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MANAGEMENT | RESEARCH ARTICLE

The psychology of green entrepreneurship: Founder-driven development of green climate in small-scale companies

Ingeborg Flagstad[1]* and Svein Åge Kjøs Johnsen[1]

Abstract: This study explores the psychology of green entrepreneurship and the role of the founder in establishing a green climate in organisations. The study examined the process of founding an environmentally sustainable organisational climate in small-scale Norwegian manufacturing companies. Focus group interviews were conducted and questionnaires were distributed in the field; subsequently, the founders participated in an in-depth follow-up interview to explore the evolving elements of the green climate. Thematic analysis revealed that the founders' environmental focus had different origins, indicative of four motivational categories: opposition, frugality, activism and idealism. The founders played a crucial role in influencing employee green behaviour through both supervision and direct behavioural instructions. Moreover, the participants frequently mentioned the practical aspects of the environmental focus, while values and strategies were generally tacit. The findings indicate that the founders' motivational position determined the trajectory of the development of a green climate.

Subjects: Environmental Psychology; Work & Organizational Psychology; Leadership; Entrepreneurship; Small BusinessManagement; Organizational Change

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PUBLIC INTEREST STATEMENT

Organizations play a key role in creating a sustainable future. In this article we explore how business founders shape the green profile of their companies. Although motivation to go green varied, the founders had a strong influence on their employees' green behaviour. Founders employed soft tactics, such as guidance and supervision, and hard tactics, such as direct instructions. Because founders and employees work closely together in small companies, the founder's environmental commitment has a great impact. Through genuine environmental engagement, they shaped the development of a green organizational climate. "Action speaks louder than words" described the environmental approach in these companies, as they placed more importance on green practices than green strategies. Entrepreneurs can learn from this study that their environmental commitment makes a difference, which can encourage maintaining a green focus.

1. Introduction

A core issue in resolving society's environmental problems centres on how to initiate and maintain green changes in organisations. The founder plays a crucial role in the early stages of entrepreneurship (Baron, 2007), and likely exerts a strong influence on the development of a green organisational climate. Here, differences between founders may prove important. However, though founders are typically driven by convictions and purpose (Barba-Sánchez & Atienza-Sahuquillo, 2017; Murnieks et al., 2019), creating a self-sustaining organisational climate also requires the ability to engage and include employees in this endeavour. Both the founder of the company and the organisational climate created in an early phase may leave an enduring mark on the evolving organisation (Baron, 2007; Baron et al., 1999; Fauchart & Gruber, 2011; Kelly et al., 2000; Marquis & Tilcsik, 2013). As such, the initial green ambitions and the dynamics of the founding team could have long-lasting consequences on environmental practice. This study explored the role of the founder in the process of developing a green climate in small-scale Norwegian manufacturing companies.

1.1. The potential role of the founder in green entrepreneurship

The values and ideas of the founder may determine the fundamental strategic direction and provide the basis of the organisational climate (Fauchart & Gruber, 2011; Felin & Knudsen, 2012; Frese & Gielnik, 2014; Kuenzi & Schminke, 2009). In general, values—often defined as guiding principles (Schwartz, 1992; Schwartz et al., 2012)—may affect a broad spectrum of pro-environmental behaviours, because they are stable over time and across situations (Florea et al., 2013; Ruepert et al., 2017). The pro-environmental values of the founder can influence the overall approach toward environmental measures in the company (Roxas & Coetzer, 2012). The founders often lead by example, and their behaviour provides cues and produces social pressure to perform green behaviour (Kim et al., 2017). This ability to influence and persuade others has been found to be a central property of the entrepreneurial process (Baron, 2002), through which the founders shape the environmental footprint of the organisation.

While there is a broad literature on entrepreneurship in general, the field of green entrepreneurship is still in a nascent stage (Wennekers & van Stel, 2017; York et al., 2016). However, some small-scale companies are led by green entrepreneurs, sometimes labelled *ecopreneurs*, who create environmentally friendly businesses aimed at transforming society and solving environmental problems (De Bruin, 2016; Flagstad et al., 2021; Maak & Stoetter, 2012; Masurel, 2007); these green entrepreneurs are motivated by a desire to protect and preserve the natural environment (Lotfi et al., 2018). Green entrepreneurship may be defined as the process of identifying and seizing entrepreneurial opportunities that minimise the company's impact on the natural environment (Gast et al., 2017; Lotfi et al., 2018). The founders play a significant role in these small and green companies—they tend to have a sharp sense of purpose that, in turn, may engender more involvement in environmental issues (Del Giudice et al., 2017).

Recent entrepreneurship studies recognise the substantial role of interpersonal processes related to motivation, leadership and the ability to influence others (Barba-Sánchez & Atienza-Sahuquillo, 2017; Baron, 2002; Cuesta et al., 2018; Frese & Gielnik, 2014; Murnieks et al., 2019; Omorede et al., 2015); however, the role of the founder in the context of green entrepreneurship remains largely unexplored (York et al., 2016). Furthermore, the social relationships in the founding team—such as founder–employee interactions—and the dynamic processes that shape the organisational climate have received limited attention (Felin & Knudsen, 2012; Flagstad et al., 2021; Gorgievski & Stephan, 2016). Studies in established companies point to leadership as essential in creating green organisational changes (Boiral et al., 2015; Khan et al., 2019; Kim et al., 2017; Robertson & Barling, 2013; Robertson & Carleton, 2017); we therefore suggest that founders play a central role related to green entrepreneurship.

