START-UPS' INVOLVEMENT IN SUSTAINABLE DEVELOPMENT: EVALUATION OF A EUROPEAN CASE

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Structure of the paper

Abstract

1. Introduction

2. Review on start-ups and sustainable development

3. Research data and methodology

4. Results and interpretation

5. Conclusions and further research

References

1. Introduction

- Economic growth + Social and Environmental development

- Corporate support for sustainable development (SD) – prerequisite of competitive advantages and differentiation

- SD objectives as a basic component of SMEs' and start-ups' activities

- Increasing interest for start-ups' support for the objectives of SD → win-win strategy for business ventures and society

- **Research objective:** To analyse and propose an evaluation framework for **S**tart-ups' **I**nvolvement in **S**ustainable **D**evelopment **G**oals **(SISDG)**, based on the case of 27 BG, HR and RO winners of StartUp Europe Awards 2017 competition.

2. Review on start-ups and sustainable development

- United Nations sustainable development goals (UN-SDGs) and private companies

- Increasing number of start-ups aiming to achieve the SDGs

- PRO and AGAINST arguments in the literature regarding the role of start-ups' support for SDGs

- CSR is not enough for a sustainable business → a wider range of stakeholders' interests should be considered

- Start-ups which include long-term sustainability in their business planning tend to become more effective on the long-run.

3. Research data and methodology (1)

- To investigate the SISDG by grouping 27 well-performing start-ups from BG (12), HR (6) and RO (9) given their economic (EC), social (SOC) and environmental (ENV) contribution to SD

- Start-ups awarded in StartUp Europe Awards 2017 in 14 categories

- Innovative assessment framework based on grades from 0 to 3:

  - 0 = no involvement at all in SDG

  - 1 = low or scarce involvement in SDG

  - 2 = moderate to strong involvement in SDG

  - 3 = very strong or excellent involvement in SDG

- Start-ups graded for all UN-SDGs (17), except for G5, G16 and G17 → 14 SDGs kept in the final analysis

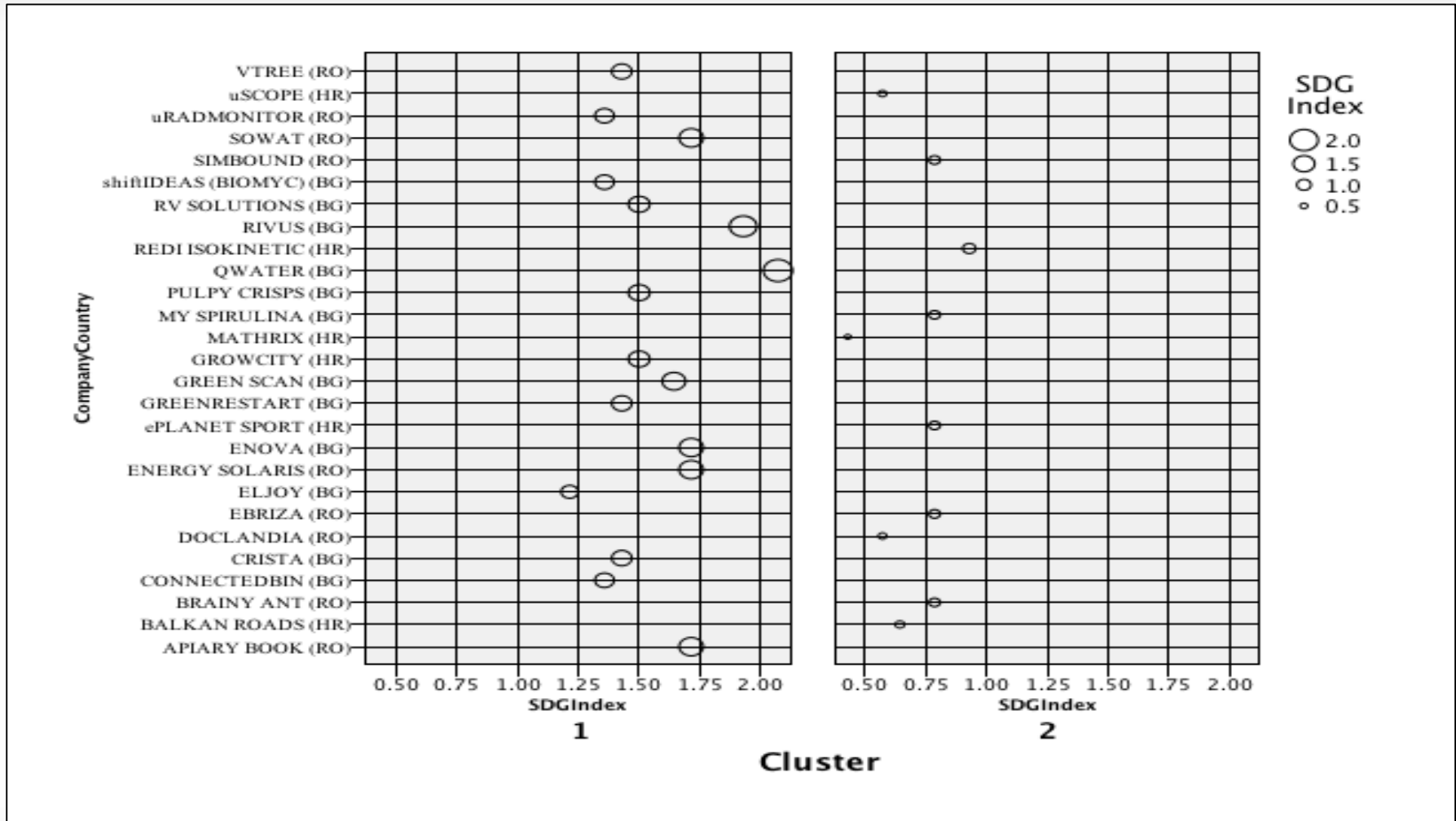# 3. Research data and methodology (2)

