

SUSTAINABLE ENTREPRENEURSHIP AND BUSINESS
PERFORMANCE: EVIDENCE FROM FOOD AND
BEVERAGE OUTLETS IN EAST COAST MALAYSIA

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FACULTY OF BUSINESS AND ACCOUNTANCY

UNIVERSITY OF MALAYA

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OUTLETS IN EAST COAST MALAYSIA**

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**DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF
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**SUSTAINABLE ENTREPRENEURSHIP AND BUSINESS PERFORMANCE:
EVIDENCE FROM FOOD AND BEVERAGE OUTLETS IN EAST COAST
MALAYSIA**

ABSTRACT

The concepts of sustainable entrepreneurship and measuring business performance using the tools of sustainability performance measurement and management have gained increasing attention over the decades. The terms such as sustainability and sustainable entrepreneurship have roots in the notion of sustainable development. On the other hand, the role of Small and Medium Enterprises (SMEs) in the economic make up of a country is a significant one. Despite, the important role of SMEs, the area of sustainable entrepreneurship practices among SMEs has been under-researched. Thus, this research aimed to study sustainable entrepreneurship practices of SME managers or manager-owners of Food and Beverage Outlets located across East Coast Malaysia (i.e. the states of Kelantan, Terengganu and Pahang). The concepts of Stakeholder theory and triple bottom line have been employed to build a robust framework for the research study. In the light of The Stakeholder theory and triple bottom line three hypotheses were developed and tested. The main objective of this study was to investigate the impact of the approach of SMEs towards people/social, profit/economic and planet/environment and positive business performance. Quantitative form of study was utilized for primary data collection. A total of 200 survey questionnaires were distributed among the SME managers or manager-owners from East Coast Malaysia. 165 valid survey questionnaires, which is a response rate of 82.5 percent, were received. The results indicated that proposed research model was a significant one as approximately 40 percent of the variance in business performance was explained by the approach towards people/social, profit/economic and planet/environment. Sustainable entrepreneurship practices towards people/social do not have a significant relationship with positive business performance.

Whereas, profit/economic and planet/environment have a direct significant relationship with positive business performance. In conclusion, one of the significant theoretical contributions of this study were that the findings can be added to the existing literature of sustainable entrepreneurship practices of small and medium enterprises (SMEs). Furthermore, another primary theoretical contribution was the amalgamation of the concepts of sustainability, entrepreneurship, sustainable entrepreneurship, sustainable development and sustainable growth to build a meaningful connection among the various notions so that future researchers may derive benefit from the findings of the study. Finally, from a bigger practical perspective, the Malaysian entrepreneurs shall find meaningful information to practically design their business model resulting in the fulfilment of sustainable development goals (SDGs) as laid down by United Nations.

Keywords: Sustainable entrepreneurship; Triple Bottom Line; Stakeholder Theory; Business Performance

**KEUSAHAWANAN MAMPAN DAN PRESTASI PERNIAGAAN: BUKTI
DARIPADA KEDAI-KEDAI MAKANAN DAN MINUMAN DI PANTAI TIMUR
MALAYSIA**

ABSTRAK

Konsep keberkesanan keusahawanan dan mengukur prestasi perniagaan dengan menggunakan alat pengukuran dan pengurusan prestasi lestari telah mendapat perhatian selama beberapa dekad. Istilah-istilah seperti kelestarian dan keberkesanan keusahawanan adalah bermula daripada pada konsep pembangunan lestari. Disamping itu, peranan Perusahaan Kecil dan Sederhana (PKS) dalam bidang ekonomi sebuah negara sangat penting. Walaupun begitu, peranan penting PKS, amalan dalam bidang keberkesanan keusahawanan di kalangan PKS masih belum diteliti. Oleh itu, penyelidikan ini adalah bertujuan untuk mengkaji amalan keberkesanan keusahawanan oleh pengurus-pengurus PKS atau pengurus pemilik-pemilik Outlet Makanan dan Minuman yang terletak di seluruh Pantai Timur Malaysia (iaitu negeri Kelantan, Terengganu dan Pahang). Konsep teori *Stakeholder* dan *Triple Bottom Line* telah digunakan untuk membina kerangka kerja yang kuat untuk kajian penyelidikan. Berdasarkan teori *Stakeholder* dan *Triple Bottom Line* tiga hipotesis dikembangkan dan diuji. Objektif utama kajian ini adalah untuk mengkaji kesan pendekatan PKS terhadap orang / sosial, keuntungan / ekonomi dan planet / persekitaran dan prestasi perniagaan yang positif. Bentuk kajian kuantitatif telah digunakan untuk pengumpulan data primer. Sebanyak 200 soal selidik tinjauan diedarkan di kalangan pengurus PKS atau pemilik-pengurus dari Pantai Timur Malaysia. Sebanyak 165 soal selidik tinjauan yang sah telah dapat dikumpul kembali, yang telah merekodkan kadar respons 82.5 peratus, telah diterima. Keputusan telah menunjukkan bahawa model kajian yang dicadangkan adalah signifikan kerana sekitar 40 peratus daripada varians dalam prestasi perniagaan telah dijelaskan oleh pendekatan terhadap orang / sosial, keuntungan / ekonomi dan planet /

persekitaran. Pengamalan keusahawanan lestari terhadap individu/masyarakat tidak ada hubungkait yang signifikan terhadap prestasi bisnes yang positif. Manakala, keuntungan / ekonomi dan planet / persekitaran mempunyai hubungkait signifikan terus terhadap prestasi bisnes yang positif. Kesimpulannya, salah satu sumbangan teori penting dalam kajian ini adalah bahawa penemuan-penemuan dapat ditambahkan ke literatur yang sedia ada dalam amalan keberkesanan keusahawanan Perusahaan Kecil dan Sederhana (PKS). Tambahan pula, sumbangan teori primari yang lain adalah penggabungan konsep pelestarian, keusahawanan, keusahawanan lestari, pembangunan lestari dan pertumbuhan lestari untuk membina hubungan yang bermakna di antara pelbagai tanggapan agar penyelidik-penyedilik di masa hadapan dapat meraih faedah daripada hasil-hasil kajian tersebut. Akhirnya, daripada perspektif praktikal yang lebih besar, pengusaha-pengusaha Malaysia perlu mencari maklumat yang bermakna untuk merancang model perniagaan mereka secara praktikal sehingga tercapainya matlamat pembangunan lestari (SDG) seperti yang ditetapkan oleh Pertubuhan Bangsa-Bangsa Bersatu.

Kata kunci: Keberkesanan keusahawanan; *Triple Bottom Line*; Teori *Stakeholder*; Prestasi perniagaan

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LIST OF ABBREVIATIONS

The abbreviations used in this study:

CEO	Chief Executive Officer
DOSM	Department of Statistics Malaysia
F&B Outlets	Food & Beverage Outlets
GDP	Gross Domestic Product
MD	Managing Director
MITI	Ministry of International Trade and Industry
MYR	Malaysian Ringgit
SME	Small and Medium Enterprise
SME Corp. Malaysia	Small and Medium Enterprise Corporation Malaysia
SMIDEC	Small and Medium Industries Development Corporation
TBL	Triple Bottom Line

CHAPTER 1: INTRODUCTION

1.1 Chapter Overview

This chapter begins with a short introduction which attempts to sketch a bigger picture of the context of the research study. Next section is based on the background of the study which highlights the importance of sustainable entrepreneurship and practices of entrepreneurs who particularly manage businesses categorized under Small and Medium Enterprises (SMEs). The importance of SMEs in the economic make-up of a country in general, and Malaysia in particular, is discussed which is followed by the discussion on defining SMEs in the Malaysian context. The following section sheds light on problem statement and consequent research questions and research objectives. The next section gives a brief overview of the key terms utilized in the context of this study. The succeeding section then discusses the significance of the study/expected contributions, methodology and scope of the study. The last section of the chapter includes a discussion on the organization report of the thesis.

1.2 Introduction

Sustainability performance measurement and management is simply defined as the process of measurement or management of the interaction or the engagement of businesses with society and environment (Bennett & James, 1997; Silva, Nuzum, & Schaltegger, 2019). The concept of sustainability performance management is comparatively a new concept as this is an emerging term (Schaltegger & Wagner, 2006) just like the term of sustainable entrepreneurship. Both terms have primarily been coined from the basic notion of sustainable development.

The main objective of sustainability performance management is to address the social, environmental and economic (performance) dimensions of management (Epstein & Roy, 2003). Additionally, the management of sustainability performance demands a robust management framework which links environmental and social management while simultaneously balancing the economic or financial aspect to drive the success of businesses (Schaltegger & Wagner, 2006). According to Hubbard (2009), Freeman (1984), Reich (1988), Brown & Fraser (2006) argue that companies, small or large alike, are now understood to expand the spectrum of accountability practices as opposed to prior understanding where the focus was only on those entities directly involved. This means that entrepreneurs are now answerable or accountable towards a larger set of population that is directly or indirectly impacted (i.e. civil society, environment, governmental bodies etc.) rather than engaging merely with their immediate partners, customer and suppliers.

Enlarging the scope of engagement towards stakeholders rather than immediate shareholders, brings us to the important concept of sustainable entrepreneurship. The concept of sustainable entrepreneurship is interlinked with sustainability performance and has its roots in the concept of sustainable development which aims to create long-term stakeholder value. Sustainable entrepreneurship is practiced by efficiently engaging in a risky economic opportunity that results in the overall welfare for all the direct and indirect participants in the existing social and environmental system to create long-term stakeholder value. This concept may be developed further by utilizing the notion of the need of taking up economic opportunities by employing the concept of The Stakeholder theory and further refining it with Triple Bottom Line (TBL) or 3P. The Stakeholder theory aims at creating long-term value for all the stakeholders that are directly or indirectly impacted whereas Triple Bottom Line (TBL) or 3P builds on the concept by specifically outlining and focusing on the three primary dimensions which are

people/social, profit/economic, and planet/environment in managing business enterprises. Thus, the primary theory used for the research study is The Stakeholder theory which is refined further by using TBL as the secondary theory. Firms following this notion operate in a way that the management practices are in alignment with the accountability practices which support sustainability and sustainable entrepreneurship. It would not be wrong to highlight here that research on sustainability and sustainable development is very much in its nascent stages (Moorthy, Kumar & Arokiasamy, 2012).

In the context of this study, it is further noted that focus on Small and Medium Enterprises (SMEs) in terms of sustainable entrepreneurship approaches vis-à-vis business performance is especially under-researched (Moorthy *et al.*, 2012; Siegel, Antony, Garza-reyes, Cherra, & Lameijer, 2019). It is important to note that the concept of sustainability performance measurement or management shall be utilized in the context of measuring business performance. Business performance is measured and gauged by emphasizing on the goal of creating long-term stakeholder value and welfare for the societal and environmental systems rather than focusing on one dimensional objective of profit maximization.

Thus, the research study falls under the domain of management accounting and is primarily focused upon sustainable entrepreneurship practices of Malaysian SMEs and business performance. It integrates the concept of sustainability performance management and measurement with the support of The Stakeholder theory as primary theory and triple bottom line (TBL) as secondary model or theory, to gauge the approach of entrepreneurs of SMEs and the impact on business performance.

1.3 Background of the Study

The focus on sustainable development has increased over the past few decades in the wake of challenging global economic situation, climate change and stuttering social justice practices pressing further on the urgency and complexity of the issue. Although the goals of sustainable development are placed atop of the development agenda globally, there seem to be considerable number of obstacles to overcome in order to achieve solid outcomes (Greco & Jong, 2017). Undoubtedly global political leaders, socialists and environmentalists have pressed for the need of sustainable development alike. However, the research in the area in terms of the measures and effective strategies for achieving the goals of sustainable development are still in their nascent stages. This is largely due to the lack of research in the sustainable entrepreneurship approaches and practices of specially small and medium enterprises (Moorthy *et al.*, 2012). Much research is needed in the areas that focus on the behavioural aspect into what actually guides the entrepreneurs to practice sustainable entrepreneurship, what is the current level of their understanding and readiness, the barriers faced as well as how these factors translate and reflect positively into a firm's business performance (Koe & Majid, 2014).

The Stakeholder Theory and Triple Bottom Line (TBL) provide a robust framework within which this research shall be conducted. The use of The Stakeholder theory along with Triple Bottom Line was deemed necessary as The Stakeholder theory provides a bigger picture to build a robust foundation for the conceptual framework of the study. On the other hand, TBL further refines the broad concept into three distinct dimensions to bring about clarity to the research objectives and facilitate their achievement. To explain further, The Stakeholder theory presents an important concept for securing long-term stakeholder value. It makes an attempt to explain the need for business enterprises to engage with their stakeholders as they strategize and develop their business model in a way that securing maximum stakeholder value is prioritized (Bhasin,

2018). The Stakeholder theory, therefore, outlines important phenomenon which contributes towards securing long-term positive business performance. Business performance is identified as the dependent variable in the context of this research study.

On the other hand, the concept of triple bottom line or 3P outlines People/Social, Profit/Economic, and Planet/Environment as the primary pillars or stakeholders that should be taken into account when practicing sustainable entrepreneurship and thus, creating long-term stakeholder value as its significance is established by The Stakeholder theory. Therefore, this research study identifies independent variables in the form of three main constructs or latent variables namely, People/Social, Profit/Economic, and Planet/Environment.

Next sub-section sheds light on the significance of SMEs in an economy, definition of SMEs and their role in the context of Malaysia in an attempt to gauge the important role of such enterprises for the South East Asian nation of Malaysia.

1.3.1 Significance of Small and Medium Enterprises (SMEs)

Small and Medium Enterprises (SMEs) have a significant role to play as major contributors in the economy of any given country. It would not be wrong to term SMEs as the backbone of an economy (Ghazilla *et al.*, 2015; Karadag, 2016). The special role of SMEs as a huge contributor to Gross Domestic Product (GDP) growth has made them very significant in national economies (Karadag, 2016; Savlovski & Robu, 2011). Statistics of many countries exhibit that SMEs play a role of prime importance in the economy as they represent more than 99% of total companies giving a substantial boost to GDP and increasing the supply of jobs (Savlovski & Robu, 2011). The need to focus on the sustainable growth of SMEs is a significant one in order to secure long-term stakeholder value.

Therefore, studying the sustainable entrepreneurship practices of the SMEs may provide an insight into the measures that are most favourable for sustainable development of SMEs.

Despite the pressing need of SMEs to participate in sustainable entrepreneurship, studies show that the number of SMEs that engage in desired practices is not very encouraging as compared to large organizations (Koe, Omar, & Abdul, 2014). This is due to the fact that sustainable entrepreneurship practices are seen as something new to many businesses (Moorthy *et al.*, 2012).

1.3.2 Defining SMEs and their Role in the Malaysian Context

In agreement with the discussion in the sub-section above, the significance of SMEs is also established in the case of the Malaysian economy that identifies the sustainable growth of SMEs as an important factor of economic development. Thus, for the purpose of enhancing the growth and smooth functioning of SMEs, Small & Medium Industries Development Corporation (SMIDEC) was formed under the umbrella of Ministry of International Trade and Industry (MITI) as early as 1996 (SME Corp. Malaysia, 2019). In 2009, SMIDEC was officially re-named as Small and Medium Enterprise Corporation Malaysia and a number of strategic plans were devised as a catalyst to boost SMEs' contribution in economic growth of Malaysia (SME Corp. Malaysia, 2019).

The definition of SMEs has been identified into two categories namely; Manufacturing and Services and Other Sectors which are further grouped into two categories as small and medium (SME Corp. Malaysia, 2019). According to SME Corp. Malaysia, Small Manufacturing Enterprises can be defined as companies which have a sales turnover from 300,000 Malaysian Ringgit (MYR) to 15 million Malaysian Ringgit (MYR) or employees size between 5 to 75 whereas, Medium Manufacturing Enterprises can be identified as companies that have a sales turnover from 15 million Malaysian

Ringgit (MYR) to 50 million Malaysian Ringgit (MYR) or employee size between 75 to 200 in number. On the other hand, Small Services and Other Sectors Enterprises can be understood as companies with a sales turnover from 300,000 Malaysian Ringgit (MYR) to less than 3 million Malaysian Ringgit (MYR) or 5 to 30 employees by employee size while Medium Services and Other Sectors enterprises can be defined as having a sales turnover from 3 million Malaysian Ringgit (MYR) to 20 million Malaysian Ringgit (MYR) or have 30 to 75 employees. In addition to that, 20.6% of SMEs are owned by women. According to SME Corp. Malaysia, a women-owned SME is defined as having an equity ownership equalling to 51% or more or Chief Executive Officer (CEO)/ Managing Director (MD) is a woman with at least 10% share in the equity (SME Corp. Malaysia, 2016).

According to the reports, the contribution of SMEs to Gross Domestic Product (GDP) of Malaysia in 2011 is estimated at 32.5 % which is expected to increase to 41% by year 2020 (Ghazilla *et al.*, 2015). Furthermore, the growth of SMEs, particularly in the form of food and beverage (F&B) outlets has been positive as evidenced by the increasing share of the services sector of SMEs at 89.2% equalling to a total of 809,126 SMEs as of the year 2016 (SME Corp. Malaysia, 2016). The total number of SMEs in Malaysia amounted to 907,065, indicating that the services sector makes up a large chunk of the total (SME Corp. Malaysia, 2016). As of 2015, the Department of Statistics Malaysia (DOSM) reported a total of 167,490 F&B outlets, amounting to a total annual growth rate of 5.1 percent since 2010 (The Star, 2017).

As evident, the number of F&B Outlets have been on a rise. Therefore, in order to build stakeholder value in the long term, it is considered important that F&B outlets participate in sustainable entrepreneurship practices. Sustainable entrepreneurship may be defined as identification, creation, and innovative exploitation of risky opportunities to positively contribute to sustainability by producing goods and services that improve

existing social and environmental systems (Hockerts & Wüstenhagen, 2010). Engagement of Malaysian F&B Outlets in sustainable entrepreneurship practices is significant due to the fact that sustainable entrepreneurship inherently backs the phenomenon of establishing long-term stakeholder value as suggested by its basic definition.

It is therefore evident that sustainable entrepreneurship practices not only highlight the importance of economic gains, but also emphasize on the development of value that strengthens a society's social and environmental structures, making it all the more relevant and a safe business approach for small, medium and large enterprises worldwide, in general, and in particular for Malaysia.