1.2. The development of a green organisational climate

Some organisational founders attempt to meet environmental demands by formulating an environmental strategy. While this might serve to signal the green focus of the entrepreneur, research suggests that the link to pro-environmental behaviour is weak (Baumgartner & Ebner, 2010; Howard-Grenville et al., 2014; Mishra, 2017; Whitmarsh, 2009). Studies indicate that founding a sustainable organisation presuppose that green intentions embed the underlying organisational culture and climate (Benn et al., 2015; Bratton, 2018; Davis & Coan, 2015; Norton, Zacher et al., 2015; Renwick et al., 2013; Tahir et al., 2020). Some studies suggest that a green climate mediates the relationship between ethical leadership and employee green behaviour (Khan et al., 2019; Robertson & Carleton, 2017; Saleem et al., 2020; Zhou et al., 2018). With regard to the current study, this provides a framework with which to link the role of the founder to the construction of a green climate.

An organisational climate may be defined as a set of shared perceptions about the policies, practices and procedures that an organisation supports (Kuenzi & Schminke, 2009; Schneider & Reichers, 1983). Co-construction of meaning is at the core, and the climate develops through interactional processes, parallel to newcomer socialisation processes (Schneider & Reichers, 1983). Uniform perceptions regarding climate are indicative of a strong climate (Kuenzi & Schminke, 2009; Schneider et al., 2017)—this, in turn, is linked to frequent interaction (González-Romá et al., 2002). A Green climate is facet-specific, as opposed to a general organizational climate, and captures the shared perceptions of environmental policies and practices within a company (Kuenzi & Schminke, 2009; Norton et al., 2012, 2014).

Existing research on organisational climate has focused on established companies (Kuenzi & Schminke, 2009; Schneider et al., 2017); however, few studies have focused on the *development* of a sustainable pro-environmental organisational climate and the process underlying the founding of environmentally sustainable organisations (Glavas, 2016; Harris & Crane, 2002; Norton, Parker et al., 2015). A recent study of the construction of a green climate emphasises face-to-face interaction, and introduces a theoretical systems model to explain influence processes that contribute to shared environmental perceptions (Flagstad et al., 2021). Here, frequency, duration, intensity and relevance (dimensions of exposure) of encounters at work are factors that are argued to produce a strong environmental climate (Flagstad et al., 2021). Entrepreneurial companies provide a specific context to explore these influence processes and to study the development of green organisational climates in the founding phase.

Environmental sustainability in organisations is frequently considered to vary along a continuum, ranging from a peripheral to an embedded approach (Aguinis & Glavas, 2013; Pandey et al., 2013). Organisations with a peripheral approach are motivated by external factors, such as policies, and the environmental activities are not integrated into daily routines. This approach is associated with superficial changes—e.g., information campaigns and recycling programmes—in the periphery of the company's endeavours. In contrast, organisations with an embedded approach build environmental concerns into their climate and core values, as well as integrate sustainability within the company strategy and practices; moreover, embedded approaches are associated with meaning and purpose (Aguinis & Glavas, 2013). Many companies with an embedded green approach are characterised by having an integrated character since their start-up, frequently related to the environmental values of the founder (Pandey et al., 2013). Such embeddedness seems to occur on several levels, although it is unclear how, and to what extent, employees ultimately endorse the business philosophy of the founder.

1.3. The context of Norwegian small-scale companies

Much of the research on green climate in work settings has been situated in large companies (Del Giudice et al., 2017; O'Donohue & Torugsa, 2015; Ozbilir & Kelloway, 2015). Research on small-scale companies is scarce; however, their environmental impact also deserves attention (Del Giudice et al., 2017; O'Donohue & Torugsa, 2015). The Confederation of Norwegian Enterprise

(NHO) defines small-scale businesses as companies with 1–20 employees; they employ 26 per cent of the workforce and make up 25 per cent of the wealth creation (NHO, 2018). There are several distinct features associated with size. Small companies tend to be flexible, autonomous, and adapt rapidly to changes (Del Giudice et al., 2017; Masurel, 2007; O'Donohue & Torugsa, 2015). They also tend to be less structured and characterised by informal management (Fernández & Camacho, 2015; O'Donohue & Torugsa, 2015), direct interaction with customers and have strong ties with their local communities (Masurel, 2007; O'Donohue & Torugsa, 2015; Roxas & Coetzer, 2012). The founder is argued to play an influential role in small-scale companies, which is strengthened through close interaction between the founder and members of the organisation (Del Giudice et al., 2017; O'Donohue & Torugsa, 2015; Roxas & Coetzer, 2012). Small-scale companies often have a unified organisational culture and climate, which facilitates the diffusion of green values (Harris & Crane, 2002).

This study focuses on organisations that face dilemmas posed by competing demands of economic and environmental sustainability—which are typical of hybrid organisations (e.g., combining profit generation and idealism) and social entrepreneurship—and to analyse the social processes that unfold when stakes are high (Battilana & Dorado, 2010; Jay, 2013; Newth & Woods, 2014). Following Gorgievski and Stephan (2016), the companies were classified according to three phases of growth: (1) start-up, (2) expansion and (3) stability.

A recent cross-cultural study by Aguado and Holl (2018) found that Norwegian small and medium-sized companies tend to emphasise environmental sustainability, and that their pro-environmental attitudes are driven by customer demands. The Norwegian context is characterised by low levels of hierarchy, employee autonomy and a high degree of employee involvement, which may affect how the founder can influence employees.
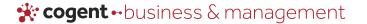
1.4. Research questions

The purpose of this paper is to analyse the role of the founder in forming a green organisational climate in small-scale manufacturing companies. With this aim in mind, one objective is to explore the founder's motivation that instigated his/her green ideas. Another objective is to analyse the processes by which the environmental focus is communicated from the founder to the employees. Finally, the paper aims to explain the interpersonal dynamics involved in constructing a green climate.

