BBR BRAZILIAN BUSINESS REVIEW

ARTICLE

Entrepreneurs Competing between Legitimacy and Financial Sustainability in Times of COVID-19: The Role of Family and Friends' Support

Nohora Del Pilar Bohorquez[1]
ndpbf@hotmail.com | 0000-0002-7100-4047
Marisleidy Alba Cabañas[2]
marisleydia@gmail.com | 0000-0001-6935-6097
Luis Demetrio Gómez García[3]
l.gomez@pucp.edu.pe | 0000-0001-8038-5315

ABSTRACT

Entrepreneurship plays a significant role in a country's development, through new ventures and innovation. In recent times, entrepreneurs have incorporated sustainability into their practice to become more competitive and productive. However, during the COVID-19 pandemic, entrepreneurship has faced the challenge of deciding to allocate limited resources to maintain legitimacy. This paper analyzes the relationship between legitimacy and financial sustainability in COVID-19 times among Colombian entrepreneurs, moderated by family and friends' support. Primary data was collected through a survey of 219 Colombian entrepreneurs. The structural equation model technique was used to validate the model. The study findings revealed that legitimacy positively affects financial sustainability and is positively enhanced by the family's support of Colombian entrepreneurs while being negatively moderated by friends' support.

KEYWORDS

COVID-19, entrepreneurship, financial sustainability, organizational legitimacy, social capital

[1]Corporación Universitaria Iberoamericana, Bogotá, Colombia

[2]Fundación Universitaria Konrad Lorenz, Bogotá, Colombia

[3]Pontificia Universidad Católica del Perú, Lima, Perú

Received: 01/24/2022.
Revised: 06/20/2022.
Accepted: 11/26/2022.
Published: 10/17/2023.
DOI: https://doi.org/10.15728/bbr.2022.1192.en

Empreendedores que competem entre legitimidade e sustentabilidade financeira em tempos de COVID-19. O papel do suporte da família e dos amigos

RESUMO

O empreendedorismo desempenha um papel significativo no desenvolvimento de um país por meio de novos empreendimentos e inovação. Nos últimos tempos, os empresários incorporaram a sustentabilidade em sua prática para se tornarem mais competitivos e produtivos. No entanto, durante a pandemia do COVID-19, o empreendedorismo enfrentou o desafio de decidir alocar recursos limitados para manter a legitimidade. Este artigo analisa a relação entre legitimidade e sustentabilidade financeira em tempos de COVID-19 entre empreendedores colombianos, moderada pelo apoio de familiares e amigos. Os dados primários foram coletados por meio de uma pesquisa com 219 empreendedores colombianos. A técnica do modelo de equação estrutural foi usada para validar o modelo. Os resultados do estudo revelaram que a legitimidade afeta positivamente a sustentabilidade financeira e é positivamente reforçada pelo apoio da família aos empresários colombianos, enquanto negativamente moderada pelo apoio dos amigos.

PALAVRAS-CHAVE

COVID-19, empreendedorismo, sustentabilidade financeira, legitimidade organizacional, capital social

1. INTRODUCTION

A nation's entrepreneurship increase indicates welfare (Dhewanto et al., 2020), economic growth, and social value through the development of business and innovation (Raudeliūnienė et al., 2014). In Colombia, entrepreneurs' endeavors have been supported by governmental agencies. They give access to start-up capital, training, mentoring, networking, technology development, research, and innovation to enhance existing businesses, to promote the creation of new ones, and to support the entrepreneurship culture (Camargo Calderón et al., 2020). Entrepreneur venture creation has grown in recent years, despite the COVID-19 pandemic. A 2.9% and a 9.3% increase in productive unit creation compared to the same period in 2019 and from January to March 2021, respectively, was detected in Colombia (Confecámaras, 2020; Confecámaras, 2021).

Times of crisis like the COVID-19 pandemic can be volatile and uncertain for entrepreneurs. Colombia has historically maintained an unfortunate unemployment rate indicator, but many more jobs were lost during the pandemic, which cannot, even today, be recovered. The sanitary restrictions and lockdown caused a general drop in production, income, jobs, expected cash flows, and consumption levels. According to the department of national statistics (DANE) estimates, the pandemic caused, in 2020, a drop of 6.8% in the Gross Domestic Product and brought the unemployment rate to nearly 20.0%. Specifically for Colombian entrepreneurs, from the 95 entrepreneurs (70% women and 31% men) surveyed at the beginning of the pandemic in our study, 40% considered that if the situation continued or worsened, they could not sustain their business for more than 15 months. That shows that a crisis like the COVID-19 pandemic can put entrepreneurs' sustainability at risk (Dane, 2020; Varela et al., 2021).

To increase the sustainability of the business, entrepreneurs can invest in sustainability actions (Xie et al., 2019). Investing in legitimacy in times of crisis can yield results for entrepreneurs and their ventures during and after the crisis because legitimacy actions can guarantee higher returns and lower volatility (Yoo et al., 2021). Investments in legitimacy are made to create value for stakeholders (Schaltegger & Hörisch, 2017). Therefore, it could be costly in several ways, as well as strictly financially, for an entrepreneur and his business with a short history in his industry and the market.

A context of crisis creates an economic competition between the costs of achieving legitimacy and the short- and long-term financial sustainability the business needs to go through and remain beyond the crisis. Given this contradiction, our first research question is: In times of crisis like the Covid-19 pandemic, are businesses that invest more in legitimacy actions than their competitors financially more sustainable than their competitors in times of crisis?

On the other hand, to mitigate the impact of the crisis, entrepreneurs can draw on social capital, specifically the support they can receive from family and friends. Authors like Danes and Jang (2013) and Yeung et al. (2016) support the role of social capital on entrepreneurs. However, concerning the competition between legitimacy and financial sustainability, family and friends can help entrepreneurs in their ventures in order to minimize the negative impact of searching for legitimacy while being financially sustainable. Based on that, our second research question is: Does the support of family and friends strengthen the relationship between searching for legitimacy and the financial sustainability of the business in times of crisis?

In this paper, we look to answer these two questions empirically. To do so, we assume the Resource-Based View of the Firm (RBV) as our theoretical framework, understanding that both legitimacy and family and friends' support are the resources of a venture and its entrepreneur.

Previous empirical studies found a positive influence of legitimacy on financial sustainability (Acquah et al., 2021; Baah et al., 2021; Danso et al., 2019; Hollos et al., 2012; Wagner, 2005). Still, such a relationship in the economic crisis among Colombian entrepreneurs has yet to be examined to determine if it is maintained when there are limited resources in the organizations. By clarifying the relationship among the variables, entrepreneurs will know how to allocate resources effectively during a crisis.

In addition, there needs to be more evidence in the literature about the moderating role of entrepreneurs' family and friends in relation to legitimacy and financial sustainability variables. The results of such mediations are essential to determine if there could be an enhancement of financial sustainability through legitimacy in times of crisis, and entrepreneurs should rely on family and friends' support in order to achieve their financial sustainability goals.

2. THEORETICAL FRAMEWORK

Sustainability has been approached from different views. The triple bottom line (TBL) approach proposes sustainable organizational development (Csikósová et al., 2020) on three main dimensions: social, environmental, and financial (Slaper & Hall, 2011). TBL is also known as the three P's: people, planet, and profits (Elkington, 2013).

In this regard, companies' most common sustainability disclosures are related to human resources, social performance, and community involvement (Guthrie & Parker, 1989). However, environmental, social, and governance (ESG) reporting affects financial sustainability differently. Environmental and governance information does not impact financial sustainability, while social reporting influences financial sustainability positively and significantly (Maama, 2021). Also, non-financial information regarding ethics, environment, and governance influences financial sustainability performance, firm performance, and firm value (Salehi & Arianpoor, 2021).

From the strategic management view, sustainability is an intrinsic part of the competitive advantage. An excellent competitive advantage must be sustainable (Barney, 2014), and a sustainable competitive advantage has a solid financial component. Both theoretical approaches demonstrate the role of financial sustainability on a firm's sustainability.

