

Navigating The Paradox Of Sustainability And Market Logic: a Qualitative Study On Sustainable Fashion Entrepreneurship



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Abstract

The fashion industry is currently at an inflection point, moving from the traditional linear fast fashion approach to the new paradigm of sustainability. Sustainable Fashion Entrepreneurs (SFEs) are the driving force behind the transition, but they are faced with unique challenges in balancing the "ethical imperative" with the "market imperative." This study aims to examine the intricate relationship between sustainability and viability from the SFEs' perspective, using a qualitative approach based on Resource-Based View (RBV) theory and Institutional Theory. Our study aims to examine the approach SFEs take in surmounting the challenges they face in the transition from the traditional fast fashion approach to the new sustainability paradigm, creating value in the process. Using a purposive sampling approach, we conducted semi-structured interviews among 34 respondents, comprising 22 industry practitioners and 12 consumers. Using Gioia's approach, we identified four dominant themes: Ethical Tension Management, Supply Chain Integrity, Market Perception and Consumer Education, and Entrepreneurial Resilience. Our study contributes to the literature by providing an understanding of the trade-offs SFEs make in the sustainability approach, which can be beneficial in creating a new paradigm in the fashion industry. We propose a framework illustrating how SFEs capitalize on authenticity and transparency as distinctive resources to counterbalance institutional pressures. Our research contributes to the literature by providing a nuanced understanding of trade-offs in sustainable decision-making and its practical implications for developing a sustainable fashion ecosystem.

Keywords: Sustainable Entrepreneurship; Fashion Industry; Emotional Labour; Institutional Theory; Resource-Based View; Qualitative Study.

1. Introduction

The global fashion industry, over time, has been recognized and celebrated for its symbolic representation of modern consumerism, contributing to the overall economic development and providing employment opportunities for millions of people worldwide. However, under all this glamour and glitz, the fashion industry has been described as an industry in crisis, with its fast-fashion approach leading to a legacy of environmental degradation and exploitation (Fletcher, 2010). The nature and mode of operation of the fashion industry, with its approach to volume, cost, and velocity, have led to devastating negative externalities, with estimates suggesting that it contributes to 10% of global carbon emissions and freshwater pollution, among other environmental degradation (Todeschini et al., 2017).

However, while large corporations are taking "sustainable" actions such as capsule collections and material swaps, others have also argued that such actions are surface-level and, therefore, "greenwashing" and indicate a culture that is more concerned with symptoms than causes, such as over-production and a growth-at-all-costs mind-set (Hansen & Schaltegger, 2013). On the other hand, a new phenomenon, Sustainable Fashion Entrepreneurs (SFEs), has emerged, and this

phenomenon is critical, whereby, unlike the aforementioned, they are not adding sustainability to an existing system, they are, in essence, "unmaking" the unsustainability of the fashion industry and embedding ethical principles into the DNA of their ventures (Heinze, 2020). However, they are also faced with the challenges of traditional practices, sustainable supply chains, and the regulatory system, especially in Asia. However, despite the importance and prominence given to SFEs, a critical gap in terms of the internal dynamics of the SFEs' practice has been revealed through the literature, whereby, although the literature is filled with studies on macro-level concepts, such as the circular economy and sustainable business models, the "micro-level" and day-to-day trade-offs are ignored.

The SFEs are in a unique "double bind." They also have to cope with the regular competitive demands of the market, such as capitalization, supply chain management, and customer acquisition, while at the same time having to adhere to an inflexible set of ethics with regard to the environment and society. (DiVito & Bohnsack, 2017) Further, for entrepreneurs in Asia, the added burden is that they have to navigate through an unstable market environment and lack the support of the government.

So, one wonders how an entrepreneur is going to adhere to ethics when, in reality, the market demands that they reduce costs and time to market. Moreover, there has been an absolute lack of discussion on how an entrepreneur copes with the psychological pressure of carrying out this task. Heinze (2020) has, in fact, shown that there is tremendous "emotional labor" placed on the SFEs. Moreover, how they cope with this phenomenon is something that has not been researched properly.

Also, there is the disconnection between the value proposition offered by SFEs and the value proposition perceived by consumers. Sustainability, in fact, is now being sold as a value proposition, and yet, the "attitude-behaviour gap" is a major impediment for entrepreneurs to scale up these ventures (McKeown & Shearer, 2019).

