrepreneurial success beyond conventional profit-centered measures. It focuses on four interconnected areas: ethical entrepreneurial decision-making, stakeholder responsibility, ethical leadership and organizational culture, and sustainability in long-term entrepreneurial development. The analysis identifies several critical challenges, including tensions between profitability and ethical principles, gaps between ethical intentions and stakeholder practices, difficulties in maintaining responsible leadership during business growth, and pressures of balancing sustainability and commercial viability. The discussion emphasizes that ethics should not be treated as a separate obligation but should be integrated into strategic and operational decision-making. Responsible entrepreneurship requires entrepreneurs to consider financial outcomes alongside fairness, transparency, employee wellbeing, stakeholder interests, and broader social and environmental consequences. The article proposes integrating ethical assessment into entrepreneurial decisions, strengthening the institutionalization of stakeholder responsibility, developing ethical leadership and a responsible organizational culture, and incorporating sustainability into long-term business strategy. Overall, the article concludes that entrepreneurial success beyond profit is stronger when economic viability is combined with ethical responsibility, stakeholder value creation, responsible leadership, and sustainable business practices.

Keywords: Entrepreneurship, Ethics, Responsibility, Sustainability, Leadership

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1. Introduction

Entrepreneurial success has traditionally been evaluated through financial indicators such as profitability, sales growth, market expansion, and business survival. However, contemporary entrepreneurship increasingly requires a broader understanding of success that incorporates ethical conduct, stakeholder responsibility, and sustainable value creation. Vallaster et al. (2019) explain that responsible entrepreneurship extends entrepreneurial activity beyond economic objectives by connecting opportunity creation with social and environmental responsibility. Entrepreneurs operate within relationships involving customers, employees, suppliers, investors, communities, and other stakeholders, making ethical behaviour increasingly important to long term business development. Business decisions that prioritise immediate financial returns without considering their consequences may weaken stakeholder relationships and organisational legitimacy (Hemingway & Maclagan, 2004). Similarly, ethical behaviour within small businesses is strongly influenced by the values and judgement of entrepreneurs because owners frequently maintain direct control over important organisational decisions (Quinn, 1997). Vyakarnam et al. (1997) further demonstrate that small business environments present distinctive ethical issues that require attention to actual entrepreneurial practices. Responsible entrepreneurship therefore involves creating economic value while maintaining acceptable standards of fairness, honesty, accountability, and stakeholder treatment. From this perspective, profit remains essential for business continuity, but sustainable entrepreneurial success increasingly depends on how responsibly that profit is generated and maintained.

Ethics becomes particularly important in entrepreneurship because entrepreneurs frequently operate under uncertainty, resource limitations, competitive pressure, and rapidly changing market conditions. These circumstances can create difficult choices involving customers, employees, suppliers, competitors, and wider society. Hannafey (2003) argues that entrepreneurship contains significant ethical dimensions because entrepreneurial decisions involve opportunity recognition, resource allocation, stakeholder relationships, and personal responsibility. The close relationship between entrepreneurial values and organisational practices also means that individual decisions can significantly influence the ethical direction of a business. Managerial values may encourage organisations to engage in responsible practices even when such actions are not directly required by regulation (Hemingway & Maclagan, 2004). At the same time, entrepreneurs increasingly encounter opportunities to create value by responding to social problems and unmet stakeholder needs. Santos (2012) distinguishes value creation from value capture and demonstrates how entrepreneurial activity can address neglected societal problems. Social entrepreneurship research similarly illustrates how entrepreneurial methods can be applied to objectives extending beyond conventional financial returns (Dacin et al., 2010). However, responsible entrepreneurial behaviour should not be assumed automatically, as Bacq et al. (2016) caution against portraying social entrepreneurs as inherently ethical individuals. Entrepreneurial ethics therefore requires deliberate decisions that align commercial opportunities with responsible conduct.

Responsible business practices provide an important mechanism for translating entrepreneurial ethics into everyday organisational activities. These practices can include honest marketing, fair employee treatment, responsible sourcing, product quality, transparent communication, environmental responsibility, and constructive engagement with communities. Jenkins (2006) demonstrates that corporate social responsibility within small businesses often develops through informal practices and close relationships with stakeholders rather than through highly formalised corporate systems. This characteristic makes the entrepreneur’s personal commitment particularly influential in determining whether responsible practices become embedded within business operations. Evidence also suggests that approaches to social responsibility differ according to organisational size and context (Perrini et al., 2007). Consequently, entrepreneurial firms should not simply imitate responsibility programmes developed for large corporations but should establish practices appropriate to their resources, stakeholders, and business environments. İyigün (2015) further connects entrepreneurship, corporate social responsibility, and sustainable development, suggesting that entrepreneurial activities can simultaneously pursue economic and broader societal objectives. Importantly, responsible behaviour does not necessarily conflict with business performance. A meta analysis by Orlitzky et al. (2003) demonstrates a positive association between corporate social performance and financial performance. Ethical business practices may therefore strengthen entrepreneurial success by supporting reputation, stakeholder confidence, employee commitment, customer relationships, and the long term sustainability of the enterprise.

Sustainable entrepreneurship further expands the relationship between ethics and entrepreneurial success by recognising that environmental and social challenges can become sources of entrepreneurial opportunity. Rather than viewing responsible practices only as obligations or costs, entrepreneurs can develop innovative products, services, and business models that respond to changing societal expectations. Dean and McMullen (2007) argue that environmental market failures can create opportunities for entrepreneurial action, connecting entrepreneurship directly with sustainable development. This perspective suggests that responsible entrepreneurs can create economic value while simultaneously addressing environmental or social problems. Hockerts and Wüstenhagen (2010) similarly demonstrate how sustainable entrepreneurial ventures can contribute to the transformation of established industries. However, pursuing sustainability can introduce additional difficulties because entrepreneurs may need to balance commercial viability with environmental and social objectives (Hoogendoorn et al., 2019). York and Venkataraman (2010) further propose entrepreneurship as an important mechanism for addressing environmental problems, particularly where conventional approaches provide insufficient solutions. Sustainable entrepreneurship may also require entrepreneurs to challenge existing market arrangements and institutional structures. In this regard, entrepreneurial action can contribute to creating conditions in which responsible behaviour becomes economically attractive (Pacheco et al., 2010). Therefore, going beyond profit does not require entrepreneurs to abandon financial objectives. Instead, it encourages the integration of profitability with innovation, sustainability, ethical responsibility, and longer term value creation.

