



## Sustainable Entrepreneurship in SMEs

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### ABSTRACT

**Objective** – Sustainable entrepreneurship is considered to be combined with economic, social, and environmental value creation, and is considered a combination of social enterprise and environmental enterprise. The small and medium-sized enterprises (SMEs) in Malaysia are without exception. However, due to the lack of research, the existing literature has not yet provided sufficient explanation for the establishment of sustainable entrepreneurship in Malaysian SMEs. This research included an introduction that gives an overview of the research, continued by the review of existing literature that correlates to the research topic followed by the methodology adopted for this research.

**Methodology** – Specifically, this research extends the Entrepreneurial Event Model to test the proposed framework. To test the research framework and to achieve the research objectives, the survey questionnaire was used to collect the primary data of 200 respondents (entrepreneurs from Malaysian SMEs). The research used Analysis of Moment Structure (AMOS) and Statistical Package of Social Science (SPSS) to encode and analyse the main data collected in this study.

**Findings** – This research's findings revealed that the developed model was sustainable. All the constructs were reliable and valid, and the value was acceptable. The research novelty present in the paper regarding many researchers pay little attention to the key factors that affect the sustainable entrepreneurial ability of SMEs. At this point, this study had proposed a new variable such as environmental awareness and examined its impact on sustainable entrepreneurship performance. Furthermore, the research also provides references for future practical and theoretical contributions.

**Novelty** – This research provides new and important insights for SMEs, entrepreneurs, employees, and institutions through empirical testing of the framework, thereby contributing to knowledge.

**Type of Paper:** Empirical

**JEL Classification:** L21, L26, M19

**Keywords:** Sustainable Entrepreneurship; Perceived Desirability; Perceived Feasibility; Propensity to Act; Environmental Awareness

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### 1. Introduction

Today, the field of enterprise has been viewed as one of the significant regions of a nation's financial development, including economic development and work creation responsibility (Majid and Koe, 2012). At that point, this area of research has experienced numerous long periods of improvement. Enterprise has risen in numerous fields. For instance, one of them is sustainable entrepreneurship (SE) responsibility (Majid and Koe, 2012). Sustainable entrepreneurship can be viewed as a rising field in entrepreneurial examination (Hockerts and Wüstenhagen, 2010).

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In Malaysia, the government knows that environmental corruption may bring cataclysmic results, and different plans urge organizations to direct sustainable management. When creating sustainable entrepreneurs in the community, SMEs are significant substances that can't be overlooked. This is because they have made significant commitments to the economic advancement of a nation. For example, in the Asia-Pacific Economic Cooperation (APEC) area, SMEs represent 60% of the work power utilized, and 90% of all enterprises (Koe and Majid, 2013).

In Malaysia, SMEs represented 97.3% of the total number of enterprises and contributed 32.5% to the economy. Meanwhile, small and medium-sized entrepreneurs (SMEs) assume a crucial job in creating nations like Malaysia (Nordin and Hassan, 2019). Consequently, Malaysia's SMEs are keeping up a significant situation in the nation's economy, and this turns out to be much increasingly significant as Malaysia moves towards turning into a developed nation.

Although different government assistance and projects are provided for SMEs, the failure rate is getting higher and higher (Chong, 2012). One of the studies has indicated that the principal explanation behind the conclusion of SMEs is that SMEs proprietors do not comprehend the business challenges, particularly as far as money-related and management aptitudes. Assets given by the government or some other sources have not been appropriately recorded and utilized in tentative arrangements (Rahman, Yaacob, and Radzi, 2016).

Also, there are several experts who have pointed out (Aghelie et al., 2016) (Parrish, 2010; Schaltegger and Wagner, 2011; Shepherd and Patzelt, 2011; Huet and Freyman, 2014) that entrepreneurship is becoming more and more popular, and many short articles and journals have been published recently. However, researchers are still highly divided on how to define sustainable entrepreneurship. At this point, it shows that there is a need to further investigate the meaning of sustainable entrepreneurship for Malaysian SMEs. Moreover, several investigations (Hall, Daneke, and Lenox, 2010; Haar and Brenes, 2012; Klewitz and Hansen, 2011; Obaji, Olugu, and Balogun, 2016; Ibrahim, 2017; Juma, James, and Kwesiga, 2017) regarding sustainable entrepreneurship and development are implemented abroad, but they do not cover Malaysia. Other than that, some past researches (Ismail et al., 2009; Okafor and Mardi, 2010; Krithika and Venkatachalam, 2014; Ngugi and Gakure, 2012; Sahban, Ramalu, and Syahputra, 2016; Vuorio, Puumalainen, and Fellnhofer, 2018) only cover certain group of respondents.