1.4 Problem Statement

The increasing need for sustainable development in the global context as well as the Malaysian context demands attention towards approaches that incorporate social and environmental factors along with economic factors to gauge business performance. It is asserted time and again that SMEs will drive the direction and determine the magnitude of growth and prosperity in developing and developed countries alike (Karadag, 2016; Savlovski & Robu, 2011). Hence, the increasingly important role of SMEs in the economic make-up of any country, in general, and Malaysia in particular, is one reason this study shall be conducted.

The Malaysian Green Technology Corporation and Climate Change Centre, a government agency under the Ministry of Environment, has made initiatives like 'MyHIJAU SME and Entrepreneur Development Programme' or 'MyGREEN SME and Entrepreneur Development Program' which has an objective to encourage local industries including SMEs to implement green practices and resultantly produce green products

and/or services.¹ Although initiatives have been taken to encourage sustainable entrepreneurship, many businesses are still resisting the implementation of such practices (Moorthy *et al.*, 2012). To reiterate the connection between entrepreneurship and sustainability, sustainable entrepreneurship refers to identifying opportunities and employing innovativeness to produce goods and/or services that positively impact the social and environmental system along with producing long-term economic benefits (Hockerts & Wüstenhagen, 2010). As sustainable entrepreneurship is a relatively new concept (Hockerts & Wüstenhagen, 2010; Siegel *et al.*, 2019), comparatively lack of research on sustainable entrepreneurship approaches and lack of initiative among SMEs counts as another reason to highlight and study this area in depth.

A report prepared by SME Corp. Malaysia suggests that the contribution of SMEs to the Malaysian economy is more than one-third and amounts to a total of 435.1 billion Malaysian Ringgit with a growth rate of 7.2% which was higher than the GDP growth rate of 5.2% in 2016 (*SME Annual Report 2017/18*, 2018). A report by Statista suggests that a whopping revenue of 102.42 million Malaysian Ringgit as of 2017 (Mestaddin, 2017) is generated by the food & beverage segment which is heavily comprised of SMEs (Zain, Anas, Hassan, Lehar, & Shamsuddin, 2012). Furthermore, the report by SME Corp. Malaysia suggests that the wholesale and retail trade, F&B and accommodation made up 62.3% of the total value added by SMEs. This means that services sector of SMEs (under which the F&B outlets fall) is the highest contributor to GDP and grows at rate of 7.5 % (*SME Annual Report 2017/18*, 2018). Furthermore, according to DOSM, the compounded annual growth rate of wholesale & retail trade, F&B and accommodation has been noted to be the highest ranging from 7 % – 7.5 % (2011-2017) among other categories in the services sector and in comparison with the overall services sector (*SME Annual Report 2017/18*, 2018). Additionally, a press release by Department of Statistics Malaysia (2016)

¹ Source: <https://www.greentechmalaysia.my/our-services/myhijau-sme-entrepreneur-development-program/>

reports that food and beverage services value added has seen growth in double digits and has been rising at a rate of 11.2 percent as of 2010. The discussion above illustrates the significance of F&B sector for the Malaysian economy and therefore, F&B sector (under the category of SMEs) is chosen for this research study.

SMEs globally and in Malaysia have little understanding of the link between sustainable entrepreneurship and its positive outcomes on business performance as this concept is still very new to the owners or managers of Malaysian SMEs (Moorthy *et al.*, 2012). As a result, the approaches and practices among SMEs to explore what drives owners or managers to employ sustainable entrepreneurship is under-researched (Majid, Latif, & Koe, 2017; Worthington & Patton, 2005). As cited in Moorthy *et al.*, (2012), Hitchens *et al.*, (2003) assert that much more research is needed to be done to facilitate the SME owners or managers to take initiatives towards sustainable entrepreneurship. It is understood and rightly so that the role of SMEs as food and beverage outlets is deemed to be important in the context of Malaysian economy and their approach towards sustainable entrepreneurship is an area which needs more research.

Furthermore, according to a study conducted by Department of Statistics Malaysia (DOSM), overall positive growth in the number of SMEs was observed nationwide (SME Corp. Malaysia, 2016). However, East Coast Malaysia saw a negative growth rate in states of Kelantan (-0.8%), Terengganu (-0.3%) and Pahang (0.4%) from year 2010 to 2015 (SME Corp. Malaysia, 2016). Additionally, the GDP growth rates of Kelantan, Terengganu and Pahang were recorded at 2.6 percent, 2.5 percent, and 3.0 percent as of 2018 respectively. The growth rates lagged behind the rest of the country where the highest growing region was Selangor at 6.8 percent. The GDP growth rates of East Coast Malaysia were only higher than two other states namely Sabah (2.0 percent) and Sarawak (1.5 percent). As previous discussion emphasizes on the role of SMEs in GDP growth, it was deemed important that to have a systematic and thorough study, the slow growth

region of East Coast Malaysia is researched in isolation. This would enable a deeper insight into the growth dynamics of the under-researched and slower growing regions of the country. Hence, this study attempts to make an in-depth analysis of SMEs in the form of food and beverage outlets in East Coast, Malaysia and how their approach towards sustainable entrepreneurship has an impact on business performance.

As highlighted above, sustainable entrepreneurship approaches are addressed by focusing on three dimensions which include social or people's aspect (focus is on the people of the society and the social impact of entrepreneurial approaches is highlighted), economic or profit aspect (focus is on the economic well-being of the people and society as a whole in terms of the collective long-term economic benefit derived) and environmental or planet aspect (focus is on the impact of entrepreneurial activities on natural environment). In alignment with the first pillar of TBL, sustainable entrepreneurship recognizes the need to maintain a two-way trust-based relationship with the stakeholders where entrepreneurs believe and ensure that exploitation of society or people (i.e. workforce, community and partners) does not take place so that long-term stakeholder value is secured (Soto-acosta & Cismaru, 2016). Considering the second pillar of TBL, the economic or profit dimension is defined as securing long-term economic benefit for the stakeholders. This means that in order for an enterprise to thrive, it is important that all the stakeholders receive generic benefits in the long-term (Shepherd & Patzelt, 2011) (i.e. the goal of an enterprise should be to produce benefits, value and establish meaningful long-term networks in the society) (Soto-acosta & Cismaru, 2016). Planet or environment, the third pillar of TBL emphasizes on the need to protect natural biodiversity and environment while engaging in business activities (Bell & Stellingwerf, 2012) by focusing on individual items such as environment, resources and technology to create long-term stakeholder value.

1.5 Research Questions

In the light of the discussion above, one main research question has been constructed. The main research question posed is whether there exists a direct or positive relationship between sustainable entrepreneurship approaches and business performance in the context of Malaysian SMEs particularly the food and beverage (F&B) outlets. It is to be noted here that F&B outlets and SMEs shall be used interchangeably throughout this study. The main research question is then broken down into three sub-questions as follows:

1. Do sustainable entrepreneurship approaches of SMEs towards people of the society have a positive impact on business performance?
2. Do sustainable entrepreneurship approaches of SMEs towards long-term economic benefit have a positive impact on business performance?
3. Do sustainable entrepreneurship approaches of SMEs towards environment have a positive impact on business performance?

1.6 Research Objectives

The primary research objective of this study is to examine the relationship between sustainable entrepreneurship approaches practiced by the SMEs and their impact on business performance. The main research objective can then be broken down as follows:

1. To examine whether sustainable entrepreneurship approaches of SMEs towards people of the society have a positive impact on business performance.
2. To examine whether sustainable entrepreneurship approaches of SMEs towards long-term economic benefit have a positive impact on business performance.
3. To examine whether sustainable entrepreneurship approaches of SMEs towards environment have a positive impact on business performance.

1.7 Defining Key Terms

This section gives a brief overview of the key terms utilized throughout the study. Important terms have been defined one by one in order to gauge an understanding of the context of the study. Table 1.1 below presents the definitions of the key terms.

Table 1.1: Definition of Key Terms

No.	Key Term	Definition	References
1.	Sustainable Development	According to Brundtland Commission report, United Nations (1987), sustainable development refers to “Development that meets the needs of the present without compromising the ability of future generations to meet their own needs”	(Kiss, 1988) (Kates, Parris, & Leiserowitz, 2005)
2.	Triple Bottom Line (TBL)	The concept of triple bottom line or 3P (People, Profit and Planet) introduced by Elkington (1997) makes an attempt to strike a balance between three dimensions of sustainability: the economical or financial, the human or social and the environmental systems.	(Greco & Jong, 2017) (Zak, 2015) (Mark-herbert, Rotter, & Pakersht, 2010)
3.	Entrepreneurship	The primary objective of entrepreneurs’ is to provide goods or services for fulfilling needs or improving the method in which current needs are being fulfilled by employing a process that identifies, evaluates and pursues opportunities through creativity, innovativeness and transformations in order to produce new goods and services that are valuable and beneficial in the long-term.	(Greco & Jong, 2017) (Majid & Koe, 2012)
4.	Sustainable Entrepreneurship	Sustainable entrepreneurship refers to the identification, creation, and innovative exploitation of opportunities with embedded risk that contribute positively to the society by producing improvements in existing social and environmental system while aiming for economic prosperity.	(Kai Hockerts & Wüstenhagen, 2010)
5.	Sustainability Performance Measurement and Management	Sustainability performance measurement and management encapsulates the social, environmental and economic concerns to gauge business performance. Its primary aim is to divert the attention of enterprises towards positively impacting the social and environmental system while carrying out economic activities.	(Epstein & Roy, 2003)
6.	Business Performance	In the context of this study, business performance is gauged by employing measures such as business profitability, business effectiveness and business competitiveness. The definition has been built from the lens of sustainability performance measurement and management.	(Soto-acosta & Cismaru, 2016)
7.	People/Social	This study defines the first pillar of TBL by dividing people/social pillar into three dimensions, namely workforce, community and partners.	(Soto-acosta & Cismaru, 2016)

8.	Profit/Economic	In the context of this study, Profit/Economic pillar refers to the long-term economic benefit and is divided into three items, namely benefits, network and value.	(Soto-acosta & Cismaru, 2016)
9.	Planet /Environment	The final pillar identified as Planet/Environment holds primary importance in sustainable entrepreneurship practices and is measured in terms of three factors, namely environment, resources and technology.	(Soto-acosta & Cismaru, 2016)
10.	Small and Medium Enterprise (SME)	Malaysian SMEs have been divided into two main sectors namely Manufacturing Sector and Services and Other Sectors. Manufacturing Sector: Annual Sales Turnover less than RM 300,000 – RM 50 Million/ Employees from less than 5 to 200. Services and Other Sectors: Annual Sales Turnover less than RM 300,000 – RM 20 Million/Employees from less than 5 to 75.	(SME Corp. Malaysia, 2019)
11.	Food and Beverage (F&B) Outlets	In the context of this study, food and beverage (F&B) outlets refer to all the dine in and/or delivery restaurants or cafes which fall under the category of SMEs as defined in the Malaysian context. It is to be noted that F&B sector falls under the Services and Other Sectors according to the definition provided by SME Corp Malaysia.	(SME Corp. Malaysia, 2019)
12.	East Coast Malaysia	This region includes three States of Malaysia, namely Kelantan, Terengganu and Pahang.	(East Coast Malaysia, n.d.)

1.8 Significance of the Study/Expected Contributions

This research studies sustainable entrepreneurship approaches or attitudes/perceptions of manager or manager-owners and their impact on business performance of SMEs as F&B outlets in the context of Malaysia by adopting the Triple Bottom Line (TBL) model under the light of The Stakeholder theory. The research study expects to make a number of theoretical as well as practical contributions.

1.8.1 Theoretical Contribution

The first significant theoretical contribution that the study attempts to make is to add to the existing literature of sustainable entrepreneurship practices of small and medium enterprises (SMEs). This is expected to bear significance because studies of the past mainly focused on the approaches and behaviours of large enterprises which meant that the importance of a significant sector (i.e. SMEs) of the economy was overlooked while conducting research. Secondly, this study is expected to contribute in terms of the existing literature of sustainable entrepreneurship practices especially among the developing nations as majority of the past studies have been focused upon developed nations (Soto-acosta & Cismaru, 2016). Thirdly, it is expected that this research study would make a significant theoretical contribution by providing literature on the East Coast region of Malaysia as the proposed region is a developing region of the country and is not usually studied in isolation for research purposes. Such a study is needed because the growth dynamics of various regions within a country are different due to differences in exposure and resources of the entrepreneurs. Fourthly, another expected contribution from this research study is an attempt at the integration of the concepts of sustainability, entrepreneurship, sustainable entrepreneurship, sustainable development and sustainable growth to build a meaningful connection among the various notions so that future researchers may easily comprehend and apply it in their studies. Fifthly, the collection of primary data through detailed survey questionnaires is expected to provide meaningful insight into the behaviour and approaches of Malaysian SMEs as opposed to other methodologies (i.e. secondary data collection methods). Furthermore, primary data collection method such as survey questionnaire is expected to be especially significant given the fact that the area of sustainable entrepreneurship is under-researched and there is a dearth of literature. Finally, it is expected that this research study would successfully define and build upon the notion of sustainable entrepreneurship practices from the

perspective of The Stakeholder theory and triple bottom line (TBL) in order to have a refined and robust framework of sustainable entrepreneurship for future researchers and entrepreneurs.

1.8.2 Practical contribution

Firstly, the research study is expected to establish the practical significance of the three pillars of TBL, namely people/social, profit/economic and planet/environment in designing and running small and medium enterprises (SMEs). Secondly, it is expected that survey questionnaire distributed among 200 SMEs in the East Coast region of Malaysia would reveal the current practices or approaches of existing entrepreneurs so that policymakers utilize the results for future policy directions and their practical implementation based on empirical evidence. Thirdly, a practical and robust frame of reference is expected to be built for future entrepreneurs. This is believed to be an especially significant contribution in practical terms due to the fast-changing and challenging business dynamics. Fourthly, the study is expected to establish the positive impact of people/social, profit/economic and planet/environment dimensions in isolation to gauge business performance. This is believed to be insightful for entrepreneurs in designing a wholistic and sustainable business model. As a result, the entrepreneurs would see the practical significance of sustainable entrepreneurship as new methods of management would enable the managers or manager-owners to capture a larger market share. Finally, from a larger perspective, the Malaysian entrepreneurs are expected to derive meaningful information to practically adapt in their business model resulting in the fulfilment of sustainable development goals (SDGs) as laid down by United Nations.

1.9 Methodology and Scope of the Study

The study employed quantitative research methodology as survey instrument was utilized for primary data collection. The population of this study was identified as F&B outlets under the category of SMEs in East Coast region of Malaysia (which includes the states of Kelantan, Terengganu and Pahang). The managers or manager-owners of F&B outlets were selected using random sampling. The F&B outlets were contacted through their social media pages as it was observed that steady response was received by employing this approach. After receiving consent for participation, the survey questionnaires were then sent out to various outlets across the region on their social media pages, emails and WhatsApp messenger. Since the study was carried out in the East Coast region of Malaysia, the results of the study may be utilized only for regions that have similar attributes as the three states of Malaysia (Kelantan, Terengganu and Pahang) such as similar SME growth rate, similar business environment, comparable access to information and other resources etc. Although, this study provides important findings in the field of sustainable entrepreneurship for Malaysia, yet in order to generalize the results, it is needed that more robust understanding of the approaches of SME managers or manager-owners is gathered from other parts of Malaysia as well. For the purpose of generalization, the scope of the study may be expanded to inculcate findings from the entire country. Further details regarding the methodology employed has been explained in chapter three of the thesis.

1.10 Organisation of Thesis

There are six main chapters. The first chapter is the introductory chapter which is followed by the second chapter that provides literature review along with a robust theoretical framework to provide a steady basis for hypotheses development. Chapter three discusses the research methodology which is followed by results in chapter four and

discussion in chapter five. The sixth and final chapter provides conclusion for the research study conducted.

Chapter 1: Introduction

Chapter one begins by introducing the research area in a broader context. This is followed by a discussion on the background of the research study. Discussion is then directed towards problem statement as a result of which the main research questions and main research objectives are identified. This is followed by defining key terms that are utilized throughout the study, significance of the research study, scope and methodology of the study and finally thesis organisation.

Chapter 2: Literature Review

Chapter two is based on the discussion of prior studies as it focuses on literature review. A detailed literature review in the context of this study is conducted. The literature regarding the concepts of sustainable development, triple bottom line (TBL), entrepreneurship and sustainable entrepreneurship have been discussed in great length to provide an understanding of the context of the study. This is followed by a literary discussion on sustainability business performance measurement and management. Subsequent sections include discussion on business performance by highlighting the importance of People/Social, Profit/Economic and Planet/Environment in a business model. The main objective of the literature review is to outline important prior studies in the light of the research questions and research objectives. The succeeding sections discuss the theoretical framework of the research study. The main theory which is The Stakeholder theory has been identified and a complementary model known as triple bottom line (TBL) or 3P has been introduced. The notions of The Stakeholder theory in relation with TBL as well as sustainable entrepreneurship has been focused upon. The discussion then leads to the development of hypotheses in alignment with research

questions and research objectives highlighted in chapter one. The identification and the relationship between the independent and dependent variables are built under the light of the conceptual framework that is tightly held together by the notions of The Stakeholder theory and TBL. The final section provides a brief discussion on the content of chapter two in the form of a summary.

Chapter 3: Research Methodology

Chapter three begins by a discussion on the research design of the study, population and sampling design, structure of the questionnaire, detailed discussion on research instrument and its various constructs. The following section focuses on two-phased pilot study which is then succeeded by a discussion on data collection. The subsequent sections are based on the discussion of a number of tests for preliminary data screening & preliminary data analysis, factor analysis, Pearson's correlation, multicollinearity test and multiple regression followed by final section with a short summary of the chapter three.

Chapter 4: Results

Chapter four begins with a discussion on results from the questionnaire survey. The following section is based on data analysis as it focuses on data screening and preliminary data analysis which includes detecting outliers, missing data analysis, skewness and kurtosis analysis for normality. The succeeding section focuses on descriptive statistical analysis, factor analysis and reliability analysis in its various sub-sections. The next section is a discussion on correlation analysis followed by multicollinearity test and finally the standard multiple regression analysis. All the relevant tables are incorporated to show the various tests and their results.

Chapter 5: Discussion

Chapter five is based on the findings and discussion on the results of the study. The main focus is on the discussion of results in the light of the conceptual framework and comparing this study's results against past literature and their findings. The final section of the chapter is a short summary of the key points of chapter five.

Chapter 6: Conclusion

The sixth and the final chapter of thesis summarises to draw a meaningful conclusion from the research study. The implications, limitations and future directions in the field of sustainable entrepreneurship are also outlined in an attempt to guide future researchers. The final section then provides a summary of the content of the chapter.