This is especially true in the case of the market in China, India, and other emerging Asian economies, where sustainable fashion is still in its infancy and is considered more of a niche market rather than being part of the mainstream market. We hope to narrow some of the gaps that exist in the case of sustainable fashion entrepreneurship through the exploration and analysis of the experiences related to sustainable fashion entrepreneurship, especially in the Asian market. We do not consider sustainability as an attribute, but as an important constraint that impacts every dimension of the business logic. We hope to answer some of the following questions: How do sustainable fashion entrepreneurs in the Asian market handle the interface between sustainable and market? With a qualitative approach, we hope to reveal the intricacies associated with such trade-offs, the creative ways in which entrepreneurs attempt to overcome such structural limitations, and the importance of human agency in influencing industry trends, especially in relation to the Asian market.

Fashion business has, over time, been characterized by a paradigm shift from high consumption rates, economic growth, and environmental degradation. However, with the emergence of sustainable fashion entrepreneurship, there has been a dramatic shift from the status quo, introducing a new form of values, challenges, and operational dynamics in the fashion industry. This literature review aims to establish the conceptual evolution of sustainable fashion entrepreneurship, considering the trade-offs associated with market forces and ethical dilemmas, operational dynamics, and psychological attributes associated with sustainable fashion entrepreneurs.

2. Literature Review

2.1 The Transition from Fast Fashion to Sustainable Business Models

The dominant paradigm in the apparel industry over the last two decades has been "fast fashion," which means rapid acquisition and disposal of mass-produced, standardized products (Fletcher, 2010).

Even though this approach has been highly effective from a business point of view, it has given rise to a number of negative externalities like environmental pollution, depletion of resources, and exploitation of labor (Todeschini et al., 2017). Thorisdottir and Johannsdottir (2019) have stated that "apparel products have been based on a linear business concept, 'take, make, waste,' without considering the consequences of the products at the end of their life cycle."

In response to this, the counter-movement has been formed, and the need for a new approach to value creation was called for. Sustainable entrepreneurship is defined as the pursuit of entrepreneurial rents while solving environmental and social problems (Cohen & Winn, 2007). This, in essence, means that it is necessary to not just innovate the product but also the business model. This is especially important in the fashion industry. Todeschini et al. (2017) note that innovators such as upcycling, recycling, and using vegan materials are part of the innovative sustainable business model. However, they note that the gap between the theoretical and practical is significant, especially when considering the environmental and social sustainability aspects. The problem, therefore, is not the sustainable practice, but how it is incorporated into the business model. This means that it is necessary to move away from the pursuit of scale and efficiency to factors such as traceability, durability, and transparency, especially in the fashion industry.

Sustainable fashion entrepreneurs in Asia also differ from those in the Global North. For instance, for entrepreneurs in countries such as India and China, they encounter traditionalism and sometimes problems related to a lack of rules and regulations on sustainability. The lack of supporting government policies in different countries and regions, and also the lack of sustainable materials, have also been problems for sustainable fashion entrepreneurs.

2.2 Dual Orientation and Decision-Making Trade-offs

One of the key characteristics of SFEs is their "dual orientation." Unlike other entrepreneurs who are primarily engaged in the pursuit of economic growth, SFEs have an EO and an SO, according to DiVito and Bohnsack (2017). This "dual orientation" of SFEs has led to a "paradox" for SFEs, who have to "identify and capitalize on opportunities while maintaining a conviction to grow the business in the most ecologically and socially responsible way possible" (DiVito & Bohnsack, 2017, p. 5). The answer to this "paradox" for SFEs involves a complex process of trade-offs in decision-making. There are three different decision-making styles for SFEs, according to DiVito and Bohnsack (2017), i.e., singular, flexible, and holistic, based on whether one dimension, like ecology, is prioritized over others,

whether there is a willingness to make compromises among different dimensions, and whether all dimensions are considered together, respectively.

This process of trade-offs may not be avoidable, and SFEs may have to face a moral dilemma in making decisions, for instance, whether to use organic cotton or recycled materials, where one might be more expensive than others and the other might raise doubts regarding its durability.

Furthermore, the motivation for undertaking this hard task also varies. Ivanova et al. (2026) provided some insights from a cross-cultural perspective. According to Ivanova et al., the motivation for undertaking SFE in the GN is based on "conscious guilt," while in the emerging economies, it is based on "appreciative compassion." This indicates that the motivation for undertaking sustainable entrepreneurship is not universal, and its roots are deeply embedded in the socio-economic and cultural contexts of the region. Further, the motivation for undertaking SFE in Asia also varies, especially in the emerging economies, as environmental concerns are linked to the process of industrialization. Similarly, in countries like India, the motivation for undertaking SFE is based on both social justice and eco-conscious consumers.