Ethical leadership provides another important foundation for responsible entrepreneurship because founders and owner managers frequently influence organisational values, employee behaviour, decision making, and stakeholder relationships. Entrepreneurs who demonstrate fairness, honesty, responsibility, and consistency can establish behavioural expectations that influence how employees interact with customers, colleagues, suppliers, and other stakeholders. Brown and Treviño (2006) explain that ethical leadership involves appropriate personal conduct combined with the active promotion of ethical behaviour through communication, decision making, and reinforcement. Within entrepreneurial firms, such leadership may be particularly influential because organisational structures are often less formal and employees may interact directly with business owners. Ethical leadership can also support organisational innovation rather than limiting entrepreneurial creativity. Kalyar et al. (2020) found that ethical leadership can strengthen employee creativity and organisational innovation through mechanisms including psychological empowerment and knowledge sharing. Responsible entrepreneurial behaviour may therefore contribute simultaneously to ethical outcomes and competitive capability. Furthermore, values can play an important role in maintaining responsible behaviour across generations and organisational development (Astrachan et al., 2020). Lee (2020) extends this responsibility by introducing entrepreneurial stewardship and questioning whether entrepreneurial returns carry responsibilities towards other market participants. Collectively, these perspectives demonstrate that entrepreneurial leadership influences not only financial performance but also organisational culture, innovation capability, stakeholder confidence, and the ethical legitimacy of business activities.

A broader understanding of entrepreneurial success consequently requires businesses to manage tensions among profitability, stakeholder expectations, ethical responsibilities, and sustainability objectives. These objectives may complement one another in some circumstances but create difficult trade offs in others. Hahn et al. (2018) explain that sustainability frequently involves persistent organisational tensions that cannot always be resolved through simple choices between competing objectives. Entrepreneurs therefore require the judgement to manage economic, social, and environmental priorities simultaneously. Such tensions can become particularly challenging when businesses attempt to translate broad sustainability commitments into everyday organisational practices (Joseph et al., 2020). Practical judgement becomes important because responsible decisions may require entrepreneurs to consider both immediate business requirements and longer term stakeholder consequences. Yusof et al. (2020) emphasise the role of practical wisdom in managing sustainability tensions, illustrating the importance of responsible managerial judgement when objectives conflict. Collaboration with other organisations and stakeholders may also provide mechanisms for addressing competing demands (Savarese et al., 2021). Ultimately, responsible entrepreneurship should not position ethics as an obstacle to entrepreneurial achievement. Instead, ethical conduct and responsible business practices can form part of the strategic foundation for sustainable entrepreneurial success (Vallaster et al., 2019; Hoogendoorn et al., 2019). Accordingly, this article examines how entrepreneurs can move beyond profit centred measures of success by integrating ethics, responsible leadership, stakeholder responsibility, and sustainable business practices into entrepreneurial activities.

2. Literature Review

Entrepreneurial success is increasingly understood as a multidimensional outcome involving financial performance, ethical conduct, stakeholder relationships, responsible leadership, and sustainable value creation. The entrepreneurship literature indicates that entrepreneurs face distinctive ethical challenges because they make decisions under uncertainty while maintaining substantial control over resources, employees, customers, and business relationships. Hannafey (2003) identifies fairness, personnel management, customer relationships, and resource distribution as important ethical concerns within entrepreneurship. Responsible entrepreneurship further expands this perspective by connecting opportunity recognition and economic objectives with responsibilities towards society and the environment (Vallaster et al., 2019). At the same time, sustainable entrepreneurs often pursue private and collective value simultaneously, although they may experience greater institutional barriers and perceived risk (Hoogendoorn et al., 2019). Research on responsible business practices also demonstrates that organisational size and stakeholder relationships influence how ethical responsibilities are implemented (Perrini et al., 2007). Consequently, the literature reviewed in this section focuses on four interconnected areas: entrepreneurial ethics and responsible decision making, responsible business practices and stakeholder value, ethical leadership and entrepreneurial culture, and sustainable entrepreneurship as a foundation for long term business success.

2.1 Entrepreneurial Ethics and Responsible Decision Making

Ethical decision making represents a fundamental component of entrepreneurship because entrepreneurs frequently operate in situations where business opportunities, competitive pressures, and stakeholder interests create difficult choices. Hannafey (2003) explains that entrepreneurs experience distinctive moral problems involving fairness, customer relationships, employees, resource allocation, and broader responsibilities towards society. These problems can become particularly significant in smaller firms because entrepreneurs often exercise direct control over important business decisions and establish the standards that guide organisational behaviour. Earlier research also demonstrates that owner managers may rely strongly on personal judgement when confronting ethical issues (Quinn, 1997). Similarly, Vyakarnam et al. (1997) identify ethical challenges within small firms as closely connected with relationships, business pressures, and the behaviour of entrepreneurs themselves. Ethical entrepreneurship therefore cannot be separated from the personal values of individuals who establish and manage enterprises. Managerial values may influence whether businesses voluntarily recognise responsibilities that extend beyond formal legal requirements (Hemingway & Maclagan, 2004). Responsible decision making consequently requires entrepreneurs to evaluate not only whether an opportunity can generate profit but also how pursuing that opportunity may affect employees, customers, suppliers, communities, and other stakeholders over time.

Responsible entrepreneurial decision making also requires balancing value creation with value capture. Entrepreneurs need financial returns to maintain business continuity, but excessive concentration on personal or organisational gain can weaken the wider value generated through entrepreneurial activity. Santos (2012) distinguishes value creation from value capture and explains how entrepreneurial initiatives can address neglected social problems while maintaining economically viable activities. Social entrepreneurship provides a related perspective because entrepreneurial capabilities can be directed towards creating social outcomes alongside financial sustainability (Dacin et al., 2010). Responsible entrepreneurship extends these arguments by recognising that economic, social, and environmental responsibilities can become interconnected elements of entrepreneurial activity. Vallaster et al. (2019) conceptualise responsible entrepreneurship around several contingencies that influence how entrepreneurs respond to wider societal expectations. The ethical dimension therefore involves more than preventing misconduct. It requires entrepreneurs to consider whether their decisions generate legitimate value for multiple stakeholders. Furthermore, changing institutional conditions may affect entrepreneurial behaviour. Research involving Malaysian SMEs, for example, indicates that entrepreneurial orientation can be shaped by decision makers’ cultural values and perceptions of government regulation (Chew et al., 2021). Responsible entrepreneurial judgement consequently emerges from the interaction between individual values, organisational priorities, stakeholder expectations, and the institutional environment within which businesses operate.

2.2 Responsible Business Practices and Stakeholder Value Creation

Responsible business practices provide the organisational mechanism through which ethical principles are translated into relationships with employees, customers, suppliers, communities, and other stakeholders. Within SMEs, responsibility may be expressed differently from the formal corporate social responsibility systems commonly associated with large organisations. Jenkins (2006) demonstrates that smaller businesses frequently implement social responsibility through informal activities that reflect close stakeholder relationships and the personal values of owner managers. Perrini et al. (2007) similarly find important differences between CSR strategies adopted by SMEs and large firms, reinforcing the need to consider organisational context when evaluating responsible practices. Social capital and stakeholder relationships are especially relevant within smaller enterprises because personal interaction can influence business reputation, cooperation, and access to important resources. In this respect, Russo and Perrini (2010) argue that stakeholder theory and social capital provide complementary perspectives for understanding responsibility in SMEs. Reviews of the field also indicate that CSR research involving smaller firms requires greater attention to their distinctive characteristics rather than directly applying frameworks developed for large corporations (Vo, 2011). Responsible entrepreneurial practice should therefore be integrated into normal business operations through fair employment, transparent communication, responsible customer relationships, appropriate supplier practices, and meaningful engagement with relevant stakeholders.