2. Materials and methods

The focus of the present study was on exploring relational aspects of the entrepreneurial process of establishing a green organisational climate; accordingly, a qualitative and longitudinal approach was considered most appropriate. Focus group interviews enabled to explore the participants' shared perceptions of the green climate. A thematic analysis was conducted, aimed at identifying central themes in a straightforward manner (Braun & Clarke, 2006). A questionnaire study was also conducted, aimed at examining individual environmental climate perceptions. In addition, a follow-up phone interview with the founder was conducted one and a half years later to explore how the climate developed.

2.1. Selection criteria and description of the companies

The selection criteria were carefully designed. Companies with a green product and profile were targeted, and were primarily found through web searches. As organisational climate is a group phenomenon, organisations with at least five members were selected. Companies with more than 20 employees were excluded to avoid the potential of existing subcultures. Revenue was used as a criterion to target organisations that were primarily business-oriented (more than EUR 100,000). Companies that produce a physical product face similar challenges concerning packaging and transporting: including this as a criterion for selection allowed comparison across different branches. Moreover, companies that were expected to experience tension and dilemmas between economic and environmental concerns, due to competition in the open market, were selected. The

overall aim was to select companies with a high level of involvement in decision-making processes, as indicated by a shared physical localisation, a common language, and a joint meeting forum.

Seven out of the 15 companies that were invited to participate fulfilled the selection criteria and agreed to take part in the study. Focus group interviews were conducted in the field, included both founders and employees and consisted of three to six participants. Five of the companies were organised as corporations, two as foundations, and several were family- and/or farm-based. They were in a start-up, expansion or stable phase of growth; and they were in the beverage industry (BI), food industry (FI), and textile (TI) industry.

2.2. Measures of environmental climate and behaviour

A questionnaire was designed that targeted different aspects of a green organisational climate: an environmental climate scale (Norton et al., 2014), questions measuring pro-environmental behaviour (PEB, adopted from Hartig et al., 2007), and pro-environmental initiative specific to the work setting. Cronbach's alpha (α) was calculated to test for internal consistency within the scales. The environmental climate scale (α = .83), PEB scale (α = .83) and pro-environmental initiative scale (α = .68) had sufficient internal consistency. The questionnaire enabled measurement of environmental perceptions on an individual level, and examination of how the individual reports corresponded with the analysis of the interviews at the group level.

2.3. Comparison group

The data from the questionnaire were compared with data from a study using the environmental climate and PEB scales, including employees (N = 234) from small- and medium-sized companies in the inland region of Norway, collected in the same time period. These served as a comparison group and provided a proxy for green climate perceptions and environmental behaviour in a general Norwegian company. The participants in the present study reported higher levels of environmental climate and pro-environmental behaviour than the comparison group (Table 1). An independent-samples t-test was conducted to compare the environmental climate and pro-environmental behaviour in the participant and comparison groups. There was a significant difference between the environmental climate scale scores for the participant group (M = 4.10, SD = .43) and the comparison group (M = 3.82, SD = .65); $t(187)$ = 2.25, p = 0.025. There was not a significant difference between the participant group (M = 3.60, SD = .48) and the comparison group (M = 3.32, SD = .73) on the PEB scale scores; $t(139)$ = 1.89, p = 0.061. These results indicate that the selected companies (i.e., the participant group) had succeeded in creating a green outcome; specifically, they scored significantly higher on self-reported levels of environmental climate than the controls. Further, these results suggest that the selected companies were sincere in their environmental approach, and not merely engaging in green marketing.

Table 1. Environmental climate and pro-environmental behaviour						
	N	**M**	**SD**	**t**	**df**	**p**
Environmental Climate						
Participant group	28	4,10	0.43	2.25	187	.025
Comparison group	161	3.82	0.65			
PEB						
Participant group	28	3.60	0.48	1.89	139	.061
Comparison group	113	3.32	0.73			

2.4. Coding and analysis of the interviews

The interviews were transcribed and analysed in MAXQDA—a program designed for qualitative data analysis (VERBI Software, 2019). A set of initial codes were formed based on topics from the interview guide; however, subsequently, the codes were created based on the material (Braun & Clarke, 2006). Following the constant comparative method, hypotheses were formed and tested in the empirical material, and the researcher engaged in a back-and-forth dialogue with the material (Glaser & Strauss, 2006). Significant codes were highlighted, giving direction toward the elaboration of codes and the development of analytical categories. In the final stage, the categories from the interviews were analysed in conjunction with the questionnaire data.

3. Results

The following section will present the major themes from the thematic analysis of the interviews: 1) founder motivation and drive, and 2) the role of the founder in establishing a green climate. The self-report on environmental climate, initiative and behaviour will then be analysed in relation to founder motivation.

3.1. Motivational categories of the founders

From the analysis outlined above, the significance of the founder in determining the direction and prospects of the company was identified as a central topic. The personal engagement of the founders concerning environmental issues seemed to be decisive for the course of the company; they set the agenda from the outset and played a pivotal role in the establishment of a green organisation. Furthermore, the founders left a green imprint with lasting and far-reaching effects on the company and its products, employees, customers and even the community in which they were based. Although all the founders in the present study had an environmental focus, they had quite diverse backgrounds, and their concern for the natural environment had different origins. In the following section, their motivations will be explored and divided into four driving forces: opposition, activism, frugality and ideology.