2.3 Operational Challenges: Supply Chains and Institutional Voids

However, the structural hurdles to building a sustainable business model are significant, and one of the significant hurdles is "the complexity and opaqueness of supply chains." In fast fashion, the supply chain is often outsourced to countries that have less stringent labor and environmental regulations, and this is a significant hurdle for brands to be accountable for (Boonstra, 2021).

According to Boonstra (2021), SFEs suffer from a "lack of green supply," and this implies that they have to build their own supply chains, rather than relying on existing ones. This is where "bricolage," or making use of what one has, and "effectuation," or focusing on means rather than ends, become important concepts for entrepreneurs. This is an "arduous task," and this implies that entrepreneurs have to shift from a "causal planning approach," or a thought-out approach, to a more creative approach, or a "learning approach" (Boonstra, 2021). In addition to these, Hansen and Schaltegger (2013) also talk about the "co-evolution of pioneers and incumbents," or startups and mass market retailers. They suggest that, while pioneers introduce "radical" sustainable innovations, "watered-down" versions of these innovations can be seen among the incumbent firms. However, they also acknowledge examples where incumbent firms set even higher standards, implying an "innovation diffusion" process. Yet, structural inertia in the fashion system remains a barrier. McKeown and Shearer (2019) also point to how the "attitude-behaviour gap"

among consumers, who claim to care about sustainability but do not act on this by buying sustainable products, remains a problem, especially due to how unsustainable fashion is perceived: "Unsustainable fashion is often seen as inaccessible, costly, and/or aesthetically inferior to unsustainable fashion."

With regard to SFEs in Asia, there are also problems related to a lack of proper infrastructure and a disorganized market for sustainable products. For instance, an "informal supply chain" has to be developed by SFEs, and they also have to work with artisans. This, however, can also be a risk for SFEs. For countries like China and India, there is also the problem of "unavailability of green supply chains" since, in these countries, supply chains have not yet been affected by green thinking.

2.4 The Role of Emotional Labour and Virtue Ethics

Besides the operational and strategic issues, another feature of SFE, though less explored, is the emotional and ethical impact on the founder. Heinze (2020) proposed the concept of "emotional labor" in relation to SFE. She argued that because SFE is often driven by prosocial motivations, such as environmental protection or social justice, emotional labor is extremely high. The SFE founder must cope with the guilt of not being "perfectly sustainable" at the same time being financially insecure and struggling against an unsustainable system.

This emotional labor is directly linked to the virtues of SFE. Werner et al. (2025) followed the virtue ethics approach, as conceptualized by MacIntyre and Jonas, to identify the virtues of SFE, which help them transcend the corrupting impact of marketization. Unlike other entrepreneurs, SFEs possess the virtue of "postgrowth" orientation. Werner et al. (2025) described how SFEs, through the virtue of temperance, can overcome the "go big or die trying" philosophy of the fashion industry and instead prefer organic growth without compromising their ethics.

However, it is because of this reason that they have to pay a price. The transparency and fairness to the workers have created an unsteady financial state. According to Heinze (2020), the factor of emotional labor makes it hard for other SFD entrepreneurs to attain reproductive potential in sustainable fashion design. The challenge is a barrier to new entrants, hence slowing down the transition process. For SFEs in Asia, they have an emotional challenge in balancing the traditional family business values and the need for SFEs to be sustainable.

2.5 Conclusion and Research Gap

The literature shows that sustainable fashion entrepreneurship is a multifaceted and multidimensional concept. While literature is

available on business model innovation (Todeschini et al., 2017), as well as the trade-offs that are a part of decision-making (DiVito & Bohnsack, 2017), there is a need for further qualitative research on the interplay between these concepts. Specifically, the interplay between the operational "bricolage" concepts presented by Boonstra (2021) and the "emotional labour" presented by Heinze (2020) need to be synthesized. The extent to which the "emotional labour" experienced by the founder influences the strategic supply chain decisions, and the extent to which "authenticity" as a virtue is a resource for closing the attitude-behaviour gap for consumers, are areas that need to be addressed. The study is intended to bridge this gap through the application of a Resource-Based View and Institutional Theory approach to understanding sustainable fashion entrepreneurship. Through the synthesis of perspectives from industry professionals and consumers, this study is intended to offer a holistic understanding of the mechanisms that govern value creation for sustainable fashion.