The research novelty present in the paper regarding many researchers pay little attention to the key factors that affect the sustainable entrepreneurial ability of SMEs (Nordqvist and Melin, 2010; Encalada, Reyna, and Campos, 2012; CHIN, 2012; Zhang, Duysters, and Cloudt, 2014; Visser and Tsoka, 2014; Mokhber et al., 2017). At this point, this study had proposed a new variable such as environmental awareness and examined its impact on sustainable entrepreneurship performance. It filled the gap of previous studies where it is insufficient to provide holistic and comprehensive evidence towards sustainable entrepreneurship (Nordqvist and Melin, 2010; Encalada, Reyna, and Campos, 2012; CHIN, 2012; Zhang, Duysters, and Cloudt, 2014; Visser and Tsoka, 2014; Mokhber et al., 2017).

Therefore, this study will provide more information for more individuals to understand the success or failure factors of business SMEs among Malaysian entrepreneurs. It will examine the internal factors as well as external factors.

## 2. Literature Review

The research adopted the Entrepreneurial Event Model to develop the research framework. The entrepreneurial Event Model is classified as a conspiracy unit mainly because of issues related to characterizing the qualifications of entrepreneurs to others (Iakovleva and Kolvereid, 2009). Besides, the

Entrepreneurial Event Model proposed that the appearance (or securing) of perceptual facilitators or the disposal (or avoidance) of perceptual inhibitors are a few alternative events that will lead to the beginning of entrepreneurial action (Malebana, 2014) (Frese, 2009).

The Entrepreneurial Event Model reveals that the intention of entrepreneurship depends on three components which are propensity to act, perceived desirability, and perceived feasibility. Schlaegel and Koenig (2014), Nabi, Holden, and Walmsley (2010), and Iakovleva and Kolvereid (2009) identified propensity to act, perceived desirability, and perceived feasibility as the key factors that will predict the entrepreneurial intention. Therefore, the research has decided to add on these three components as the key factors.

The environment is a moderator of the impact of dynamic performance characteristics on the different stages of entrepreneurial success (Henao-Zapata & Peiró, 2018). However (Grichnik et al., 2014) and Rosenbusch, Rauch, and Bausch (2013) had mentioned the company appears to be highly dependent on the environment. Therefore, environmental awareness was adopted as one of the key factors in affecting sustainable entrepreneurship.

The study contributed the age as a moderating variable in the research. According to Yim (2013), the characteristics of a CEO may change with age. The psychological and physiological changes that happen with age will straightforwardly influence the CEO's willingness to create acquisitions. Previous research treated age as an independent variable (Marín, Nicolás, and Rubio, 2019). On the other hand, Moghavvemi and Salleh (2014) recommended that age can be used as a moderating variable to determine entrepreneurial intentions. Therefore, it is necessary to further study age as a moderating variable to understand sustainable entrepreneurship among Malaysian SMEs.

This research extends the Entrepreneurial Event Model to test the proposed framework. A total of six variables which comprised four independent variables, one moderating variable, and one dependent variable were included. By comprehension and exploring the factors that will influence the sustainable entrepreneurship of Malaysian SMEs, the formulated hypotheses for this study are listed as follow:-

### **Hypothesis 1**

H1a: *Perceived Desirability (PD) and Sustainable Entrepreneurship (SE) have a significant relationship.*

H1b: *Perceived Feasibility (PF) and Sustainable Entrepreneurship (SE) have a significant relationship.*

H1c: *Propensity to Act (PTA) and Sustainable Entrepreneurship (SE) have a significant relationship.*

H1d: *Environmental awareness (EA) and Sustainable Entrepreneurship (SE) have a significant relationship.*

### **Hypothesis 2**

H2a: *There is a difference between under 40 and over 40 on the path PD→SE.*

H2b: *There is a difference between under 40 and over 40 on the path PF→SE.*

H2c: *There is a difference between under 40 and over 40 on the path PTA→SE.*

H2d: *There is a difference between under 40 and over 40 on the path EA→SE.*

## **3. Methodology**

The population of this study includes small and medium-sized enterprises (SMEs) located in the states within Malaysia, which has the highest SMEs rate. The selected respondent must be an entrepreneur of

SMEs. Also, the respondents need to have a basic understanding of entrepreneurship knowledge and the entire activities of their companies in the past 3 years.