3.1.1. The opponents

Two of the founders (i.e., of Company A and Company E) appeared to be part of a countermovement to mainstream society that opposed the use of pesticides and protested against the exhaustion of natural resources and excess consumerism.

> In the '1950s' and '1960s' there were kind of a lot of things to be done about drugs, psychiatry, pesticides and livestock. Lots of medications and lobotomy—it's called . . . and vaccines and drilling in teeth, right. A lot in that era, and not the least within agriculture—it was sprayed and sprayed and sprayed. (1, Company E)

This founder described the zeitgeist of progress, and expressed that he was part of a countermovement that questioned the way society was moving forward. Moreover, he seemed to believe that excess use of pesticides was contrary to common sense.

> We reduced the amount of pesticides and broke off using the spray if we didn't find the animals that we wanted to spray against. I followed that line of reasoning for quite a few years, and that went very well, too. And then we kind of felt that there was a truly short way to cultivate organically. (1, Company E)

Thus, it seemed that the transition to organic production provided a release from the founder's frustration related to societal development. The other founder in the opponent category dissociated himself from the approach of modern consumer society (toward agriculture).

> We can't keep doing what we're doing—it's overconsumption and overexploitation on many levels. And with the way you have conventional farming, it will deplete and deplete and deplete. Then you just keep it artificially alive with fertilisers and keep on going. We think that if we're adamant about what comes from the conventional or from farming, especially

from larger stakeholders, it should [here, he hits the table] be organic. Then it's that little drop in the ocean on at least the right side toward giving incentives for perhaps more people to consider alternative, more sustainable ways of cultivating. (1, Company A)

Running the company according to sustainable principles seemed to be empowering for this founder and provided a promising direction forward. The notion *'to be the little drop in the ocean"* appeared to give an alternative identity that allowed for a certain distance from consumerism.

For these founders, environmental issues were linked to strong emotions, such as anger and frustration.

We look at these *fly-tipping* points—they drive into the forest you know, and just dump loads of stuff, fridges and stoves. I mean, I get so angry! It gives you so little hope when people are so concerned about themselves, and so little about the community. You dump stuff in the forest just to save a 50 note. It makes you see red. (1, Company A)

In sum, setting up an organic production led to greater engagement and more intrinsic motivation, and seemed to be a coping strategy to make the frustration bearable.

3.1.2. The frugals

In two of the companies, the founders (Company F, Company B) emphasised utilizing local resources, preserving old production equipment and maintaining traditions. Both founders referred to ideals from the traditional agrarian community, such as being cautious and utilizing all available resources.

You know, we're very frugal in the first place. We use things in at least two separate ways if we can. We transport a lot of the leftovers back to the farm for animal feed, and we throw away very little, basically. It's almost like it isn't rational because you're so, in a way, cautious ... so frugal. But I think it's kind of rewarding to be a little cautious with stuff. (1, Company B)

In this category, the founders emphasised the solid qualities of old equipment.

The engines that you can see right behind, they're the kind that are built to last forever. And a modern engine is built to last for five years. And when it's broken, then we can't just buy a new part, and get it running again. No. You must bin it, and buy a new one. (1, Company F)

Company F's founder explained how his production equipment from 1937 was still functional and highlighted that it was easy to manage, because it was mechanical and small-scale. The old equipment seemed to provide him with a sense of mastery. Additionally, the founder compared the old equipment to modern engines and distanced himself from throwaway culture, which seemed to give rise to frustration.

Among the founders in the opponent and frugal categories, participants used a Norwegian expression about a reflex action originating from the spinal cord (translated here as i*n your nature*) when explaining their motivation. *"It's kind of in your nature, that it's nice to do things in an environmentally friendly way"* (2, Company B). This expression—*"It's kind of in your nature"* [*It's located in the spinal cord*]—referred to something that was taken for granted, or considered as the natural course of action, and therefore related to a direct impulse to act. Moreover, green and pro-environmental values were not explicitly articulated in these two companies. These companies exemplified that environmental sustainability is not a new phenomenon; on the contrary, it is deeply rooted in values that stem from the traditional agricultural society.

3.1.3. The activist

One founder (i.e., of Company C) had a political agenda with his company: aiming to build a model company. Although the founder seemed to think of himself as an innovator and an outdoor person, he did not mention the environment when discussing organisational values. When asked directly about the environment, this was his answer: *"It's sort of impossible to imagine founding something without it [the environment] playing a role. It's the most important issue of our time! Together with being an outdoor person, then those things become truly clear"* (1, Company C). Thus, the founder of Company C associated his identity with being an *outdoor person*, which seemed to be linked to his behaviour. He believed that his own engagement was the most important reason for their environmental strategy: *"I'm quite sure that it's the most important reason for this company having an environment commitment. And that we put all our focus on the right way"* (1, Company C). This idea of doing things *the right way* has a moral dimension that is related to the company's environmental strategy.

To compensate for their environmental footprint, he introduced a self-imposed environmental tax; consequently, the company paid a certain amount for every item sold to an environmental organisation.

> I remember when I sent an invoice to [an environmental organisation] for 20,000, before I had taken out a single penny as salary. It was a very strange feeling, haha. It becomes a core mission for the company to tax your environmental footprint. (1, Company C)

The statement above illustrates how environmental engagement and the founding of a company may go hand in hand. Although he appeared to be proud of his political accomplishments, this founder seemed to be embarrassed and ashamed about not doing enough: *"It becomes very wrong for me to sit bragging, because I feel as ashamed as I am proud that we have a far larger environmental impact because we exist than if we hadn't exis … been here."* (1, Company C). The environmental tax might provide a release from feeling ashamed, by making up for the footprint that inevitably was related to the existence of the company.