According to Schuman (1995), legitimacy embodies three dimensions: pragmatic, moral, and cognitive. The pragmatic dimension reflects the ability of the tangible benefits for the stakeholders and the company. The moral dimension involves the organization's obligation to do the right thing. The cognitive dimension reflects the congruence between what the company states and does in practice (Schuman, 1995). Our paper uses the institutional legitimacy theory linked to ethics to shape the study variables. Such theory incluudes the moral dimension of legitimacy, where companies seek the well-being of stakeholders and society in general (Scalzo & Akrivou, 2020). In this investigation, we focus on environmental, aging, and social or econiomic exclusion problems that, according to institutional theory, must be addressed by companies as a legitimation strategy, reflecting that they are assuming their responsibility to society while maintaining their reputation (Scalzo & Akrivou, 2020).

Legitimacy embodies the right way in which things should be regarding groups, people, positions, behaviors, and rules (Zelditch, 2006). Therefore, it is based on an implicit contract between society and companies, where the latter agree to comply with desired social outcomes in exchange for approval, which guarantees survival (Guthrie & Parker, 1989). Legitimacy has been approached by Suddaby et al. (2017) from three different perspectives: property, process, and perception. Legitimacy as property is understood as a resource, an asset, or a capacity of the organization. As a process, it is conceptualized as an interactive social construction. Legitimacy as perception is understood as an evaluation or a socio-cognitive construction. Although these are three ways of conceiving legitimacy, none of the three views is at odds with the other. On the contrary, they are complementary for a better understanding of the construct.

From the RBV theory, building a sustainable competitive advantage must rely on valuable, rare, inimitable, and organized resources (Barney, 2014). One of these resources is legitimacy. Legitimacy fits the RBV theory when assumed from the ownership perspective, which recognizes the organization as a portfolio of resources that can include assets or skills. Legitimacy can be assumed as an intangible asset (Galbreath, 2005). However, also a resource of high social complexity since achieving it depends on the groups, people, positions, behaviors, and rules that define it. Barney (2014) proposes that assets of high social complexity are those that can contribute the most to the company's sustainable competitive advantage.

Several authors have seen legitimacy from the RBV perspective. Li et al. (2017) assert that from a resource-based view, a corporation's response to external legitimacy pressures depends on its internal resources. Kim and Kraft (2017), based on the natural resource-based view -an extension of the RBV theory- conceive efforts on environmental legitimacy as a resource through which Higher Education Institutions can increase their innovativeness and reputation as driving forces for sustainable growth.

Caussat et al. (2019) address the legitimization strategies of multinational enterprises (MNEs) to overcome the liability of foreignness in distant foreign environments. The authors recognize that legitimation strategies require resources to achieve their objectives successfully, and their four legitimization strategies are proposed from the RBV perspective. Martin-de Castro (2021) also sees environmental legitimacy as a firm resource for proactive corporate environmentalism.

Previous empirical studies found a positive influence of legitimacy on financial sustainability, such as Acquah et al. (2021). Cantele and Zardini (2018) show that social, economic, and formal practices of sustainability influence operational success and competitive advantage, which directly affects financial performance. Nwoba et al. (2021) found that corporate proactive and responsive sustainability strategies positively relate to market performance. Other studies that have shown the direct effects of sustainability practices on financial sustainability are Wagner (2005), Ameer and Othman (2012), Hollos et al. (2012), Abughniem and Hamdan (2019) and Danso et al. (2019).

However, building legitimacy as an intangible asset, and a resource of high social complexity, is a complicated process for an organization because it is also a multidimensional construct, including green, managerial, and moral legitimacy. Green legitimacy is created by protecting the natural environment (Baah et al., 2021). Moral legitimacy pursues socially positive values within an ethical environment in the organization (Díez-De-Castro & Peris-Ortiz, 2018; Schuman,1995). Managerial legitimacy aligns the organization's mission and vision with society's needs (Díez-De-Castro & Peris-Ortiz, 2018).

Additionally, legitimacy is an asset of high social complexity because it can be manipulated by distorting or concealing information to the public (Lightstone & Driscoll, 2008) regarding the environment (O'donovan, 2002) or tax aggressiveness policies (Lanis & Richardson, 2013). That is why legitimacy disclosures made by the organization are used to keep stakeholders informed about the organization's performance, going concern situation, and materiality issues (Lightstone & Driscoll, 2008; Oleksiyenko, 2013).

3. DEVELOPMENT OF HYPOTHESIS

Legitimacy building can be a complex process that focuses initially on the stakeholders and is developed in stages, pragmatic first, moral second, and cognitive third (Rosser et al., 2022). Therefore, building intangible and high social complexity requires important resources, as legitimacy is a costly process to develop an organization (Barney, 2014). Legitimacy initiatives can give competitive advantages to companies through customer satisfaction (Payne et al., 2018), a good reputation (Czinkota et al., 2014; Miotto et al., 2020), and customer loyalty and commitment (Del-Castillo-Feito et al., 2022). The initiatives to build legitimacy are difficult for competitors to imitate, which is why their positive contribution to the sustainable competitive advantage for the firm. Nevertheless, as a costly process, it could go against the sustainability of the competitive advantage the firm wants to achieve.

That is what generates the tension that our first research question addressed. As the studies mentioned above demonstrate the positive impact of legitimacy actions on financial sustainability, none were conducted during stressful times of crisis like the COVID-19 pandemic. That makes it necessary to validate the theoretical assumption that legitimacy contributes positively to the financial sustainability of a business, more specifically, to entrepreneurship in times of crisis. That leads us to the following research hypothesis:

- **H1:** Businesses that invest in legitimacy actions more than their competitors in times of crisis are financially more sustainable than their competitors.

Another resource for building upon a sustainable competitive advantage is the social capital of the entrepreneurship and the entrepreneur. Family and friends are a part of the social capital. The role of family and friends is evident at different stages of a venture and in the fundamental decisions of entrepreneurs. Entrepreneurial friends increase entrepreneurial intention (Tarapuez-Chamorro et al., 2018). It also helps to identify opportunities (Nkongolo-Bakenda & Chrysostome, 2020), accompanies venture creation (Welsh et al., 2014), and assists business growth stage (Yazici et al., 2016).

One of the areas where the literature most refers to the role of family and friends is financial support for an entrepreneur's start-up (Bukonda et al., 2012; Campbell & De Nardi, 2009; Kotha & George, 2012; Zuluaga & Mejía, 2010). Immigrant entrepreneurs are more likely to finance their businesses from informal sources. Still, they rely less on loans from family and friends than non-immigrant entrepreneurs (Kushnirovich & Heilbrunn, 2008). In the case of young entrepreneurs with financial capital constraints, the entrepreneur's family and friends support such needs (Hulsink & Koek, 2014).

Another area of the role of family and friends in entrepreneurs is listening support. Literature shows that entrepreneurs listen to their networks as a source of opportunities and resources (Danes et al., 2013; Klyver et al., 2018; Nielsen & Klyver, 2020).

The specific role of family and friends as a social capital resource is present in the scientific literature during times of COVID-19. Using social capital (offline and online) was a valid strategy to cope with the challenges faced by micro-entrepreneurs in Malaysia during the pandemic (Tajudin et al., 2021). Also, social capital positively influenced e-business proactivity in response to the COVID-19 crisis (Al-Omoush et al., 2020).

However, the literature does not demonstrate the role of family and friends in mitigating the tension between the pursuit of legitimacy and the achievement of sustainable competitive advantage. From the RBV theory, social capital's influence on the relationship between these two variables may be attractive because social capital, as an intangible resource, unlike legitimacy, might be a less costly resource for the venture to utilize.

Indeed, family and friends are a resource inherited in part by the entrepreneur and in part built throughout his life. Although, most of the time, that form of social capital requires time, emotional, and financial investments, it is a resource that, unlike legitimacy, does not involve costs attributable to the management and is not reflected on the financial statements of the entrepreneurship. Therefore, it does not fall within the competition mentioned above.

Hence, we understand the support of family and friends as a resource that the entrepreneur can use to minimize the negative impact of the financial competition between legitimacy and sustainability. Based on that, we propose the following two research hypotheses:

- **H2:** Family support moderates the relationship between legitimacy and financial sustainability so that a higher level of family support strengthens the positive relationship between legitimacy and financial sustainability in times of crisis.
- **H3:** Support from friends moderates the relationship between legitimacy and financial sustainability so that a higher level of support from friends strengthens the positive relationship between legitimacy and financial sustainability in times of crisis.