3. Research Design

3.1 Research Philosophy

This research follows an interpretivist paradigm, recognizing that sustainable entrepreneurship reality is socially constructed and subjective in nature (Creswell & Poth, 2018). We seek to understand what sustainable entrepreneurship means to entrepreneurs in terms of their struggles and triumphs, rather than measuring objective

results. This approach is appropriate in examining the "how" and "why" of decision-making trade-offs.

3.2 Data Collection

For this study, we opted to use a qualitative approach, and for this, we relied on semi-structured interviews as a major tool for collecting data. This is because, through this tool, we are able to delve into particular trade-offs and emotions (Gioia et al., 2013).

Sampling and Participants: We opted to use a purposive sampling approach to get 34 participants for this study. The sample was bifurcated into two groups to ensure that we got a multiple perspective on this industry. The groups are:

Industry Professionals (N=22), this included founders, creative directors, and sustainability managers. We wanted diversity in terms of years of operation, startups, and established brands to ensure that we got a range of experiences.

Consumers (N=12), we targeted consumers who have different levels of engagement with sustainable fashion. Data was collected over a period from January 2023 to March 2023. The interviews were done through Zoom, lasting 45-60 minutes. The interview protocol was designed in two parts. First for Professionals, we asked about the origin of the business, ethical dilemmas faced, difficulties faced while sourcing, and the stress of running the business. For Consumers, we asked about their purchase behavior, "sustainability," price, and trust.

Table 1: Profile of Interview Participants

Respondent Profile	Particular	N	%
Group A: Industry Professionals	Designation		
	Founder/Owner	12	35%
	Creative Director/Designer	6	18%
	Supply Chain/Sustainability Manager	4	12%
	Years in Operation		
	0-3 Years (Startup)	8	24%
	3-7 Years (Growth)	10	29%
	7+ Years (Established)	4	12%
Group B: Consumers	Purchasing Frequency		
	Weekly (Fast Fashion frequency)	5	15%
	Monthly	4	12%
	Rarely/Specific Occasion	3	9%
Total		34	100%

3.3 Data Analysis

The data analysis process followed the very stringent Gioia methodology (Gioia et al., 2013), which has been particularly effective in the development of new theoretical insights from the data, especially when the data is of the qualitative kind.

The data analysis process has been conducted in three very distinct stages in order to ensure the trustworthiness and rigor of the research.

Stage 1: Open Coding (First-Order Concepts) In the first stage, the data has been thoroughly analyzed, and two researchers coded the data independently, line-by-line. In the coding process, the principle of "informant-centric" coding has been followed, which means the words or concepts are very close to the words or concepts the participant uses in the data. To illustrate, when the participant talks about the "difficulty in finding a t-shirt manufacturer who does not use child labor," the code would be "ethical

vetting." Other initial codes would include "pricing anxiety," "consumer apathy," "transparency burden," etc., which eventually formed a repository of 112 first-order concepts.

Stage 2: Axial Coding (Second-Order Themes) In the second stage of the analysis, we shifted focus from the raw data to more abstract concepts. This entailed looking at the similarities and differences between the concepts obtained in the first stage and clustering them into second-order themes. For example, concepts such as 'pricing anxiety,' 'margin squeezing,' and 'customer education fatigue' were clustered into the second-order theme 'Market Friction.' Similarly, concepts such as 'burnout,' 'guilt,'

and 'passion' were clustered into the second-order theme 'Emotional Labour.' This process of axial coding was iterative and entailed constantly moving between the raw data and the second-order themes until we obtained 17 second-order themes.

Stage 3: Selective Coding (Aggregate Dimensions) In the third and final stage of the analysis, we attempted to organize the second-order themes into aggregate dimensions that would capture the essence of the phenomenon of interest. Through theoretical triangulation, we obtained four aggregate dimensions: Ethical Tension Management, Supply Chain Integrity, Market Perception, and Entrepreneurial Resilience.

Table 2: Data Structure (Gioia Methodology Overview)
Table 2: Themes and codes identified under "Ethical Tension Management"
Table 2: Data Structure (Gioia Methodology Overview)