Responsible practices may also contribute to entrepreneurial performance by strengthening stakeholder confidence and creating intangible organisational resources. Ethical treatment of customers can support trust, while responsible employee practices may strengthen commitment and organisational relationships. Transparent and responsible behaviour can similarly influence the legitimacy of entrepreneurial firms among suppliers, investors, communities, and other external stakeholders. Evidence from broader business research indicates that social responsibility and financial performance need not represent opposing objectives. Orlitzky et al. (2003) report a positive association between corporate social performance and financial performance, suggesting that responsible conduct can coexist with economic outcomes. More recent research also indicates that business ethics and corporate social responsibility can contribute to organisational transparency (Goel & Ramanathan, 2021). The evolution of CSR further demonstrates a movement from narrow philanthropic interpretations towards more comprehensive consideration of sustainability and stakeholder responsibilities (Agudelo et al., 2019). At the entrepreneurial level, responsible practices are particularly important because smaller firms often rely strongly on reputation and close stakeholder relationships. Colovic and Henneron (2019) demonstrate that SMEs can implement CSR through relationships shaped by social capital and institutional conditions. Responsible practices should therefore be viewed as potential strategic resources that strengthen trust, legitimacy, resilience, and sustainable entrepreneurial value creation.

2.3 Ethical Leadership and Responsible Entrepreneurial Culture

Ethical leadership is particularly significant in entrepreneurial firms because founders and owner managers frequently influence organisational culture through their personal behaviour, decisions, and communication. Brown and Treviño (2006) describe ethical leadership as involving appropriate personal conduct together with the promotion of ethical behaviour through communication, decision making, and reinforcement. In entrepreneurial businesses, where structures may be less formal than those of large corporations, employees may observe the entrepreneur directly when determining acceptable standards of behaviour. Ethical leadership can consequently influence how employees approach customers, colleagues, suppliers, organisational resources, and difficult business decisions. Importantly, ethical leadership does not necessarily limit innovation or entrepreneurial initiative. Shafique et al. (2020) found that ethical leadership was positively connected with employee creativity and organisational innovation among small information technology firms, with psychological empowerment and knowledge sharing providing important mechanisms. Their findings indicate that integrity and innovation can complement rather than contradict each other. Organisational success may also benefit when ethical leadership supports constructive employee behaviour and appropriate corporate governance (Yeo et al., 2021). Therefore, responsible entrepreneurial leadership requires entrepreneurs to demonstrate ethical standards consistently while creating an organisational environment in which employees can contribute ideas, communicate knowledge, and participate responsibly in business development.

The development of a responsible entrepreneurial culture also depends on how businesses treat employees during growth and organisational change. Entrepreneurial environments can involve uncertainty, rapid development, high workloads, and changing responsibilities, creating potential tensions between growth objectives and employee wellbeing. Harlin and Berglund (2021) demonstrate that sustainable working conditions can become an important component of high growth entrepreneurial development, particularly when businesses incorporate employee needs and stakeholder collaboration into early organisational design. Similarly, Klofsten et al. (2021) emphasise the importance of creating healthy working conditions in new and small firms and argue that entrepreneurship research should pay greater attention to the quality of modern working life. These perspectives broaden responsible entrepreneurship beyond external social or environmental activities by highlighting responsibilities towards people inside entrepreneurial organisations. Ethical business culture therefore requires entrepreneurs to consider how growth strategies affect employees, working conditions, organisational relationships, and long term human capability. Responsible leadership can create a stronger basis for employee trust and participation when ethical expectations are supported through actual organisational practices rather than statements alone. Consequently, entrepreneurial success should include the capacity to develop productive and innovative organisations while maintaining responsible employment practices and sustainable conditions for the people contributing to business growth.

2.4 Sustainable Entrepreneurship and Long Term Business Success

Sustainable entrepreneurship extends responsible business thinking by examining how entrepreneurial opportunities can create economic value while addressing environmental and societal challenges. Dean and McMullen (2007) argue that environmental degradation and market failures can create opportunities for entrepreneurial action, positioning entrepreneurship as a possible mechanism for addressing sustainability problems. Cohen and Winn (2007) similarly demonstrate that market imperfections associated with environmental problems can generate opportunities for sustainable entrepreneurial ventures. This perspective shifts sustainability from being viewed exclusively as a constraint towards becoming a potential source of innovation and value creation. Hockerts and Wüstenhagen (2010) further explain how sustainable entrepreneurial ventures and established firms can collectively contribute to the transformation of industries. Entrepreneurship may therefore play an active role in changing markets rather than merely adapting to environmental expectations. York and Venkataraman (2010) likewise position entrepreneurship as a complementary mechanism for addressing environmental challenges when conventional institutional approaches are insufficient. Sustainable entrepreneurship nevertheless requires commercially viable solutions because businesses cannot maintain social or environmental contributions without adequate economic performance. Responsible entrepreneurial success therefore involves identifying opportunities where profitability, environmental improvement, and social value can be pursued through compatible business activities rather than consistently treated as competing objectives.

Achieving sustainable entrepreneurial success can be difficult because entrepreneurs frequently encounter resource constraints, market uncertainty, institutional barriers, and competing stakeholder expectations. Hoogendoorn et al. (2019) demonstrate that sustainable entrepreneurs perceive distinctive barriers and risks because their activities seek to serve both private and collective interests. Institutional conditions consequently become important in determining whether responsible entrepreneurial opportunities can be developed successfully. Pacheco et al. (2010) argue that sustainable entrepreneurs can contribute to changing institutional arrangements when existing incentives encourage environmentally damaging behaviour. This suggests that entrepreneurial responsibility can extend beyond individual firm practices towards participation in broader market transformation. Sustainable business development also requires consideration of social dimensions within the entrepreneurial organisation. Harlin and Berglund (2021) show that economic, environmental, and social sustainability are interconnected within entrepreneurial development, particularly when growing ventures incorporate sustainable working conditions into business design. Furthermore, responsible entrepreneurship requires attention to contextual factors that influence how sustainability commitments are translated into practice (Vallaster et al., 2019). Collectively, these perspectives support a broader interpretation of entrepreneurial achievement. Long term success is strengthened when entrepreneurs combine financial viability with ethical decision making, stakeholder responsibility, sustainable working practices, and the capacity to create economic, social, and environmental value over time.

3. Critical Issues in Achieving Ethical and Responsible Entrepreneurial Success

The movement beyond profit centred entrepreneurship creates several challenges because ethical intentions do not automatically translate into responsible business behaviour. Entrepreneurs often operate under financial pressure, resource constraints, market uncertainty, and strong competitive demands, while simultaneously managing responsibilities towards employees, customers, suppliers, communities, and the environment. Responsible entrepreneurship consequently involves difficult decisions about how economic objectives should be balanced with broader stakeholder expectations. Vallaster et al. (2019) explain that responsible entrepreneurship involves complex interactions among economic, social, environmental, and ethical considerations rather than a simple extension of conventional entrepreneurial activity. Sustainable entrepreneurs may also experience greater institutional barriers and perceived risks when attempting to create both private and collective value (Hoogendoorn et al., 2019). Furthermore, responsible practices within smaller firms are frequently informal and strongly influenced by the values and priorities of owner managers (Jenkins, 2006). By 2021, responsible entrepreneurship education had also been identified as important for developing future entrepreneurs capable of responding to broader social and economic challenges (Igwe et al., 2021). Accordingly, four critical issues require attention: balancing profitability with ethical responsibility, converting ethical intentions into consistent stakeholder practices, addressing leadership and cultural weaknesses, and managing sustainability pressures without undermining entrepreneurial viability.