- Elaboration of **four innovative composite indices** for assessing SISDG:

  - **SDG Index** (all 14 SDGs)

  - **EC-SDG Index** (G1, G2, G8, G9, G10 and G12)

  - **SOC-SDG Index** (G3, G4, G6 and G11)

  - **ENV-SDG Index** (G7, G13, G14 and G15)

- Application of **two-steps cluster analysis** for grouping the 27 start-ups based on their EC-SDG, SOC-SDG and ENV-SDG contribution

- Analysis performed through **IBM SPSS (Statistics and Modeler)**.

4. Results and interpretation (1)

- Formation of **two SISDG clusters**:
  - **Cluster 1: High SISDG** (17 start-ups) – order of values: ENV, EC, SOC
  - **Cluster 2: Low SISDG** (10 start-ups) – order of values: EC, SOC, ENV

- Discriminating between the two clusters:
  - First three positions: ENV-SDG Index, SDG Index, G13 → clusters' differentiation
  - Last three positions: G14, G1, G8 → clusters' similarity
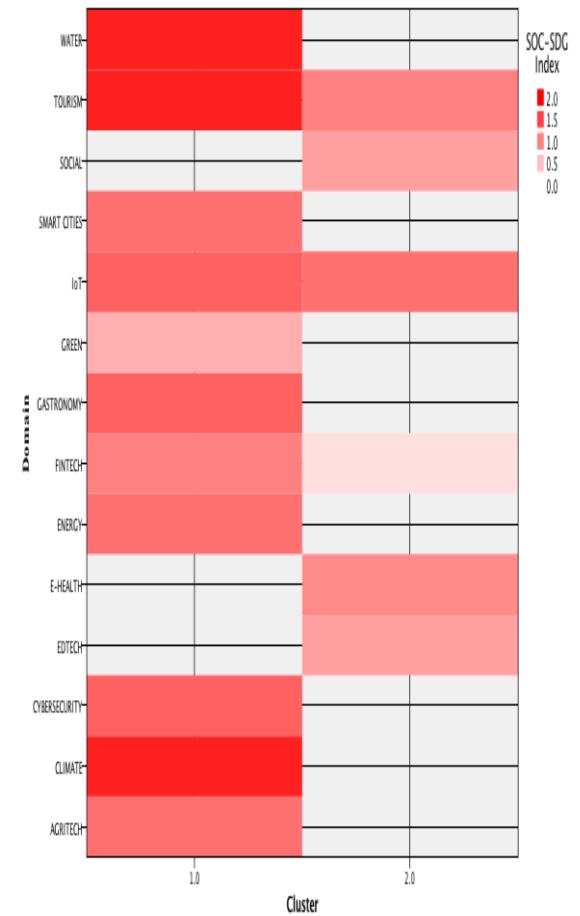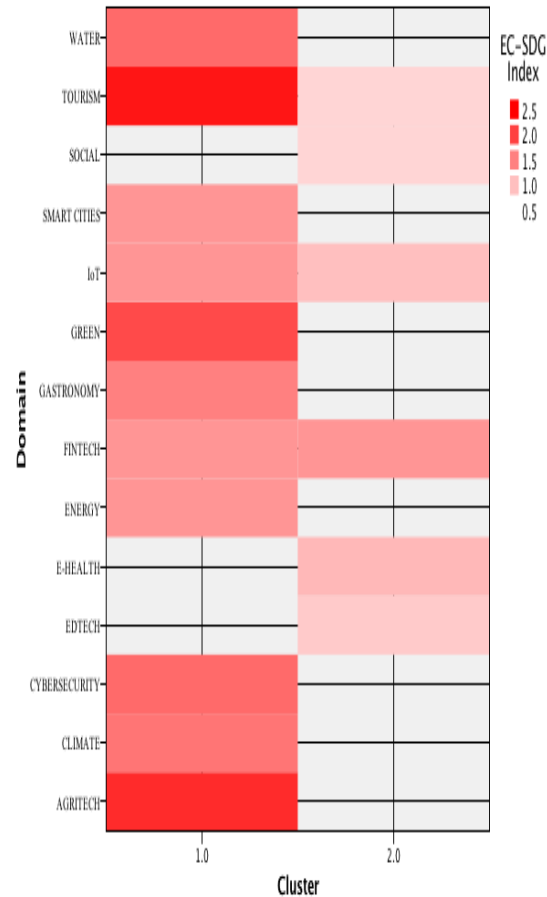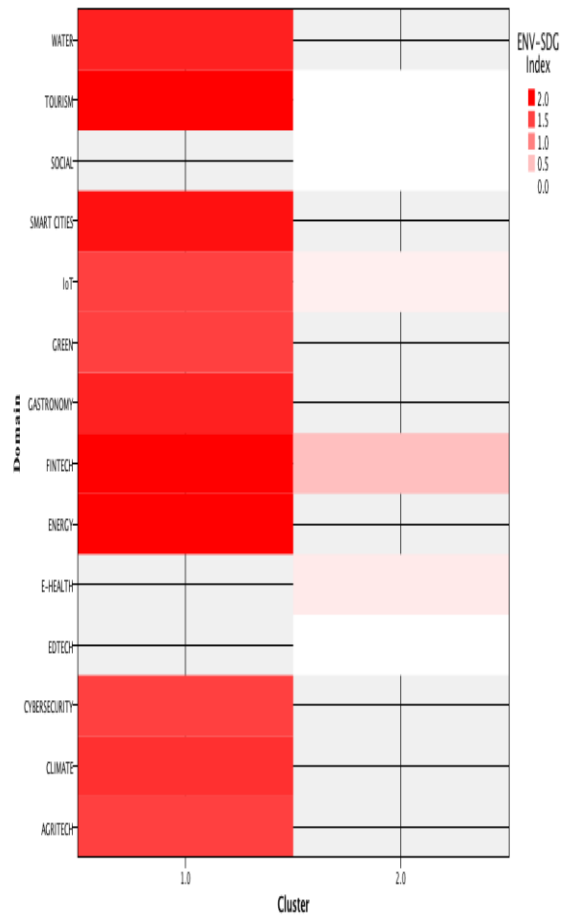
Overall SISDG clustering pattern