This study utilizes the close-ended questionnaire as the fundamental source adjusted from existing research. The use of questionnaires as a data collection method for this study was chosen because it is an efficient way to collect data from a large number of potential respondents (Islam et al., 2011). In Malaysia, most interviewees are familiar with the questionnaire survey method because most the past studies have used questionnaire surveys in the data collection process (Ali et al., 2009)(Islam, Abdul Rahim, et al., 2011; Mydin et al., 2014; Tiew et al., 2019).

The two-step cluster sampling technique was used for group samples in this study. The first stage of the two-step cluster sampling method will use random sampling to select the three states with the largest number of SMEs in Malaysia. In the second stage of two-step cluster sampling, stratified random sampling will be performed to select an equal number of SMEs from each state, the number being at least 67.

Experienced SMEs entrepreneurs are the intended target respondent. Picking experienced SMEs entrepreneurs can improve the accuracy of the appropriate answers since this study principally contemplates the factors of sustainable entrepreneurship. However, according to past researchers, the vast majority would prefer not to partake in the survey. For every 10 individuals asked, simply 3 to 4 individuals are happy to answer the survey. The researcher met and asked around 200-300 individuals.

After the selection, these SMEs are companies that need to be contacted to implement this research survey. For the respondents' condition, each SME entrepreneur must not only carry out activities related to entrepreneurship in the past 3 years but also need to have a basic understanding of the concept of sustainable entrepreneurship. The character of the respondents was neither uncovered nor revealed. Aside from applicable data, no other data will be gathered morally. The questionnaire comprised three sections. In section I, the respondents were asked about their gender, race, highest education level, no. of dependents, marital status, self-employed parents, working experience other than business, age when started the business, how the business started, and their age. The questions in this section are measured utilizing the nominal and ordinal scales. In Sections II and III, the survey embraced some questions for all the relevant research variables.

After the questionnaire has been distributed to SME entrepreneurs currently located in the following states of Malaysia, namely Selangor, Kuala Lumpur, and Johor, the researchers input data into excel files each time and perform data screening after collecting data from a location each time. When the goal is not reached, the researcher will keep on gathering data the following day until the goal is reached. Despite this, the respondents are urged to reply on the spot. Consequently, the respondent will be thanked by receiving a token after finishing the appropriate response. The time to finish the questionnaire is roughly 10 minutes. From March 2021 to May 2021, the data collection time is approximately 3 months.

#### 4. Results & Discussion

The study used 100 valid sets of survey forms, with the remaining 100 sets being incomplete. Missing value estimation is not performed on the 100 sets of data. As a result, the response rate is 50%, with 100 people out of 200 responding in order to guarantee that data investigation is directed mindfully (Chapman, 2018). This study will use the Analysis of Moment Structure (AMOS) and Statistical Package of Social Science (SPSS) to encode and analyse the main data collected in this study. The demographic profile of 100 small and medium enterprise (SME) entrepreneurs in Malaysia is shown in Table 1. It tabulated the collected data's statistics such as mean values and standard deviation.

Table 1. Profile of the Respondents (n=100)