3.1 The Profit and Principles Dilemma in Entrepreneurial Decision Making

One of the most significant issues facing entrepreneurs is the tension between achieving financial objectives and maintaining ethical standards when the two appear to conflict. Business survival requires adequate revenue, profitability, cash flow, and market growth, particularly during the early stages of venture development. However, strong pressure to achieve these outcomes may encourage entrepreneurs to prioritise immediate commercial interests over responsibilities towards customers, employees, suppliers, or other stakeholders. Hannafey (2003) identifies several ethical difficulties associated with entrepreneurship, including issues involving fairness, stakeholder relationships, resource allocation, and the consequences of entrepreneurial decisions. Personal judgement becomes particularly influential because small business owners often possess substantial authority over important business activities. Ethical decisions may therefore vary according to individual values and perceptions of what constitutes acceptable entrepreneurial behaviour (Quinn, 1997). Similarly, Hemingway and Maclagan (2004) argue that managers' personal values can strongly influence socially responsible organisational behaviour. This creates a central dilemma because commercial pressures can encourage decisions that appear financially rational in the short term but create ethical or reputational problems in the longer term. Entrepreneurs must consequently determine how much responsibility should influence decisions when responsible alternatives increase costs, delay opportunities, or reduce immediate financial returns.

The complexity increases because ethical entrepreneurship does not require entrepreneurs to disregard profitability. Without sufficient economic returns, firms cannot survive long enough to provide sustainable value to stakeholders. The more difficult issue is determining how value should be created and distributed. Santos (2012) distinguishes between value creation and value capture, showing that entrepreneurial activities may generate benefits for society while entrepreneurs simultaneously capture sufficient economic value to sustain their ventures. However, tensions arise when excessive value capture weakens benefits available to other stakeholders. Sustainable entrepreneurship research similarly demonstrates that pursuing collective value can expose entrepreneurs to greater uncertainty and institutional barriers (Hoogendoorn et al., 2019). Entrepreneurial responsibility therefore involves managing trade offs rather than choosing simply between profit and ethics. Environmental responsibility illustrates this challenge because responsible practices may require investment before financial benefits become visible. Some SMEs may also adopt environmental practices primarily for business image or self interest rather than deeper ethical commitment (Cambra-Fierro et al., 2008). The critical issue is consequently whether entrepreneurs can maintain commercially viable businesses while ensuring that financial pressures do not encourage opportunistic behaviour or transform ethical responsibility into a superficial marketing activity.

3.2 The Gap Between Ethical Intentions and Responsible Stakeholder Practices

A second critical issue involves the difference between expressing ethical intentions and consistently implementing responsible practices in everyday business operations. Entrepreneurial firms may publicly emphasise honesty, social responsibility, environmental awareness, or concern for stakeholders, yet implementation can remain informal, selective, or dependent on the personal involvement of the owner. Jenkins (2006) demonstrates that responsibility within SMEs is frequently embedded in informal activities and personal relationships rather than formalised organisational structures. Although flexibility can allow smaller firms to respond quickly to stakeholder needs, excessive informality can create inconsistency because responsible practices may change according to immediate business pressures. Perrini et al. (2007) similarly show that CSR practices in SMEs differ from those of larger organisations, meaning that formal corporate models cannot always be transferred directly to entrepreneurial firms. Stakeholder relationships can provide important resources and social capital, but they also create responsibilities that need to be managed consistently (Russo & Perrini, 2010). Consequently, responsible entrepreneurship requires more than statements of ethical values. Entrepreneurs need to ensure that customer communication, employee treatment, supplier relationships, product quality, environmental practices, and community engagement reflect the ethical principles claimed by the organisation.

The implementation gap becomes more significant when responsible practices require additional financial resources, managerial attention, or organisational capability. Smaller entrepreneurial firms may recognise the importance of ethical responsibility while lacking specialised personnel or formal systems to manage it effectively. Vo (2011) notes that CSR within SMEs needs to be understood according to the distinctive characteristics and constraints of smaller organisations. Entrepreneurs may therefore concentrate on responsibilities that are inexpensive or immediately visible while postponing practices that involve greater organisational change. This can create fragmented responsibility in which some stakeholder groups receive considerable attention while others remain neglected. Agudelo et al. (2019) show that corporate social responsibility has progressively expanded from relatively narrow philanthropic activities towards broader integration with sustainability and stakeholder concerns. Such expansion increases expectations on entrepreneurial firms to consider multiple dimensions of responsibility. Moreover, entrepreneurs increasingly require education that develops not only opportunity recognition but also the ability to recognise social and ethical consequences. Igwe et al. (2021) argue for responsible entrepreneurship education capable of preparing entrepreneurs to contribute to economic and societal development. The central issue is therefore transforming ethical intentions into practical, consistent, and measurable behaviours that remain embedded in business operations even when resources and managerial attention are limited.

3.3 Ethical Leadership Under Pressure and the Challenge of Building a Responsible Culture

Entrepreneurial firms can also experience ethical difficulties when responsible business behaviour depends too heavily on the personal leadership of founders or owner managers. Entrepreneurs often shape organisational culture through their decisions, communication, treatment of employees, and responses to ethical problems. Brown and Treviño (2006) explain that ethical leadership involves both appropriate personal conduct and the active encouragement of ethical behaviour among organisational members. However, maintaining this leadership becomes difficult when entrepreneurs operate under intense growth pressures or commercial uncertainty. Rapid expansion can shift managerial attention towards sales, productivity, financing, and market opportunities while reducing attention to employee wellbeing or ethical consistency. Ethical leadership can also become problematic when entrepreneurs communicate strong values but behave differently when commercial objectives are threatened. Employees may then perceive ethical standards as symbolic rather than genuine. Nevertheless, ethics and innovation do not necessarily conflict. Yusof et al. (2020) demonstrate that ethical leadership can support employee creativity and organisational innovation through psychological empowerment and knowledge sharing. The issue is therefore not whether ethical leadership restricts entrepreneurial performance, but whether entrepreneurs possess the consistency and organisational capability required to maintain responsible leadership while simultaneously pursuing growth, innovation, and competitive objectives.