The model in figure 1 shows the variables and relationships between the variables proposed in this research.

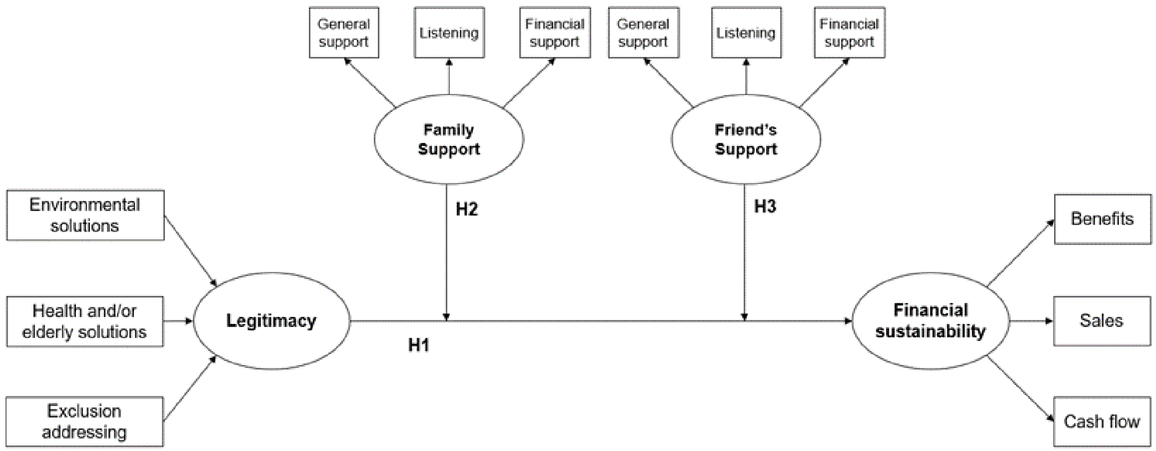

Figure 1. Hypothesized research model.
Source: Prepared by the authors.

4. METHODOLOGICAL PROCEDURES

The study used the Structural Equation Model (SEM) technique to examine the variables. SEM is used to correlate multivariate data of the latent variables to determine their relationship. The current study used SEM to incorporate multiple independent and dependent variables (Ramlall, 2016). Previous studies regarding legitimacy practices and financial performance have used the SEM models (Cantele & Zardini, 2018; Hollos et al., 2012; Nwoba et al., 2021). We used SPSS and SPSS Amos v.26 software to analyze the data. Also, James Gaskin's Master plugin was employed with SPSS Amos v.26.

4.1. Variables operationalization

For the operationalization of the dependent variable, financial sustainability, it was considered that the study would be conducted on entrepreneurs from different geographical regions. For the case of Colombians, Pardo and Alfonso (2017) highlight that some aspects that lead to entrepreneurial failure are a lack of indicators/management measures and poor information management. On the other hand, our research is a self-reported study. That would make it hard to report complex financial indicators such as Sales/Revenue Growth (SG), Return on Assets (ROA), or Tobin's Q (market value/book value of assets).

Consequently, the operationalization of this variable asks entrepreneurs to benchmark themselves against their competitors on three general financial indicators: sales, which agrees with Nwoba et al. (2021); profits, as proposed by Osazefua (2020); and cash flow, in agreement with Ameer and Othman (2012).

For the operationalization of the independent variable, legitimacy, the moral aspect, and green legitimacy proposed by Díez-De-Castro and Peris-Ortiz (2018) were considered because of their relationship with the ethical and natural organizations' environment (Baah et al., 2021). In times of pandemic, it is essential to observe the organization's legitimacy from Corporate social responsibility (CSR) activities, as proposed by Searcy and Buslovich (2014) and emphasized by Anon (2021). Our focus on measuring the legitimacy variable coincides with Giacomini et al. (2021). They observed that companies' legitimacy increased by their actions to meet societal expectations during the pandemic. In this sense, our operationalization of this variable contemplates three indicators: environmental solutions, health and/or elderly solutions, and exclusion addressing.

Green performance has been relevant for ventures before the pandemic (Ge et al., 2016). However, after the pandemic, companies are called for environmental solutions that contribute to the sustainability of their processes (Ferro & Vocciante, 2021). On the other hand, the populations most vulnerable to the pandemic are adults, as proven by Dhama et al. (2020) and D'cruz and Banerjee (2020). For the elderly, entrepreneurs can generate solutions to support their problems and prevent their contagion (Tung, 2020). Finally, the pandemic has aggravated the problems of exclusion, as proven by Ransing et al. (2020), Lightman (2021), and He et al. (2020). Entrepreneurs can contribute to the decrease of these exclusion problems, as Morgül and Fındıklı (2022) and Colovic and Schruoffeneger (2021) point out. Our operationalization asks entrepreneurs to self-assess themselves comparatively with competitors on all three indicators for this variable.

For the operationalization of the moderating variables, for both family and friends' support, we considered one indicator of general support and two indicators of specific support: financial support and listening. The moderating effect of the support from family and friends was operationalized by three questions for each variable, measured by a five-point Likert. Table 1 shows the operationalization for the chosen variables.

4.2. Scales validation

The variables and indicators were validated according to Exploratory Factor Analysis (EFA) and Confirmatory Factor Analysis (CFA). These techniques ensure that the variables are helpful for subsequent use in a structural equation model.

SPSS and SPSS Amos software, version 26, were used for the analysis. EFA was carried out on the questionnaire items sent to entrepreneurs and using the Unweighted Least Squares (ULS) procedure to determine the relevance of the factorial technique. The extraction procedure was the non-orthogonal Promax procedure with Kaiser normalization. Cronbach's alpha was also calculated to complement the internal consistency of the scales found in the EFA.

Based on the results matrix of table 1, the Kaiser-Meyer-Olkin indicator (KMO) was 0.725, in the accepted range (0.70). Bartlett's test of sphericity took zero value, which means there is a correlation between the items. The variance explained was 55,00% in the four factors identified.

Following the procedure, CFA was conducted with AMOS v.26 for the four factors identified to test the measurement model (Figure 2). The indicators were calculated, and then the latent variables were converted into composite variables using the impute option.

The assumptions were validated using James Gaskin's Master Validity plugin. The reliability and validity of the constructs were determined by calculating composite reliability (CR) Hair et al. (1998), and convergent validity by calculating the average variance extracted (AVE) (Malhotra & Dash, 2011). In addition, Cronbach's alpha was calculated. Table 2 shows the results of the analysis.

Table 1
Results matrix for EFA's ULS procedure

Pattern matrix				
	Factor			
	1	**2**	**3**	**4**
Q41_1	0.887			
Q41_2	0.895			
Q41_3	0.687			
Q41_5		0.746		
Q41_6		0.859		
Q41_7		0.577		
Q79_1			0.485	
Q79_2			0.791	
Q79_3			0.782	
Q80_1				0.773
Q80_2				0.389
Q80_3				0.631

Source: Research data.

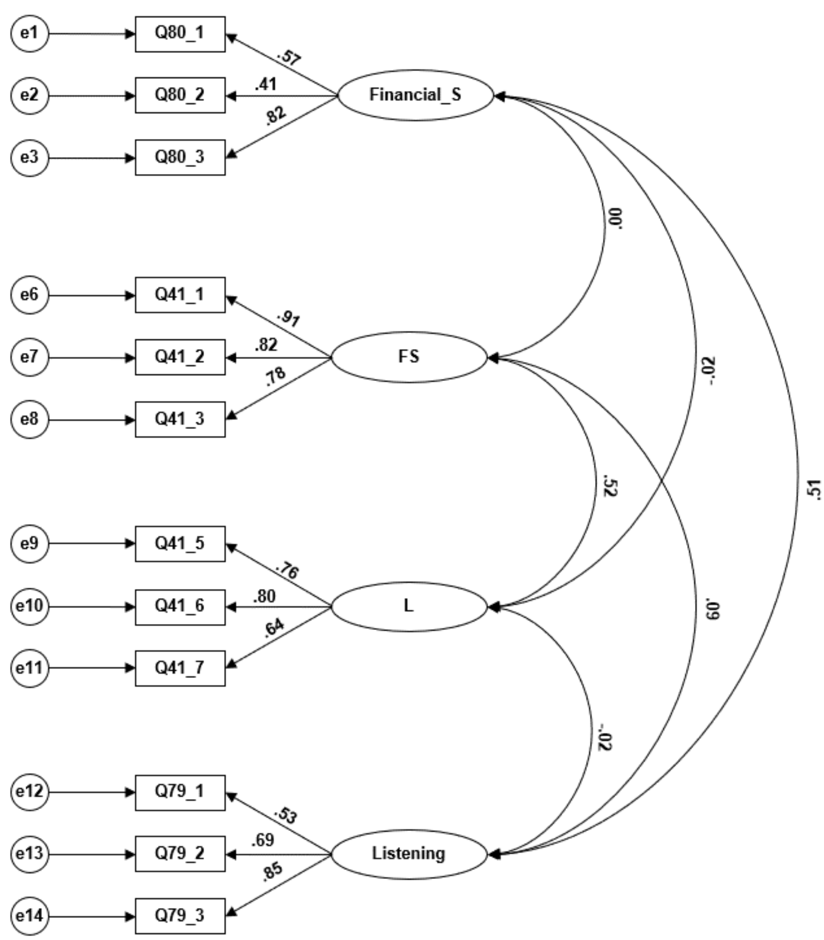

Figure 2. Initial measurement model.
Source: Prepared by the authors.