| No | Demographic Variable                                                                | Percentage |
|----|-------------------------------------------------------------------------------------|------------|
| 1  | Gender (Mean: 1.33 ; Standard Deviation (SD): 0.470)                                |            |
|    | Male                                                                                | 67.3       |
|    | Female                                                                              | 32.7       |
| 2  | Age (Mean: 1.85 ; Standard Deviation (SD): 0.769)                                   |            |
|    | Under 40                                                                            | 57.65      |
|    | Over 40                                                                             | 42.35      |
| 3  | Race (Mean: 2.02 ; Standard Deviation (SD): 0.734)                                  |            |
|    | Malay                                                                               | 26         |
|    | Chinese                                                                             | 46.3       |
|    | India                                                                               | 27.7       |
| 4  | Highest Education (Mean: 3.15; Standard Deviation (SD): 1.06)                       |            |
|    | Primary School                                                                      | 6.3        |
|    | Secondary School                                                                    | 21         |
|    | Diploma                                                                             | 33         |
|    | Bachelor                                                                            | 32         |
|    | Masters                                                                             | 7          |
|    | Doctorate                                                                           | 0.3        |
|    | Professional                                                                        | 0.3        |
| 5  | No. of Dependents (Mean: 3.25; Standard Deviation (SD): 1.264)                      |            |
|    | 1                                                                                   | 10         |
|    | 2                                                                                   | 19.7       |
|    | 3                                                                                   | 26.7       |
|    | 4                                                                                   | 23         |
|    | 5 and above                                                                         | 20.7       |
| 6  | Marital Status (Mean: 1.57 ; Standard Deviation (SD): 0.60)                         |            |
|    | Single                                                                              | 48         |
|    | Married                                                                             | 47.7       |
|    | Divorced                                                                            | 3.7        |
|    | Widow                                                                               | 0.7        |
| 7  | Self-Employed Parents (Mean: 1.54; Standard Deviation (SD): 0.50)                   |            |
|    | Yes                                                                                 | 46         |
|    | No                                                                                  | 54         |
| 8  | Working Experience Other Than Business (Mean: 2.16; Standard Deviation (SD): 0.927) |            |
|    | Less than 3 years                                                                   | 27         |
|    | 3 to 5 years                                                                        | 38.7       |
|    | 5 to 10 years                                                                       | 25.3       |
|    | >10 years                                                                           | 9          |
| 9  | Age When Started Business (Mean: 1.42; Standard Deviation (SD): 0.581)              |            |
|    | 25-34                                                                               | 63         |
|    | 35-44                                                                               | 32.3       |

|    |                                                                   |      |
|----|-------------------------------------------------------------------|------|
|    | 45 over                                                           | 4.7  |
| 10 | How Business Started (Mean: 2.47; Standard Deviation (SD): 1.239) |      |
|    | From the scratch                                                  | 34.3 |
|    | Purchased                                                         | 14   |
|    | Inherited                                                         | 22   |
|    | Joined Someone                                                    | 29.7 |
| 11 | Nature of Business (Mean: 1.86; Standard Deviation (SD): 1.07)    |      |
|    | Servicing                                                         | 52   |
|    | Manufacturing                                                     | 23   |
|    | Construction                                                      | 12   |
|    | Agriculture                                                       | 13   |

The current result was consistent with previous studies (Majid, Latif, & Koe, 2017; Koe, Roaimah, & Izaidin, 2015; Koe, Omar, & Sa'ari, 2015; Koe & Majid, 2014). As a result, previous research adequately supports the current study's framework. Based on the findings, the hypotheses show a significant relationship to sustainable entrepreneurship. There are three independent variables (perceived desirability, perceived feasibility, and propensity to act) that have a strong relationship with sustainable entrepreneurship, whereas environmental awareness has no significant relationship. The proposed hypotheses are summarised in Table 2.

Table 2. Hypotheses Results

| Hypothesis | Description                                                                                              | Results              | $\beta$ | p-value |
|------------|----------------------------------------------------------------------------------------------------------|----------------------|---------|---------|
| H1a        | H1a: Perceived Desirability (PD) and Sustainable Entrepreneurship (SE) have a significant relationship.  | <i>Supported</i>     | 0.185   | 0.003   |
| H1b        | H1b: Perceived Feasibility (PF) and Sustainable Entrepreneurship (SE) have a significant relationship.   | <i>Supported</i>     | 0.183   | 0.005   |
| H1c        | H1c: Propensity to Act (PTA) and Sustainable Entrepreneurship (SE) have a significant relationship.      | <i>Supported</i>     | 0.224   | <0.001  |
| H1d        | H1d: Environmental awareness (EA) and Sustainable Entrepreneurship (SE) have a significant relationship. | <i>Not Supported</i> | 0.109   | 0.105   |

According to the research by Sefiani (2013), (Chen et al., 2010), (Azoulay et al., 2020), and (Frick, 2014), different age groups have different effects on entrepreneurship careers. Based on the findings, the results of H2a, H2b, and H2d indicate insignificant differences between age groups under 40 and over 40, whereas H2c is associated with sustainable entrepreneurship differently between age groups. Therefore, it shows that age also has the potential to regulate relationships to promote sustainable entrepreneurship. Table 3 summarizes the proposed assumptions.