CHAPTER 2: LITERATURE REVIEW

2.1 Chapter Overview

Chapter two basically focuses on the literature review of past studies to comprehend the results and findings of prior studies. Each section is based on a detailed review of the term or the notion it attempts to explain. The next section develops an overview of sustainable development which is followed by a discussion on triple bottom line in the following section. Section 2.4 then discusses the term entrepreneurship which is followed by discussion on the notion of sustainable entrepreneurship in section 2.5. Sustainability performance measurement and management is another important concept which is discussed in great length in succeeding section. The discussion is then turned towards the concepts of business performance, people/social, profit/economic and planet/environment respectively. Section 2.11 is based on the discussion of the theoretical framework of the research. It discusses the main theory which is The Stakeholder theory and how triple bottom line or 3P complements the theory. The notions of The Stakeholder theory in relation with TBL as well as sustainable entrepreneurship have been studied in detail. Section 2.12 then turns towards the discussion on the development of hypotheses in alignment with research questions and research objectives highlighted in chapter one. It is to be noted that the relationship between independent and dependent variables is interlinked under the conceptual framework of The Stakeholder theory and TBL. Finally, a summary of the entire chapter is presented in the last section of chapter two.

2.2 Sustainable Development

According to Brundtland Commission report (1987) of United Nations, sustainable development is primarily defined as “Development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (Kiss, 1988, p. 527-528). According to the report, there are two main concepts contained within the idea of sustainable development. The first key notion is of ‘needs’ particularly the need of the poor people across the globe which should be given utmost priority followed by the notion of ‘limitations’ embedded in the idea that the impact of technology and social organizations must be restricted in their use of environmental and natural resources as to ensure meeting present generation’s needs and future generation’s needs (Kiss, 1988).

With world poverty elimination prioritized as one of the main objectives of sustainable development, the Commission firmly believed and rightly so, that sustainable development can only be achieved in a new era of economic growth (Keeble, 1988). It is projected that the global population will reach 9 billion by 2050, though resource scarcity remains a major problem (United Nations, 2019). This indicates that interdependent global challenges such as reduced food, fossil energy use and water scarcity, human health and protection of environment are expected to become even more complex and challenging over the next decades (Liu, Hull, Godfray, Tilman, Gleick & Hoff, 2018). As a result, such challenges are known to present substantial risks, such as climate change, which in turn has severe socio-economic and political implications (Fosado Centeno, 2020). In the wake of complex challenges, it is important that the developed or more affluent countries adopt the kind of life-styles, for example in terms of energy usage, that the planet is able to support in the long-run (Keeble, 1988).

Seventeen Sustainable Development Goals (SDGs) to be reached by 2030 have been established by the United Nations to resolve urgent issues across the globe. However, the practical implementation and achievement of SDGs is a multifaceted challenge of itself. The achievement of SDGs require all the stakeholders to cooperate in a way that all synergies and trade-offs (such as food, water, health and energy) are efficiently managed (Liu *et al.*, 2018).

The idea of new era of economic growth comes into light when discussing and addressing the complex issues laid down by United Nations. The notion of revival of growth would prove to be fundamentally significant as when ecological issues arose in the 1970s, the root cause of such problems was identified to be economic growth (Keeble, 1988). However, elimination of poverty which was identified as one of the main goals of sustainable development (United Nations, 2019) was not possible without economic growth. It was further noted that issues like poverty and insecurity dampen people's capacity to utilize resources in a sustainable way which in turn, intensifies pressure on environmental systems (Keeble, 1988; Sofo & Wicks, 2017). The important point made here was that growth was inevitable. Over the next decade and a half, approximately 40 million jobs are required to be created every year in order to keep up with the needs of growing population and facilitate greater participation of SMEs in globally integrated economies (Kim, Eltarabisy, & Bae, 2018). However, this is only possible if natural resources are used efficiently, capital is used better and human capital investment is made as necessary, to create new jobs with the goal of achieving sustainable economic growth (Freedman, 2018).

A number of distinct ideas have been proposed for an inclusive and sustainable growth of economies across the globe. One such idea presented suggests six SDG Transformations as the fundamental building blocks which can help achieve the objectives of SDGs (Sachs, Schmidt-traub, Mazzucato, Messner, Nakicenovic &

Rockström, 2019). In the proposed framework, the SDGs are categorized together depending on their interconnectedness. To name a few, for instance, goals of sustainable industrial growth and energy decarbonization have been listed together while goals in terms of the sustainability of food, water, land and oceans have been grouped together (Sachs *et al.*, 2019). The authors believed that such categorization would facilitate the governmental bodies, civil society and other relevant stakeholders to systematically achieve SDGs and hence, sustainable development and growth.

In summary, Report of the World Commission on Environment and Development cites critical objectives garnered for environment and development policies rooted in the concept and achievement of sustainable development (Kiss, 1988). The critical objectives listed are revival of growth, change in the quality of growth, meeting the needs for food, energy, job, and sanitation, ensuring a level of population that is sustainable, conserving and simultaneously efficiently enhancing the resources, technology reorientation and management of risk and finally, integration of environmental and economic concerns in the decision making process. After studying the critical objectives and gauging their significance, one may assert that sustainable development primarily diverts the attention towards activities or measures that not only ensure financial growth but also pay heed towards non-financial measures for determining the impact of economic activity on society and environment and how that impacts all the stakeholders, Small and Medium enterprises in the context of this study. The objectives can very well be achieved by employing effective methods of corporate governance, increased business opportunities and minimal environmental and social harm so that long-term stakeholder value is created and secured (Rezaee, 2016).

2.3 Triple Bottom Line (TBL)

However, despite determining a concrete definition of sustainable development, the challenges lie in terms of the practicality of its application as needs of the present generations may be significantly different from the needs of future generations. As observed, the societal needs have prevalently evolved over the years and the prediction of the needs of future generations is not an easy job (Greco & Jong, 2017). As a result of the confusion of the practicality of the definition of sustainable development, the concept of triple bottom line (TBL) or 3P (People, Planet and Profit) was introduced by Elkington in 1997. Although it was formally introduced in 1997, Elkington brought up the idea for the first time in the year of 1994 in his article published in a journal called California Management Review (Gnap, 2012). The idea was then expanded and properly explained in his famous book that is known as *Cannibals with Forks: The Triple Bottom Line of 21st Century Business*. The basic argument by Elkington was that companies should be able to prepare themselves for three distinct bottom lines. He started off by the traditional measure of profit which he called the bottom line of the “profit and loss account” (Zak, 2015). The second bottom line focused on “people account” which he defined as the measure of the extent of social responsibility borne by an organisation in running its operations (Zak, 2015). Thirdly, he introduced the bottom line of the “planet account” which gauged the level of responsibility of organisations towards environmental systems (Hindle, 2008).

The definition, although with a fair number of critics, has managed to appeal to many researchers and is considered to be a practical step towards sustainable development (Greco & Jong, 2017). Zak (2015) cited that Reichel & Oczyp (2011) state that the concept of triple bottom line (TBL) has its roots in the paradigm of sustainable development as it touches the three dimensions namely economic, social and environmental in attempt to create a balance between the three.

The concept of triple bottom line suggests to strike a balance between three distinct dimensions of sustainability: the economical or financial, the human or social and the environmental systems (Greco & Jong, 2017). Another similar definition presented in The Green Paper on CSR asserts that triple bottom line refers to the notion that a company's overall performance should be measured in terms of the combined contribution made towards environmental quality, economic prosperity and social capital (European Commission, 2001). Expanding further, researchers explain triple bottom line as the method of creating goods and services by employing processes and systems that are economically viable, conserve energy and natural resources, non-polluting, safe and healthful for consumers, employees and communities and on the whole, creatively and socially rewarding for all the working people (Krajnc & Glavic, 2005). On the other hand, Savitz & Weber (2006) describe triple bottom line as a model that captures the very essence of sustainability by employing items of measurement that gauge impact on a company's activities on the world. Measurement tools to gauge impact include measuring both, the profitability and shareholder value as well as the impact on human, social and environmental capital. Moreover, this concept which has been further developed into and widely utilized as 3P (people, profit, planet) guides entrepreneurs to behave in a way that calculate the impact of business activity on environment and society in monetary terms (Zak, 2015). According to this, the entrepreneurs are directed to make strategic decisions by taking into account environmental and societal factors along with economic factors. The commonality among all the definitions presented is obvious which is the emphasis on sustainable development. TBL is a concept that is multidimensional in nature as opposed to a focus on a single goal (Agrawal & Singh, 2019). As mentioned earlier, this concept in literature is widely known as 3P – people, profit and planet as it aims for the actions of businesses that ensure responsible engagement with environment and social sphere in the process of acquiring financial objectives and results.

From what is known, bottom line basically refers to company's performance in terms of net earnings which covers the economic sphere. Whereas, the two remaining essential spheres in the form of society and environment have been identified to encapsulate complete performance (Hammer & Pivo, 2016). This means that the triple bottom line allows companies to look beyond the economic benefit they generate by adding environmental and social principles that could be generated or lost during the production process. At this point, it is safe to assume that despite showing commitment towards social and environmental values, companies may be prone to destroying value in their production process if conscious efforts or measures are not taken (Zak, 2015).

Narrowly, the triple bottom line may be used for measuring and reporting the company's performance financially, socially and environmentally (Zak, 2015). While broadly, the phenomenon is utilized for grasping entire set of problems, processes and values that a firm needs to look out for, in order to minimize the harmful effects that result from company's activities and simultaneously generate social, economic and environmental value (Acquier, Carbone & Massé, 2019). According to Rudnicka & Reichel (2011) as stated by Zak (2015), the implementation of this notion is possible by sketching out a clear vision regarding purpose of the company by taking into account the expectations of stakeholders as a part of company policy and activity. This means that triple bottom line ensures that enterprises not only strategize and draft policies to ensure meeting the needs of their immediate shareholders and partners such as employees, customers and suppliers but also take into account other stakeholders that are directly or indirectly impacted. They include entities such as local communities and governmental bodies impacted by firms' business activities.

However, TBL proves to be a complex concept for many firms because it suggests that firms have wider responsibilities than merely those related to economic value creation by producing goods and services for increasing company profits (Hammer & Pivo, 2016; Zak, 2015) as TBL adds social and environmental dimension. Environmental performance may be referred as the amount of resources used in its activities (such as; land, water and energy) and the biproducts created by their activities (such as; chemical residues, air emissions, and other waste) while social performance refers to the impact a firm leaves on the communities within which it operates (Zak, 2015). The inclusion of social and environmental aspects undoubtedly makes measuring business performance a complex task. One of the reasons may be due to the fact that the additional dimensions of social and environmental performance measures require a certain amount of judgement in determining measurement items and the level of performance. As a practical example, it is very difficult to quantify the social and environmental costs of an oil spill whereas, the economic loss of an oil spill can easily be identified in monetary terms.

Hence, it is important that the decision-making process carefully includes all three dimensions in an attempt to measure costs and their impacts to some reasonably acceptable extent. As mentioned by Zak (2015), the query regarding the possibility of the implementation of the notion of triple bottom line at various levels (such as business, public administration, organization and the society) is answered in a positive light by Romaniuk (2011), who suggests that the name TBL does not have “corporate” in it which means that it refers to various aspects of public activities.

Thus, it is established that the notion of TBL is applicable to SMEs in gauging the impact of sustainable entrepreneurship on business performance. The point that is important to note here is that the key to success according to Romaniuk (2011) is of the widely understood notion of social awareness. It is suggested that without social awareness, no pressure will be built by the consumers or the society to act in a sustainable

manner and hence, changes for the betterment of environmental and social systems will not take place at a required pace (Zak, 2015). This is very much in line with the objectives of this research study which utilizes TBL to highlight the important accounts that must be considered during business operations and as a result create awareness among the businesses, entrepreneurs, communities and governmental bodies of Malaysia.

Despite the complexities of the concept, the role of TBL as a facilitator to achieve the aims of sustainable development is certainly a significant one. It is noted that the businesses make use of the concept of TBL to show commitment towards society, environment and economic prosperity (Herbert *et al.*, 2010). Without a doubt, in the context of this research study TBL allows to translate the former abstract concept of sustainable development presented under the light of The Stakeholder theory (discussed in detail in section 2.11) into a more practical illustration of what and how the objectives of studying the relationship between the independent variables (people/social, profit/economic and planet/environment) and dependent variable (business performance) need to be achieved. In the business context, triple bottom line sketches out a practical model of approaches towards sustainable entrepreneurship for businesses including SMEs to fulfil the goals of sustainable development.

2.4 Defining Entrepreneurship

Defining the notion of entrepreneurship is a significant but a challenging step (Shane & Venkataraman, 2012). Researchers agree that there is a lack of a universally accepted definition of entrepreneurship (Carsrud & Brannback, 2007; Gartner, 1988). Some of the oldest definitions are dated back to 18th century and are taken from renowned economists such as John Staurt Mill and Adam Smith (Greco & Jong, 2017). The word ‘entrepreneurship’ gained popularity among businesses since 1980s (Majid & Koe, 2012).

The word entrepreneur has its roots in the French word *entreprendre* which means to “undertake” or “do something” (Greco & Jong, 2017). Researchers and academicians have refined the definition of entrepreneurship multiple times as researchers from various disciplines present different versions of the definition. Although, majority of the definitions provided build the concept of entrepreneurship from the lens of what entrepreneurs do rather than who they are, nonetheless, comprehensive definitions have been presented (Majid & Koe, 2012). Stokes *et al.* (2010) assert that the basic definitions found in the past literature are connected to three main concepts: process, behaviour and outcomes. Greco & Jong (2017) cited that Schumpeter (1934) explains entrepreneurship as the innovative process of creative destruction which comprehensively addresses three various domains identified by Stokes *et al.* (2010), namely process, behaviour and outcome. An altering but similar definition of entrepreneurship is stated as a procedure of identifying, evaluating and pursuing prospects and opportunities through innovativeness, creativity and transformations to produce new beneficial products and processes with the aim of adding value (Majid & Koe, 2012). The traits that are considered to be common entrepreneurial traits are identified as the traits of risk taking, spotting of opportunity, innovative process for producing unique solutions that aim at securing long-term goals and objectives (Greco & Jong, 2017). On the other hand, several scholars view the concept of entrepreneurship from behavioural angle in which they focus on the characteristics of an entrepreneur. From the behavioural perspective, entrepreneurs are described as creative individuals, particularly due to the manner in which they recognize, create and develop their opportunities (Ardichvili, Cardozo, & Ray, 2003). Their reference to opportunities, which is a common aspect of majority of the definitions, to be ‘developed’ instead of being ‘identified’ suggest to assert that opportunities “are made, not found”. Recognizing opportunity, creating and developing it represent a

primary branch of entrepreneurship as well as strategic management definitions in the research discipline (Harms, Schulz, Kraus, & Fink, 2009).

As mentioned earlier, the common factors of entrepreneurial traits are known to be risk-taking, spotting opportunities and employing innovation in the process of formulating unique solutions, which are often disruptive in nature, with the goal of creating long-term value. These traits are independent from the context of their use. This means that these traits can be found across different companies of different sizes, be it large and established organizations, new ventures, for-profit or not-for-profit organizations (Weidinger, 2014).

To sum up, sufficient tangible evidence suggests that the world is presently moving from a managed economy towards an entrepreneurial economy (Audretsch & Thurik, 2004; Wit, Uhlaner, Berent, & Jeurissen, 2010). Thus, in the context of this study, the primary objective of entrepreneurs identified as SME managers or manager-owners from East Coast Malaysia, is to provide goods or services for fulfilling needs or improving the method in which current needs are being fulfilled in order to create long-term stakeholder value by utilizing the concept of The Stakeholder theory refined by TBL.

2.5 Sustainable Entrepreneurship

Business organizations, small and large, have identified the need for sustainable entrepreneurship but there is a dearth of effective measures adopted and implemented for the achievement of the goals. Sustainable entrepreneurship refers to the identification, creation, and innovative exploitation of opportunities with embedded risk that positively contribute to sustainability by producing improvements in existing social and environmental system (Hockerts & Wüstenhagen, 2010).

Researchers and academicians agree that sustainable entrepreneurship is a relatively new notion with no precise definition that is universally accepted (Koe, Omar, & Sa'ari, 2015). To explain the concept, some researchers term it as 'sustainability-driven entrepreneurship' (Kamaludin & Aziz, 2012). As stated by Koe *et al.* (2015), Krueger (2005) and Schlange (2006) suggest that many researchers look into sustainable entrepreneurship from the lens of environmental protection and hence, equate it to "environmental entrepreneurship". However, in the past, the relationship between entrepreneurial activity and environmental damage has been believed to be strong and a positive one (York & Venkataraman, 2010). It was believed that entrepreneurial activity and environmental damage are intertwined with each other. So much so, for many years researchers believed that integrating environmental protection with business decision-making had a financial cost of itself as measures taken to protect environment ate into the monetary gains of entrepreneurs. However, it has been realized and rightly so that engaging in entrepreneurial activity without the consideration of its societal and environmental impact is no longer a plausible option (Greco & Jong, 2017). According to Shane & Venkataraman (2000), Koe *et al.*, (2014), Karadag (2016) and Greco & Jong (2017), entrepreneurship is considered as a fundamental aspect of economic and non-economic development, prompting the creation of jobs and better goods and services. The social and environmental costs, along with the economic costs associated with the production of goods or services, must be taken into account when calculating and recording the overall cost in monetary terms. This has in turn, produced the need for transition to a sustainable economy.

The similarity in the notions of entrepreneurship and sustainability lie in the fact that both aim for producing goods or services that are of high quality and long lasting. Thus, it may be noted that entrepreneurship and sustainability are closely tied together due to the common goal of producing goods and services that add value to the society and

environment, creating long-term stakeholder value. However, due to the fact that the needs of future generations may not necessarily coincide with the needs of current generations, the key to sustainability should be to create positive impact on the society. Thus, longevity should not be the only goal that entrepreneurs aim for when providing goods or services.

As opposed to traditional theories of entrepreneurship and sustainability, in such a rapidly changing business and social environment, longevity might not be the key rather highly adaptive strategies shall contribute in producing long-term stakeholder value (Greco & Jong, 2017). This is where the concept of innovativeness becomes important in opportunity identification and creation of long-term solutions under the field of sustainable entrepreneurship. Opportunity creation is the fundamental criteria upon which the literature of sustainable entrepreneurship is built (Harms *et al.*, 2009). It is understood that market imperfections are the prime drivers of opportunity identification for sustainable entrepreneurship. Markets imperfections such as, imperfect firm efficiency, the existence of externalities, imperfect pricing mechanism, information asymmetry allow entrepreneurs to be more successful given that imperfections are spotted timely and opportunities availed (Cohen & Winn, 2007).