Table 2
Dimensionality, reliability, and validity for the initial model's different scales

	Cronbach's Alpha	CR	AVE	Friend's Support	Financial Sustainability	Legitimacy	Family Support
Friend's Support	0.622	0.772	0.416	0.645			
Financial Sustainability	0.872	0.876	0.702	0.041	0.838		
Legitimacy	0.774	0.780	0.544	0.080	0.518***	0.737	
Family Support	0.716	0.739	0.494	0.436*	0.089	-0.023	0.703

Source: Research data.

The composite reliability (CR) confirms that the different scales are reliable. In all cases, the values exceed the 0.70 limits. Convergent validity was confirmed except for Family Support (0.494), close to the 0.5 limits, and Friend's Support (0.416). However, Malhotra and Dash (2011) point out that "AVE" is a more conservative measure than CR. Based on CR alone, the researcher can conclude that the convergent validity of the construct is adequate. However, more than 50% of the variance is due to error" (Malhotra & Dash, 2011, p. 702).

4.3. Sample and data collection

The study population consisted of self-employed entrepreneurs who own one small or medium-sized enterprise (SME). Small and medium-sized companies that were part of the study were classified as such, considering revenues and the number of employees. According to decree 957, manufacturing, commerce, and services companies must have revenues from $ 839,007,741 to 76,935,760,044 Colombian pesos (Ministerio de Comercio, 2019) to be an SME. Additionally, according to Cardozo et al. (2012), the criteria for the classification of the type of companies in Colombia also consider the number of employees, which is between 11 and 160.

The sampling technique used was determinist volunteer sampling, in which individuals volunteered to be the research subjects (Jupp, 2006). The Colombian universities' professor`s networks provided the entrepreneurs' contacts.

Data was collected by applying the questionnaire to Colombian entrepreneurs during March and April 2020. The questionnaire was delivered in Spanish and applied online using the Quatrics tool. All respondents were contacted by email and gave their consent for participation in the study and were guaranteed anonymity.

The response rate obtained was 219 entrepreneurs from Colombia. The entrepreneurs belonged to manufacturing, sales, gastronomy, services (consulting, software development, legal support), human services (nursing, medicine, training), and extractive industries. We conducted an exploratory data analysis (EDA) to reduce the sample from 219 to 95 cases, eliminating missing values. The 95 entrepreneurs constitute the valid study sample.

Participants ranged from 20-39 (9%) and between 40 and 69 (91%). Of the sample, 29% were women, and 71% were men. 28% had a higher education level, and 64% had a master's degree.

5. RESULTS AND STATISTICAL ANALYSIS

The model was evaluated using the Structural Equation Model (SEM) technique. The SPSS and SPSS Amos software, version 26, were used for the analysis. After validating the variables and scales, the interaction variables were constructed by the product of the moderating variables with the independent variable.

Figure 3 shows the composite moderator variables for Friend's Support and Family Support, the independent variable Legitimacy, the dependent variable Financial Sustainability, and the interactions (product of them) between the independent variable and the two moderator variables, calculated by pairs.

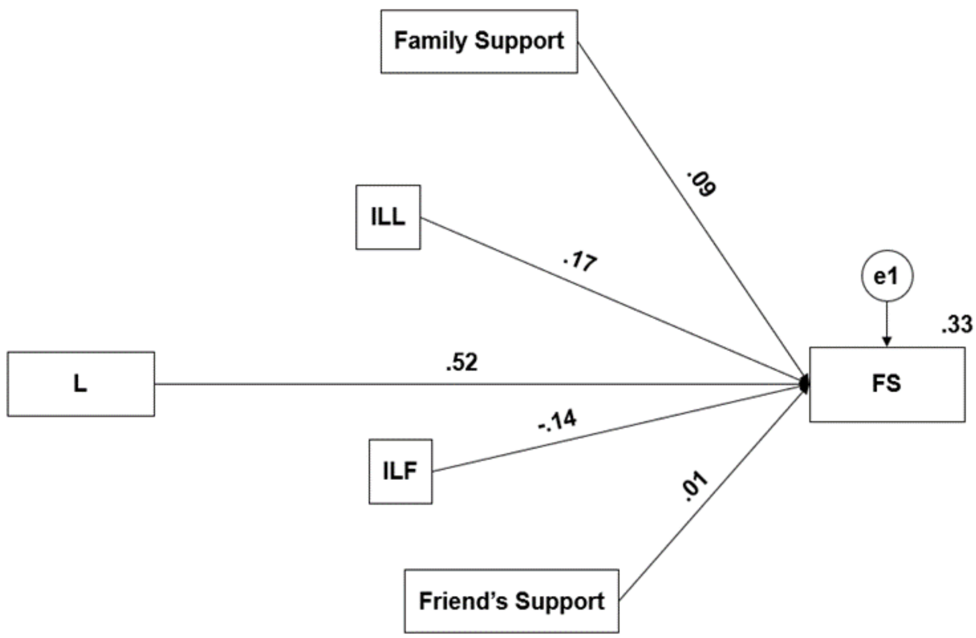

Figure 3. General regression model.
Source: Prepared by the authors.

Field (2018) states that one should be careful when labeling effect sizes as small, medium, or large because it depends on the research field and the studied phenomenon. In social sciences, the effects are generally smaller than in natural sciences. Cohen's (1992) suggestion that R-squared values from 0.26 onwards are large can be accepted for social sciences. Accordingly, our model reasonably predicts the dependent variable Financial Sustainability, whose R^2 was 0.327, indicating that the model explains 32.70% of the changes in Financial Sustainability. Table 3 shows the different p values in the direct relationships and the interactions (moderations). It shows how the direct relationship between Legitimacy and Financial Sustainability is statistically significant (***), validating hypothesis 1.

The direct relationships between Family Support with Financial Sustainability and Friends' Support with Financial Sustainability were not significant. The p-values were 0.267 and 0.892, respectively.

Table 3
Regression coefficients with interactions

			Estimate	SE.	CR.	p	Hypothesis
FS	<---	Legitimacy	.621	.101	6.159	***	H1: Supported (95% sig.)
FS	<---	Family Support	.132	.119	1.109	.267	
FS	<---	Friend's Support	.013	.094	.135	.892	
FS	<---	ILFaS[1]	.070	.035	1.966	.049	H2: Supported (95% sig.)
FS	<---	ILFrS[2]	-.062	.037	-1.678	.093	H3: Rejected (90% sig.)

Source: Research data.
Note: [1] Interaction between legitimacy, family support, and sustainability.
[2] Interaction between legitimacy, friends' support, and sustainability.

Our study also assessed the moderating role of Family Support and Friends' Support on the relationship between Legitimacy and Financial Sustainability. The results revealed a positive and significant moderating impact of Family Support on the relationship between Legitimacy and Financial Sustainability (b= 0.070, t= 1.966, p= 0.049), supporting H2 with a significance of 95%. The results suggest that Family Support strengthens the relationship between Legitimacy and Financial Sustainability.