Table 3. Summary of Moderating Hypotheses Result - Age

| Hypothesis | Description                                                            | Results              | (Under 40) |         | (Over 40) |         |
|------------|------------------------------------------------------------------------|----------------------|------------|---------|-----------|---------|
|            |                                                                        |                      | $\beta$    | p-value | $\beta$   | p-value |
| H2a        | There is a difference between under 40 and over 40 on the path PD→SE.  | <i>Not Supported</i> | 0.114      | 0.030   | 0.177     | 0.353   |
| H2b        | There is a difference between under 40 and over 40 on the path PF→SE.  | <i>Not Supported</i> | 0.023      | 0.652   | -0.069    | 0.764   |
| H2c        | There is a difference between under 40 and over 40 on the path PTA→SE. | <i>Supported</i>     | 0.163      | 0.007   | -1.257    | 0.062   |
| H2d        | There is a difference between under 40 and over 40 on the path EA→SE.  | <i>Not Supported</i> | -0.033     | 0.656   | 0.335     | 0.522   |

The CB-SEM analysis' primary objective is to examine the variance and determine the significance of all path estimates. According to Rahman, Memon, and Karim (2013),  $R^2$  represents the percentage of a construct's variance in the model.  $R^2$  values are considered significant for endogenous constructs when ( $R^2 \geq 0.26$ ), acceptable when ( $R^2 \geq 0.13$ ) and low when ( $R^2 \geq 0.02$ ) (Cohen, 1988).  $R^2$  values for endogenous constructs are shown in Figure 4.3 (i.e., sustainable entrepreneurship).

To investigate the research objective, there were 4 sub-hypotheses. By looking at this result, their structural relationships are significantly based on the significant level of 0.05, except EA. The multiple square correlations ( $R^2$ ) for SE indicated 0.27 (this value is in the endogenous construct). This explained that 27% of the variances in SE were contributed by sustainable factors. As a result, the model is regarded as significant.

The study compares current results with previous results to examine the influence of factors on sustainable entrepreneurship. The current result was consistent with previous studies (Majid, Latif, & Koe, 2017; Koe, Roaimah, & Izaidin, 2015; Koe, Omar, & Sa'ari, 2015; Koe & Majid, 2014). For example, the existing study's results were quite closely consistent with the study of Majid, Latif, & Koe (2017) which explained 27.8% of the variance in the intention towards sustainable entrepreneurship.

## 5. Conclusion

This research's findings revealed that the developed model was sustainable. All the constructs were reliable and valid, and the value was acceptable. The findings also suggested that some of the factors influenced sustainable performance. When entrepreneurs or the company focus on these factors, the SMEs will achieve a higher level of sustainable entrepreneurship performance.

At a practical level, the possible achievements and contributions of the last part of this article have four perspectives which are small and medium-sized enterprises (SMEs), entrepreneurs, employees, and industry.

Truth be told, the principal challenge is to work and to keep up the imperativeness of the business (Sumaiyah and Rosli, 2011). Subsequently, it is assessed that the failure pace of SMEs is about 60% (Khalique et al., 2011). In this manner, the most significant issue is to make these organizations survive or remain for a couple of years, and afterward extend their current organizations to a more significant level. Therefore, this research can guide the key success factors of sustainable entrepreneurship for Malaysian SMEs, hence will offer assistance to the entrepreneurs to apply an efficient approach to change their organization's structure and process. This change in SMEs will improve their business performance, reinforce their competitive advantages, and eventually survive within the domestic markets and turbulent global market.

After that, the choice to pick this specific topic is principal because it is identified with responding to calls for further clarification regarding what is the impact to affect sustainable entrepreneurship. Likewise, this topic additionally gives information to empower more entrepreneurs to have a more profound comprehension of the idea of sustainable entrepreneurship and to set up their mindfulness in specific circumstances when managing the organization. By identifying the factors involved, we can understand the formation of intentions and take steps to manipulate key variables, such as how to extend people's desires and have more confidence in their ability to act.

This research also contributed to employees. As employees, they are the most important partners within the organization. Without human capital, companies cannot perform well. Employees understand the significance of sustainable development, not only advantageous to the organization but also helps them improve and grow quickly. According to Omar, Arokiasamy, and Ismail (2009), small companies can't create aptitudes, information, and capacities among employees in the institution. Sustainable practice in business not just includes environmental administration, it likewise accentuates keeping up social government assistance, making financial advantages, safeguarding society, and observing morals (Koe et al., 2017). Therefore, due to the stability of the organization and a good environment, it provides employees with job satisfaction and benefits. Other than that, the frameworks of this study also provide a clear understanding of the factors that will affect sustainable entrepreneurship. Therefore, it can help every employee to assist their organization achieve company goals more confidently in the process of sustainable development.