Sustainability and entrepreneurship are also similar in another way; the need for innovativeness to employ an efficient use of current resources (Nixon, Cooper, & Woo, 2000). This is done with an aim of providing unique solutions to meet present needs and to create a long-term positive impact for fulfilment of future needs. In the context of this study, sustainable entrepreneurship may be defined as identifying opportunities with embedded risk to create unique solutions by employing innovativeness that produce a positive economic, social and environmental impact in order to add value presently and set a path to securing long-term stakeholder value by SMEs so that the needs of future generations are not compromised.

2.6 Sustainability Performance Measurement and Management

Sustainability performance measurement and management is an emerging term in the field of management accounting. It primarily focuses on business and corporate social responsibility (Schaltegger & Wagner, 2006). Its primary objective is to address the social, environmental and economic dimensions of corporate or business management (Epstein & Roy, 2003). Sustainability performance primarily reflects the move of companies in the continuum of corporate responsibilities which begins with corporate conformance and compliance of given standards to corporate performance with regards to stakeholder expectations (Bhimani & Soonawalla, 2005).

Thus, sustainability performance refers to the performance of businesses in all the main aspects and for all the various drivers of business sustainability (Schaltegger & Wagner, 2006). A robust and sound management framework is necessary for sustainability performance management that tactfully ties together environmental management and social management with business and its competitive strategy by integrating environmental and social information to boost economic performance (Epstein & Roy, 2003; Keeble, Topiol, & Berkeley, 2002).

Early research in the discipline of environmental and social performance management was partially founded and discussed in the 1970s with regards to business ethics. The debate was basically centred around two distinct features where the first feature dealt with the societal and environmental performance of corporations while the second feature focused on the theoretical discussion in terms of the definition and measurement of environmental and social performance along with corporate social responsibility (CSR) or corporate citizenship. Corporate Social Responsibility (CSR) may be defined as covering corporate responsibilities that address an organization's voluntary and/or discretionary relationships with various societal stakeholders (Schaltegger &

Wagner, 2006). In the context of this study, CSR is viewed or measured from the people/social and planet/environment account of triple bottom line and all the policies and decisions of SMEs shall be measured by utilizing the items under the people/social and planet/environment construct.

To conclude, in the context of this study, business performance is measured from the lens of sustainability business performance which falls under the domain of management accounting.

2.7 Business Performance

For many years, small, medium and large firms alike measured the quality of business performance only against the indicator of profit maximization which meant that the higher profit the firms made, the higher was the business performance. In simpler words, high profits were equated to and recorded as robust business performance. In the same way, according to the traditional model of growth and profit maximization competitive firms were those firms whose owners or top managers considered that optimization of resources resulted in the event that the business enterprise experienced lowest financial costs of production resulting in profit maximization. However, it is now strongly believed that gauging business performance is not solely evaluated in financial terms of profit maximization (Jenkins, 2009). Instead the financial aspect is embedded into the social and environmental aspect of business operations to gauge overall business performance (Acquier *et al.*, 2019). An alternative model to the traditional growth and profit maximization model lays down two additional important factors of social and environmental protection which are embedded along with financial prosperity aspect in order to create long-term stakeholder value (Jenkins, 2009).

A wholesome method of business performance measurement is employed under the concept of sustainability performance measurement and management as discussed in the previous section. For the purpose of this study, we shall gauge business performance of SMEs particularly the F&B Outlets under the umbrella of the concept of The Stakeholder theory refined by Triple Bottom Line or 3P model, a closely linked concept to sustainability performance measurement and management, which focuses on three interlinked dimensions i.e. economic/profit, social/people and environmental/planet to establish long-term stakeholder value. Furthermore, the significance of the aforementioned factors can be determined by studying business performance in the context of determinants such as rate of employee turnover, attraction and retention of customers and the capture of market share (Soto-acosta & Cismaru, 2016). Thus, to conduct this research we shall gauge business performance by employing factors such as profitability, effectiveness and business competitiveness.

2.7.1 Profitability

The first item under the construct of business performance is identified as profitability. Several aspects of profitability are taken into account to measure business performance. In this regard, it is important to determine whether enterprises have a yearly turnover that is considered to be profitable. A few other measures of profitability include positive cash for majority of their lives, a positive revenue growth rate, sustained profitability over the years and its profitability in comparison with industry average (Soto-acosta & Cismaru, 2016).

2.7.2 Effectiveness

Effectiveness of enterprises can be measured by noting if enterprises are considered to be effective in terms of customer satisfaction and retention (Soto-acosta & Cismaru, 2016). To establish long-term stakeholder value, it is required that customer complaints are entertained in a timely and effectively. It is also significant that enterprises efficiently detect the changes in customers product and/or services preference. This requires that enterprises effectively and periodically review the impact of changes in business regulations and technology on customers (Kara, Spillan, & Deshields, 2005).

2.7.3 Business Competitiveness

Another important item under the business performance construct is business competitiveness. It is important that enterprises are considered to be competitive (direct competition setting) in terms of market share (Soto-acosta & Cismaru, 2016). To measure business competitiveness, it is also important that enterprises have competitive sales volume and have managed to achieve cost reduction in order to enjoy competitive advantage (Chen & Chang, 1998). Furthermore, the notion of business competitiveness requires that enterprises possess the ability to respond to competitor threat immediately and effectively (Kara *et al.*, 2005).

2.8 People/Social

The need to design and operate a business in terms of the demands of the people and the society within which an enterprise exists is of primary concern. In the light of this understanding, people/society pillar was identified and further distinguished into three main items namely workforce, community, and partners.

2.8.1 Workforce

Workforce is an integral stakeholder of any well-functioning sustainable business enterprise. For a firm or a business enterprise to successfully operate within a segment of society and provide services to its people, it is important that the welfare of its workforce is focused upon. Therefore, it is important for managers or manager-owners to positively contribute towards the welfare of the workforce (Perrini, 2005).

The welfare of the workforce can be sought by continuously training new and present employees (Bell & Stellingwerf, 2012). Furthermore, it is deemed necessary that businesses ensure standards of workplace safety are not overlooked to create a safe working environment (Soto-acosta & Cismaru, 2016). Additionally, communication between the management and its employees is an important factor for workforce performance. Thus, it is significant for a business enterprise to ensure that managers or manager-owners are easily accessible to the workforce when issues occur (Hosseininia & Ramezani, 2016).

2.8.2 Community

The community is another important stakeholder for a well-functioning sustainable business enterprise. It is imperative for a business to engage with its community in a way that adds value to the community as a whole resulting in community development (i.e. providing employment opportunities to local residents) (Martinez-Ferrero & Garcia-Sanchez, 2014). In order to add value to the community in the long run, it is significant that businesses operate in a manner that indirectly or directly support local and charitable organizations. Furthermore, the businesses should ensure that socially responsible production methods are employed producing socially responsible products & services (Perrini, 2005). In this regard, it is understood that managers or manager-owners believe that training courses of socially responsible behavior benefit their businesses (Hosseininia & Ramezani, 2016).

2.8.3 Partners

Another significant item under the people/social pillar deemed important to create long-term stakeholder value by practicing sustainable entrepreneurship is partners. Reliable and consistent partners are an important stakeholder of a business enterprise as they bring about stability to a business or a firm. Thus, it is significant for enterprises to establish long-term relationship with partners (i.e. suppliers, customer, lenders etc.) in the markets (Hosseininia & Ramezani, 2016). Establishing long-term relationship with partners require effective communication between the enterprise and its partners. In order to practice sustainable entrepreneurship it is deemed necessary that business enterprise engages with partners who are socially responsible where exploitation of resources does not occur (Perrini, 2005). It is also understood that having joint projects which generate value to profit and non-profit participants also adds benefit by creating long-term stakeholder value for people or society (Pearce & Doh, 2014).

2.9 Profit/Economic (Long-term economic benefit)

The second pillar of the model identifies profit/economic as an important construct of sustainable entrepreneurship. For the purpose of this research study, the profit/economic pillar has been linked to generic economic benefits created for all the stakeholders and any entity that may or may not have a legitimate claim but that may get affected by the operations directly or indirectly (Soto-acosta & Cismaru, 2016). The variables under this construct are classified as benefits, networks, and value.

2.9.1 Benefits

The first variable of the profit (long-term economic benefit)/economic pillar identifies benefits as its primary component to build long-term stakeholder value in practicing sustainable entrepreneurship. It is important that products and/or services yield specific economic (i.e. correctly priced and affordable products and/or services) benefits

as well as general economic benefits (i.e. job creation for local residents) for the organization and local community respectively (Soto-acosta & Cismaru, 2016). It is important that the products and/or services are cost-effective and continuously improved to fulfill market expectations in order to contribute to the welfare of the community and society as a whole (Cohen & Winn, 2007; Margolis, Elfenbein & Walsh, 2009; Schaltegger & Wagner, 2011).

2.9.2 Networks

Another important aspect of the profit (long-term economic benefit)/economic pillar in practicing sustainable entrepreneurship is networks. It is important for businesses to operate within business networks for achieving their economic goals (Woolthuis, 2010). In doing so, it is imperative for enterprises to build networks with local community to benefit them (Burton & Goldsby, 2009). However, building networks require that enterprises have the resources that can be directed towards building networks to benefit the organization and society at large. In other words, it is significant that it is feasible for enterprises to build their networks (Koe & Majid, 2014). It is believed that SMEs have more freedom than larger enterprises to build networks for achieving general and specific economic goals (Burton & Goldsby, 2009).

2.9.3 Value

Value is also deemed to be a significant variable under profit (long-term economic benefit)/economic pillar. It is important for enterprises to create value for customers by providing timely and high-quality goods and services (Neely, Adams, & Kennerley, 2003; Schwager & Meyer, 2018). In addition to that, it is imperative that the enterprises create value for their employees, suppliers and investors by providing them competitive compensation packages, fair compensation for inputs and return on investment respectively. Adhering to the regulations of the industry prescribed by the regulating

bodies also creates value resulting in long-term collective economic benefit (Neely *et al.*, 2003).

2.10 Planet/Environment

The third pillar identified as Planet/Environment holds primary importance as it has a significant role in sustainable entrepreneurship practices. The construct is further divided into three items namely environment, resources, and technology.

2.10.1 Environment

In order to practice sustainable entrepreneurship and create stakeholder value, it is important that enterprises design products and/or services that are harmless for the environment (Bell & Stellingwerf, 2012). In the same way, it is imperative that enterprises engage with suppliers who provide inputs and outputs that are harmless for the environment by engaging with actors who are concerned about environmental protection (Schaltegger & Wagner, 2011). To benefit the society in the long-term, it is necessary that enterprises provide good and/or services without environmental pollution (Hosseininia & Ramezani, 2016).

2.10.2 Resources

Efficient allocation of resources is an important aspect of practicing sustainable entrepreneurship. It is significant for enterprises to adopt responsible policies in terms of material and energy usage (Soto-acosta & Cismaru, 2016). Conscious efforts to use minimal energy in the production process to produce goods and/or services currently are deemed important to create stakeholder value presently and for the welfare of future generations. Recycling waste can aide the practice of sustainable entrepreneurship. Some scholars believe training courses regarding efficient use of resources is helpful for enterprises (Hosseininia & Ramezani, 2016).

2.10.3 Technology

The third item under the construct of Planet/Environment is technology. To practice sustainable entrepreneurship, it is important that the businesses engage in activities that rely on green technology as much as possible (Bell & Stellingwerf, 2012; Kirkwood & Walton, 2010). A practical example of relying on technology is to replace all paper information with digital information (Hosseininia & Ramezani, 2016). Creating long-term stakeholder value requires that enterprises continuously improve and utilize new technology (Hosseininia & Ramezani, 2016; Soto-acosta & Cismaru, 2016). Training courses on technological innovation specially for SMEs may prove to be useful and beneficial for operations of businesses (Hosseininia & Ramezani, 2016).

2.11 Theoretical Framework

The discussion in this section focuses on the main theory, which is The Stakeholder theory, utilized to develop the conceptual framework. As mentioned in section 2.3, The Stakeholder theory allows to sketch a bigger picture of the fundamental concepts of this study that are further developed through employing the concept of triple bottom line (TBL). Thus, the significance of The Stakeholder theory in building the concepts of triple bottom line and sustainable entrepreneurship is highlighted in the following sections.

2.11.1 The Stakeholder Theory

The Stakeholder theory noticeably emerged in the early 1990s as business enterprises saw a shift from a shareholder-based view to a stakeholder-based view (Hubbard, 2009). Freeman (1984), Reich (1988), Brown and Fraser (2006) assert that the concept of The Stakeholder theory gained its popularity when firms or business

enterprises were seen to be accountable to a larger set of people in contrast to an earlier understanding which held them accountable only to their immediate shareholders.

The Stakeholder theory, also known as “theory of organizations” helps to identify and reiterate the importance of the parties involved or affected by the business operations of organizations. The Stakeholder theory makes an attempt to revisit queries about who is directly or indirectly a part of the firm (Pesqueux & Damak-ayadi, 2005). In its most basic form, The Stakeholder theory makes an attempt to suggest business enterprises about the significance of strategizing its operations to maximize stakeholder value (Bhasin, 2018). Maximizing stakeholder value is understood to ensure sustainability and be beneficial for a business enterprise in the long run. As cited in Pesqueux & Damak - ayadi (2005), Mercier (1999) primarily defined stakeholders as agents for whom the well-functioning and development of the organization is of prime concern. Freeman (1984) further defined stakeholders as a group of people or an individual that is directly or indirectly affected by the organization in the process of the realization of its goals and objectives. Pesqueux & Damak-ayadi (2005) further cited that according to Lepineux (2003) the stakeholders can be classified into distinct categories of actors such as shareholders, internal stakeholders (i.e. employees), operational partners (i.e. customers, suppliers, banks as creditors), and the social community (i.e. government bodies, specialized organizations as well as civil society).

2.11.1.1 The Stakeholder Theory and Triple Bottom Line

Elkington (1997) first introduced the notion of triple bottom line (TBL) when the larger public, media and communities alike started paying heed to the role of organizations beyond that of an entity solely creating economic value. Communities now strongly opined that business enterprises had an impact on the society and environment which suggested that economic value creation must no longer be the sole performance

measure. The triple bottom line was then introduced as a tool to measure the performance of organizations. This performance measure has strong roots in The Stakeholder theory. It is a measurement tool that gauges performance in terms of an organization's relationship with not only its internal stakeholders (such as employees) and operational partners (such as customers and suppliers) but also considers social community (such as local community and governmental bodies) (Hubbard, 2009). As emphasized, TBL gives much importance to the social (people) and environmental (planet) pillar in addition to the economic (profit) pillar to innovatively find opportunities with inherent risk and produce goods and services that have long-term stakeholder value.

Environmental performance of a business enterprise refers to the resources utilized by the enterprise for producing the goods and services (for instance, energy, water and land etc.) and the biproducts as a result of its operations (for instance, solid waste and emissions, etc) while social performance means the kind of impact a firm has on the communities that it works with (United Nations Publications, 2017). As is evident, measuring the environmental and social performance of an organization or a business enterprise is a multifaceted and complex task as opposed to one dimensional task of gauging business performance from financial or economic account perspective.

A business enterprise is able to gauge shareholder value, market share, employee and customer satisfaction easily as compared to measuring environmental and social performance. Therefore, it would not be wrong to say that performance measures for the social and environmental aspect may vary from organization to organization depending on the unique nature of their operations. One drawback of TBL is that it has not appealed to organizations as much as other methods mainly due to its complexity in terms of quantifying social and environmental performance.

TBL is viewed comparatively as a complex concept and too contradictory for those managers or owners who thrive and are driven by economic benefits only (Hubbard, 2009). However, as opposed to profit driven managers, it is suggested that TBL has become a useful tool for managers or manager-owners who seek for sustainability performance measurement and management as it encapsulates the three important dimensions of sustainable development that play a pivotal role in establishing long-term stakeholder value.

2.11.1.2 The Stakeholder Theory and Sustainable Entrepreneurship

The popular concept of sustainable development is deemed significant among politicians, global leaders, civil society and environmentalists alike. The concept has been evolving ever since and newer terms such as sustainability and sustainable entrepreneurship have been coined. Terms derived from the basic idea of sustainable development such as sustainability or sustainable entrepreneurship indicate a change in the dynamics of thought process globally. As a result, the stakeholders are compelled to re-assess the approach of measuring business performance.

From a macro level perspective, the World Commission on Environment and Development referred to sustainable development as development that 'meets the needs and aspirations of the present without compromising the ability of future generations to meet their own needs' (*World Commission on Environment and Development (WCED)*, 1987). Sustainable development emphasizes on three connected principles of social equity, economic prosperity and environmental integrity as performance in one of the areas has an impact on the other two areas (Hubbard, 2009). While at the organizational level, sustainable business refers to the business that meets the current needs of its stakeholders without compromising its ability to meet the future needs of its stakeholders (Hockerts, 1999) and thereby creating value for the stakeholders in the long-run.

From the definition provided by Hockerts (1999), one can assert that sustainable entrepreneurship refers to an innovative process of opportunity seeking that creates stakeholder value presently and at the same time, does not compromise on future needs of the stakeholders.

Undoubtedly, the introduction of the idea of sustainability into organizational management has changed the dynamics of business performance management and as a result, sustainability performance measurement and management has gained popularity as a method to gauge firm performance. Relatively newer concept of sustainability has implications in terms of formulating business and operational strategy which also impacts the way firms measure their performance. The application of sustainability can be unique to each organizations' set up. Some organizations equate sustainability with economic sustainability in terms of consistent growth rate while other organizations equate it with environmental protection (Bansal, 2002). As is evident, sustainable entrepreneurship utilizes the three intertwined measures of economic prosperity, social equity and environmental integrity and ensures that the innovative process of opportunity seeking encapsulates all three of the measures to create long-term stakeholder value and finally gauge business performance. Thus, integrating the concept of sustainability in the context of running business enterprises creates implications for formulating business strategy which guides measurement of firm performance (Hubbard, 2009). As discussed earlier, each organization may view sustainability from a different lens depending on the circumstances in which they carry out their business operations. Some view sustainability from the lens of social equity and tie it together with environmental integrity as well as economic prosperity while others look at it from the perspective of environmental protection and tie it to the other two accounts, social and economic.