3.1.4. The ideologists

Two of the founders were anthroposophists: they were producing according to biodynamic principles and followed ideals developed by Rudolf Steiner. They both had articulated environmental foundational values. One of them emphasised the importance of *"working with the nature and not against it"*, and highlighted that there might be both selfish and idealistic motives.

> I've noticed that I've felt good when I've been working in that manner. Like, it's also an egoistic [motive], but then somehow an idealism. To do something good for the world. Improve the world, a little bit like this. I am a bit of a world improver. Haha, yes. (1, Company D)

This participant clearly associated his identity with being a *world improver* when he used the expression *"I am"*. Similarly, the founder of company G had a clear articulation with an ecological underpinning: *"An ecological understanding can be expressed in several ways for sure, but in a sense it's kind of the fundamental value in everything, basically"* (1, Company G). Accordingly, an ecological understanding seemed to be the foundation for everything in the company, which indicates a strong connection to ecological values. The members of the two anthroposophical organisations had to relate to the philosophical underpinnings in some way, which seemed to create a strong ideological basis for their work.

To sum up, the founders had different motivations, ranging from opposing to assigning importance to frugality, political activism and ideology. Together, these findings indicate that feelings of shame and frustration existed across the overarching themes. Moreover, the findings demonstrate that the majority of the founders had a practical approach to environmental efforts; only two of them related a green focus to overarching environmental values. In the following section, the

process by which the founders influenced the employees and the formation of a green organisational climate will be discussed.

3.2. Founders' role in establishing a green climate

A central aim in the present study was to examine the founders' role in establishing a shared green climate. The previous section analysed the role of the founder during the start-up phase. In this section, the focus will be on analysing their efforts to transfer their ideas to the employees and consequently create shared perceptions of a green focus. Findings indicate that the founders influenced their employees in several ways: by giving instructions and guidance; and by anchoring the green values. Moreover, the founders could observe what the employees were doing and give them immediate feedback, because they were working closely together and often shared physical space.

3.2.1. Giving instructions

The most direct strategy of influence was to guide behaviour by giving the employees instructions. Although neither of the companies had formalised orientation training programmes, the founders influenced behaviour by instructing new employees from day one. In Company B, for instance, participants described how the founder drilled the newly hired to conserve paper towels.

3: [Name of founder] scolds them if they use too much paper towels and such.
5: No, she often nags about this, that we should use fewer [paper towels].
1: I might say, 'Be a little careful when you use paper—don't take one, two, three layers'.
3: With [name of founder], it might be a little during the first day.
4: I remember the first day at least.
2: So, just that with the paper towels is probably learned within the first day … I would think, haha. (Company B)

In another company, one employee described how the founder instructed her to close the door to save energy on her first day at work.

It was perhaps the first thing he told me: 'Remember to close the storehouse door so we don't let too much heat out'. [The message that] 'here, we do it this way', I think it was on day one or two, and that was okay. You get it straight away and it doesn't take too long. You don't get a formal letter about new guidelines for the farm. (Company E)

These quotes highlight how the founders emphasise the importance of communicating pro-environmental behaviour to newcomers from the beginning. Additionally, Company G organised newcomers into teams with experienced employees to ensure that they followed the green routines. *"If someone is going to the greenhouse to fetch herbs in boxes, there's one person who knows it and then there might be one or two who don't have that much experience"* (1, Company G).

Alongside the behavioural instructions, the founders explained the rationale behind specific practices and gave recommendations to the employees. *"To be environmentally friendly originates from humans, so if I throw away paper in the bin, he [the founder] says—you have to throw it in the paper bin, because we recycle that"* (2, Company C). In this quote, the employee describes how the founder supervised him, taking a more cautious approach compared to the more direct behavioural instructions outlined above. Some founders were reluctant to give direct instructions and highlighted that autonomy and motivation was important; thus, they allowed the employees to try out on their own and waited for them to ask for guidance.

Due to the size of the business, several of the founders mentioned that they were able to work closely with their employees. This made it possible to monitor employee behaviour—something that might not be achievable in larger organisations with more spacious office layouts and complex structures.

1: Here [it] is so small that you see everything. You get an overview, basically.
2: I would say you have incredibly good control, at least. (Company F)

In addition to size, being a family-based company could be beneficial for transferring environmental values and practices to employees. To sum up, the above accounts exemplified how the founders influenced employee environmental behaviour by giving instructions and various forms of guidance.

3.2.2. Transferring values

Most founders did not have outspoken values that were vocalized, or clearly articulated. Several participants avoided answering questions about values; they changed the focus to describing work routines and how these were performed in practice. Among the opponents and frugals, both founders and employees struggled to express the company values.

Interviewer: What would you say the core values were from the start?
1: Let's see … perhaps we've never been concerned about such, to think about those things (Company E).

Later, when asked about values, he replied to the question by describing how pesticides posed a significant threat to birds and insects.