4. Results and interpretation (3)

Clusters' heat maps for the SISDG pattern by domain: ENV, EC, SOC

4. Results and interpretation (4)

Clusters' heat maps for the SISDG pattern at country and cluster level
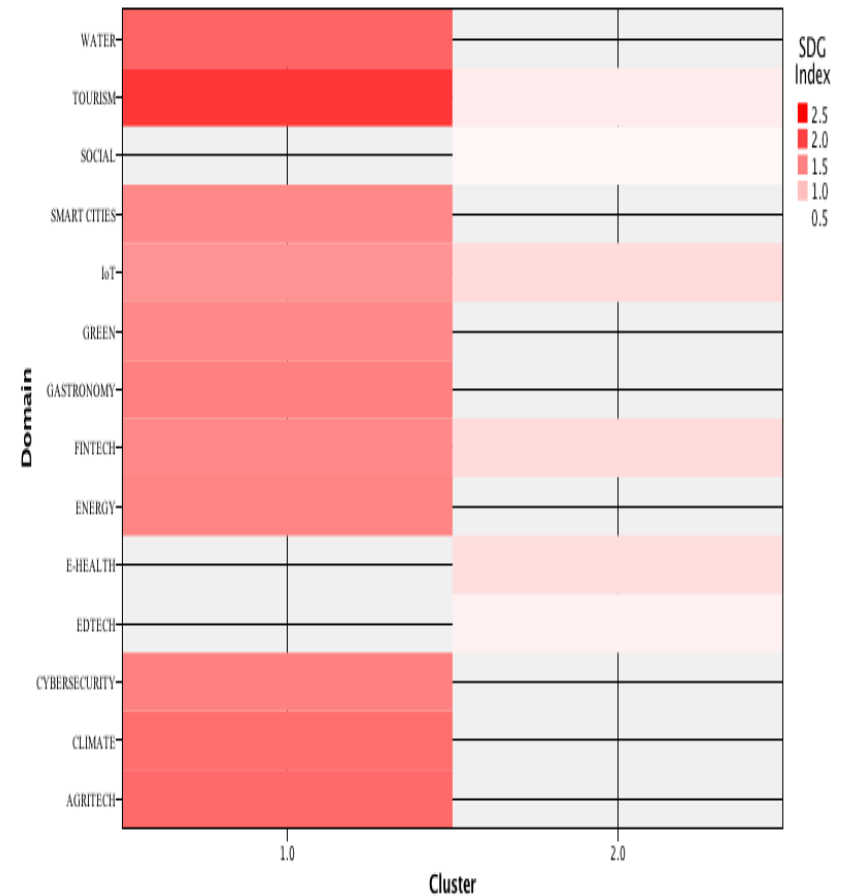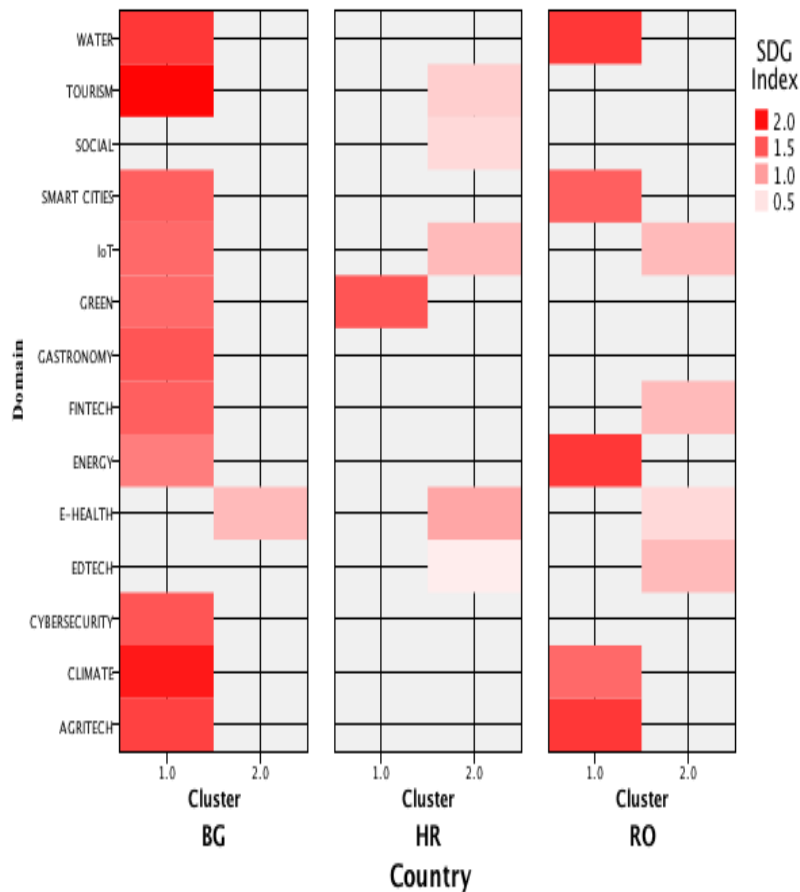
5. Conclusions and further research

- Investigated start-ups highly include SDGs in their daily operations

- Overall SISDG discriminates among the two clusters

- Distinct environmental discrimination and rather social similarity between the two clusters

- Bulgarian start-ups ventures are the SDG leaders

- Tourism sector is best supported regarding SDG

- Economic component is strongest considered for SDG

- Best business performing start-ups are also properly considering the requirements of sustainable development

- Further research directions.

INTERNATIONAL E-CONFERENCE
"ENTERPRISES IN THE GLOBAL ECONOMY", 3rd Edition
4 October 2018

Thank you for your attention!

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