From a strategic point of view, sustainable entrepreneurship can be seen from three perspectives, compliance issue as necessitated by law, optimization issue as the need to be efficient and finally for competitive advantage to ensure the existence and utilization of appropriate opportunities (Hubbard, 2009). Evidence shows that firms have followed an evolutionary path in their perception towards sustainability or sustainable entrepreneurship i.e. from viewing sustainability as merely compliance issue to counting it as an important component of competitive advantage (Hart, 1995). This emphasizes on the significance of sustainability or sustainable entrepreneurship for business enterprises to formulate a strategy that creates long-term stakeholder value by specifically focusing on economic, social and environmental pillars as emphasized by The Stakeholder theory and specifically outlined by the concept of triple bottom line.

As noted from the discussion above, it is evident that The Stakeholder theory, which aims to create long-term stakeholder value, puts into perspective the primary goal of this research by supporting the TBL framework and clearly sketching out that stakeholder value shall be maximized by prioritizing sustainable entrepreneurship and particularly focusing on People, Profit and Planet dimensions. Whereas, triple bottom line provides a refined framework, in the light of The Stakeholder theory, that intricately lays out the dimensions of the study. TBL guides the areas of focus and highlights that People (Social), Profit (Economic) and Planet (Environment) are the three main dimensions of the study. As a result, the notions of The Stakeholder theory and TBL together facilitate the achievement of the objective of examining sustainable entrepreneurship approaches of SMEs and their impact on business performance.

2.12 Hypotheses Development and Research Model

The shift in the mindset of treating sustainable entrepreneurship merely as part of firm compliance to counting on it as an important factor of competitive advantage reaped positive impact on the way managers or owners paid heed on their internal stakeholders i.e. employees and operational partners i.e. suppliers, customers and credit lenders (Lekmat & Chelliah, 2014). The significance of people and their development at all levels of an organization is undeniable. Much evidence indicates that sustainable entrepreneurship efforts can only be successfully translated if the managers or owners invest in the development of their employees (Lekmat & Chelliah, 2014; Soto-acosta & Cismaru, 2016). Further evidence shows that the well-being of the employees and value creation for customers means employees should top the list which in effect will translate into productive employees who manage to achieve customer satisfaction (Lekmat & Chelliah, 2014). This would create a positive long-term stakeholder value as a result of improved business performance. Bell & Stellingwerf (2012) stressed the importance of people in a sustainable business enterprise by asserting that motivated entrepreneurs make an attempt to solve social problems, allocate resources to human resource management right from the hiring stage to continuous training and development as demanded in a highly competitive business environment. Additionally, the importance of creating a conducive environment of learning and maintaining a trust based relationship with the operational stakeholders such as suppliers, customers, lenders and community at large is also established (Soto-acosta & Cismaru, 2016). Past studies show growing interest in gauging the impact of socially responsible behaviour in determining the operational efficiency, profitability, safe working environment, quality products through innovation, ample communication with key stakeholders and benefitting the society as a whole (Perrini, 2005).

Therefore, based on the first pillar of TBL, this study infers that:

H1: *Sustainable entrepreneurship approaches of the SMEs towards the people of the society have a significant positive impact on business performance.*

In the light of TBL framework, profit refers to both; specific benefits such as the organizational benefits and general benefits such as the benefits to local community and society that become possible if a business enterprise practices sustainable entrepreneurship (Soto-acosta & Cismaru, 2016). There are various examples where it is noted that entrepreneurial practices produce positive economic benefits for entrepreneurs, investors, community and economies as a whole (Easterly, 2006). Cohen & Winn (2007) stated that according to the definition of Venkataraman (1997), sustainable entrepreneurship may be defined in terms of generic benefits and emphasizes the significance of how and by whom are the future good and services discovered, created, and exploited and the economic, social, psychological, and environmental impacts.

A benefit-driven lens is emphasized to understand the complex and multi-faceted analysis to gauge the financial performance of sustainable business enterprises. This is due to the fact that sustainable systems are viewed as systems that are global, complex, dispersed, interdependent, uncertain and have long-term horizons (Cohen & Winn, 2007). It is understood that the approach of business enterprises when they focus on the profit pillar of TBL primarily pays attention to welfare goal to accommodate the long-term objectives of growth and sustainability. Thus, orientation of business enterprises can be examined by studying the goal of economic welfare which is defined as pursuing business opportunities to produce future products and services by contributing to the development of the society, the economy, the environment and resultantly enhance the welfare of future generations (Muñoz, 2013).

Additionally, it is determined that organizations that gauge social performance are more likely to perform well from a financial point of view due to factors like risk mitigation (which may result from bad reputation that may in turn damage the confidence of stakeholders and negatively impact financial performance), managing external expectations from the stakeholders and etc (Margolis *et al.*, 2009). If organizations doing good meant doing well financially, then companies would take guaranteed measures to avoid questionable conduct and redress societal ills (Campbell, 2006; Porter & Kramer 2006). Furthermore, it would ensure that business enterprises pursue good or even incur additional costs just to make their bottom line efficient and simultaneously contribute to the welfare of the society (Margolis *et al.*, 2009).

The significance of stakeholders is emphasized time and again as stakeholders have unique demands and expectations which in turn provide relevant information for business enterprises to discover opportunities and produce relevant goods and services to secure good business performance (Schaltegger & Wagner, 2011). Thus, for the purpose of this study, the profit pillar of TBL is linked with the generic benefits derived for stakeholders such as customers, employees, organizations, communities and in general, all the entities that are directly or indirectly affected by the organizations regardless of the existence of legitimate claims (Mitchell & Wood, 1997). Researchers emphasize that managers or owners of small business enterprises have less orientation towards organizational profit only as compared to publicly held organizations due to the fact that small businesses have more freedom to work for social gains and benefits as they are not restricted by shareholders (Burton & Goldsby, 2009). For instance, they can benefit local societies by employing the local people instead of moving to cheaper sites (Burton & Goldsby, 2009). Efforts for acquiring communal benefits, preserving the integrity of society and contributing towards building a network for constant development is mainly driven by the perceptions of desirability and feasibility of entrepreneurial practices which

are influenced by personal, cultural and situational factors (Koe & Majid, 2014). Furthermore, counting the aforementioned efforts as significant inputs to improve business performance is important. Thus, building on this logic, it is inferred that:

H2: *Sustainable entrepreneurship approaches of the SMEs towards long-term collective economic benefits have a significant positive impact on business performance.*

According to Bell & Stellingwerf (2012), the third pillar of TBL which is identified as the environment guides business enterprises to protect environmental integrity when running business operations (Soto-acosta & Cismaru, 2016). For many years, protection of the environment and development of economies was understood to be a zero-sum game (Cohen & Winn, 2007; Baker Institute, 2015). As cited in Cohen & Winn (2007), Winn & Kirchgeorg (2005) asserted that gradually, the notion that an inherent trade-off between economic gains and environmental protection exists is being replaced by the idea that striking a balance between economic prosperity, social equity and environmental integrity is the key to a strong foundation for business enterprises in order for them to discover opportunities and produce relevant goods and services in the long-run enhancing the stakeholder value. Entrepreneurs may achieve environmental goals by employing innovative methods such as market innovations by highlighting and engaging with those actors and enterprises that make environmental progress as a part of their core business termed as sustainable entrepreneurs. Thus, a new way of providing relevant goods and services is introduced by linking environmental progress to market success (Schaltegger & Wagner, 2011). This view is backed by other researchers and academicians who suggest that entrepreneurs play an important role of co-creating the environment in which they carry out their activities to discover, innovate and produce goods and services by building a network of actors who make an attempt to change the status quo and hence, improve business performance (Woolthuis, 2010).

However, SMEs globally have seen difficulty in clearly linking the benefits of environmental protection and the resultant benefits on business performance (Weerasiri & Dissanayake, 2012). Moorthy *et al.*, (2012) cited that Hillary (2000) stated researchers in the past have mainly focused on the business operations of large firms and their impact on environment but it would be important here to highlight that the combined impact of SMEs on the environment is substantial and cannot be ignored. Thus, keeping in view the above discussion, this study infers that:

H3: *Sustainable entrepreneurship approaches of SMEs towards environment have a significant positive impact on business performance.*

Figure 2.1 depicts the conceptual framework in the light of the theoretical developments and advanced hypotheses that have been proposed for F&B Outlets that are SMEs located in East Coast Malaysia:

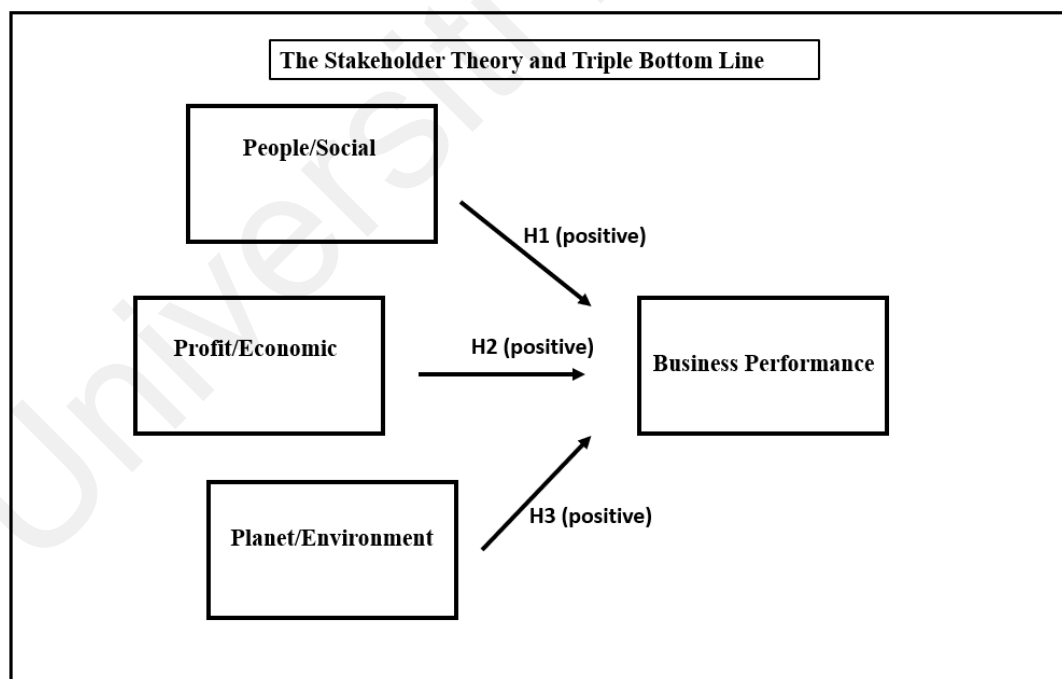


Figure 2.1: Research Model with Hypotheses

Table 2.1 below summarises the research study in order to illustrate the extent to which the research questions and objectives address the hypotheses that have been developed by employing The Stakeholder theory and Triple Bottom Line.

Table 2.1: Summary of the research model

Main Research Question (sub-divided into 3): Is there a direct or positive relationship between sustainable entrepreneurship and business performance in the context of Malaysian SMEs particularly the Food & Beverage (F&B) outlets? Main Research Objective (sub-divided into 3): To examine the relationship between sustainable entrepreneurship approaches practiced by the SMEs and their impact on business performance.			
Research Questions	Research Objectives	Hypotheses	Variables/Constructs
Do sustainable entrepreneurship approaches of SMEs towards people of the society positively impact business performance?	To examine whether sustainable entrepreneurship approaches of SMEs towards people of the society have a positive impact on business performance.	H1: <i>Sustainable entrepreneurship approaches of the SMEs towards the people of the society have a significant positive impact on business performance.</i>	IV1: People/ Social measured by workforce, community and partners
Do sustainable entrepreneurship approaches of SMEs towards long-term economic benefit have a positive impact on business performance?	To examine whether the sustainable entrepreneurship approaches of SMEs towards long-term economic benefit have a positive impact on business performance.	H2: <i>Sustainable entrepreneurship approaches of the SMEs towards long-term economic benefits have a significant positive impact on business performance.</i>	IV2: Profit/Economic (Long-term economic benefit) measured by benefits, networks and value
Do sustainable entrepreneurship approaches of SMEs towards environment have a positive impact on business performance?	To examine whether the sustainable entrepreneurship approaches of SMEs towards environment have a positive impact on business performance.	H3: <i>Sustainable entrepreneurship approaches of SMEs towards environment have a significant positive impact on business performance.</i>	IV3: Planet/Environment Measured by environment, resources and technology
-	-	-	DV: Business Performance measured by effectiveness, profitability and business competitiveness

2.13 Summary

This chapter focuses on past literatures in an attempt to shed more light on the concepts and findings of the significant notions of this research study. The first section is an overview of the chapter. Section 2.2 discusses the concept of sustainable development which is primarily defined as meeting the needs of current generations without compromising the needs of future generations. Section 2.3 discusses the notion of triple bottom line and discusses that TBL refines The Stakeholder theory by suggesting to strike a balance between the three dimensions/stakeholders namely people/social, profit/economic and planet/environment to gauge business performance. The following section then discusses entrepreneurship which is viewed as the process of identifying risky opportunities, evaluating the social, economic, and environmental costs associated with the opportunities, to produce innovative solutions that secure long-term stakeholder value. Section 2.5 is based on the discussion of sustainable entrepreneurship. Sustainable entrepreneurship refers to identifying opportunities that have embedded risk to create unique solutions by employing innovative methods that bring about positive economic, social and environmental changes to the current system and resultantly fulfil current needs by adding value presently along with setting a path to secure long-term stakeholder value so that the needs of future generations are not compromised. Section 2.6 studies the notion of sustainability performance measurement and management as it provides a deeper understanding with regards to business performance measurement methods. Sustainability performance measurement and management ties economic, social and environmental accounts in determining the performance of enterprises as a whole so that long-term stakeholder value is created. Section 2.7 discusses business performance which shall be measured by gauging three factors, namely profitability, effectiveness and business competitiveness. The next section, 2.8 discusses the first pillar of TBL, people/social as it is also one of the independent variables. The people/social pillar has

been divided into three distinct items (i.e. workforce, community and partners) to gauge their relationship with business performance. Section 2.9 studies the second pillar and independent variable namely, profit/economic (long-term economic benefit) measured by items such as benefits, networks and value. This is followed by section 2.10 that focuses on the third pillar and independent variable known as planet/environment and is broken down into three items (i.e. environment, technology and resources). Section 2.11 is based on the description of the theoretical framework that includes discussion on The Stakeholder theory and how TBL model complements the theory to explain the phenomenon of sustainable entrepreneurship. The Stakeholder theory, triple bottom line and sustainable entrepreneurship are closely linked with each other as the foundation of each notion is heavily dependent on creating long-term value for all the stakeholders by taking into account three important dimensions; people/social, profit/economic and planet/environment. Section 2.12 sheds light on hypotheses development as it articulated the importance of people/social, profit/economic and planet/environment accounts in measuring business performance. The relevant tables and figures are incorporated in the chapter.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 Chapter Overview

Chapter three begins by a discussion on the research design of the study, population and sampling design and structure of the questionnaire with a detailed discussion on research instrument and its various constructs. The next section focuses on two phased pilot testing which is followed by a discussion on data collection in section 3.7. Section 3.8 discusses data analysis techniques which includes section on data screening and preliminary data analysis methodology. This is followed by sections on factor analysis, Pearson's correlation, multicollinearity test and multiple regression respectively. Section 3.13, the last section of chapter 3 section provides a short summary of the chapter.

3.2 Research Design

The design of a study refers to the research plan or blueprint developed in order to examine the research question and test the research hypotheses. Research designs may further be distinguished into four main type; experimental, quasi-experimental, correlational and descriptive (Dunlock, 1993).

In the context of this study, the relationship between the perception/ attitude, referred as approaches, of managers or manager-owners and business performance of SMEs as F&B outlets located across East Coast Region of Malaysia was examined. As established earlier in problem statement, SMEs play a major role in GDP growth. Whereas, Department of Statistics Malaysia (DOSM) noted that according to the latest data of the year 2018, the regions lying on East Coast of Malaysia recorded lower GDP growth rates for Kelantan at 2.6 percent, Terengganu at 2.5 percent and Pahang at 3.0.

Thus, these three states were chosen to understand the dynamics of business activity and SMEs activities in particular.

This is a descriptive form of research as evidenced by the definition of descriptive research which states that descriptive study is defined as a method of systematically describing the characteristics and facts of a given population by accurately portraying the characteristics of individuals or groups and to discover relationship between different variables by answering questions based on the events of the present. In particular, descriptive survey methodology was employed in order to collect data for analysis. In descriptive survey, data is collected from a portion of the population in order to study the characteristics, preferences and attitudes towards a phenomenon. An example of such study would be a questionnaire or interview (Dunlock, 1993). The survey questionnaire tool was employed for the purpose of this study. The target participants were identified as the managers or managers-owners of F&B outlets along East Coast Malaysia. The survey questionnaire was designed primarily based on previous research and findings about the relationship between sustainable entrepreneurship practices and business performance studied in Perrini (2005), Gerlach (2002), Schaltegger & Wagner (2006) and Neely *et al.*, (2003) etc. It was then pilot tested across different industries. Once the results established the validity of the survey in the context of the study, the questionnaires were sent out to target participants across East Coast Malaysia.

A total of 200 F&B outlets were identified through desktop research. In the context of this study, desktop research refers to secondary data collection by extracting basic contact details of F&B outlets from online platforms such as social media pages. Upon data collection, analysis was done using SPSS Version 26 and hypotheses were tested. Statistical Package for Social Sciences, SPSS was chosen as it is popular within business and academic circles since it allows a wide variety of tests for data analyses (Arkkelin, 2014).

3.3 Population and Sampling Design

The population of this study was F&B outlets under the category of Small and Medium Enterprises (SMEs) located in East Coast region of Malaysia which includes the states of Kelantan, Terengganu and Pahang. The target F&B outlets included cafes and restaurants that provided dine-in and/or delivery services across the region. The database regarding the entrepreneurs'/managers' contacts was retrieved by conducting desktop research. A sample was chosen using convenience sampling which comprised of F&B outlets from East Coast region. It is to be noted that the method of convenience sampling does not affect the research objectives (Soto-acosta & Cismaru, 2016). A total of 200 F&B outlets were contacted to participate and record their responses to comprehend the impact sustainable entrepreneurship practices have on business performance in East Coast Malaysia. Overall, 200 survey questionnaires were divided between three states in a way that 66 F&B outlets in Kelantan were contacted for participation while 67 F&B outlets across Terengganu and Pahang each were sent the questionnaires. Survey distribution was done in a manner that ensured approximately equal representation from each state of East Coast Malaysia. According to Hoyle (2000), Marsh & Hau (1999) research models can be safely evaluated with samples ranging from $N=100$ to $N=150$ while, Hoogland & Boomsma (1998) (seen in Kyriazos, 2018) consider $N=200$ as the minimum sample size. As cited in Moorthy *et al.* (2012), Hitchens *et al.* (2003) suggested that research is needed to determine the factors that drive manager or owners to employ sustainable entrepreneurship. This illustrates that managers or manager-owners should be primarily focused upon. Furthermore, as per the literature review, the nature of the questions of survey required that the managers or manager-owners participate (Moorthy *et al.*, 2012) to avoid compromising the objectives of the study since other employees do not usually have access to complete information. Thus, the criteria for participation determined that only the managers or manager-owners of F&B Outlets registered as SMEs along East

Coast Malaysia were eligible to participate. Data was collected from beginning of April 2020 to end of May 2020.