For theoretical implication, many researchers pay little attention to the key factors that affect the sustainable entrepreneurial ability of SMEs (Nordqvist and Melin, 2010; Encalada, Reyna, and Campos, 2012; CHIN, 2012; Zhang, Duysters, and Cloudt, 2014; Visser and Tsoka, 2014; Mokhber et al., 2017). At this point, some variables have been added, such as environmental awareness and age to make it richer in this field. Understanding the factors that trigger sustainable entrepreneurship will help SMEs to understand and take steps to manipulate them.

Previously, research on sustainable entrepreneurship and development was mainly concentrated abroad, and Malaysia is not yet a fully developed nation (Hall, Daneke, and Lenox, 2010; Haar and Brenes, 2012; Klewitz and Hansen, 2011; Obaji, Olugu, and Balogun, 2016; Ibrahim, 2017; Juma, James, and Kwesiga, 2017). Hence, this research proposes to expand the existing research on sustainable entrepreneurship in Malaysia. Also, this will be able to contribute to the literature in many ways.

There are some recommendations for Malaysian SMEs. Firstly, the company should find out the main root of the low performance of sustainable entrepreneurship in the company before implementing new planning. Findings prove that perceived desirability is an important factor affecting sustainable entrepreneurship in SMEs. Despite government support, sustainability in SMEs is still at a low level (Chong, 2012). Urban and

Kujinga (2017) show that numerous individuals in emerging economies may be enthusiastic to pursue entrepreneurship but did not participate due to a lack of self-confidence, which is related to the desirability of entrepreneurship intention. From this point of view, the current study suggests SMEs pump in more training consistently to upgrade self-confidence and integrate with existing knowledge. As such, SMEs are recommended to have strategic planning and support sustainable activities.

In addition, the study proves that perceived feasibility increases the level of sustainability in SMEs. However, individuals in developing economies may be energetic to engage in entrepreneurship, but do not take part due to a lack of fundamental entrepreneurial skills (Urban, 2013), which ultimately affects the intention of sustainable entrepreneurship. As a result, it is advised that the government assist SMEs to decrease financial burdens and improve sustainability levels. The government should also educate SMEs on corporate awareness, thereby broadening their focus on opportunities. Although the government supports SMEs, this shows that there is still room for new schemes such as progressive education and subsidies for local businesses so that SMEs can improve their level of sustainability as they are the backbone of Malaysia's economy.

The study found that the sustainability of Malaysian SMEs depends much on entrepreneurs' propensity to act. When the propensity to act is high, the impact of perception of opportunity on entrepreneurial intention becomes stronger (Esfandiar et al., 2019). As a result, just like the foundation of entrepreneurship, this essential belief will effectively influence entrepreneurial drive (Moghavvemi and Salleh, 2014). Future studies should consider other external factors such as government collaboration, incentives system, or cooperation of academic institutions with study information centers to acquire more knowledge that could help entrepreneurs to develop sustainable capacities for SMEs to grow and attain higher sustainable performance.

Environmental awareness has no significant relationship with sustainable entrepreneurship. However, it could be due to a lack of conditions and strategies for entrepreneurial behavior to solve such problems (York and Venkataraman, 2010), resulting in the low participation of environmental awareness in Malaysian SMEs. With the expansion of the environment concept in a sustainable process, future studies should take into account re-examine environmental awareness as a factor of sustainable entrepreneurship in SMEs. This study highlighted the importance of the factors and linked them to the age of entrepreneurs to promote more sustainable entrepreneurship, but it did not address how these primary factors may be better utilized to promote more sustainable activities. On the other hand, some techniques such as interviews, focus groups, or qualitative content analysis suggest being used for research finding validation purposes in the future. A qualitative study in the future could help to improve findings and provide new information that could help to identify specific explicit or implicit sustainability.

In the chapter's conclusion, various recommendations were made to Malaysian SMEs, entrepreneurs, the government, employees, and the industry. It discussed how these factors are crucial for sustainable entrepreneurship and how they might be applied to the company. This chapter also drew attention to various limitations that should be addressed by future studies. Finally, in light of the study's findings and previous research, theoretical and practical implications were discussed.