First-Order Concepts (Informant Terms)	Second-Order Themes (Researcher-Centric)	Aggregate Dimensions
Balancing cost vs. sustainability impact	Ethical trade-offs in decision-making	Ethical Tension Management
Choosing between organic materials and fair wages	Prioritization under resource constraints	
"We cannot be perfect on all sustainability metrics"	Satisficing sustainability criteria	
Managing consumer reactions to high prices	Transparency vs. market acceptance dilemma	
Concealing cost breakdown to avoid backlash	Strategic opacity in communication	
Difficulty finding ethical suppliers	Supply chain constraints	Supply Chain Integrity
Lack of low-MOQ sustainable production	Institutional voids in supply chain	
Adapting designs based on available materials	Bricolage strategy	
Using leftover fabrics for production	Resource recombination practices	
Personally verifying factories and labour conditions	Relational governance and trust-building	
Consumers like sustainability but don't buy	Attitude-behaviour gap	Market Perception & Consumer Education
Perception of sustainable fashion as unattractive	Aesthetic barriers	
"Sustainability doesn't sell, design does"	Reframing value proposition	
Educating customers on pricing and ethics	Consumer education burden	
Time spent explaining product value	High customer acquisition cost	
Feeling responsible for workers and environment	Pro-social emotional burden	Entrepreneurial Resilience
Stress from ethical decision-making	Emotional labour intensity	

First-Order Concepts (Informant Terms)	Second-Order (Researcher-Centric) Themes	Aggregate Dimensions
Fear of compromising values for growth	Ethical identity preservation	
Rejecting investors for ethical reasons	Post-growth orientation	
Living with financial instability	Entrepreneurial precarity	

In the First Order Codes, it is about "Balancing cost vs. impact," "Managing consumer price sensitivity," "Satisficing sustainability criteria," and "Overcoming logistical barriers." Second Order Themes in which we find Ethical Trade-offs, Bricolage Strategy, Attitude Behaviour Gap. Aggregate Dimensions in which we find Ethical Tension Management, Supply Chain Integrity, Market Perception, Entrepreneurial Resilience.

3.4 Triangulation and Rigor

In order to ensure the validity of data collected, methodological triangulation was employed. We have compared the data collected through interviews with secondary data. Secondary data included sustainability reports, news articles, and the LinkedIn profile of the participants. We have compared the claims made by the participants, such as "we visit every factory."

4. Findings

Analysis of the findings

The analysis of the findings revealed a complex interaction between the entrepreneur, the supply chain, and the market. The findings are presented in four aggregate dimensions, which describe the specific mechanisms of SFEs.

4.1 Theme 1: Ethical Tension Management and the "Impossible" Trade-off

However, the most dominant theme was the presence of ethical tensions which cannot be resolved in a 'win-win' manner, as is so commonly argued in the business press. In fact, the sustainability goals would be in direct conflict with the business viability.

4.1.1 The Cost of Integrity

As the entrepreneurs pointed out, 'doing the right thing' has a direct and immediate financial cost. Unlike large corporations who enjoy economies of scale, SFEs face a higher cost of sustainable materials such as organic cotton or dead stock materials.

"We could double our margin if we switch to conventional cotton. Every time I sign a purchase order for organic fabric, which is three times more expensive, I feel the financial risk in my gut. It's like I'm being punished for being ethical." – IP-03 (Founder)

This resonates with DiVito and Bohnsack's (2017) study on trade-offs. Our results, however, reveal that SFEs do not simply view trade-offs as cost-benefit calculations; rather, they view them as ethical burdens. They tend to have a "flexible" decision-making approach, where one goal, such as reducing their carbon footprint through local production, takes priority, while compromising on another, such as using conventional, non-organic threads because of availability.

4.1.2 The Transparency Dilemma Another sub-theme that revealed a tension was that of the decision to be transparent or not. While the value of transparency is one that is encouraged by Werner et al. (2025), the participants found that this value was double-edged. Being transparent about the limitations of the supply chain, or the cost of ethical production, often led to alienation from consumers who saw "sustainability" as a marketing tool to justify high prices.

"I want to tell the whole story, that the buttons cost more because the factory pays fair wages. But I've learned that sometimes, people just want a button. They don't want a moral lecture. So, I have to hide the cost breakdown, or they think I'm ripping them off." – IP-07 (Manager)

This is a tension for the entrepreneur, as the value that is important to them (transparency) is one that is compromised for business success.

4.2 Theme 2: Supply Chain Integrity through "Bricolage" and "Effectuation"

The second important theme related to the operational aspect of building sustainable supply chains. The results supported Boonstra's (2021) assertion that SFEs do not have access to developed sustainable supply chains and therefore are obliged to use "bricolage," or the use of resources in a creative manner, and "effectuation," or the use of logic to control prediction.

4.2.1 Institutional Voids and Bricolage

The participants explained that the industry structure for sustainability was "broken." Standard suppliers had large MOQs, which smaller ethical brands could not afford.