3.4 Structure of Questionnaire

The questionnaire items mainly addressed the perceptions and attitudes of the owners or manager-owners of SMEs towards sustainable entrepreneurship. For simplicity, the perceptions and attitudes were referred as the approaches (Soto-acosta & Cismaru, 2016). The survey questionnaire consisted of 5 main sections. The first section addressed the personal and firms' information relevant to the study such as manager/manager-owners' education level, gender, age, annual sales turnover (RM), and number of employees. The following four sections contained a number of close-ended questions for the independent variables and dependent variable respectively. The multi-item constructs for model were designed with People/Society, Profit/Economic and Planet/Environment identified as the three independent variables and business performance as the dependent variable. Five-point likert scales ranging from "strongly disagree" to "strongly agree" (strongly disagree – 1, disagree – 2, neither disagree nor agree – 3, agree – 4, strongly agree - 5) was used. Once the questionnaire was constructed, two phased pilot study was conducted to establish the reliability of the survey instrument. Details of the pilot study are further explained in section 3.7 titled as Pilot Testing. Table 3.1 outlines the constructs and a few examples of the items utilized in the survey instrument.

Table 3.1: Constructs and Scale Items

Constructs	Variable	Item	References
People/Social	People-workforce	It is significant for our firm to contribute positively to the welfare of our workforce.	(Perrini, 2005), (Gerlach, 2002)
	People-community	It is significant for our firm to actively engage itself in activities that lead to community development.	(Schaltegger & Wagner, 2011), (Martinez-Ferrero & Garcia-Sanchez, 2014)
	People-partners	It is significant for our firm to establish long-term relationships with our partners in the markets.	(Pearce & Doh, 2014), (Fink, Harms, & Kraus, 2008)
Profit/Economic	Profit-benefits	Our products yield economic benefit to the community at large.	(Cohen & Winn, 2007)
	Profit-networks	It is significant for our firm to operate within business networks for achieving economic goals.	(Woolthuis, 2010)
	Profit-value	It is important for our enterprise to create value for customers by providing high quality goods and services.	(Neely <i>et al.</i> , 2003)
Planet/Environment	Planet-environment	Our products and services are designed to be harmless for the environment.	(Bell & Stellingwerf, 2012)
	Planet-resources	It is important for our firm to ensure responsible policies for material and energy usage.	(Soto-acosta & Cismaru, 2016)
	Planet-technologies	Our firm relies on green technology in providing products and services.	(Kirkwood & Walton, 2010)
Business Performance	Business-profitability	Currently, our firm's yearly turnover is deemed profitable.	(Soto-acosta & Cismaru, 2016)
	Business-effectiveness	Our business is deemed effective in view of customer attraction and retention.	(Soto-acosta & Cismaru, 2016)
	Business-competitiveness	Our business is deemed competitive (direct competition setting) in terms of market share.	(Soto-acosta & Cismaru, 2016)

3.5 Research Instruments

The research instrument tackles the main research question and its sub-questions by individually focusing on each independent variable or construct (People/Social, Profit/Economic, and Planet/Environment) to examine its relationship with the dependent variable i.e. business performance.

The survey has been divided into different sections to address each of the three pillars of TBL and measures of the dependent variable in an attempt to cover all the aspects discussed in the literature review.

3.5.1 People/Social

The first independent variable is identified as People/Social. It constitutes of three constructs (i.e. workforce, community and partner). The constructs and their scale items are presented in table 3.2.

Table 3.2: Scale Items under People/Social Pillar

Constructs	Scale Items
Workforce	It is significant for our enterprise to contribute positively to the well-being of our workforce.
	It is significant for our enterprise to provide continuous training to new workforce.
	It is significant for our enterprise to continuously train workforce.
	It is significant for our enterprise to ensure the safety of the workforce at workplace (i.e. measures to minimize workplace injuries)
	It is significant for our enterprise to ensure that the managers/owners are easily accessible to the workforce (i.e. employees can easily reach and communicate the relevant issues to the management).
Community	It is significant for our enterprise to actively engage itself in activities that lead to community development (i.e. providing employment opportunities to local community).
	It is significant for our enterprise to financially support local organizations .
	It is significant for our enterprise to contribute to charitable organizations .
	It is significant for our enterprise to search for more socially responsible production methods .
	It is significant for our enterprise to search for more socially responsible products .
	It is significant for our enterprise to search for more socially responsible services .
	Training courses of socially responsible behaviour are useful for our enterprise.
Partners	It is significant for our enterprise to establish long-term relationships with our partners (i.e. suppliers, customers, lenders etc.) in the markets.
	It is significant for our enterprise to effectively communicate with our partners.
	It is significant for our enterprise to engage with partners who are socially responsible.
	It is significant for our enterprise to engage with our partners in a way that exploitation does not occur.
	It is significant for our enterprise to have joint projects with partners to generate value to private and non-profit participants.

3.5.2 Profit/Economic

The second independent variable is identified as Profit/Economic (Long-term economic benefit). It constitutes of three constructs (i.e. benefits, networks and value). The constructs and their scale items are presented in table 3.3 below.

Table 3.3: Scale Items under Profit/Economic Pillar

Constructs	Scale Items
Benefits	Our products and/or services yield specific economic (i.e. correctly priced and affordable for consumers) benefits to the organization.
	Our products and/or services yield general benefits (i.e. job creation for local residents) to local community.
	Our products and/or services yield economic benefit to community at large.
	Our products' and/or services' quality is continuously improved to fulfil market expectations.
	Our products and/or services are cost-effective and resultantly, contribute to the welfare of society.
Networks Note: Network refers to the network of stakeholders involved with the business enterprise including suppliers, customers, lenders, community, government bodies and etc.	It is important for our enterprise to operate within business networks for achieving economic goals.
	It is important for our enterprise to build networks with local community to benefit them.
	It is feasible for our enterprise to build networks to benefit our organization.
	It is feasible for our enterprise to build networks to benefit the society at large.
	Our enterprise has more freedom than larger enterprises to build networks to achieve general and specific economic goals.
Value	It is important for our enterprise to create value for customers by providing high quality goods and services.
	It is important for our enterprise to create value for customers by providing timely goods and services.
	It is important for our enterprise to create value for our employees by providing competitive compensation packages.
	It is important for our enterprise to create value for our investors by providing competitive return on investment.
	It is important for our enterprise to create value by adhering to the regulations of the industry prescribed by the regulating bodies.

3.5.3 Planet/Environment

The third independent variable is identified as Planet/Environment. It constitutes of three constructs (i.e. environment, resources and technology). The constructs and their scale items are presented in table 3.4.

Table 3.4: Scale Items under Planet/ Environment Pillar

Constructs	Scale Items
Environment	Our products and services are designed to be harmless for the environment.
	Our enterprise engages with suppliers who provide inputs and outputs that are harmless for the environment.
	It is significant for our enterprise to build network with actors who are concerned about environmental protection.
	Trees and flowers are growing inside and outside our enterprise.
	The beauty of the environment makes the employees healthy.
	It possible for our enterprise to produce goods and/or services without environmental pollution.
Resources	It is significant for our enterprise to adopt responsible policies in terms of material and energy resources usage.
	It is significant for our enterprise to recycle the waste.
	It is significant for our enterprise to prevent the potential loss of resources.
	It is significant for our enterprise to take conscious efforts to use less energy in the production process.
	Training courses regarding efficient use of resources is helpful for our enterprise.
Technology	In the current activities, we try to rely on green technologies as much as possible.
	It is significant for our firm to use new technology and mechanism.
	It is significant for our firm to continuously improve our technology.
	Our enterprise wishes to replace paper information with digital information.
	Training courses of technological innovation are helpful for our enterprise.

3.5.4 Business Performance

The final section of the survey identifies the dependent variable as business performance. It is important here to note that business performance is measured from the perspective of managers or managers-owners of SMEs. It constitutes of three constructs

(i.e. profitability, effectiveness and business competitiveness). The constructs and their scale items are presented in table 3.5 below.

Table 3.5: Scale Items under Business Performance

Constructs	Scale Items
Profitability	Currently, our enterprise's yearly turnover is considered to be profitable.
	Our enterprise has generated positive cash flows for majority of its life.
	Our enterprise's revenue growth rate is positive.
	Our enterprise has constantly remained profitable over the years.
	Our enterprise's profitability is considered to be above industry average.
Effectiveness	Our enterprise is considered to be effective in terms of customer satisfaction .
	Our enterprise is considered to be effective in terms of customer retention .
	Our enterprise effectively detects the changes in customers' product/services preference.
	Our enterprise periodically reviews the impact of changes in business regulations and technology on customers.
	Our enterprise effectively reviews the impact of changes in business regulations and technology on customers.
Business Competitiveness	Our enterprise is considered to be competitive (direct competition setting) in terms of market share.
	Currently, our enterprise's sales volume is competitive.
	Our enterprise has achieved cost reduction resulting in competitive advantage.
	Our enterprise has the ability to respond to competitor threat immediately.
	Our enterprise's response to competitor threat is mostly effective.

Refer to Appendix A for survey instrument employed in this study.

3.6 Pilot Testing

Once the survey questionnaire was prepared. Pilot testing was conducted. Pilot testing is done in order to understand the effectiveness of a survey questionnaire before final distribution to target participants (Reynolds, Diamantopoulos, & Schlegelmilch, 1993).

Pilot testing, also known is a method of refining the design of the questionnaire and also identifying the errors in the questionnaire that may only be detected by the concerned population (for example, the terminology employed) (Reynolds *et al.*, 1993). Green, Tull & Albaum, (1998) state that pilot testing is an activity that is related to the development of measurement instrument or questionnaire which is to be utilized to collect data in a survey or experiment. Other scholars compare the process of pilot testing to that of test marketing before developing new products in that both provide insightful information to the researchers and developers of the research instrument and product/service respectively (Churchill, 1991). The need to conduct pilot testing of questionnaires is stressed time and again in past literature, although the mechanics of the process of pilot testing are frequently glossed over (Reynolds *et al.*, 1993). To further emphasize, pretesting and/or pilot testing is a crucial exercise to gauge the level of the research instrument simply due to the fact that no amount of intellectual brainstorming would match the information that would come as a result of conducting a pilot test (Backstorm & Hursch, 1963).

Past literature recommends the use of pilot-testing except in circumstances where conducting such a test would hurt the final study or experiment like targeting a population that is small in number which means it would be impossible to pilot test the survey on participants with the leverage of skipping them during actual research study (Reynolds *et al.*, 1993). Pilot testing is especially significant for areas where there has been a dearth of literature as well as in complicated and specialized fields (Peterson, 1988).

In literature, the pilot testing sample size suggests that generally the size is small, ranging from 5-10, 50-100 meaning that it is heavily dependent on the researcher(s) decision (Reynolds *et al.*, 1993). Some scholars believe that although the sample size should remain small yet it should not miss out on any subgroups of target population (Green *et al.*, 1988). However, determining the exact size of pilot test heavily depends on the dynamics of the final study as the researchers must take the decision of the size of pilot test in view of the requirements of the final research study (Reynolds *et al.*, 1993).

For this study, pilot testing was done in two phases. The first phase comprised of examining face and content validity in which a total number of 7 industry experts and academicians were requested to evaluate the constructs and their measures. The second phase comprised of validity and reliability tests using SPSS version 26.

3.6.1 Pilot Testing – Phase 1

In the first phase of pilot testing, a total of 7 industry experts and academicians were contacted for the purpose of face validity and content validity. Face validity is a subjective judgement which is made to identify the extent to which measures appear to be related to specified constructs (Taherdoost, 2016). Questionnaires are evaluated in terms of their readability, feasibility, clarity of language and consistency of style (Taherdoost, 2016). As cited in Taherdoost (2016), Whitman & Woszczynski (2003) state that content validity also employs subjective judgement to evaluate a new survey instrument. Furthermore, validation is done to ensure that the questionnaire includes all the essential items and at the same time eliminate unnecessary items for the measurement of a particular construct.

All the evaluators were satisfied with the structure of the questionnaire in terms of its feasibility and readability, clarity of language and consistency of style. Only minor suggestions were given to add examples to the statement in order to ensure that the context

of the statements is understood by the participants more clearly. For instance, one of the statements in the questionnaire was '*It is significant for our enterprise to actively engage itself in activities that lead to community development*', as per the suggestion an example was added to explain further. The final version then stated, '*It is significant for our enterprise to actively engage itself in activities that lead to community development (i.e. providing employment opportunities to local community)*'. The addition of an example ensured the statement was properly explained and hence, understood by the participants. Further details are provided in Appendix B.

After thoroughly going through all the feedback from the industry experts and academicians, necessary changes were made. The survey questionnaire was then finalized for its next phase of pilot testing which involved a total of 31 participants from various industries.

3.6.2 Pilot Testing – Phase 2

After taking into account the suggestions from the industry experts and academicians, the questionnaire was distributed for the purpose of data collection for reliability and validity tests. A total of 31 participants were contacted from different industries to further examine the validity of the questionnaire. Managers or administrative personnel from Education industry (School and University), Information Technology industry, Retail industry (Clothing and Tupperware) and Accounting Services industry agreed to participate from different parts of Malaysia. An out of sample participants were contacted in order to establish the general validity of the questionnaire. The pilot test data was then analyzed by conducting the reliability test using SPSS version 26.

3.6.2.1 Reliability Analysis

Carmines & Zellar (1979) state that reliability measures the extent to which stable and consistent results are illustrated. In other words, reliability means the extent of repeatability of results for a certain phenomenon. Furthermore, if the items of a scale are consistent and measure the same construct then the scale is said to have high internal consistency reliability (Nawi, Tambi, Samat, & Mustapha, 2020). The most common internal consistency measure is Cronbach's Alpha. Cronbach's Alpha is considered to be the most appropriate measure when Likert scale is used (*Cronbach's Alpha (α) using SPSS Statistics*, n.d). Thus, in the context of this study Cronbach's Alpha is measured to examine the reliability of the scale. Table 3.6 below shows the result of the reliability test (Cronbach Alpha).

Table 3.6: Reliability Test for Pilot Test Phase 2

Constructs	Cronbach Alpha
People/Social	0.745
Profit/Financial	0.772
Planet/Environment	0.752
Business Performance	0.943

As is evident in the table above, Cronbach's Alpha for all the constructs exceed the threshold value of 0.6 (Nunnally, 1967) establishing the reliability of the constructs of the scale.

3.7 Data Collection Method

A total of 200 Small and Medium Enterprises (SMEs) that operated as food & beverage outlets were identified and contacted to take part in the survey questionnaire to study the impact of sustainable entrepreneurship approaches of managers or manager-owners on business performance. Hoyle (2000) and Marsh & Hau (1999) state that research models can safely be evaluated using a sample size ranging from $N=100$ to $N=150$. As cited in Kyriazos (2018), Hoogland & Boomsma (1998) suggest that a sample size of $N=200$ should be the minimum sample size. Therefore, this research study aimed at a sample size of 200.

The database regarding the contacts of entrepreneurs was retrieved using desktop approach. A Pilot study with a total of 31 participants was conducted to validate the questionnaire design and parameter measures. Once the validity of the survey questionnaire was established, professional translator was contacted to translate the survey questionnaire into national language, Bahasa Malaysia. This was done as to ensure a higher response rate. Survey questionnaire was distributed from the beginning of April 2020 to end of May 2020. Convenience sampling was employed in identifying and contacting the participants.

A total of 165 valid questionnaires were retrieved, constituting a response rate of 82.5 percent. After initially taking their consent to participate in the survey, questionnaires were sent to the F&B Outlets' emails, WhatsApp Messenger and official social media pages such as Facebook and Instagram. An interesting observation made during the study was that F&B outlets were increasingly responsive if contacted through WhatsApp messenger or social media pages as opposed to the conventional way of sending questionnaires through email. The number of responses received were approximately equally distributed across three states with highest number of responses received from Pahang (57 responses), followed by Terengganu (56 responses) and lastly

Kelantan (52 responses) totaling to 165 surveys out of 200 questionnaires distributed. The managers or manager-owners completed a self-administered questionnaire.

3.8 Data Analysis Techniques

Data Analysis was conducted using SPSS version 26. The following sub-section discusses the data screening and preliminary data analysis methodology employed to obtain results discussed in chapter four. This was followed by discussion on the methodology of various tests, namely factor analysis using factor loadings, Pearson's correlation, multicollinearity test and multivariate regression analysis respectively.

3.8.1 Data Screening and Preliminary Data Analysis Methodology

SPSS version 26 was primarily used for data screening. Data screening includes a number of tests prior to conducting actual statistical tests for data analysis. These screening tests are done in order to check for irregularity in the data collected (Stephen, 2016). Data screening is a pre-requisite for conducting further statistical analysis. If not checked for irregularities, the statistical tests may yield inaccurate results that misrepresent the actual data collected and distort the findings. The screening process has several steps. Firstly, there may be data sets that contain outliers which misrepresent the true observations due to the presence of extreme values. Outliers are those data values that are questionably large or small in contrast to the rest of the observations (Pallant, 2011) causing distortion in the data set. Along with this, the data is checked to ensure that it has been correctly entered. This means that out-of-range values may be recorded due to human error like recording the value of "55" instead of the value "5" for a Likert scale item. Secondly, data is checked for missing values which happens when values are left out while entering data or participants do not provide a response to a certain question. Thirdly, screening is conducted to check if the data set conforms to the assumptions such as the normality test (Stephen, 2016).

3.8.1.1 Outliers

Simply explained, outliers are those observations that vary greatly from the majority of the observations of a data set (Pallant, 2011). Outliers have an impact on the normality of a data set, although few researchers suggest that outliers should not be removed simply because it would not be in line with the normality assumption (Stephen, 2016). However, as discussed in the previous section outliers may also be present in the data set due to errors in data entry which should be omitted immediately to avoid data misrepresentation.