Interviewer: Thinking about the environment, or thinking green, was that a value from the start for you?
1: Yes, I would almost definitely say so. It was like … Swallows, Great Tits and Blue Tits were absent around fruit farms and that's wrong, actually, haha. And not least bees, well, they get sprayed to death. (Company E)

The questions about values were often answered indirectly; however, they seemed to spark reflection on practical aspects of environmental issues. One founder reasoned that it is typical for small-scale companies to lack the time to discuss goals and values.
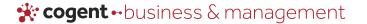
1: A lot of these things are there, but you might not speak much about it, because the work we do is hands-on, and then the day is over, and then …
3: It is often non-stop. (Company B)

The participants stressed that starting a business is demanding, and several participants discussed the difficulty of following up on strategic work, such as value processes and the formulation of goals and visions.

The environmental values were seldom explicitly discussed among the opponents and frugals; however, the green values essentially originated from a common base, because they were family-based companies. For instance, the employees were the ones that initiated an explication of the green values in Company E (opponents).

2: Well, it's there. After all, it's the foundation stone, right? So, when we make decisions, we keep it in mind. Well, we're almost obliged to do so.
1: We're now trying to manage a little more with new ways of cultivating strawberries, and besides, we're going in for grapes and wine production and will continue this, and well, that's also green per se. What we do is just green stuff, really. (Company E)

Nevertheless, Company A's founder highlighted the importance of recruiting employees who shared their environmental values. *"It's exceedingly difficult if you engage someone with other values than you. It's a lot easier if you engage someone that thinks like you"* (1, Company A). He also compared being a family company with a unified culture: *"It's either fit in or fuck off"* (1, Company A).

Additionally, the founder of Company E discussed the challenge of including seasonal workers in the environmental endeavour, which points to the limits of founder influence. He further emphasised the importance of inner motivation—hence his efforts to hire people that were genuinely interested in organic cultivation.

> You're at least running into trouble if you engage people that aren't interested in ecology. Like … It's just to do a job. But when you produce organic, you need to have a little passion and think it's fun, basically. (1, Company E)

Several founders identified the potential in hiring green employees: namely, that it enables a dynamic interplay that contributes to developing the green climate.

In contrast to the tacit approach of the opponents and frugals, the activist founder pursued a direct approach: he invited the new employees for a motivational walk, which introduced them to the environmental vision of the company.

> When we take on a new employee nowadays, well, then I'll go for a walk with that person and drill in very clearly the kind of visions we have … and well, I notice that most young people that start in our business have a sparkle in their eyes, much because of that environment part. And well, that's about leadership in general, you have to sell the … a good leader often highlights a clear vision. (1, Company C)

Thus, the founder of Company C believed the environmental vision sparked enthusiasm and motivation at work. His use of the expression *"sparkle in their eyes"* might reflect his own projection and/or emphasis on environmental work. However, among the activists, the active engagement of the founder strongly influenced the establishment of shared environmental values. One participant expressed that the environmental values of the employees reflected the environmental values of the founder: *"Yes, I believe it isn't a shared perception, it's the company's environmental values from [the founder's] environmental values, and that influences all of us, because we're in the company"* (3, Company C). This statement illustrated that the founder may have had a strong influence on the employees. This corresponded to the notion of the founder: he believed the employees' perceptions were an *echo chamber* of his environmental philosophy. *"Indeed … I think it would become an echo chamber of what I just said … that goes without saying, I talk a lot about this. So, well, they sit and listen a lot about it. Haha, yes"* (Company C). Moreover, the workers in Company E highlighted the importance of the environmental vision of the founder in promoting a shared green focus. *"But if [1E] hadn't been so into his own vision, then I think it would have gone down very quickly. So that, in a way, he is so clear all the time, I think it's important"* (3, Company E). This participant stressed that the founder had a significant role in creating engagement and motivation.

Participants from the ideologist companies discussed values explicitly; both of these companies had frequent meetings to discuss a variety of topics, from practical matters to more abstract and philosophical themes. Some newcomers shared the company values, while temporary workers could either absorb them or not. The founder of Company G had a clear articulation of their core values: *"An ecological understanding might be expressed in several different ways, for sure, but … it's like a fundamental value in everything, in a sense"* (1, Company G). He also reflected on how people are constantly changing and influenced by their surroundings.

> Clearly, if someone is here for a month or a year, then they're a different person than when they first arrived, anyway. But like, we do not have a very proactive approach toward consciously influencing people, that what we do is the only proper teaching … and ideologies are a bit scary, as ideologies are sort of an attempt to make reality fit into a type of model, and reality never fits into a model, really. (1, Company G)

This founder stressed the importance of embracing individuality; through their organic production, he aimed to inspire other people to discover their own motivation. In Company D, one participant problematised the behaviour–value relationship.

> It is a difference between knowing and doing, in all of us ... You have to have much tolerance with each other. You can know what is best, but it is not always you are in the mood to do the best, haha, we are human ... [Regarding] values I think, we are quite common ... but, doing some days better, some days not. (1, Company D)

This participant thus had a constant awareness of the environmental issues, and a tolerance toward people not always acting in accordance with their values. This kind of philosophical underpinning among the ideologists produced a higher level of reflection, compared to members of the other companies.

   To summarise, the way these leaders supervised and instructed their employees seemed to be an important aspect of establishing green routines and shared environmental values. The strategies of influence varied amongst the founders: the frugals and opponents guided their employees in a direct manner, the activist actively supported green initiatives, while the ideologists approached this topic more carefully by exerting their influence indirectly. The founders all facilitated pro-environmental behaviours by enhancing the awareness and significance of greening efforts, depicting environmental norms, and demonstrating behaviour as role models. In Company E, for instance, the lack of a common language was a barrier for integrating seasonal workers. However, the analysis revealed that a strong green climate was established for permanent employees. The above section analysed how the founders attempted to transfer their environmental values to employees. Although most founders did not speak directly to their employees about values, they seemed to be indirectly communicated through action. Thus, the analysis illustrated that the green focus did not seem to evolve gradually; it was established by the founders from the outset. As such, these companies were *born green* and driven by an inherently green logic.