"I spent four months cold-calling every factory in Portugal. No one would talk to me for less than 500 units. I eventually found a small artisan workshop willing to do 50 units, but I had to design the

collection around their leftover fabric rolls. I didn't choose the fabric; the fabric chose the collection." – IP-09 (Designer) This is an exemplary description of bricolage. The entrepreneur did not have the luxury of "resource fit"; rather, they had to adapt to the resources they had. This is an important skill set that is developed out of necessity.

4.2.2 The Burden of Verification Moreover, trust is a scarce resource. SFEs are highly sceptical about certifications like GOTS or Fair Trade and believe these are not enough or are even misleading. This has resulted in SFEs undertaking a highly intense process of personal verification.

"I don't trust certificates on paper. I fly to the factories. I check the safety goggles. I talk to the workers. That travel cost is not in the budget of a normal startup, but it is non-negotiable for us. We are building a relationship, not just a supply chain." – IP-18 (Founder)

This shows that the supply chain is not just a logistical process but a social relationship for SFEs. This level of intimacy with the supply chain increases the emotional labour of the founder who has to take the burden of the welfare of workers at the other end of the supply chain.

4.3 Theme 3: Market Perception and the Value Perception Gap

The third theme dealt with the consumer interface. The data clearly indicated the existence of a stark "attitude-behaviour gap," which justified the concerns raised by McKeown and Shearer (2019). The consumers admired the concept of sustainable fashion but were not willing to buy it.

4.3.1 The Aesthetic Barrier The consumers equated sustainable fashion with the "hippie" aesthetic, which became a barrier.

"I buy sustainable food because it's cool, but sustainable fashion looks so... beige. Like a potato sack. I want to look stylish, not like I'm wearing a statement." – C-11 (Consumer)

This led entrepreneurs to become innovative in the value proposition they offered to the consumer. The entrepreneurs realized that sustainability alone would not be enough to sell the product.

"We stopped putting 'sustainable' in the bold header of our ads. We started selling 'luxury texture' and 'timeless design.' Sustainability is the fine print, not the headline. If the product isn't beautiful first, the ethical message is irrelevant." – IP-05 (Founder)

4.3.2 Price Sensitivity and Education Price was still a major friction point, and entrepreneurs realized they were not just selling a product, they were selling a "re-education" of the consumer on the true cost of clothing.

"Fast fashion has conditioned people to think a shirt should cost \$15. I have to spend 20 minutes with a

customer explaining why my shirt is \$80. That's a high cost of customer acquisition—literally my time." – IP-12 (Founder)

In this statement, we find evidence that SFEs are "institutional entrepreneurs" and are trying to change the social norms around price and value in the market.

4.4 Theme 4: Entrepreneurial Resilience and the "Emotional Cost"

The last, and perhaps most moving, of the themes was the psychological reality of the entrepreneur. Consistent with Heinze (2020), emotional labour was found to be a competence factor.

4.4.1 The Burden of Pro-Social Motivation The 'passion' which drives SFEs is a double-edged sword: on the one hand it provides the motivation to carry on despite the odds; on the other hand, the entrepreneur's personal identity is linked with the success of the ethical mission.

"It's exhausting. If a normal business fails, the owner loses money. If I fail, I feel like I've let down every woman in that factory in India, and I've let down the planet. I carry the weight of the supply chain on my shoulders. That pressure is not in the business plan." – IP-06 (Founder)

4.4.2 Precarity as the Norm Financial precarity was an ever-present reality. Participants supplemented their ethical brands with other sources of income, living in a state of "noble poverty." However, this precarity was understood as an essential sacrifice to the "internal good" of the practice (Werner et al., 2025). The virtue of "temperance" was at play, as founders refused to grow at an unsustainable rate, even if it meant compromising on values.

"We are pitched by investors who want to scale us 10x. But scaling 10x means we lose control of the supply chain. We say no. We stay small. We stay poor, but we stay clean." – IP-21 (Founder)

5. Discussion

5.1 Theoretical Implications

The contribution to theory:

This research adds to the theoretical literature on sustainable entrepreneurship, transformation of the fashion system, and qualitative theory-building research in the following ways:

The present study adds to the Resource-Based Theory by conceptualizing non-traditional and intangible resources such as emotional labor, authenticity, and ethical commitment, which are critical to sustainable entrepreneurship.

The main focus of the Resource-Based Theory has been on resources such as valuable, rare, inimitable, and non-substitutable resources, also known as technological, financial, and knowledge resources, which are critical for gaining a competitive advantage in a competitive market environment.