3.8.1.2 Missing Data

Missing values in a data set can occur in several ways. For instance, missing value can be encountered due to data entry errors that form invalid codes, incomplete questionnaire, restrictions in terms of disclosures, inadequate knowledge, refusal by the participants to answer specific questions and so on. Researchers are unable to avoid missing data issue, however, the issue of missing data can be minimised and treated (Hair, Anderson, Tatham & Black, 1998).

3.8.1.3 Normality Test: Skewness and Kurtosis

Normality tests are conducted for parametric statistical tests. The tests are done in an attempt to ensure that the data set follows normal distribution (Pallant, 2011). A normal distribution of data set means that the observations are normally distributed assuming the shape of a symmetric bell-shaped curve which is identified by two characteristics i.e. mean (average value of the observations) and variance (variability of observations from the mean) (Stephen, 2016).

In other words, normal distribution is described as a bell-shaped and symmetrical curve which has the highest frequency of scores or values in the middle while smaller

frequencies are towards the extremes (Gravetter & Wallnau, 2004). In the event of non-normal data set, non-parametric tests are conducted to analyse data as they do not have the condition of normal distribution (Stephen, 2016). Testing the normality of data can be done in several different ways. Different researchers employ different tests for assessing normality such as Shapiro Wilk W test or Kolmogorov-Smirnov test. Researchers suggest Shapiro Wilk W test produces reliable results specially for small data set. Stephen (2016) states that if the data set is up to 2000 observations, then Shapiro Wilk W test is the best choice, however if data set exceeds 2000 observations then Kolmogorov-Smirnov test would be more applicable. Additionally, normality can also be assessed, to certain extent, by conducting tests to obtain Skewness and Kurtosis values. Every so often, the Skewness and Kurtosis is sufficient to assess whether the data set fits the assumption of normality (Stephen, 2016). As with other normality tests, skewness is simply a measure of symmetry to check if the data that has been collected is skewed to the right or to the left from the centre point. On the other hand, Kurtosis measures the 'peakedness' or flatness of the data set relative to normally distributed data set (Pallant, 2011). A data set of observations is considered to meet the conditions of normality if the skewness and kurtosis value ranges from -2 to 2 (Stephen, 2016).

3.9 Factor Analysis

Factor analysis is designed to measure and observe variables which can be cut down to fewer variables that have a common variance and are unobservable and thus, is known as dimension reduction (Batholomew, Knott, & Moustaki, 2011). Exploratory factor analysis is employed when researchers aim to identify the variables that 'go together' (DeCoster, 1998).

Thus factor analysis is useful for studies with ranging from few to hundreds of variable items in a questionnaire as this places variables under meaningful categories (Yong &

Pearce, 2013). These meaningful categories can then be labelled as factors. A factor should at least have 3 variables under it to be labelled as such (Tabachnik & Fidell, 2006). In the context of this study, each construct or factor fulfills the criteria as three different variables are identified for every construct or factor. Multivariate and univariate normality within the data is necessary to conduct factor analysis (Child, 2006). Thus, it was necessary that normality test be conducted before performing factor analysis on the data set.

3.10 Pearson's Correlation

Pearson correlation is a method employed to explore the strength of the relationship between two continuous variables (*Pearson's Correlation Coefficient*, 2020). In particular, the correlation coefficient indicates the strength of association between two variables that have a linear relationship. Along with the strength of the relationship the correlation coefficient also indicates the direction of the variables which may be positive or negative. Positive correlation indicates that variables are directly related with each other while a negative correlation indicates that variables are inversely related with each other (Pallant, 2011). Thus, Pearson's correlation coefficient was determined at the pilot study phase as well as during statistical data analysis to test the research model.

3.11 Multicollinearity Test

Multicollinearity refers to the relationship among various independent variables (Pallant, 2011). Multicollinearity tends to distort the results as it may have adverse effects on the coefficients estimated during multiple regression analysis (Taylor, Mansfield, & Helms, 2012).

Thus, it is important to check for multicollinearity and take necessary actions to resolve the issue in the case of its existence (Taylor *et al.*, 2012). In the context of this study, multicollinearity test was conducted by analysing the values of variance inflation factor (VIF) and tolerance level. Obtaining tolerance values above 0.1 or VIF values below 10 indicate the absence of multicollinearity issue (Pallant, 2011).

3.12 Multivariate Regression Analysis

Regression analysis is conducted in order to determine the relationship between variables that have cause-effect relations to utilize the results to make predictions for the model using the relation (Uyanık & Güler, 2013). The regression which uses one independent variable is known as univariate regression analysis while the regression which uses more than one independent variable is called multivariate regression analysis or multiple regression analysis (Tabachnick & Fidell, 2006). Multivariate regression analysis makes an attempt to account for the variation in the dependent variable attributable to the independent variables synchronically (Pallant, 2011). However, it is important that certain conditions are met in order to yield accurate multivariate regression results. For reliable results, multivariate regression analysis is conducted once the assumptions of normal distribution, linearity, absence of outliers and multicollinearity are fulfilled (*Assumptions of Multiple Linear Regression*, 2020). Thus, this study made an attempt to determine the degree of variation in dependent variable (business performance) that is explained by independent variables (people/social, profit/economic and planet/environment) using standard multiple regression where all the independent variables are entered into the equation concurrently to estimate the predictive power of the independent variables (Pallant, 2011). The results are analysed and discussed in section 4.9 of chapter four.

3.13 Chapter Summary

Chapter 3 begins with chapter overview as it describes the content of the chapter. Next section discussed research design which elaborated on the quantitative nature of research for primary data collection. The subsequent section explained the population of the research that was identified as managers or manager-owners of F&B outlets operating as SMEs across East Coast Malaysia along with sampling design as it determined that the number of F&B outlets that were to be contacted for research purpose was 200. Section 3.4 focused on the structure of the questionnaire and was followed by a detailed discussion on research instruments in section 3.5 where all the constructs and their variables were discussed at great length. Section 3.6 discussed pilot testing which was carried out in two phases. Phase 1 of pilot testing discussed content validity and face validity of the survey instrument whereas, phase 2 of pilot study focused on reliability analysis of the research instrument. The results of the pilot test suggested that scale items of the survey questionnaire were reliable. Section 3.7 then discussed thoroughly regarding data collection method employed. It was ensured that the survey questionnaires were distributed in a way that all three states were approximately equally represented. Section 3.7 discussed pilot testing which was carried out in two phases. Section 3.8 comprised of the discussion on the data analysis techniques that were employed for this study which included a sub-section on preliminary data screening and analysis methodology focused on outliers, missing data, normality test. This was then followed by sections on factor analysis, Pearson's correlation, multicollinearity test and multivariate regression analysis.

CHAPTER 4: RESULTS

4.1 Chapter Overview

Chapter four begins by discussion on results from survey questionnaire. This is followed by a section that describes data analysis techniques which focuses on data screening and preliminary data analysis, skewness and kurtosis analysis for conducting normality test, descriptive statistical analysis, factor analysis and reliability test analysis. The subsequent section contains a discussion on correlation analysis followed by sections on multicollinearity test and standard multiple regression analysis respectively. All the relevant tables are incorporated to support the results of the statistical tests. The final section presents a short summary of the key points of chapter four.

4.2 Results from Survey Questionnaire

Online survey questionnaire forms were created as it was the most plausible way to attain data due to the widespread of novel corona virus (COVID-19). A total of 200 survey questionnaires were distributed from the beginning of April 2020 to the end of May 2020 over the span of two months, to F&B outlets who operated as SMEs across East Coast Malaysia (i.e. Kelantan, Terengganu and Pahang). Convenience sampling was employed to identify and contact the participants through online platforms such as Facebook, Instagram, WhatsApp Messenger and Email. The survey questionnaires were approximately equally distributed among the three states of East Coast Malaysia.

A response rate of 82.5 percent was achieved as 165 out of 200 valid questionnaire responses were received and recorded. The number of valid survey responses received from Kelantan, Terengganu and Pahang were 52, 56 and 57 respectively.

It was interesting to note that F&B outlets were more responsive if contacted through social media platforms rather than the conventional method of reaching them through Email. The manager or manager-owners of F&B outlets completed a self-administered questionnaire.

4.3 Data Screening and Preliminary Data Analysis

Screening tests were conducted for 165 survey responses received from various SME managers or owner-managers of F&B outlets across East Coast Malaysia. Outlier detection and analysis, missing data analysis, skewness and kurtosis tests for normality assumption are discussed in the following sub-sections respectively.

4.3.1 Detecting Outliers

The data collected from F&B outlets operating as SMEs in the states of Kelantan, Terengganu and Pahang was screened for outliers to avoid misrepresentation and distortion of the findings. The results showed that issue of outliers resulting from extreme values and/or wrong data entry was not encountered. Thus, no action was taken, and all 165 survey responses were usable.

4.3.2 Missing Data Analysis

All 165 survey responses that were received from SME managers or manager-owners of F&B outlets from East Coast Malaysia were usable as the issue of missing data was not encountered. The missing data issue was not present largely due to the way the questionnaire was designed and distributed. The statements of the questionnaire were clear and easy to understand, applicable for the managers or manager-owners of F&B outlets and did not require participants to reveal or disclose any sensitive data regarding the operations of the SMEs.

Furthermore, the online survey form was designed in a manner that participants were unable to proceed to the next section if there was any missing value. Therefore, all 165 survey responses were considered valid and usable for further analysis.

4.3.3 Normality Test: Skewness and Kurtosis Analysis

The observations of the data set were tested to ensure the data collected met the condition of normality before proceeding to conduct parametric tests for further analysis by assessing the skewness and kurtosis values. As mentioned earlier, the skewness and kurtosis tests are conducted to assess the normality of the data collected. Skewness value indicates the symmetry of the distribution while kurtosis provides necessary information regarding the 'peakedness' of distribution. A perfectly normal distribution has skewness and kurtosis equal to zero which is a rare occurrence specially in the field of social sciences (Pallant, 2011). A value ranging from -2 to 2 is deemed as an acceptable level of skewness and kurtosis (George & Mallery, 2010). The skewness values for people/social, profit/economic, planet/environment and business performance are -.740, -.514, -.582 and .167 respectively. Additionally, the kurtosis values that were obtained for people/social, profit/economic, planet/environment and business performance are -.332, -.847, -.770 and -.811 respectively.

As evident, the skewness and kurtosis coefficients lie within the acceptable range for the dependent and independent variables. Table 4.1 records the results of the skewness and kurtosis analysis.

Table 4.1: Skewness and Kurtosis for Normality Test

Variables	Skewness	Kurtosis
People/Social	-.740	-.332
Profit/Economic	-.514	-.847
Planet/Environment	-.582	-.770
Business Performance	.167	-.811

4.4 Descriptive Statistical Analysis

SPSS Version 26 was utilized to determine the profile of respondents and F&B outlets operating in the SME sector located in East Coast Malaysia (Kelantan, Terengganu and Pahang). Descriptive statistics such as frequency analysis was conducted to obtain a summary of the characteristics of the participants and their enterprise in order to analyze the demographic profile of the data set.

Sample data based on 165 SMEs as F&B outlets located in Kelantan, Terengganu and Pahang showed that 61.8% of managers or managers were male participants, while the remaining 31.2% were female participants. This suggested that 102 F&B outlets out of the 165 F&B outlets that provided valid data were run by males and the remaining 63 were run by females as managers or manager-owners. The questionnaire provided four different age brackets with ranges starting from 21-30 years, 31- 40 years, 41 – 50 years and finally 51 years and above. It was noted that the majority of the managers or manager-owners' age fell between the age bracket of 21-30 years constituting 40.6% of the total participants. This was followed by the age brackets of 31-40 years, 51 years and above and 41-50 years constituting 32.7 percent, 14.5 percent and 12.1 percent respectively. It is important to notice here that the majority of the managers or manager-owners fall in the youngest age bracket of 21 – 30 years, indicating the growing interest of the younger generation in the area of entrepreneurship. The next question regarding educational

qualification indicated that majority of the managers or manager-owners held a diploma which constituted of 74 participants or 44.8 percent of the total respondents, followed by degree holders at 29.7 percent, professional qualifications at 7.3 percent and master's degree holders at 6.1 percent. The remaining 12.1 percent or 20 out of the 165 participants held other qualifications which were known as SPM (10.3 percent), Sijil Kemahiran (1.2 percent) and Sijil (0.6 percent), the Malaysian educational equivalents of O Levels, vocational training certificates and other certificates respectively. The number of employees had several brackets as well. The employee number brackets ranged from 1-4 employees, 5-15 employees, 16-30 employees, 31-45 employees, 46-60 employees, 61-75 employees and 75 & above. The majority of the F&B outlets had employees in the bracket of 5-15 employees, which constituted 43 percent of the total sample of the SMEs. This was followed by F&B outlets whose employee range fell between 1 – 4 at 38.8 percent, 16 - 30 at 7.9 percent, 31 - 45 at 6.7 percent, 46 – 60 at 2.4 percent, 61 – 75 at 1.2 percent and 75 & above at 0 percent respectively. Since the definition provided by SME Corp. Malaysia highlighted that SMEs should have no more than 75 employees to qualify under the category of SME, the 75 employees and above bracket was added as a checkpoint to ensure that the participants actually represented F&B outlets that fell under the definition of SMEs. As evident none of the F&B outlets recorded the option of 75 & above employees, this ensured that all the SMEs contacted fell within the definition given by SME Corp. Malaysia. The frequency data further showed that 24 out of 165 or 14.5 percent were managers and 141 out of 165 or 85.5 percent were manager-owners. 33.9 percent of the F&B outlets age fell between 1 – 3 years, followed by 4 – 6 years, 7 – 9 years, less than 1 year at 29.1 percent, 16.4 percent and 12.7 percent respectively. The remaining F&B outlets' age that was above 9 years was recorded as others and constituted 7.9 percent of the total responses. 41.2 percent or 68 outlets out of the total F&B outlets had an annual sales turnover, denoted in Ringgit Malaysia (MYR), of less than 100,000

(MYR). 40 percent or 66 out of the total F&B outlets had an annual sales turnover of 100,000 – 500,000 (MYR). 10.9 percent or 18, 6.1 percent or 10, 1.8 percent or 3 out of the total F&B outlets had an annual sales turnover (MYR) 500,000 – 1 million, 1 million – 5 million and 5 million – 10 million respectively. Finally, the market coverage of F&B outlets indicated 78.2 percent had their presence in the local markets, 17 percent had their presence in local and national markets, 3.6 percent had coverage in local and international markets, whereas 1.2 percent of the F&B outlets had a coverage in local, national and international markets simultaneously. Table 4.2 below exhibits the demographic profile of the respondents from SMEs that operate as F&B Outlets located in East Coast Malaysia.

Table 4.2: Demographic Profile of Respondents

Gender	Frequency	Percentage
Male	102	61.8 %
Female	63	31.2 %
Age		
21-30 years	67	40.6 %
31-40 years	54	32.7 %
41-50 years	20	12.1 %
51 years and above	24	14.5 %
Education		
Diploma	74	44.8 %
Professional Qualification	12	7.3 %
Degree	49	29.7 %
Masters	10	6.1 %
Other	20	12.1 %
Other Education		
Sijil	1	0.6
Sijil Kemahiran	2	1.2
SPM	17	10.3
Number of Employees		
1-4	64	38.8 %

5-15	71	43.0 %
16-30	13	7.9 %
31-45	11	6.7 %
46-60	4	2.4 %
61-75	2	1.2 %
75 & above	0	0%
Job Title		
Manager	24	14.5 %
Manager-Owner	141	85.5 %
Age of Business Enterprise		
Less than 1 year	21	12.7 %
1 - 3 years	56	33.9 %
4 – 6 years	48	29.1 %
7 – 9 years	27	16.4 %
Others	13	7.9 %
Annual Sales Turnover (RM)		
Less than 100,000	68	41.2 %
100,000 -500,000	66	40.0 %
500,000-1 mil	18	10.9 %
1 mil – 5 mil	10	6.1 %
5 mil -10 mil	3	1.8 %
Market Coverage		
Local	129	78.2 %
Local, International	6	3.6 %
Local, National	19	17 %
Local, National, International	2	1.2%

4.5 Factor Analysis

Multivariate and univariate normality within the data is necessary to conduct factory analysis (Child, 2006). As examined in the previous section, the data conformed to the assumption of normality as the skewness and kurtosis values were within the acceptable range.

The factor loadings are considered to be significant if they are above the threshold value of 0.65 (Soto-acosta & Cismaru, 2016). Table 4.3 below records the factor loadings of the constructs and their variables.

Table 4.3: Factor Loadings

Variables	Indicator	Factor Loadings
People/Social	People - Workforce	0.901
	People - Community	0.752
	People - Partners	0.855
Profit/Economic	Profit – Benefit	0.851
	Profit – Networks	0.862
	Profit - Value	0.839
Planet/Environment	Planet – Environment	0.712
	Planet – Resources	0.867
	Planet - Technology	0.897
Business Performance	Business –Profitability	0.859
	Business – Effectiveness	0.807
	Business - Competitiveness	0.905

The results of the factor analysis indicate that the constructs or factors that have been identified hang together as they cross the threshold value of 0.65. This means that the variables or items strongly reflect their respective factor or construct.

4.6 Reliability Test

Reliability tests were conducted to examine the internal consistency of the scale items. The results of Cronbach Alpha test are recorded in table 4.4.

Table 4.4: Reliability Test

Construct	Cronbach Alpha
People/Social	0.919
Profit/Financial	0.916
Planet/Environment	0.921
Business Performance	0.940

As is recorded in the table above, Cronbach's Alpha for the first independent variable, namely 'People/Social' is recorded to be 0.919. The second independent variable called 'Profit/Financial' has Cronbach's Alpha value of 0.916 followed by the third independent variable namely 'Planet/environment' with a Cronbach's Alpha value of 0.921. Finally, the dependent variable which is identified as 'Business Performance' has a Cronbach's Alpha value of 0.940. As evident, constructs range from 0.916 to 0.940 which exceed the threshold value of 0.6 (Nunnally, 1967) establishing the reliability of all the constructs of the scale.

4.7 Correlation Analysis

Correlation analysis is employed to examine the strength as well as the direction of a linear correlation between two different variables. SPSS has a number of various statistical tests for the purpose of correlation analysis. However, the type of test that may be chosen depends largely on the researcher and is determined by the kind and nature of data set (Pallant, 2011).