6. DISCUSSION

A crisis like the Covid-19 one can foster the creation of new ventures (Davidsson & Gordon, 2016). However, at the same time, they can modify resource allocation in resource-constrained organizations like entrepreneurs' ventures (Soluk, 2022).

Following De Massis et al. (2018) suggestion, it is crucial to know how sustainable competitive advantage can be achieved despite the lack of essential resources. Also, to know the reasons for the resource allocation in times of crisis and what resources' configuration better contributes to the business sustainability in resource-constraint times.

This paper explores legitimacy and family and friends' support as intangible resources. Our model shows that the empirical relationship between legitimacy and sustainability proven in regular times is still significant in times of crisis like the Covid-19 pandemic. It suggests that entrepreneurs still choose to spend on legitimacy actions during a crisis and resource constraints, assuming this investment will have a return during the crisis and in the future. Also, the study results show that in the light of institutional theory, the investment in ethical actions that have a moral component to do the right thing, such as resolving environmental, aging, and social or economic exclusion problems, is a good choice in crisis times because while they seek the common good, the financial sustainability is increased.

Our model also shows that during the time of the pandemic and the context of Colombian entrepreneurs, friends' support does not contribute significantly to financial sustainability on their own, which is consistent with the findings of Iakovleva and Kickul (2011). However, the family contributes to the legitimacy and has a moderating and enhancing effect between legitimacy and financial sustainability from the general support they receive from their families, both financially and listening.

Contrary to our expectations, the relationship between legitimacy and financial sustainability was weakened by the interaction of the entrepreneurs' friends' support. Our result is similar to that of Ahmed and Kayat (2020), who found that friends' support had a significant but negative effect on female students' entrepreneurial intention.

Although our study does not have an explanatory scope, we can generate some questions from the findings. To our understanding, we could find the difference between the moderation of family and friends, wondering if, in times of crisis such as the Covid-19 pandemic, there is equal accountability and quality of the support received from family and friends.

Perhaps because of the greater physical closeness generated between family members in times of crisis (isolation, living together, and more time to share face-to-face) than between friends, there is greater accountability for the family support received by the entrepreneur. Regarding quality support, friends could increase anxieties, fear, and uncertainties. All of that could negatively affect how entrepreneurs deal with the stress associated with the pandemic, having poor performance in their endeavors. That can lead entrepreneurs to decrease the impact of his/her legitimacy actions on the financial sustainability of the business.

Although a crisis such as the Covid-19 pandemic is unlikely to be repeated in identical form, as Soluk (2022) argues, financial crises, natural disasters, terrorist attacks, and wars occur regularly on a global basis, and they can have a devastating effect on organizations. For this reason, future studies in times of crisis should measure the construct of accountability to family and friends in a mediating position in the relationship between legitimacy and financial sustainability to clarify the effect of such variables in the proposed relationship.

Another possibility as to why the results differed in moderation could lie in family and friends' perceived value of investments in legitimacy. The family could perceive investment in legitimacy as more appropriate than friends, who could consider an investment in tangible resources more adequate.

Future research could measure the perception of family and friends on the value of investments in legitimacy, the intensity of communication between the entrepreneur and his family and friends, the degree of conditioning of the financial support received, and its impact on the relationship between legitimacy and financial sustainability in times of crisis.

7. CONCLUSIONS

Entrepreneurship ventures are essential to Colombia's economy, which faced several challenges during the COVID-19 pandemic. One of the challenges was to maintain legitimacy practices in a financial crisis. The study results showed that legitimacy as a strategy to achieve financial sustainability in difficult times is a successful tool used by entrepreneurs. Companies that pursue green, moral, and managerial legitimacy strategies such as environmental, health, and elderly solutions and exclusion addressing will overcome crises and will have profits.

The RBV theory visualizes legitimacy as an intangible asset that cost money. In times of uncertainty like COVID-19, entrepreneurs decide to invest scarce economic resources into legitimacy actions because they will translate into financial sustainability.

The link of organizational legitimacy with financial sustainability implies a company's capacity to meet its financial obligations and successfully face financial risk, being more competitive in producing new products and services. Previous empirical research found a positive influence of legitimacy on financial sustainability (Acquah et al., 2021; Baah et al., 2021; Danso et al., 2019; Hollos et al., 2012; Wagner, 2005). Still, no such relationship has been examined among entrepreneurs in times of crisis like the COVID-19 pandemic.

Family is a fundamental part of the entrepreneurs' support in the scientific literature, financial support being the most important. Empirical studies show little evidence of social capital moderating the relationship between financial sustainability and legitimacy.

During the COVID-19 pandemic, the legitimacy and reputation of companies increased due to actions taken to meet society's expectations. Border closures and lockdowns decreased demand, caused delivery delays, and harmed companies. However, organizations created by entrepreneurs that pursue legitimacy were able to overcome financial sustainability challenges. Also, family positively impacted achieving e-business proactivity in response to the COVID-19 crisis.

8. THEORETICAL AND PRACTICAL IMPLICATIONS

The contribution of the research study is the recognition of the relationship between legitimacy and financial sustainability enhanced by family. Previous empirical research examined the relationship between legitimacy and financial sustainability. However, the analysis was not conducted in a crisis context such as the COVID-19 pandemic, which generated a high level of uncertainty and tough decisions regarding the investment of resources into legitimacy actions or to invest in other endeavors.

During the COVID-19 pandemic, entrepreneurs relied on family and friends to obtain support during challenging times. However, only family enhanced the relationship between the studied variables. This identification is important because the family will be fundamental to maintaining organizational legitimacy and financial sustainability in times of crisis.

The study's novelty is that friends negatively moderate the relationship between legitimacy and financial sustainability. Also, a contribution of the research was the measurement of specific social capital variables that were not explored in previous literature (listening and financial support).

In this empirical study, sustainable competitive advantage is incorporated into the relationship between legitimacy, financial sustainability, and social capital during the COVID-19 pandemic, introducing the use of a theory designed more specifically for strategic management.

Future researchers could replicate the current study after the initial impact of COVID-19 to determine if the enhancing effects of the family are still present and if the negative moderation of friends still prevails in non-crisis times. Also, the relationship between the variables could be studied in other companies that do not involve entrepreneurship.

9. LIMITATIONS

Our study has several limitations. First, the sample size in our study was smaller than desired because only 95 cases were valid from the 219 responses received. For future research, the sample size should be larger.

Another study's weakness is that the dependent variable was measured as self-reported measures. Likewise, the study has a common-method bias since the dependent and independent variables have been measured similarly. In future research, measuring the dependent variable differently from the independent variable and using objective indicators of entrepreneurship would be more valuable.

Another limitation of the study lies in how the moderating variables were measured. How the variables family support and friends' support were measured aggregates the information and do not allow us to see specific interactions of interest. For this reason, in future research, listening and financial support should be measured independently and as reflective variables, both for family and friends, to assess independent interactions and not in an aggregated manner.

REFERENCES

Abughniem, M. S., & Hamdan, A. (2019). Corporate sustainability as an antecedent to the financial performance: An empirical study. *Polish Journal of Management Studies*, *20*(2), 35–44. https://doi.org/10.17512/pjms.2019.20.2.03

Acquah, I. S. K., Essel, D., Baah, C., Agyabeng-Mensah, Y., & Afum, E. (2021). Investigating the efficacy of isomorphic pressures on adopting green manufacturing practices and its influence on organizational legitimacy and financial performance. *Journal of Manufacturing Technology Management*, *32*(7), 1399–1420. https://doi.org/10.1108/JMTM-10-2020-0404

Ahmed, M. R. M., & Kayat, K. (2020). Examining the moderating effect of entrepreneurship education on the relationship between entrepreneurial self-efficacy, family support, friends support and entrepreneurial intention of final year female tourism undergraduate students in Egypt. *Journal of Global Economics, Management and Business Research*, *12*(1), 1–21. https://www.ikppress.org/index.php/JGEMBR/article/view/4918

Al-Omoush, K. S., Simón-Moya, V., & Sendra-García, J. (2020). The impact of social capital and collaborative knowledge creation on e-business proactiveness and organizational agility in responding to the COVID-19 crisis. *Journal of Innovation & Knowledge, 5*(4), 279–288. https://doi.org/10.1016/j.jik.2020.10.002