However, in the context of sustainable fashion, such resources are scarce or non-existent, and what are critical and strategic are extremely personal and socially related, based on the value system and identity of the sustainable fashion entrepreneur, especially in the Asian market, where the importance of social and relational capital is more pronounced.

The results indicate that emotional labor, which was considered to be a psychological burden in the past, can also be considered as an asset. The willingness of the entrepreneurs to perform emotional labor in the verification of the supply chain, in the relationship with the stakeholders, and in the ethical decision-making process provides them with relational capital, which is extremely difficult to replicate by the competitors, especially the large-scale ones. The current study is an extension of Heinze's (2020) conceptualization of emotional labor as not only being a burden but also being an asset, which is related to the entrepreneurial process. Moreover, the importance of the concept of authenticity, as shown through transparency, storytelling, and ethical behavior, is revealed as an important factor in the differentiation of the entrepreneurial ventures in the market, as the market becomes increasingly skeptical regarding the sustainability efforts of the businesses, especially the large-scale ones, as they are considered to be responsible for the phenomenon of greenwashing. Second, this study also contributed to the development of Institutional Theory, especially with regard to how SFEs, as institutional entrepreneurs, practice their roles in a structurally constrained environment. Although the literature on institutional entrepreneurship has already conceptualized it as an activity where individuals aim to use resources to build or modify the institution, it is mostly focused on larger organizational or policy actors with significant structural power. However, in this study, emphasis is given to how small-scale entrepreneurs, with limited resources at hand, practice institutional work, especially in an Asian environment where regulatory guidelines have yet to be fully developed and are still in disarray.

From the study findings, it is shown that SFEs do not just react to institutional pressures, but rather reinterpret and refashion these pressures. For instance, with the practice of bricolage and effectuation-based approaches, SFEs are able to circumvent the use of traditional supply chains, especially when they are at odds with sustainability goals. Instead, SFEs are able to develop new supply chains based on trust, relationships, and ethical verification. In this sense, this study corroborates Boonstra's (2021) proposition that SFEs function in the "institutional voids." However, this study extends the concept further to show the innovation potential

of SFEs in the "institutional voids" rather than being confined by them.

5.2 Practical Implications

The implications derived from the findings of the current study have important implications for entrepreneurs, policymakers, the industry, and consumers, all of whom play an important role in the growth trajectory of sustainable fashion. Through an understanding of the realities of sustainable fashion entrepreneurs, the current study does not just highlight the problems faced by sustainable fashion entrepreneurs but also the solutions and interventions that need to be undertaken to promote sustainable fashion.

At the level of entrepreneurs, the most important implications derived from the current study is the need to reframe the value proposition beyond sustainability. The findings of the current study clearly highlight that while sustainability is an important factor driving the entrepreneurial venture, it is certainly not the only factor driving consumer behavior. Rather, consumers are driven by aesthetics, quality, and value, and sustainability is secondary.

Hence, SFEs can more effectively address the attitude-behaviour gap, as proposed in previous research (McKeown & Shearer, 2019). In terms of market positioning, it is imperative for SFEs to leverage luxury and high-quality designs as the main selling proposition, especially within the Asian market, where sustainability is still considered a niche market, especially in terms of emerging economies.

Moreover, another interesting finding of this study is the emphasis on the importance of developing hybrid business strategies for SFEs. In this regard, it is often argued that entrepreneurs face severe resource constraints, especially in terms of sourcing and production. However, it is interesting to see how entrepreneurs often leverage hybrid business strategies, considering the prevalence of bricolage and effectuation approaches. In this regard, it is imperative for SFEs to leverage flexibility and adaptability for achieving sustainability. In this regard, it is imperative for SFEs to develop an approach where they can experiment with supply chains, considering alternative forms of sourcing. Rather than focusing on achieving high levels of sustainability, it is imperative for SFEs to develop a phased approach for achieving sustainability.

This is consistent with the notion of "ethical satisficing" that was also found, where entrepreneurs make trade-offs to ensure the viability of the business. This is even more important for entrepreneurs targeting the Asian markets because, at times, the environment may require entrepreneurs to make flexible trade-offs because of a lack of access to particular resources and the need to adapt to a changing environment.

The findings also highlight the need for entrepreneurs to invest in consumer education as a strategic rather than a peripheral business activity. The sustainable fashion entrepreneurs are not just selling products; they are also involved in changing perceptions and behaviors among consumers regarding value, quality, and price. The educational task, however, is a significant time and cognitive drain for entrepreneurs, often taking time and cognitive effort away from other business activities. To mitigate this, sustainable fashion entrepreneurs can use communication channels such as digital storytelling, social media, and community engagement to spread the message of sustainable fashion more efficiently. Through this, sustainable fashion entrepreneurs can change the perceptions and behaviors of consumers regarding the value and quality of sustainable products, helping to reduce resistance to higher prices.