Employee wellbeing represents a particularly important dimension of this leadership challenge because entrepreneurial growth can produce demanding working conditions. Smaller firms may require employees to perform multiple roles, work flexibly, and respond quickly to changing business requirements. While these conditions can encourage learning and innovation, they can also create excessive pressure when growth objectives dominate consideration of employee needs. Harlin and Berglund (2021) highlight the importance of incorporating sustainable working conditions into entrepreneurial development, demonstrating that social sustainability should be considered during venture growth rather than addressed only after organisational problems become established. Klofsten et al. (2021) similarly emphasise healthy working conditions as an important issue for entrepreneurship and small business development. Entrepreneurial success therefore becomes ethically questionable when strong financial or market performance is achieved through practices that consistently disadvantage employees. Responsible leadership requires entrepreneurs to consider fair treatment, participation, development, workload, trust, and working conditions alongside conventional performance objectives. The challenge becomes establishing an organisational culture in which responsibility continues even as the firm grows and responsibilities become distributed across managers and employees. Without such institutionalisation, ethical behaviour may remain dependent on the founder and weaken when organisational complexity increases.

3.4 The Sustainability Burden and Long Term Viability of Responsible Entrepreneurship

The final critical issue concerns the difficulty of maintaining economic viability while pursuing environmental and social sustainability. Sustainable entrepreneurship offers opportunities for entrepreneurs to create innovative responses to social and environmental problems, but these opportunities can involve considerable uncertainty. Dean and McMullen (2007) show that market failures associated with environmental degradation can generate entrepreneurial opportunities, while Cohen and Winn (2007) similarly identify market imperfections as potential sources of sustainable entrepreneurial activity. However, recognising an opportunity does not guarantee that customers will pay for responsible products or that markets will provide sufficient financial rewards for sustainable practices. Sustainable entrepreneurs may therefore need to invest in new technologies, processes, employee capabilities, or stakeholder relationships before commercial outcomes become certain. Hoogendoorn et al. (2019) find that sustainable entrepreneurs face distinctive perceived barriers and risks because they attempt to combine private interests with collective value creation. Institutional conditions may further complicate this process because existing market rules can favour established business practices over more responsible alternatives. Entrepreneurs can attempt to change these arrangements (Pacheco et al., 2010), but such efforts require resources and influence that smaller firms may not possess.

Sustainability can also create tensions among different forms of responsibility because economic, social, and environmental objectives do not always produce compatible outcomes. Entrepreneurs may need to choose between affordable sourcing and more responsible suppliers, rapid growth and sustainable working conditions, or short term financial returns and longer term environmental investment. These tensions should not be interpreted as evidence that responsible entrepreneurship is impractical, but they demonstrate why ethical success requires continuing judgement rather than simple compliance. Hahn et al. (2018) describe sustainability through a paradox perspective in which organisations must manage persistent tensions among competing objectives rather than assuming that all sustainability goals can always be aligned. Responsible entrepreneurs may similarly need to accept that some decisions involve unavoidable trade offs. The ability to manage such complexity also depends on entrepreneurial knowledge and education. Igwe et al. (2021) argue that responsible entrepreneurship education should equip future entrepreneurs to engage with broader economic, environmental, and societal challenges rather than concentrating narrowly on venture creation. Consequently, the long term challenge is developing businesses that remain financially sustainable while ensuring that economic pressures do not progressively weaken ethical principles, stakeholder responsibilities, or commitments to wider social and environmental value.

4. Strategic Discussion on Strengthening Entrepreneurial Success Through Ethics and Responsible Business Practices

The issues identified earlier demonstrate that moving beyond profit requires entrepreneurs to reconsider how business success is created, evaluated, and sustained. Profitability remains essential for survival and growth, but entrepreneurial performance can become vulnerable when financial objectives are pursued without sufficient attention to ethical responsibility, stakeholder relationships, employee wellbeing, and sustainability. Vallaster et al. (2019) position responsible entrepreneurship as an approach that connects entrepreneurial activity with economic, social, and environmental responsibilities rather than concentrating exclusively on financial value. At the same time, sustainable entrepreneurs can encounter stronger institutional barriers when pursuing collective and commercial objectives simultaneously (Hoogendoorn et al., 2019). These tensions indicate that responsible entrepreneurship should not be understood as simply adding social activities to an existing business model. Instead, ethical considerations need to influence how opportunities are evaluated, how stakeholders are treated, how organisational cultures are developed, and how long term priorities are established. Hahn et al. (2018) further demonstrate that sustainability involves persistent tensions among competing objectives that organisations must actively manage. Accordingly, the four issues identified previously are discussed through the integration of profit and ethical responsibility, institutionalisation of stakeholder practices, development of ethical entrepreneurial leadership, and management of sustainability alongside long term commercial viability.

4.1 Reframing Profitability Through Ethical Entrepreneurial Decision Making

The tension between profit and ethical principles should not be interpreted as requiring entrepreneurs to choose one objective while rejecting the other. Economic viability provides the resources needed for business continuity, employment, investment, innovation, and future value creation. However, the way financial results are achieved is equally important in determining sustainable entrepreneurial success. Vallaster et al. (2019) demonstrate that responsible entrepreneurship incorporates wider societal responsibilities into entrepreneurial activities, suggesting that business opportunities should be evaluated according to their consequences for different stakeholders. Entrepreneurs should therefore consider whether decisions involving pricing, marketing, employment, sourcing, customer relationships, and resource utilisation generate commercial value without creating unreasonable disadvantages for others. Sustainable entrepreneurship strengthens this perspective because entrepreneurs attempting to create wider social and environmental value may face greater institutional barriers (Hoogendoorn et al., 2019). Furthermore, Zahra et al. (2009) demonstrate that entrepreneurial activities directed towards social value creation can generate significant ethical challenges involving motives, opportunity recognition, and the distribution of social wealth. These challenges indicate that commercial opportunities should not be judged exclusively according to financial attractiveness. Ethical entrepreneurial decision making requires consideration of both economic value and the broader consequences arising from how that value is created.

A longer term perspective can further reduce the apparent conflict between profitability and responsible behaviour. Decisions that produce immediate financial gains may ultimately damage business performance when they weaken customer confidence, employee commitment, supplier cooperation, community relationships, or organisational legitimacy. Ethical decision making should therefore consider immediate outcomes together with the future consequences of entrepreneurial actions. Jenkins (2006) demonstrates that socially responsible SMEs frequently connect responsibility with organisational values and stakeholder relationships, illustrating how ethical considerations can become part of normal business activities. The relational characteristics of smaller businesses may provide particular opportunities for responsible entrepreneurship because owner managers frequently maintain direct contact with important stakeholders (Russo & Perrini, 2010). At the organisational level, Zollo et al. (2013) argue that movement towards sustainable enterprise models requires organisational learning and changes in the way business activities and strategic initiatives are structured. Similarly, ethical business thinking emphasises that responsible economic activities should consider wider human, societal, and environmental consequences rather than concentrating exclusively on material outcomes (Zsolnai, 2015). Entrepreneurs should consequently evaluate business opportunities through financial viability, fairness, transparency, stakeholder impact, and long term sustainability. Profitability can then be understood as an essential component of entrepreneurial success rather than its sole purpose.