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**Appendix**

Table 3.1: Survey Constructs, Questions, and Sources

| Indicator                   | Items                                                                                              | Adaptation                             |
|-----------------------------|----------------------------------------------------------------------------------------------------|----------------------------------------|
| Perceived Desirability (PD) |                                                                                                    |                                        |
| PD1                         | I would love to do it.                                                                             | (Saeed, Muffatto, and Yousafzai, 2014) |
| PD2                         | My immediate family members would encourage me to do it.                                           |                                        |
| PD3                         | I will be very nervous.                                                                            |                                        |
| PD4                         | I will be very fervent.                                                                            |                                        |
| PD5                         | To face new sustainability challenges.                                                             | (Koe, Omar, and Majid, 2014)           |
| PD6                         | To create new sustainability products.                                                             |                                        |
| PD7                         | To be creative and innovative.                                                                     |                                        |
| PD8                         | To obtain high incomes.                                                                            |                                        |
| PD9                         | Take calculated risks.                                                                             |                                        |
| Perceived Feasibility (PF)  |                                                                                                    |                                        |
| PF1                         | I think it would be extraordinary to begin my own business.                                        | (Lepoutre et al., 2011)                |
| PF2                         | I want to start my own business.                                                                   |                                        |
| PF3                         | If I were to start my own business, I would always be afraid of losing all my money.               |                                        |
| PF4                         | I firmly believe that as long as I make up my mind, I can contribute to meeting social challenges. | (Hockerts, 2017)                       |
| PF5                         | I can find a way to help solve the problems of society.                                            |                                        |
| PF6                         | Solving social problems is a contribution that each of us can make.                                |                                        |
| Propensity to Act (PTA)     |                                                                                                    |                                        |
| PTA1                        | Export a large number of products.                                                                 | (Ngugi and Gakure,                     |

|                                   |                                                                                                                                                                                            |                                             |
|-----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|
| PTA2                              | Introduce new products/services to the customers regularly.                                                                                                                                | 2012)                                       |
| PTA3                              | Regularly introduce new production processes or systems.                                                                                                                                   |                                             |
| PTA4                              | Formulate research and development projects.                                                                                                                                               |                                             |
| PTA5                              | Detailed plans for different areas of the company.                                                                                                                                         |                                             |
| PTA6                              | Reach cooperation agreements or partnerships with other companies.                                                                                                                         |                                             |
| PTA7                              | Provide professional training for employees.                                                                                                                                               |                                             |
| PTA8                              | Expand the company (premises, personnel, etc.).                                                                                                                                            |                                             |
| Environmental and Awareness (EA)  |                                                                                                                                                                                            |                                             |
| EA1                               | Environmental issues have been completely coordinated in the company's plans and strategies.                                                                                               | (Testa et al., 2016)                        |
| EA2                               | The economic crisis has given me an opportunity for my organization to proceed to create production and management solutions to diminish the environmental effect of the whole life cycle. |                                             |
| EA3                               | Improve company reputation and image.                                                                                                                                                      |                                             |
| EA4                               | Improve regulatory compliance.                                                                                                                                                             |                                             |
| EA5                               | Meet the requirements of private customers.                                                                                                                                                |                                             |
| EA6                               | Meet the requirements of public customers                                                                                                                                                  |                                             |
| EA7                               | Companies similar to our own have adopted similar practices.                                                                                                                               |                                             |
| EA8                               | Decreasing the company's environmental impact can also greatly reduce costs.                                                                                                               |                                             |
| EA9                               | Institutions (regions, governments, cities, and government departments,) must contribute to improving the environment.                                                                     |                                             |
| Sustainable Entrepreneurship (SE) |                                                                                                                                                                                            |                                             |
| SE1                               | Our organization is committed to improving the health and well-being of people around the company.                                                                                         | (Jahanshahi, Brem, and Bhattacharjee, 2017) |
| SE2                               | Our organization is committed to making and conveying financial esteem among all stakeholders.                                                                                             |                                             |
| SE3                               | Our organization is committed to improving the quality of life in specific communities.                                                                                                    |                                             |
| SE4                               | Our organization is committed to creating jobs.                                                                                                                                            |                                             |
| SE5                               | Our organization is dedicated to re-establishing or protecting the natural environment.                                                                                                    |                                             |
| SE6                               | Our organization is committed to making reasonable and ethical products.                                                                                                                   |                                             |
| SE7                               | Our organization is committed to establishing reasonable dealing relationships with suppliers.                                                                                             |                                             |
| SE8                               | Our organization is committed to advancing democratic business models.                                                                                                                     |                                             |