At the industrial level, the need for the development of collaborative infrastructure is emphasized. The most important problem faced by SFEs is the lack of accessible and sustainable supply chains, especially at the small scale. This, in turn, implies the need for the entire industry to collaborate and develop platforms that will ensure the entire industry is able to access sustainable resources and ethical production facilities. For instance, the development of low-minimum-order-quantity (low-MOQ) manufacturing infrastructure will be instrumental in ensuring that the barriers to market entry are eliminated for sustainable startups. Moreover, the development of a database of suppliers will also ensure that the burden of supplier verification is eliminated. This is currently done at the level of the individual entrepreneur. Not only will this ensure the efficiency of the entire industry, but standardization and cooperation will also be promoted. The development is also important in Asia, considering that the infrastructure is less developed.

From the policy perspective, the results highlight the need to develop interventions that move beyond financial incentives and tackle the system and structural issues. Although financial incentives are important in the short term, they are unlikely to tackle the system and structural issues that are acting as barriers to the development of sustainable fashion enterprises. Rather, policymakers need to develop an enabling environment that is conducive to sustainable entrepreneurship. An example is the development of system and structural regulations that are likely to encourage sustainable production. This could be achieved through the provision of tax holidays for sustainable materials and the imposition of taxes on harmful production methods. In addition, the policymaker has to consider the development of standards and regulations to deal with the problem of greenwashing. The problem of superficial sustainability claims by large companies

is negatively affecting consumer behavior. Moreover, the problem of greenwashing is unfairly impacting sustainable companies. Policymakers can level the playing field by developing standards and regulations to deal with the problem of sustainability reporting.

Another important implication of the study is with regard to the psychological and emotional aspects of sustainable entrepreneurs, which are generally neglected in the literature and practices.

One of the important implications of the study is with regard to the psychological and emotional aspects of sustainable entrepreneurs, which are generally neglected in the literature and practices. According to the study findings, emotional labor is a vital and continuous element of sustainable entrepreneurship and is a result of the pressure of maintaining ethical integrity in the face of financial uncertainty. It is of utmost importance to ensure that entrepreneurial support programs and networks provide support with mental health issues arising from purpose-oriented entrepreneurship. Emotional resilience is a part of the success of entrepreneurs.

Finally, the study has important implications for consumers, as well as society in general. The attitude-behavior gap indicates that individual consumer behavior is an important area to address in the quest to create a more sustainable fashion industry. While awareness of sustainability issues appears to be rising, action is what is required, and the consumer must be encouraged to move away from the price-driven approach to fashion and think about the consequences of their actions in general. Education and cultural factors can be said to be very important in this regard, particularly in the redefinition of sustainable fashion as desirable rather than alternative/niche.

Thus, in conclusion, it can be seen how the practical implications of this study underscore the point that the transition to sustainable fashion is not merely an individual entrepreneur's problem, but rather one that needs to be addressed at various levels. While it is imperative for entrepreneurs to be strategically flexible and innovative in terms of communication style, it is equally imperative for industry stakeholders to develop supporting infrastructure, policymakers to address barriers and encourage transparency, and consumers to be encouraged to align behavior with stated values.

6. Conclusion

The aim of the present research is to find out the ways SFEs deal with the balance between the demands of sustainable development and the demands of the market. The findings of the present research indicate that SFEs face a high-stakes game of equilibrium, in which the demands of the business and the demands of ethical integrity are at odds with one another. There is no such thing as a

'win-win' strategy; rather, satisficing and bricolage are the survival strategies of SFEs. This research contributes to the RBV Theory, which states that emotional labor, authenticity, and ethical commitment are strategic resources of SFEs. This research contributes to the Institutional Theory, which states that SFEs in Asia, as institutional entrepreneurs, construct alternative supply chains and consumerism with transparency and education. The attitude-behavior gap, however, remains a challenge in changing individual behavior without systemic intervention. From a practical point of view, SFEs have to rethink their value proposition, emphasizing design and aesthetics and including sustainability as a secondary message. Policy makers have to develop shared infrastructure and encourage low-MOQ production for supporting sustainable entrepreneurship. Emotional labor being an occupational hazard, mental health support systems have become a necessity.

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