


Chapter 14

Entrepreneurial Motivation to Participate in the Circular Economy

Colin David Reddy

 <https://orcid.org/0000-0002-6657-1071>
University of Johannesburg, South Africa

ABSTRACT

Strong ecological values define the desire of individuals to exploit business opportunities in the circular economy. However, strong ecological values are unlikely to contribute to strong individual motivation when individuals sense that it is not feasible to exploit such opportunities. This chapter develops this argument conceptually using expectancy theory. Expectancy theory suggests that individuals derive their motivation from strong perceptions of both desirability and feasibility. Understanding an entrepreneur's motivation to participate in the circular economy is important for attempts at entrepreneurial development in this alternative economy. Policies as well as education and training programs must consider instilling the required ecological values in citizens as well as giving attention to technological, market, cultural, and regulatory constraints that render CE opportunities infeasible.

INTRODUCTION

Entrepreneurs participate in the circular economy (CE) when they have a strong motivation to do so. The CE involves private businesses minimizing their natural resource usage in service of the transition to a more sustainable world. Entrepreneurs require certain capabilities or must be able to access these capabilities within the economy. These capabilities are required to create a regenerative system where products, components and materials are maintained at their highest value for as long as possible and resources can be productively recovered and reintegrated in the economy. This can be achieved through long-lasting design, maintenance, repair, reuse, remanufacturing, refurbishing, and recycling.

With several simpler opportunities in the economy for entrepreneurs to exploit and earn a living, we need to understand an entrepreneur's motivation to exploit the often-difficult opportunities in the CE.

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The risks of a CE startup not becoming an established business are immense considering its technical complexity as well as the lethargic cultural and market dynamics that can constraint the profitability of a CE opportunity. To advance policies for entrepreneurship development within the CE, one needs to identify the components of motivation and understand how they interact with one another.

In any CE entrepreneurial development framework, policymakers will have to consider both whether the entrepreneurial population desire CE opportunities and whether they possess the confidence in their ability to exploit such opportunities. Because these ideas are available in the expectancy theory of motivation, this Chapter will use expectancy theory to develop a set of propositions about the entrepreneur's motivation to participate in the CE. The Chapter first provides a brief background to the literature available to understand entrepreneurial motivation for CE opportunities. It then looks into the notion of the motivation based on the values common to those entrepreneurs who exploit opportunities that can lead to a more sustainable world. Then it briefly describe expectancy theory and develops an argument for understanding a CE entrepreneur's motivation. It ends with a discussion of the implications for developing entrepreneurs to increase their participation in the CE.

BACKGROUND

We have little understanding about how desires and abilities interact to form the entrepreneur's motivation to participate in the CE. Thus far, motivation has been considered broadly in terms of sustainable entrepreneurship; and it is yet to be considered for specific CE opportunities (Bohnsack, & DiVito, 2018; Parrish, 2010; Schaltegger, & Wagner, 2011). However, CE entrepreneurship is a subset of sustainable entrepreneurship. Notably, it also shares characteristics of eco-preneurship and environmental entrepreneurship, which are all forms of sustainable entrepreneurship.

One has to bear in mind that entrepreneurs who exploit CE opportunities require specific knowledge because CE is an approach that focuses on increasing resource efficiency and resource productivity (D'Amato et al, 2017). This implies specific abilities amongst entrepreneurs or amongst the professionals employed by entrepreneurs. Yet research on entrepreneurial motivation in the sustainable economy has tended to focus on the desires or values of individuals (e.g. Kirkwood & Walton, 2010; York, O'Neil & Sarasvathy, 2016).

This research suggests that sustainable entrepreneurs share the economic desires of conventional entrepreneurs; but they have additional desires to preserve the environment: desires attributed to ecological values. Because meeting these desires serve the interests of people beyond the entrepreneur's immediate social circle, ecological values also have a strong altruistic content (Fauchart & Gruber, 2011). Often times sustainable entrepreneurs' ecological values serve as a stronger driver of their motivation than economic values; at other times, there can be a balanced blend of ecological and economic values; and yet other times a stronger economic than ecological values (York et al, 2016).

However, these values provide insights only about the entrepreneur's perceived desirability of CE opportunities. Particularly, considering the barriers to exploiting CE opportunities—technological, cultural, market and regulatory—entrepreneurs require strong perceptions of the feasibility of exploiting these opportunities. Thus strong perceptions of both desirability and feasibility are required to sustain a strong motivation to persist with the often difficult to exploit CE opportunities. This argument is derived from expectancy theory, which suggests that motivation develops through a cognitive process (Vroom, 1995). This process is fraught with doubt: doubt exists within entrepreneurs whether they can success-

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