4.2 Transforming Ethical Intentions into Consistent Stakeholder Responsibility

The gap between ethical intentions and actual practices demonstrates that responsible entrepreneurship must be embedded within everyday business operations. Entrepreneurs may genuinely support ethical principles, yet those principles provide limited stakeholder value when they are not consistently reflected in customer relationships, employee treatment, supplier management, environmental practices, and community engagement. Jenkins (2006) found that CSR in smaller enterprises is often informal and strongly influenced by the values of individuals leading the organisation. This flexibility can be beneficial because it allows entrepreneurs to respond personally and quickly to stakeholder concerns. However, informality can also make responsible practices inconsistent when businesses grow or experience financial pressure. A more sustainable approach requires entrepreneurs to translate broad values such as fairness, honesty, responsibility, and respect into identifiable business practices. Stakeholder relationships are particularly important in SMEs because social capital can provide a useful perspective for understanding responsibility within smaller organisations (Russo & Perrini, 2010). Responsible entrepreneurship therefore needs mechanisms that ensure ethical expectations remain visible across stakeholder interactions. These mechanisms need not become highly bureaucratic. Clear expectations concerning employee treatment, customer communication, supplier selection, product responsibility, and ethical problem solving may be sufficient to provide greater consistency while preserving the flexibility associated with entrepreneurial organisations.

Entrepreneurs should also recognise that responsible practices become more credible when stakeholders can observe consistency between organisational claims and actual behaviour. A business that promotes social responsibility while treating employees unfairly or communicating misleading information to customers risks creating a credibility gap that can weaken trust. Consequently, responsible business practices should be evaluated according to actual stakeholder experiences rather than the number of formal ethical statements produced. Russo and Perrini (2010) explain that the distinctive characteristics of SMEs make relational and social capital perspectives particularly relevant for understanding their responsible behaviour. This suggests that entrepreneurs can use direct stakeholder relationships as sources of feedback about the effectiveness of ethical practices. Jenkins (2006) similarly demonstrates that SME responsibility can be closely connected with entrepreneurial values and local relationships. As responsible entrepreneurship develops, education can also strengthen entrepreneurs' ability to understand wider economic, social, and environmental consequences. Igwe et al. (2021) argue that entrepreneurship education can be redirected towards more responsible entrepreneurial development and preparation for wider societal challenges. Therefore, closing the gap between intention and practice requires a combination of personal ethical commitment, clearer organisational routines, stakeholder feedback, and continuing development of responsible entrepreneurial competencies. Responsibility becomes strategically meaningful when it is demonstrated repeatedly through everyday decisions rather than presented only as an organisational aspiration.

4.3 Building Ethical Leadership into Entrepreneurial Culture and Employee Wellbeing

The leadership issue demonstrates that ethical entrepreneurship begins with the behaviour of entrepreneurs themselves but should eventually develop into an organisational culture that can operate beyond the founder. Brown and Treviño (2006) explain that ethical leadership involves both appropriate personal behaviour and active efforts to influence ethical conduct among organisational members. This distinction is particularly important for entrepreneurial firms because employees may observe founders closely when determining which behaviours are genuinely accepted. An entrepreneur who communicates ethical principles but compromises them whenever commercial pressure increases may unintentionally signal that financial performance is more important than responsible conduct. Ethical leadership should therefore be demonstrated consistently in employee treatment, customer decisions, resource allocation, communication, and responses to misconduct. At the same time, ethical leadership should not be interpreted as creating excessive control that discourages entrepreneurial initiative. Responsible leadership can provide employees with greater confidence to communicate concerns, share information, and contribute to organisational improvement. As businesses expand, ethical expectations also need to become embedded in managerial routines so that responsible behaviour does not depend exclusively on the personal presence of the founder. Establishing a responsible culture consequently requires consistency between entrepreneurial values, leadership actions, employee expectations, and organisational decision making.

Employee wellbeing should form an important part of this culture because entrepreneurial success achieved through unsustainable working conditions contradicts the broader principles of responsible entrepreneurship. High growth firms can experience strong pressures involving speed, scalability, changing roles, workload, and organisational development. Harlin and Berglund (2021) demonstrate that sustainable work deserves explicit attention during entrepreneurial startup development and should not be treated only as an issue for mature organisations. Their research shows that the social dimension of sustainability is particularly relevant as new organisations establish working structures and practices. This perspective expands ethical entrepreneurship beyond relationships with customers and external communities by recognising employees as central stakeholders in sustainable business development. Responsible entrepreneurs should therefore consider workload, participation, employee development, workplace safety, communication, and opportunities for employees to raise concerns. Ethical leadership provides an important foundation for establishing these conditions because employees are more likely to recognise responsible values when they are consistently demonstrated through organisational practices. Sustainable working conditions can also support the long term development of capabilities required for entrepreneurial growth. Thus, responsible leadership should integrate commercial ambition with employee wellbeing rather than treating workforce sustainability as secondary to expansion. Ethical entrepreneurial culture becomes stronger when organisational success is pursued without sacrificing the people whose knowledge and effort make growth possible.

4.4 Integrating Sustainability with Long Term Entrepreneurial Viability

The sustainability issue requires entrepreneurs to recognise that economic, social, and environmental objectives may create both opportunities and persistent tensions. Sustainable entrepreneurship can differentiate businesses and create new forms of stakeholder value, but responsible strategies must remain commercially viable if their benefits are to continue. Hoogendoorn et al. (2019) found that sustainable entrepreneurs perceive greater institutional barriers, particularly concerning financial, administrative, and informational support, than conventional entrepreneurs. This evidence demonstrates that entrepreneurs pursuing wider value creation may require stronger capabilities for managing external constraints and internal resources. Sustainability should therefore be integrated into entrepreneurial strategy rather than implemented as a separate activity that receives attention only when excess resources are available. A paradox perspective provides useful guidance because competing objectives may need to be managed simultaneously rather than permanently resolved. Hahn et al. (2018) argue that acknowledging tensions between sustainability objectives can create opportunities for stronger organisational responses. Entrepreneurs can therefore evaluate responsible initiatives according to their economic feasibility, stakeholder benefits, environmental implications, and longer term strategic contribution. Some sustainability investments may not generate immediate financial returns, but this does not automatically make them commercially inappropriate. The relevant question is whether they contribute to a viable business model capable of generating durable economic and stakeholder value.

The long term integration of sustainability also requires entrepreneurs to develop learning capabilities and adapt responsible practices as the business environment changes. Responsibility should not be treated as a fixed set of activities because stakeholder expectations, market conditions, environmental pressures, and organisational resources can evolve throughout the venture's development. Vallaster et al. (2019) emphasise the contextual nature of responsible entrepreneurship, suggesting that entrepreneurial responsibility is influenced by several contingencies surrounding the entrepreneur and the venture. Sustainable working conditions provide an example of why this adaptability matters. As Harlin and Berglund (2021) demonstrate, new entrepreneurial organisations must consider sustainability while establishing structures that support rapid growth and changing operational demands. Entrepreneurial education can further contribute to this adaptive capacity by preparing individuals to recognise responsibilities extending beyond venture creation and short term economic outcomes (Igwe et al., 2021). Consequently, sustainable entrepreneurial viability depends on the ability to combine commercial discipline with ethical reflection and organisational learning. Entrepreneurs need to monitor whether responsible initiatives remain meaningful to stakeholders, financially manageable, and consistent with evolving business conditions. Beyond profit entrepreneurship therefore becomes sustainable when ethics and responsibility are integrated into strategic decision making, leadership, stakeholder relationships, and organisational development rather than treated as temporary responses to external pressure.