3.3. Self-reported environmental perceptions and motivational categories
Finally, the self-reports on the environmental climate scale, environmental initiative scale and the PEB scale were analysed and related to the motivational categories. There were major differences among the companies, and seemingly, scores on the three different self-report scales were unrelated to each other (Table 2).

   Interestingly, these results (Table 2) may be related to the founders' motivation extracted from the analysis of the focus group interviews. The participants in the opponent category (A and E) scored highest on pro-environmental behaviour; the participants in the frugal category (B and F) scored highest on initiative; the participants in the activist category (C) scored low on pro-environmental behaviour and initiative; and the participants in the idealist category (D and G) scored low on environmental climate and initiative. In sum, the results from the questionnaires reveal similarities within the companies in the same motivational categories. This indicates that there might have been substantial similarities within the motivational categories, extending beyond the drive to found a green company.

   A one-way ANOVA was conducted to quantitatively analyse the differences between the motivational categories. There was a significant difference between the motivational categories related to environmental initiative, $F(3,24) = 4,18$, $p = .016$, but there was not a significant difference related to environmental climate, $F(3,24) = 2,42$, $p = .091$, nor environmental behaviour, $F(3,24) = 1,09$, $p = .372$. A Tukey HSD post hoc test was conducted to determine which motivational categories differed on the environmental initiative scale. This revealed that the frugals differed significantly from the activists ($p = .020$). The frugals also differed from the idealists, but the

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Table 2. Environmental climate, pro-environmental behaviour and environmental initiative							
Name of Company		Environmental Climate		PEB		Environmental Initiative	
	N	*M*	*SD*	*M*	*SD*	*M*	*SD*
Company A	3	4.79	0.16	3.83	0.50	4.13	0.19
Company B	5	3.75	0.29	3.42	0.36	4.36	0.29
Company C	4	4.34	0.14	3.30	0.45	3.75	0.48
Company D	6	4.13	0.31	3.70	0.35	4.17	0.29
Company E	3	3.96	0.41	3.80	0.57	3.93	0.34
Company F	4	4.06	0.41	3.63	0.44	4.65	0.41
Company G	3	3.83	0.06	3.50	0.45	3.73	0.09

difference was non-significant (p = .078). This suggests that the motivational category *frugals* produced the environmental initiative effect.

To summarise, there were differences between the motivational categories regarding employees' willingness to take environmental initiative and consider environmental issues in decision-making processes. Thus, the data from the questionnaire helped confirm the existence of the motivational categories identified in the qualitative analysis.

4. Discussion

The main finding in this study is that the founder exerted a significant and continuing influence on the employees' environmental practices and decision-making. The results suggest that the founder was central to the establishment and maintenance of a green climate, which is in line with Schein's (Schein, 1983) studies on how organisational cultures evolve. The employees may have strengthened the green strategy, but it seems likely that the entrepreneur would have succeeded in his/her greening efforts regardless of the employees' support. Notably, the vital role of the founder was not a focus of the study at first; however, during the analysis it became obvious that their influence strategies were decisive. They exerted this influence in several ways, from direct instructions to more careful supervision; nevertheless, their influence remained strong. Moreover, the founders maintained the green focus, regardless of the employee responses. The results from the present study highlight the pivotal role of the founder in shaping and determining the environmental focus of small companies (see, also Del Giudice et al., 2017for similar findings; Roxas & Coetzer, 2012), and as such are part of a growing literature demonstrating the relevance of developing a green climate (Khan et al., 2019; Norton, Parker et al., 2015; Norton et al., 2012, 2014; Robertson & Carleton, 2017).

This article expands the entrepreneurship literature by showing that various motivations among founders may have substantially different impacts on the developing green organisational climate. Although entrepreneurial motivation in general is discussed in the literature, it is seldom specified (Barba-Sánchez & Atienza-Sahuquillo, 2017; Frese & Gielnik, 2014; Murnieks et al., 2019). The analysis showed that the founders were quite different with regard to the origin of their green focus. For the opponents and the frugals, the green practices formed the basis for the elaboration of the green climate, and ultimately the formulation of green strategies. Yet, the activists and the ideologists had a primarily political or ideological drive. The activists used the company to promote their values and actively engaged in political discourse on environmental issues. The ideologists also had a political agenda, but did not engage in public discourse; their approach was to act in accordance with their values and attempt to influence by example. While the ideologists refrained from open discourse to avoid shaming others, the activists were not afraid of confrontations. The opponents defined their identity in contrast to society in general; at some point they started to despise consumerism, and actively chose another path. Within the company, the opponents actively engaged in shaping the
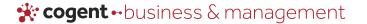
green climate. Both the activists and the opponents actively opposed the mainstream society, and took a minority position. The frugals differed from the other motivational categories in that they did not have a political agenda nor an opposing position: they seemed to continue doing what they considered the right thing regardless of the surrounding society. Thus, an important implication of this study is that a variety of motivations may be successful in constructing and maintaining a green endeavour. Additionally, the results indicate that the type of motivation makes a difference, as reflected by the varying levels of environmental initiative in each organisation.