Ameer, R., & Othman, R. (2012). Sustainability practices and corporate financial performance: A study based on the top global corporations. *Journal of Business Ethics*, *108*(1), 61–79. https://doi.org/10.1007/s10551-011-1063-y

Anon. (2021). Managing the reputation risk of unethical supply chain behavior: One bank's example of how sustainable procurement initiatives save money. *Annals in Social Responsibility*, *7*(1), 1–3. https://doi.org/10.1108/ASR-01-2021-0007

Baah, C., Agyabeng-Mensah, Y., Afum, E., & Mncwango, M. S. (2021). Do green legitimacy and regulatory stakeholder demands stimulate corporate social and environmental responsibilities, environmental and financial performance? Evidence from an emerging economy. *Management of Environmental Quality: An International Journal*, *32*(4), 787–803. https://doi.org/10.1108/MEQ-10-2020-0225

Barney, J. (2014). *Gaining and sustaining competitive advantage*. Pearson

Bukonda, C., Disashi, L., & Mbiye, B. (2012). Health care entrepreneurship in the Democratic Republic of the Congo: An exploratory study. *Journal of African Business*, *13*(2), 87–100. https://doi.org/10.1080/15228916.2012.693433

Camargo Calderón, A. Y., Latorre Carrillo, L. F., & Gómez Contreras, J. L. (2020). Sustainable entrepreneurship in Colombia: Strengths and opportunities. *Cuadernos de Administración*, *36*(68), 190–203. https://doi.org/10.25100/cdea.v36i68.9468

Campbell, J. R., & De Nardi, M. (2009). A conversation with 590 nascent entrepreneurs. *Annals of Finance*, *5*(3), 313–340. https://ideas.repec.org/a/kap/annfin/v5y2009i3p313-340.html

Cantele, S., & Zardini, A. (2018). Is sustainability a competitive advantage for small businesses? An empirical analysis of possible mediators in the sustainability–financial performance relationship. *Journal of Cleaner Production*, *182*, 166–176. https://doi.org/10.1016/j.jclepro.2018.02.016

Cardozo, E., Velásquez de Naime, Y., & Monroy, R. (2012, July). La definición de PYME en América: Una revisión del estado del arte Definition of SMEs in Latin America: A review of the state of the art. *In 6th International Conference on Industrial Engineering and Industrial Management* (pp. 1345–1352). https://oa.upm.es/19398/

Caussat, P., Prime, N., & Wilken, R. (2019). How multinational banks in India gain legitimacy: Organisational practices and resources required for implementation. *Management International Review*, *59*(4), 561–591. https://link.springer.com/article/10.1007/s11575-019-00387-6

Cohen, J. (1992). A power primer. *Psychological Bulletin*, *112*(1), 155–159. https://doi.org/10.1037/0033-2909.112.1.155

Colovic, A., & Schruoffeneger, M. (2021). Entrepreneuring for deprived urban communities: Exploring the role of micro-entrepreneurship. *European Management Review*, *19*(3), 450–461. https://doi.org/10.1111/emre.12458

Confecámaras. (2020). *Report of company creation dinamics in Colombia.* https://www.confecamaras.org.co/phocadownload/2020/Analisis_Economicos/Informe%20Din%C3%A1mica%20de%20Creaci%C3%B3n%20de%20Empresas%20III%20Trimestre%202020.pdf

Confecámaras. (2021). *Report of company creation dinamics in Colombia.* https://www.confecamaras.org.co/phocadownload/2020/Informe_Din%C3%A1mica_de_Creaci%C3%B3n_de_Empresas___Prime_trimestre_2021_002.pdf

Csikósová, A., Janošková, M., & Čulková, K. (2020). Providing of tourism organizations sustainability through Tripple Bottom Line approach. *Entrepreneurship and Sustainability Issues*, *8*(2), 764–776. https://doi.org/10.9770/jesi.2020.8.2(46)

Czinkota, M., Kaufmann, H. R., & Basile, G. (2014). The relationship between legitimacy, reputation, sustainability and branding for companies and their supply chains. *Industrial Marketing Management*, *43*(1), 91–101. https://doi.org/10.1016/j.indmarman.2013.10.005

DANE — Departamento Administrativo Nacional de Estatística. (2020). *Principales indicadores del mercado laboral, Diciembre de 2020.* Boletín Técnico GEHI.https://www.dane.gov.co/files/investigaciones/boletines/ech/ech/bol_empleo_dic_20.pdf

Danes, S. M., & Jang, J. (2013). Copreneurial identity development during new venture creation. *Journal of Family Business Management*, *3*(1), 45–61. https://doi.org/10.1108/20436231311326481

Danes, S. M., Craft, S. M., Jang, J., & Lee, J. (2013). Liability of newness: Assessing couple social support when starting a new business venture. *Journal of Marital and Family Therapy*, *39*(4), 515–529. https://doi.org/10.1111/j.1752-0606.2012.00308.x

Danso, A., Adomako, S., Amankwah-Amoah, J., Owusu-Agyei, S., & Konadu, R. (2019). Environmental sustainability orientation, competitive strategy and financial performance. *Business Strategy and the Environment*, *28*(5), 885–895. https://doi.org/10.1002/bse.2291

Davidsson, P., & Gordon, S. R. (2016). Much ado about nothing? The surprising persistence of nascent entrepreneurs through macroeconomic crisis. *Entrepreneurship Theory and Practice*, *40*(4), 915–941. https://doi.org/10.1111/etap.12152

D'cruz, M., & Banerjee, D. (2020). 'An invisible human rights crisis': The marginalization of older adults during the COVID-19 pandemic–An advocacy review. *Psychiatry Research*, *292*, 113369. https://doi.org/10.1016/j.psychres.2020.113369

De Massis, A., Audretsch, D., Uhlaner, L., & Kammerlander, N. (2018). Innovation with Limited Resources: Management Lessons from the German Mittelstand. *Journal of Product Innovation Management*, *35*(1), 125–146. https://doi.org/10.1111/jpim.12373

Del-Castillo-Feito, C., Blanco-González, A., Díez-Martín, F., & Cachón-Rodríguez, G. (2022). Social capital and organizational legitimacy as competitive advantages in the information and communications technology sector. *The Journal of High Technology Management Research*, *33*(2), 100441. https://doi.org/10.1016/j.hitech.2022.100441

Dhama, K., Patel, S. K., Kumar, R., Rana, J., Yatoo, M. I., Kumar, A., Tiwari, R., Dhama, J., Natesan, S., Singh, R., & Harapan, H. (2020). Geriatric population during the COVID-19 pandemic: Problems, considerations, exigencies, and beyond. *Frontiers in Public Health*, *8*, 574198. https://doi.org/10.3389/fpubh.2020.574198

Dhewanto, W., Ratnaningtyas, S., Permatasari, A., Anggadwita, G., & Prasetio, E. A. (2020). Rural entrepreneurship: Towards collaborative participative models for economic sustainability. *Entrepreneurship and Sustainability Issues*, 8(1), 705. https://doi.org/10.9770/jesi.2020.8.1(48)

Díez-De-Castro, E., & Peris-Ortiz, M. (2018). *Organizational legitimacy*. Springer.

Elkington, J. (2013). Enter the triple bottom line. In A. Henriques & J. Richardson (Eds.), *The triple bottom line: Does it all add up?* (pp. 1–6). Routledge.

Ferro, S., & Vocciante, M. (2021). Sustainable environmental solutions. *Applied Sciences*, *11*(15), 6868. https://doi.org/10.3390/app11156868

Field, A. (2018). *Discovering statistics using IBM SPSS statistics* (5th ed.). SAGE.

Galbreath, J. (2005). Which resources matter the most to firm success? An exploratory study of resource-based theory. *Technovation*, *25*(9), 979–987. https://doi.org/10.1016/j.technovation.2004.02.008

Ge, B., Jiang, D., Gao, Y., & Tsai, S.-B. (2016). The influence of legitimacy on a proactive green orientation and green performance: A study based on transitional economy scenarios in China. *Sustainability, 8*(12), 1344. https://doi.org/10.3390/su8121344

Giacomini, D., Martini, M., Sancino, A., Zola, P., & Cavenago, D. (2021). Corporate social responsibility actions and organizational legitimacy at the peak of COVID-19: A sentiment analysis. *Corporate Governance: The International Journal of Business in Society*, *21*(6), 1043–1058. https://doi.org/10.1108/CG-09-2020-0389

Guthrie, J., & Parker, L. D. (1989). Corporate social reporting: A rebuttal of legitimacy theory. *Accounting and Business Research*, *19*(76), 343–352. https://doi.org/10.1080/00014788.1989.9728863

Hair, J. F., Anderson, R. E., Tatham, R. L., & Black, W. C. (1998). *Multivariate data analysis.* Prentice Hall.