5. Strategic Suggestions for Advancing Ethical and Responsible Entrepreneurial Success

The preceding discussion demonstrates that responsible entrepreneurial success requires more than recognising the importance of ethics. Entrepreneurs need practical mechanisms that enable ethical principles to influence commercial decisions, stakeholder relationships, leadership practices, and sustainability strategies. Profitability remains necessary for business continuity, but responsible entrepreneurship requires financial objectives to be pursued without weakening obligations towards employees, customers, suppliers, communities, and the environment. Vallaster et al. (2019) position responsible entrepreneurship within a broader framework of economic, social, and environmental value creation, while sustainable entrepreneurs may face additional institutional and resource barriers when attempting to pursue private and collective interests simultaneously

(Hoogendoorn et al., 2019). Furthermore, ethical leadership can support creativity and organisational innovation rather than acting as a constraint on entrepreneurial development (Shafique et al., 2020). Responsible entrepreneurship education also provides an important mechanism for preparing entrepreneurs to address wider societal and workforce challenges (Igwe et al., 2021). Accordingly, four strategic suggestions are proposed: integrating ethical assessment into entrepreneurial decision making, institutionalising stakeholder responsibility, strengthening ethical leadership and responsible organisational culture, and embedding sustainability within long term entrepreneurial strategy.

5.1 Integrating Ethical Assessment into Entrepreneurial Decision Making

Entrepreneurs should integrate ethical assessment directly into strategic and operational decision making rather than treating ethics as a separate consideration after commercial decisions have been made. Every major decision concerning pricing, marketing, employment, sourcing, investment, partnerships, and business expansion should be evaluated according to both its financial consequences and its potential effects on stakeholders. Hannafey (2003) identifies ethical decision making as particularly important in entrepreneurship because entrepreneurs encounter questions involving fairness, stakeholder relationships, resource allocation, and personal responsibility. Ethical assessment does not require businesses to reject profitable opportunities. Instead, entrepreneurs should determine whether opportunities can generate acceptable financial returns without producing unreasonable harm or unfairness. The distinction between value creation and value capture developed by Santos (2012) provides a useful perspective because entrepreneurial ventures need to capture sufficient economic value while ensuring that their activities continue to create meaningful value for others. Responsible entrepreneurship similarly requires the integration of economic objectives with broader responsibilities (Vallaster et al., 2019). Entrepreneurs can therefore establish simple ethical decision criteria that examine legality, fairness, transparency, stakeholder impact, and longer term consequences before important decisions are implemented. Such criteria can strengthen consistency and reduce dependence on immediate financial pressures when entrepreneurs encounter difficult commercial choices.

Ethical assessment should also adopt a longer term perspective because decisions that appear financially attractive today may create substantial future costs when they damage trust, reputation, stakeholder relationships, or organisational legitimacy. Responsible decision making should therefore consider both immediate commercial outcomes and potential future consequences. Jenkins (2006) demonstrates that responsible practices in smaller businesses are closely connected with entrepreneurial values and relationships with stakeholders. This characteristic provides entrepreneurs with an opportunity to obtain direct feedback from customers, employees, suppliers, and communities before making decisions with significant stakeholder implications. Social capital is also particularly useful for understanding responsible behaviour in SMEs because relationships can become important sources of trust, information, and cooperation (Russo & Perrini, 2010). Entrepreneurs should consequently maintain regular communication with important stakeholders and incorporate relevant concerns into decision making where practical. Ethical entrepreneurship should not mean satisfying every stakeholder demand because competing interests will sometimes make this impossible. Instead, it requires transparent and defensible judgement about which decisions provide an appropriate balance among financial requirements, stakeholder interests, and ethical responsibilities. This approach can help entrepreneurs pursue profitability while reducing the likelihood that short term commercial pressures gradually weaken responsible business conduct.

5.2 Institutionalising Stakeholder Responsibility Across Business Practices

Entrepreneurs should convert ethical intentions into clear and consistent business practices that guide relationships with customers, employees, suppliers, communities, and other important stakeholders. Informal responsibility can be effective during the early stages of entrepreneurial development, but increasing organisational complexity may make reliance on personal judgement insufficient. Jenkins (2006) demonstrates that CSR in smaller businesses often reflects the personal values of owner managers and develops through relatively informal practices. While this flexibility represents an advantage, responsible behaviour may become inconsistent when employees and managers interpret ethical expectations differently. Entrepreneurs should therefore establish straightforward principles covering areas such as truthful marketing, fair customer treatment, employee responsibilities, supplier selection, product quality, environmental practices, and handling stakeholder complaints. These principles should remain practical and proportionate to the size and resources of the enterprise.

Russo and Perrini (2010) explain that the distinctive characteristics of SMEs make social capital particularly relevant for understanding their approach to responsibility. Responsible practices can therefore be strengthened through close stakeholder relationships rather than unnecessarily complex administrative structures. The objective should be to make ethical responsibility sufficiently clear that it remains consistent even when the entrepreneur cannot personally supervise every business activity.

Stakeholder responsibility should also be evaluated periodically because responsible practices may need to change as the enterprise grows and stakeholder expectations develop. Entrepreneurs can use customer feedback, employee discussions, supplier communication, community engagement, and internal reviews to identify areas where business practices do not adequately reflect stated ethical values. Responsible entrepreneurship education can further strengthen the capabilities required to recognise and respond to these concerns. Igwe et al. (2021) argue that entrepreneurship education should move towards a more responsible orientation that prepares entrepreneurs for wider economic and societal challenges. Such development is particularly relevant because entrepreneurs may understand commercial functions well while possessing less experience in managing complex ethical or stakeholder issues. Furthermore, stakeholder responsibility should not be reduced to charitable activities that remain disconnected from core operations. Responsible entrepreneurship is stronger when ethical considerations influence how the business actually creates and delivers value. Sustainable entrepreneurs already demonstrate the complexity of combining private and collective interests, although institutional and resource barriers can make this process challenging (Hoogendoorn et al., 2019). Institutionalising stakeholder responsibility can therefore provide greater consistency between entrepreneurial values and actual business behaviour while strengthening trust and long term stakeholder relationships.

5.3 Strengthening Ethical Leadership and Responsible Organisational Culture

Entrepreneurs should actively develop ethical leadership because employees frequently interpret the behaviour of founders and owner managers as an indication of what the organisation genuinely values. Ethical expectations become ineffective when leaders communicate principles such as honesty, fairness, and responsibility but abandon those principles whenever commercial pressures increase. Entrepreneurs should therefore demonstrate consistency between their stated values and their actual decisions concerning employees, customers, suppliers, organisational resources, and business opportunities. Ethical leadership can also contribute positively to innovation. Shafique et al. (2020) found that ethical leadership was associated with employee creativity and organisational innovation in small information technology firms, with psychological empowerment and knowledge sharing playing important roles. This evidence suggests that entrepreneurs do not need to choose between maintaining ethical standards and encouraging creativity. Responsible leadership can instead create an environment in which employees feel sufficiently respected and empowered to contribute ideas and knowledge. Entrepreneurs should therefore encourage employees to communicate concerns, question questionable practices, and contribute to improvements without unnecessary fear of negative consequences. Ethical leadership should ultimately create organisational expectations that responsible behaviour is valued alongside financial and operational performance.