The findings of this study indicate that founders, who are driven by values and a conviction to do something for the environment, seem to have a high chance of succeeding in creating an environmentally sustainable organisation. While some previous studies argue that small companies are lagging behind in promoting a sustainable attitude (Aguado & Holl, 2018; Masurel, 2007), the present study suggests that small organisations may actually drive greening processes. Contrary to the study by Shepherd et al. (2013), which reported that entrepreneurs may disengage their pro-environmental values in assessing profit opportunities, the founders in the present study persistently engaged in actions consistent with their values, regardless of economic concerns. Their values seemed to be at the core of both strategic choices and everyday practice and acted as guiding principles, in line with Schwartz's theorising (Schwartz, 1992; Schwartz et al., 2012). The results point to the importance of ideology and meaning as driving forces, in accordance with research on the significance of ideology in social entrepreneurship (Dey & Lehner, 2016). Unlike challenges typical of hybrid organisations related to conflicting demands, these participants seemed to experience coherence, and environmental values seemed to trump economic concerns (Battilana & Dorado, 2010; Jay, 2013).

Since these companies are all small, their environmental impact is not great; however, the mechanisms by which the green climate is formed are interesting to study, because these same mechanisms may play a role in larger companies. Moreover, these companies could grow and constitute the core of a larger corporation in the future. Larger companies certainly meet challenges. For instance, the founder is unable to provide follow-up, give feedback, or instruct employees directly; therefore, they must depend more on organisational procedures and practices, which is reflected in a green climate. One implication for practice is that the direct strategies of influence that were identified in the present study must be replaced by alternative approaches in larger companies, such as strengthening the green climate. The cultural context is relevant because employee involvement and the significance of the organisational climate could be of greater importance in cultures characterised by low levels of hierarchy. In line with this, employees in the present study were involved in decision-making and were able to influence the environmental focus. It should be noted, however, that the founders employed a variety of influence strategies that are normally associated with hierarchical organisations—while this finding was unexpected, it further underlines the crucial role of the founder.

According to Rogers (2003), innovators represent only a small proportion of the population that are at the forefront, creating the changes they want to see in society. The participants in this study did not simply adopt existing environmental solutions: they created novel solutions, did things differently than the majority, and looked for ways to improve. In line with Rogers' (Rogers, 2003) theorising, they could be categorised as innovators and may play a central role in the development of novel green and sustainable solutions to environmental challenges (see, also De Bruin, 2016).

Extending beyond the literature on entrepreneurship, the results of this study have implications for organisational theory. The analysis indicated that the founders succeeded in establishing shared perceptions of a green organisational climate, and that it is possible to develop a green climate without connecting it to a green strategy. Even without the strategic element, because of their integrated character, the companies in the present study leaned toward the embedded end of the peripheral–embedded continuum of environmental sustainability suggested by Aguinis and Glavas (2013). Furthermore, the green focus was a defining feature from

the outset, which is often associated with embedded approaches (see, Pandey et al., 2013). Moreover, small organisations are not structured; hence, green changes do not follow an orderly sequence of steps, as suggested by the strategic responsibility management model and other structural approaches to organisational development (Aguinis & Glavas, 2013). In the present study, the founders played a pivotal role in all the entrepreneurial phases; from the start-up phase, through the expansion phase, to the stable phase of managing the company. Furthermore, the establishment of a green organisational climate did not depend on the formation of a green strategy in the initial phase, as suggested by Aguinis (Aguinis & Glavas, 2013), but seemed to depend on the founders' presence and their direct influence on environmental practices, in line with the systems theory of greening (Flagstad et al., 2021). The present study thus advances theorizing on green change by suggesting that there might be alternative routes to greening.

4.1. Implications for practice

Entrepreneurs can learn from this study that their approach toward environmental aspects of their business can shape the formation of a green organisational climate. Results indicate that successful entrepreneurial influence strategies are: direct behavioural instructions, supervision, leading by example and employee involvement. Including the green focus in employee selection strategies may be intuitively clear; it enables the recruitment of employees who will fit with the organisational climate, and also represents an opportunity to strengthen and develop the environmental practice. This study helps entrepreneurs understand their potential influence on the green climate and encourages them to maintain a strong motivational position.

4.2. Suggestions for future research

To further investigate the effect of founder motivation on green climate and environmental behaviour, future studies are advised to explore these phenomena in larger samples. In addition, it would be interesting to relate motivational categories to research on founder identities, which has also been shown to influence business formation (Fauchart & Gruber, 2011; Wagenschwanz & Belz, 2017). Founder identity has been found to play a significant role in explaining social entrepreneurship in particular (Wagenschwanz & Belz, 2017), indicating that founder identity is highly relevant for green entrepreneurship.

4.3. Limitations of the study

This study focused on small-scale companies characterized by face-to-face interaction. However, the significance of founder influence on behaviour is likely to be less profound in large companies. Furthermore, this was an in-depth study of seven Norwegian manufacturing companies with a green profile, and the findings may be specific to this context. Finally, this study was conducted in a culture characterized by low levels of hierarchy, and the results may not be generalized to more hierarchical cultures. Future studies may extend to other cultural settings, different industries and to larger companies. Nevertheless, we believe that the present study contributes to advance our understanding of the establishment of a green organizational climate.

5. Conclusions

The emergence of a pro-environmental organisational climate in these small-scale companies seemed to depend on the environmental engagement of the founders. A green practice was the core of the environmental focus, whereas strategies and visions appeared to be of less importance. For the founders, the environmental focus was present from the outset and evolved through a process of constantly questioning and improving procedures. The founders had different but strong motivations to *go green*, which formed a solid drive toward developing sustainable practices. Moreover, the founders played a significant role in establishing and determining the development of the green climate in these companies, which was formed and strengthened through face-to-face interactions.

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