He, J., He, L., Zhou, W., Nie, X., & He, M. (2020). Discrimination and social exclusion in the outbreak of COVID-19. *International Journal of Environmental Research and Public Health*, *17*(8), 2933. https://doi.org/10.3390/ijerph17082933

Hollos, D., Blome, C., & Foerstl, K. (2012). Does sustainable supplier co-operation affect performance? Examining implications for the triple bottom line. *International Journal of Production Research*, *50*(11), 2968–2986. https://doi.org/10.1080/00207543.2011.582184

Hulsink, W., & Koek, D. (2014). The young, the fast and the furious: A study about the triggers and impediments of youth entrepreneurship. *International Journal of Entrepreneurship and Innovation Management*, *18*(2–3), 182–209. https://doi.org/10.1504/IJEIM.2014.062876

Iakovleva, T., & Kickul, J. (2011). Beyond social capital: The role of perceived legitimacy and entrepreneurial intensity in achieving funding success and superior venture performance in women-led Russian SMEs. *International Journal of Entrepreneurship and Small Business*, *14*(1), 13–38. https://doi.org/10.1504/IJESB.2011.042161

Jupp, V. (2006). *The sage dictionary of social research methods.* Sage.

Kim, J., & Kraft, E. (2017). The effects of dedication to environmental legitimacy on HEI-wide innovativeness and applications for admission: From natural resource-based view. *Journal of Cleaner Production*, *168*, 105–117. https://doi.org/10.1016/j.jclepro.2017.08.218

Klyver, K., Honig, B., & Steffens, P. (2018). Social support timing and persistence in nascent entrepreneurship: exploring when instrumental and emotional support is most effective. *Small Business Economics*, *51*(3), 709–734. https://doi.org/10.1007/s11187-017-9964-5

Kotha, R., & George, G. (2012). Friends, family, or fools: Entrepreneur experience and its implications for equity distribution and resource mobilization. *Journal of Business Venturing*, *27*(5), 525–543. https://doi.org/10.1016/j.jbusvent.2012.02.001

Kushnirovich, N., & Heilbrunn, S. (2008). Financial funding of immigrant businesses. *Journal of Developmental Entrepreneurship*, *13*(2), 167–184. https://doi.org/10.1142/S1084946708000910

Lanis, R., & Richardson, G. (2013). Corporate social responsibility and tax aggressiveness: A test of legitimacy theory. *Accounting, Auditing & Accountability Journal*, *26*(1), 75–100. https://doi.org/10.1108/09513571311285621

Li, D., Zheng, M., Cao, C., Chen, X., Ren, S., & Huang, M. (2017). The impact of legitimacy pressure and corporate profitability on green innovation: Evidence from China top 100. *Journal of Cleaner Production, 141*, 41–49. https://doi.org/10.1016/j.jclepro.2016.08.123

Lightman, N. (2021). Caring during the COVID-19 crisis: Intersectional exclusion of immigrant women health care aides in Canadian long-term care. *Health & Social Care in the Community*, *30*(4), e1343–e1351. https://doi.org/10.1111/hsc.13541

Lightstone, K., & Driscoll, C. (2008). Disclosing elements of disclosure: A test of legitimacy theory and company ethics. *Canadian Journal of Administrative Sciences: Revue Canadienne des Sciences de l'Administration*, *25*(1), 7–21. https://doi.org/10.1002/cjas.50

Maama, H. (2021). Achieving Financial Sustainability in Ghana's Banking Sector: Is Environmental, Social and Governance Reporting Contributive? *Global Business Review*, 09721509211044300. https://doi.org/10.1177/09721509211044300

Malhotra, N. K., & Dash, S. (2011). *Marketing research: An applied orientation.* Pearson Education Limited.

Martin-de Castro, G. (2021). Exploring the market side of corporate environmentalism: Reputation, legitimacy and stakeholders' engagement. *Industrial Marketing Management*, *92*, 289–294. https://doi.org/10.1016/j.indmarman.2020.05.010

Ministerio de Comercio. (2019, June 5). *Decreto 957 de Junio de 2019*. Ministerio de Comercio, Industria y Turismo. https://www.mipymes.gov.co/temas-de-interes/definicion-tamano-empresarial-micro-pequena-median.

Miotto, G., Del-Castillo-Feito, C., & Blanco-González, A. (2020). Reputation and legitimacy: Key factors for Higher Education Institutions' sustained competitive advantage. *Journal of Business Research*, *112*, 342–353. https://doi.org/10.1016/j.jbusres.2019.11.076

Morgül, G., & Fındıklı, M. A. (2022). When music changes, so does the dance: The role of social entrepreneurship in recovery response to the COVID-19 Pandemic. In M. Khosrow-Pour (Ed.), *Research anthology on business continuity and navigating times of crisis* (pp. 585–606). IGI Global.

Nielsen, M. S., & Klyver, K. (2020). Meeting entrepreneurs' expectations: The importance of social skills in strong relationships. *Entrepreneurship & Regional Development*, *32*(9–10), 737–756. https://doi.org/10.1080/08985626.2020.1757159

Nkongolo-Bakenda, J. M., & Chrysostome, E. V. (2020). Exploring the organizing and strategic factors of diasporic transnational entrepreneurs in Canada: An empirical study. *Journal of International Entrepreneurship*, *18*, 336–372. https://doi.org/10.1007/s10843-020-00268-2

Nwoba, A. C., Boso, N., & Robson, M. J. (2021). Corporate sustainability strategies in institutional adversity: Antecedent, outcome, and contingency effects. *Business Strategy and the Environment*, *30*(2), 787–807. https://doi.org/10.1002/bse.2654

O'Donovan, G. (2002). Environmental disclosures in the annual report. *Accounting, Auditing & Accountability Journal*, *15*(3), 344–371. https://doi.org/10.1108/09513570210435870

Oleksiyenko, A. (2013). Organizational legitimacy of international research collaborations: Crossing boundaries in the Middle East. *Minerva*, *51*(1), 49–69. https://doi.org/10.1007/s11024-013-9221-2

Osazefua Imhanzenobe, J. (2020). Managers' financial practices and financial sustainability of Nigerian manufacturing companies: Which ratios matter most? *Cogent Economics & Finance*, *8*(1), 1724241. https://doi.org/10.1080/23322039.2020.1724241

Pardo, C., & Alfonso, W. (2017). Applying "attribution theory" to determine the factors that lead to the failure of entrepreneurial ventures in Colombia. *Journal of Small Business and Enterprise Development*, *24*(3), 562–584. https://doi.org/10.1108/JSBED-10-2016-0167

Payne, G., Cruz-Suarez, A., & Prado-Román, A. (2018). Legitimacy as competitive advantage: A US airline case study. In E. Díez-De-Castro & M. Peris-Ortiz (Eds.), *Organizational legitimacy* (pp. 121–140). Springer.

Ramlall, I. (2016), *Definition of SEM: Applied structural equation modelling for researchers and practitioners*. Emerald Group Publishing Limited. https://doi.org/10.1108/978-1-78635-883-720161001

Ransing, R., Ramalho, R., de Filippis, R., Ojeahere, M. I., Karaliuniene, R., Orsolini, L., Pinto da Costa, M., Ullah, I., Grandinetti, P., Gashi Bytyçi, D., Grigo, O., Mhamunkar, A., El Hayek, S., Essam, L., Larnaout, A., Shalbafan, M., Nofal, M., Soler-Vidal, J., Pereira-Sanchez, V., & Adiukwu, F. (2020). Infectious disease outbreak related stigma and discrimination during the COVID-19 pandemic: Drivers, facilitators, manifestations, and outcomes across the world. *Brain, Behavior, and Immunity*, *89*, 555–558. https://doi.org/10.1016/j.bbi.2020.07.033

Raudeliūnienė, J., Tvaronavičienė, M., & Dzemyda, I. (2014). Towards economic security and sustainability: Key success factors of sustainable entrepreneurship in conditions of global economy. *Journal of Security and Sustainability Issues*, *3*, 71–79. https://doi.org/10.9770/jssi.2014.3.4(7)

Rosser, C., Ilgenstein, S. A., & Sager, F. (2022). The iterative process of legitimacy-building in hybrid organizations. *Administration & Society*, *54*(6), 1117–1147. https://doi.org/10.1177/0095399721105510

Salehi, M., & Arianpoor, A. (2021). The relationship among financial and non-financial aspects of business sustainability performance: Evidence from Iranian panel data. *The TQM Journal*, *33*(6), 1447–1468. https://doi.org/10.1108/TQM-08-2020-0175

Scalzo, G., & Akrivou, K. (2020). Virtues, the common good, and business legitimacy. In J. D. Rendtorff (Ed.), *Handbook of business legitimacy* (pp. 263–275). Springer.