As entrepreneurial businesses expand, responsible culture should become less dependent on the founder alone and increasingly embedded within organisational practices. Managers and employees should understand the ethical expectations associated with their responsibilities, while business leaders should respond consistently when inappropriate behaviour occurs. Responsible entrepreneurship education can contribute to developing these capabilities by broadening entrepreneurial learning beyond venture creation and conventional business performance (Igwe et al., 2021). Ethical leadership should also recognise employee wellbeing as an important component of responsible business practice. Rapid entrepreneurial growth can create pressure through changing roles, demanding workloads, and increasing performance expectations. Entrepreneurs should therefore consider whether employment practices remain fair and sustainable as the business develops. Leadership development, employee participation, open communication, and appropriate mechanisms for raising ethical concerns can help strengthen organisational culture. At the same time, ethical expectations should be incorporated into managerial responsibilities so that responsible behaviour remains consistent as decision making becomes distributed across the organisation. By building ethical leadership into organisational culture, entrepreneurs can reduce dependence on individual judgement and establish a stronger foundation for responsible growth, employee trust, innovation, and sustainable entrepreneurial performance.

5.4 Embedding Sustainability into Long Term Entrepreneurial Strategy

Entrepreneurs should integrate sustainability into long term business strategy rather than treating environmental and social responsibility as activities undertaken only when additional resources become available. Sustainable entrepreneurship can create valuable opportunities, but these opportunities require careful alignment between commercial viability and wider stakeholder benefits. Hoogendoorn et al. (2019) demonstrate that sustainable entrepreneurs experience particular institutional barriers because they attempt to address unmet social and environmental needs while simultaneously pursuing private economic interests. Entrepreneurs should therefore evaluate sustainability initiatives according to their financial feasibility, environmental or social contribution, stakeholder relevance, and potential long term strategic value. This approach can help businesses identify initiatives that are both responsible and realistically sustainable within available resources. Sustainability decisions should also recognise that competing objectives cannot always be perfectly reconciled. Hahn et al. (2018) argue that a paradox perspective enables organisations to recognise interdependent but conflicting sustainability objectives rather than reducing complex decisions to simple choices. Entrepreneurs can apply this perspective by acknowledging tensions between affordability and responsible sourcing, growth and resource conservation, or immediate returns and longer term investment. Recognising these tensions explicitly can encourage more balanced decisions and prevent sustainability commitments from becoming unrealistic or purely symbolic.

Long term sustainability also requires continuous learning because business conditions, stakeholder expectations, resources, and environmental pressures can change as entrepreneurial ventures develop. Entrepreneurs should periodically review whether responsible practices continue to provide meaningful value and whether new sustainability opportunities have become economically feasible. Vallaster et al. (2019) emphasise that responsible entrepreneurship is influenced by contextual conditions, demonstrating that responsible strategies need to reflect the environment within which entrepreneurial activity occurs. Sustainable entrepreneurs may also need additional knowledge, financial resources, and institutional support to overcome barriers that conventional entrepreneurs experience less strongly (Hoogendoorn et al., 2019). Education therefore remains important because entrepreneurs require capabilities for understanding sustainability alongside conventional commercial competencies. Igwe et al. (2021) advocate responsible entrepreneurship education that prepares entrepreneurs to contribute to broader economic and societal development. Entrepreneurs should consequently develop sustainability knowledge progressively and incorporate responsible objectives into business planning, investment decisions, operational improvements, and stakeholder engagement. This approach avoids positioning sustainability as a temporary response to external pressure. Instead, ethical responsibility becomes part of how entrepreneurial opportunities are developed and businesses are managed. Ultimately, embedding sustainability into strategy can help entrepreneurs pursue long term profitability while creating enduring economic, social, and environmental value.

6. Conclusion

Entrepreneurial success should no longer be understood solely through profitability, sales growth, market expansion, and other conventional financial measures. As demonstrated throughout this article, sustainable entrepreneurial achievement also depends on the manner in which economic value is created and how entrepreneurs fulfil their responsibilities towards employees, customers, suppliers, communities, and the wider environment. Ethical decision making provides an important foundation for balancing commercial interests with fairness, transparency, accountability, and stakeholder expectations. This perspective is particularly relevant to entrepreneurial firms because founders and owner managers often exercise substantial influence over strategic decisions and organisational values. The analysis has shown that responsible entrepreneurship does not require businesses to reject profitability. Instead, it requires entrepreneurs to recognise that financial performance and ethical responsibility can be pursued as interconnected dimensions of long term business success. This position is consistent with the central argument developed throughout the article, which places ethical conduct, stakeholder responsibility, responsible leadership, and sustainability alongside economic performance in defining entrepreneurial success.

The critical issues examined in this article also demonstrate that translating ethical principles into entrepreneurial practice remains challenging. Financial pressure can create tensions between profitability and ethical responsibility, while limited resources and informal management systems can create gaps between responsible intentions and actual stakeholder practices. Entrepreneurial growth can further increase these challenges when ethical behaviour remains dependent on the founder rather than becoming embedded within organisational culture. Sustainability introduces another layer of complexity because environmental and social objectives may require investment while producing benefits that are not immediately reflected in financial performance. These challenges indicate that responsible entrepreneurship requires continuous judgement rather than occasional ethical consideration. Entrepreneurs must be capable of evaluating trade offs, responding to stakeholder concerns, maintaining responsible leadership during periods of growth, and adapting sustainability practices to changing business conditions. Therefore, ethical entrepreneurship should not be treated as a separate activity or a response to external expectations, but as an integral element of how entrepreneurial opportunities are evaluated, developed, and sustained.

Moving forward, entrepreneurs should integrate ethical assessment into strategic and operational decisions, establish clear stakeholder responsibilities, strengthen ethical leadership, and embed sustainability within long term business planning. These approaches can help transform ethical intentions into consistent organisational practices while maintaining the flexibility and innovation required for entrepreneurial competitiveness. Responsible business practices can also strengthen relationships with employees, customers, suppliers, and communities, creating a stronger foundation for trust and sustainable value creation. Importantly, entrepreneurial success beyond profit does not diminish the importance of economic performance. Rather, it broadens the meaning of success by recognising that enduring businesses require financial viability together with responsible conduct and sustainable relationships. Entrepreneurship that successfully combines these dimensions is better positioned to create value that extends beyond immediate commercial returns. Ultimately, the future of responsible entrepreneurial success depends on the ability of entrepreneurs to pursue growth and profitability without compromising ethical principles, stakeholder wellbeing, and sustainability, thereby creating businesses that are economically viable, socially responsible, and capable of generating meaningful value over the long term.

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