Schaltegger, S., & Hörisch, J. (2017). In search of the dominant rationale in sustainability management: Legitimacy-or profit-seeking? *Journal of Business Ethics*, *145*(2), 259–276. https://doi.org/10.1007/s10551-015-2854-3

Schuman, M. C. (1995). Managing legitimacy: Strategic and institutional approaches. *Academy of Management Review*, *20*(3), 571–610. https://doi.org/10.2307/258788

Searcy, C., & Buslovich, R. (2014). Corporate perspectives on the development and use of sustainability reports. *Journal of Business Ethics*, *121*(2), 149–169. https://ideas.repec.org/a/kap/jbuset/v121y2014i2p149-169.html

Slaper, T. F., & Hall, T. J. (2011). The triple bottom line: What is it and how does it work. *Indiana Business Review*, *86*(1), 4–8.

Soluk, J. (2022). Organisations' resources and external shocks: Exploring digital innovation in family firms. *Industry and Innovation*, *29*(6), 792–824. https://doi.org/10.1080/13662716.2022.2065971

Suddaby, R., Bitektine, A., & Haack, P. (2017). Legitimacy. *Academy of Management Annals*, *11*(1), 451–478. https://doi.org/10.5465/annals.2015.0101

Tajudin, P. N. M., Abd Rahim, N. A., Idris, K., & Arshad, M. M. (2021). Weathering the Economic Impact of COVID-19: Challenges Faced by Microentrepreneurs and Their Coping Strategies during Movement Control Order (MCO) in Malaysia. *Pertanika Journal of Science and Technology*, *29*(S1), 1–12. https://doi.org/10.47836/pjssh.29.s1.15

Tarapuez-Chamorro, E., Aristizábal-Tamayo, J. M., & Monard-Blandón, C. (2018). Aspectos sociodemográficos y familiares e intención empresarial en estudiantes de Maestría en Administración en Colombia. *Estudios Gerenciales*, *34*(149), 422–434. https://doi.org/10.18046/j.estger.2018.149.2757

Tung, L. T. (2020). Social responses for older people in COVID-19 pandemic: Experience from Vietnam. *Journal of Gerontological Social Work*, *63*(6–7), 682–687. https://doi.org/10.1080/01634372.2020.1773596

Varela, R., Soler, J., & Arango, C. (2021). *Efectos de la COVID-19 en el ritmo empresarial colombiano*. Editorial Universidad Icesi.

Wagner, M. (2005). How to reconcile environmental and economic performance to improve corporate sustainability: Corporate environmental strategies in the European paper industry. *Journal of Environmental Management*, *76*(2), 105–118. https://doi.org/10.1016/j.jenvman.2004.11.021

Welsh, D. H., Memili, E., Kaciak, E., & Al Sadoon, A. (2014). Saudi women entrepreneurs: A growing economic segment. *Journal of Business Research*, *67*(5), 758–762. https://doi.org/10.1016/j.jbusres.2013.11.040

Xie, J., Nozawa, W., Yagi, M., Fujii, H., & Managi, S. (2019). Do environmental, social, and governance activities improve corporate financial performance? *Business Strategy and the Environment*, *28*(2), 286–300. https://doi.org/10.1002/bse.2224

Yazici, S., Köseoglu, M. A., & Okumus, F. (2016). Identification of growth factors for small firms: Evidence from hotel companies on an island. *Journal of Organizational Change Management*, *29*(6), 994–1029. https://doi.org/10.1108/JOCM-12-2015-0231

Yeung, R. M., Brookes, M., & Altinay, L. (2016). The hospitality franchise purchase decision making process. *International Journal of Contemporary Hospitality Management, 28*(5), 1009–1025. https://doi.org/10.1108/IJCHM-08-2014-0399

Yoo, S., Keeley, A. R., & Managi, S. (2021). Does sustainability activities performance matter during financial crises? Investigating the case of COVID-19. *Energy Policy*, *155*, 112330. https://doi.org/10.1016/j.enpol.2021.112330

Zelditch, M. (2006). Legitimacy theory. *Contemporary Social Psychological Theories*, *324*, 352.

Zuluaga, B. B., & Mejía, A. G. (2010). Aspectos conceptuales y empíricos de la financiación de nuevas empresas en Colombia. *Cuadernos de Administración*, *26*(43), 81–98. http://www.scielo.org.co/scielo.php?script=sci_arttext&pid=S0120-46452010000100007

AUTHOR'S CONTRIBUTION

NB: introduction, theoretical framework, discussion, conclusions, and APA formatting. **MC**: theoretical framework, discussion, conclusions. **LG**: theoretical framework and results.

CONFLICTS OF INTEREST

The authors state that they do not have any conflicts of interest.

APENDIXES

Apendix A

Variables operationalization

Variable	Indicator	Item	Type of question	Number
Financial sustainability	Benefits	Benefits	Five-point Likert scale	Q41_1
	Sales	Sales	Five-point Likert scale	Q41_2
	Cash flow	Cash flow	Five-point Likert scale	Q41_3
Legitimacy	Environmental solutions	Offering solutions to environmental problems	Five-point Likert scale	Q41_5
	Health and/or elderly solutions	Offering solutions to health and/or aging problems	Five-point Likert scale	Q41_6
	Exclusion addressing	Combating economic and/or social exclusion and poverty	Five-point Likert scale	Q41_7
Family support	General support	General support received by the family in the last month	Five-point Likert scale	Q79_1
	Listening support	Family willingness to listen in the last month about your work-related problems	Five-point Likert scale	Q79_2
	Financial support	Financial support received by the family in the last month	Five-point Likert scale	Q79_3
Friends support	General support	General support received by friends in the last month	Five-point Likert scale	Q80_1
	Listening support	Friends' willingness to listen in the last month about your work-related problems	Five-point Likert scale	Q80_2
	Financial support	Financial support received by friends in the last month	Five-point Likert scale	Q80_3

Source: Prepared by the authors.

Apendix B: *Questionnaire prepared by the authors*

Q41. Please rate how successful your business has been during the last month compared to competitors with respect to

		1 = Much worse than the competitors	2 = Worse than the competitors	3 = Same as the competitors	4 = Better than the competitors	5 = Much better than the competitors
Q41_1	Benefits	_____	_____	_____	_____	_____
Q41_2	Sales	_____	_____	_____	_____	_____
Q41_3	Cash flow	_____	_____	_____	_____	_____
Q41_5	Environmental solutions	_____	_____	_____	_____	_____
Q41_6	Health and/or elderly solutions	_____	_____	_____	_____	_____
Q41_7	Exclusion addressing	_____	_____	_____	_____	_____

Q79. The following questions ask about the support you have received from others during the last month.

		1 = Nothing	2	3	4	5 = Very much
Q79_1	How much is your family helping or supporting you?	_____	_____	_____	_____	_____
Q79_2	How willing are they in your family to listen to you about your work-related problems?	_____	_____	_____	_____	_____
Q79_3	How much is your family helping you financially?	_____	_____	_____	_____	_____

Q80. The following questions ask about the support you have received from others during the past month.

		1 = Nothing	2	3	4	5 = Very much
Q80_1	How much are your friends helping or supporting you?	_____	_____	_____	_____	_____
Q80_2	How willing are your friends to listen to you about your work-related problems?	_____	_____	_____	_____	_____
Q80_3	How much are your friends helping you financially?	_____	_____	_____	_____	_____