Simply stated, correlation analysis is conducted to explore the extent or the degree to which the two variables are correlated with each other. For the purpose of this study, Pearson's Correlation analysis was chosen to measure the degree of closeness between the dependent and independent variables denoted by a correlation coefficient (r or R) (Senthilnathan, 2019). Results indicated that there is a significant positive correlation between People/Social and Business Performance, $r(163) = .350, p < 0.01$ (at 0.01 level of significance). There is a significant positive correlation between Profit/Financial & Business Performance, $r(163) = .544, p < 0.01$ (at 0.01 level of significance) and Planet/Environment & Business Performance, $r(163) = .565, p < 0.01$ (at 0.01 level of significance) respectively. The results of Pearson's correlation analysis have been presented in table 4.5.

Table 4.5: Pearson's Correlation Analysis

	People /Social	Profit /Economic	Planet /Environment	Business Performance
People /Social	1			
Profit /Economic	.762**	1		
Planet /Environment	.718**	.815**	1	
Business Performance	.350**	.544**	.565**	1

Note: **Correlation is significant at 0.01 level of significance

4.8 Multicollinearity Test

The level of multicollinearity among the constructs was analyzed using SPSS version 26 by examining tolerance level and variance inflation factor (VIF). The tolerance values above 0.1 or VIF values below 10 indicate the absence of multicollinearity issue (Pallant, 2011). The tolerance values for people/social, profit/economic and planet/environment were recorded at approximately 0.39, 0.27 and 0.31 respectively. While the VIF values for the three constructs were found to be approximately 2.55, 3.69 and 3.20 respectively. Table 4.6 below records the tolerance values and VIF scores of the constructs.

Table 4.6: Multicollinearity Test

Constructs	Tolerance	Variance Inflation Factor (VIF)
People/Social	0.391860	2.5519
Profit/Economic	0.271214	3.6871
Planet/Environment	0.312871	3.1962

As evident in the table above, the tolerance values and VIF scores for all the indicators are within the specified threshold which confirm that the issue of multicollinearity does not exist.

4.9 Standard Multiple Regression

The R^2 value suggests that approach of the managers or manager-owners towards predictors which include people/social, profit/economic, planet/environment account for 36.5 % of the variance in business performance. This means that the model is a substantial model as its value exceeds the threshold value of 0.35 (Cohen, 1998). The overall regression model was significant, $F(3,161) = 30.831$, $p < 0.01$, $R \text{ square} = 0.365$. It was noted that two out of three predictors were uniquely significant. Hypothesis 1 was unsupported whereas, hypothesis 2 and hypothesis 3 were supported. The relationship between people/social construct with business performance was insignificant as illustrated by $\beta = -0.253$, $p < 0.01$. On the other hand, the relationship between profit/economic and planet/environment with business performance was noted to be significantly direct or positive as evidenced by $\beta = 0.381$, $p < 0.01$ and $\beta = 0.436$, $p < 0.01$ respectively. The results of the regression analysis are recorded in table 4.7 below.

Table 4.7: Standard Multiple Regression Results

	Hypotheses	Std. Coefficient Beta	t-statistics	p-value
Intercept			2.05	.041
People/Social	H1	-.253	-2.522	.013
Profit/Economic	H2	.381	3.160	.002**
Planet/Environment	H3	.436	3.882	.000151**
Model Summary:				
R ² value				.365
Adjusted R ² value				.353
Anova Results:				
F-Value				30.831
Sig. Value				8.38E-16**
Observations				165

Note: **significant at 1 % level

Table 4.8 summarises the decision on hypotheses after conducting multiple regression analysis.

Table 4.8: Multiple Regression and Decision on Hypotheses

Hypothesis	Relationship	p-value	Decision	R Square
H1	People/Social – Business Performance	0.013	Not Supported	-
H2	Profit/Economic – Business Performance	0.002	Supported	-
H3	Planet/Environment – Business Performance	0.000151	Supported	-
Overall model	People, Profit, Planet – Business Performance	-	-	0.365

4.10 Chapter Summary

Chapter four begins with a brief overview. Section 4.2 constitutes of the preliminary data screening and analysis. It was noted that no issues such as outlier, missing and violation of normality test existed in the observed data set. Section 4.3 constituted of descriptive data analysis and it is important to note that majority of the entrepreneurs were in the youngest age bracket. Section 4.4 was based on factor analysis to establish the validity of the latent constructs. This was followed by reliability analysis in section 4.5 that established the reliability of all the constructs employed in the study. Section 4.6 discussed the correlation between dependent and independent variables by employing Pearson's validity test. The results of multicollinearity test were discussed in section 4.7. The VIF and tolerance values indicated that the multicollinearity issue did not exist and thus, multiple regression analysis was conducted in section 4.8. Multiple regression analysis established the overall significance of the proposed model in the context of Malaysian SMEs.

CHAPTER 5: DISCUSSION

5.1 Chapter Overview

Chapter five begins with an overview. Section 5.2 focuses on the findings of the research model by drawing a comparison against past literature and findings. The final section presents a short summary of the key points of chapter five.

5.2 Discussion on Findings of Research Model

The table in the previous section summarises the result of the multiple regression analysis. The following subsections shall discuss in detail the results obtained and compare them against past literature and studies to assess whether the approach of SME managers or manager-owners towards sustainable entrepreneurship practices in East Coast Malaysia are similar or different from the past studies and their findings. In the context of F&B outlets of East Coast Malaysia, the model accounted for 36.5 percent of variance in SME business performance which was gauged in terms of measures of profitability, effectiveness and business competitiveness.

5.2.1 Discussion on Hypothesis 1

H1: Sustainable entrepreneurship approaches of the SMEs towards the people of the society have a significant positive impact on business performance.

The proposed research model results illustrate that there does not exist a significant relationship between approaches of SMEs towards people/social pillar and positive business performance as indicated by $\beta = -0.253$, $p < 0.01$ and thus, hypothesis 1 is not supported. In simpler words, there does not exist a significant direct relationship between perception of F&B outlet managers or manager-owners towards the account of social equity and positive business performance.

To further explain, in contrast to prior studies by Cohen & Winn (2007), Margolis *et al.* (2009), Schaltegger & Wagner (2011) and Soto-acosta & Cismaru (2016) to name a few, openness towards social equity does not significantly affect business performance.

Prior studies suggest that welfare of workforce in terms of continuous training, constant communication and accessibility to the management as well as workplace safety positively impacts business performance (Bell & Stellingwerf, 2012; Hosseininia & Ramezani, 2016; Perrini, 2005; Soto-acosta & Cismaru, 2016).

Additionally, assumptions regarding community, which was identified as another important item of people/social construct, stated that businesses should engage with community in a way that results in community development and should indirectly or directly support local and charitable organizations (Hosseininia & Ramezani, 2016; Martinez-Ferrero & Garcia-Sanchez, 2014; Schaltegger & Wagner, 2011). Furthermore, previous studies found that creating long-term stakeholder value also requires that socially responsible methods of production should be employed to provide socially responsible goods and/or services in accordance with the practices of sustainable entrepreneurship.

An additional assumption laid down in hypothesis 1 was regarding the role of partners of the businesses. It was proposed that consistent and reliable partners were significant for a well-functioning business as this notion brings stability to the overall enterprise and its operations (Hosseininia & Ramezani, 2016; Perrini, 2005). Whereas, having consistent and reliable partners meant that businesses were required to effectively communicate and engage with their partners and some of them might even have joint projects that result in creating long-term stakeholder value (Pearce & Doh, 2014; Perrini, 2005).

However, in contrast to all the proposed assumptions, as part of hypothesis 1, the findings of this study suggest an insignificant relationship between business performance and approach towards people/social aspect. One pertinent reason may be the fact that the need for social/people – responsible attitudes in the case of developing countries is yet to be assumed among entrepreneurs. This may be addressed by creating more awareness regarding the potential benefits of an open and responsible attitude towards the people/society with which the SME managers or manager-owners engage. Another reason might be the scale of the businesses along the East Coast of Malaysia which means that focusing on aspects like community and partners might not be as feasible at the current level of operations. This may be addressed at the governmental level by providing higher access to resources that facilitate the F&B outlets in engaging with people and society more proactively reaping positive benefits as a whole.

To sum up, hypothesis 1 does not uniquely contribute to the overall model. The relationship is noted to be indirect suggesting that responsible behavior towards people or society translate into negative business performance in the context of sustainability performance measurement and management. However, it is insignificant at 0.01 level of significance. Thus, the findings of hypothesis 1 provide an unconventional perspective where the dependent and independent variables are inversely related, and the relationship is an insignificant one which is in contrast to prior studies.

5.2.2 Discussion on Hypothesis 2

H2: Sustainable entrepreneurship approaches of the SMEs towards long-term economic benefits have a positive significant impact on business performance.

As evident from the results in chapter four, there exists a significant positive relationship between approaches of SMEs towards long-term economic benefit (identified by the profit/economic pillar) and positive business performance as indicated

by $\beta = 0.381$, $p < 0.01$ and thus, hypothesis 2 is supported. In other words, the optimistic or open-minded attitude of managers or manager-owners of F&B outlets in East Coast Malaysia towards profit/economic pillar (long-term economic benefits) in an attempt to create long-term stakeholder value for all the participants that are directly or indirectly impacted by the outlets' performance translate into positive business performance. This finding is in alignment with the previous research studies conducted by Bell & Stellingwerf (2012), Cohen & Winn (2007), Winn & Kirchgeorg (2005) and Schaltegger & Wagner (2011) to name a few, which emphasized on the importance of profit/economic pillar in business performance. Findings of previous studies suggested that at various instances it was noted that entrepreneurial activities yield beneficial economic results for entrepreneurs, community, investors and the economies as a whole (Shepherd & Patzelt, 2011). This conforms with the TBL framework, which identifies profit/economic as the second important pillar employed to measure and manage sustainability performance of businesses which incorporates social, environmental and financial accounts.

The results suggest, in alignment with prior studies that it is important for F&B outlets which operate under the category of SMEs to produce goods and/or services that yield specific and general economic benefits for the enterprise and local community simultaneously (Soto-acosta & Cismaru, 2016). Additionally, the products and/or services that are cost-effective and continuously improved in order to fulfill market demands and resultantly, contribute to the general welfare of the society within which SMEs operate have positive business performance (Cohen & Winn, 2007; Margolis *et al.*, 2009; Schaltegger & Wagner, 2011).

Furthermore, the findings also suggested that F&B outlets whose approach towards the establishment of strong networks with suppliers, investors and local community was responsible created long-term stakeholder value resulting in positive business performance (Woolthuis, 2010). Generally it is assumed that SMEs have more

freedom than larger enterprises to build networks on their own for creating long-term stakeholder value and yield specific as well as general economic benefits for good business performance (Burton & Goldsby, 2009) which was supported by the findings of this study under hypothesis 2.

Another important item of hypothesis 2 was the factor of value and its role in business performance. The study supported previous assertions that it is significant for businesses to provide timely and quality goods and/or services to create value. Prior studies by Neely *et al.* (2003) and Schwager & Meyer (2018) also added that enterprises should be able to create value for their investors, employees and suppliers by providing them with fair return on investment, compensation packages and fair compensation for inputs which has also been supported by this study. Finally, another important aspect of creating long-term stakeholder value which is supported by the findings of this study are that enterprises that adhered to the regulations of the regulating bodies resulted in long-term economic benefit as a whole (Neely *et al.*, 2003).

In conclusion, it is noted that profit/economic (long-term economic benefit) pillar or construct uniquely explained positive relationship with business performance suggesting that it is a significant part of the overall model. The findings were in alignment with prior studies by Cohen & Winn (2007), Woolthuis (2010), Neely *et al.* (2003) and Schwager & Meyer (2018) etc. and thus, this research study adds to the existing framework of sustainable entrepreneurship.

5.2.3 Discussion on Hypothesis 3

H3: Sustainable entrepreneurship approaches of SMEs towards environment have a significant positive impact on business performance.

As evident from the results in chapter four, there exists a significant positive relationship between approaches of SMEs towards planet/environment and business

performance. This is supported by the results of the analysis; $\beta = 0.436$, $p < 0.01$ and thus, hypothesis 3 is supported. The findings of this study that focused on the attitude or perception of manager or manager-owners towards planet/environment derived from the third pillar of TBL framework under the light of The Stakeholder theory is in congruence with prior literary studies. This means that SMEs whose attitude towards protection of environment is a prudent one translates positively into their business performance as measured in the context of sustainability business performance measurement and management.

Previous studies by Bell & Stellingwerf (2012), Schaltegger & Wagner (2011) and Hosseini & Ramezani (2016) suggested that to practice sustainable entrepreneurship and resultantly to create long-term stakeholder value, the first and foremost point was that SMEs provide goods and/or services that do not harm the environmental integrity which was supported by the F&B outlet managers or manager-owners as a part of hypothesis 3. Along with providing harmless goods and/or services for environment, it was also imperative that SMEs engage with those suppliers that take into account environmental protection while producing input for other businesses. One more important notion is that good and/or services are produced in a manner that there is no environmental pollution as this will create long-term stakeholder value by fulfilling the present needs without compromising the needs of the future generations in alignment with the concept of sustainable development.

Another significant aspect of hypothesis 3 was the efficient use of resources suggesting that SMEs adopt responsible policies for raw material and energy usage (Soto-acosta & Cismaru, 2016). Additionally, the notion that consciously minimizing energy usage in the production process not only creates value for the current stakeholders but also adds to the welfare of future generations (Hosseini & Ramezani, 2016) was also

supported by the findings of this study as this was an important component of hypothesis 3.

Another significant measure that has been identified in the past literature and the findings of the current study are regarding businesses and their reliance on green technology for carrying out their business activities (Bell & Stellingwerf, 2012; Kirkwood & Walton, 2010) like replacing paper information with digital information (Hosseininia & Ramezani, 2016). In order to practice sustainable entrepreneurship, it is important that businesses make efforts to improve their processes and technology from time to time (Hosseininia & Ramezani, 2016). Finally, it was noted that as supported by prior studies, courses on technological innovation for businesses can play an integral part in creating long-term stakeholder value which also holds true in the case of Malaysian F&B outlets operating as SMEs along the East Coast.

In conclusion, Hypothesis 3 regarding attitudes or approaches towards the planet/environment contributed uniquely and positively to business performance of SMEs as F&B Outlets in East Coast Malaysia. The particular findings under hypothesis 3 shall also add to the existing literature of sustainable entrepreneurship.

In summary, two out of three hypotheses were found to be significant and uniquely described the variance of the model. However, it is important to highlight that hypothesis 1 of the study based on people/social pillar of TBL framework had an insignificant relationship with positive business performance in contrast to the majority of prior studies and their findings by Perrini (2005), Soto-acosta & Cismaru (2016), Martinez-Ferrero & Garcia-Sanchez (2014) and Hosseininia & Ramezani (2016) etc. While, the two remaining hypotheses based on second (profit/economic) and third (planet/environment) pillar of TBL framework developed under the light of The Stakeholder theory had a direct relationship with positive business performance measured in the context of sustainability performance measurement and management. This asserted

that the overall model of this study is significant in the context of SMEs of Kelantan, Terengganu and Pahang. The model re-emphasized the importance of the attitude of managers or manager-owners which play a pivotal role in creating long-term stakeholder value and reiterated that positive business performance is dependent on their approach towards the practice of sustainable entrepreneurship.

Openness towards practices of sustainable entrepreneurship results in the fulfillment of the pressing and urgent needs of the social and environmental systems. This would allow countries, particularly Malaysia to enter into a new era of economic growth in a manner that aims to achieve the goals of sustainable development which encapsulates all three accounts namely social equity, environmental integrity and economic prosperity.

Table 5.1 attempts to explain the extent to which research questions, research objectives and corresponding hypotheses are addressed by the analysis.

Table 5.1: Summary of Findings on Research Model

Main Research Question (sub-divided into 3): Is there a direct or positive relationship between sustainable entrepreneurship and business performance in the context of Malaysian SMEs particularly the Food & Beverage (F&B) outlets? Main Research Objective (sub-divided into 3): To examine the relationship between sustainable entrepreneurship approaches practiced by the SMEs and their impact on business performance.			
Research Questions	Research Objectives	Hypotheses	Decision and Interpretation
Do sustainable entrepreneurship approaches of SMEs towards people of the society have a positive impact business performance?	To examine whether sustainable entrepreneurship approaches of SMEs towards people of the society have a positive impact on business performance.	<i>H1: Sustainable entrepreneurship approaches of the SMEs towards the people of the society result in significant positive business performance.</i>	Not Supported; insignificant relationship between People/Social (independent variable 1) and positive business performance.
Do sustainable entrepreneurship approaches of SMEs towards long-term economic benefit have a positive impact on business performance?	To examine whether the sustainable entrepreneurship approaches of SMEs towards long-term economic benefit have a positive impact on business performance.	<i>H2: Sustainable entrepreneurship approaches of the SMEs towards long-term economic benefits result in significant positive business performance.</i>	Supported; positive relationship between Profit/Economic (independent variable 2) and positive business performance.

Do sustainable entrepreneurship approaches of SMEs towards environment have a positive impact on business performance?	To examine whether the sustainable entrepreneurship approaches of SMEs towards environment have a positive impact on business performance.	H3: Sustainable entrepreneurship approaches of SMEs towards environment result in significant positive business performance	Supported; positive relationship between Planet/Environment (independent variable 3) and business performance.
Overall Model	-	-	Significant; 36.5 percent variance in business performance is significantly explained by 2 out of 3 independent variables of the proposed research model.

5.3 Chapter Summary

Chapter five is based on the discussion on the results of the model. Section 5.1 provides an outline of the content of chapter 5. Section 5.2 is based on a detailed discussion on all three hypotheses. The discussion sheds light on previous studies and compared them with the results obtained for Malaysian F&B outlets. In contrast to prior studies, hypothesis 1 had an insignificant relationship with business performance while hypotheses 2 and 3 had a positive significant relationship with business performance. Relevant table is incorporated to describe the extent to which the research model is explained by the findings of the statistical tests.

CHAPTER 6: CONCLUSION

6.1 Chapter Overview

The sixth and the final chapter of the thesis draws a meaningful conclusion from the research study and its findings. Section 6.2 focuses on the overall discussion on research findings in the context of the research questions and their objectives in attempt to conclude the study. Section 6.3 emphasizes on the implications of the research findings followed by limitations and future research directions in section 6.4. The subsequent section concludes the overall research findings which is then followed by the final section, 6.6 which provides a summary of the entire chapter.

6.2 Discussion on Research Findings

The results and the findings discussed in chapter four and five illustrated important points to evaluate the extent to which the main research objective, research question and their corresponding sub-research objectives and sub-research questions have been addressed. The main research question and the objective has been addressed with the results suggesting that as a whole, the approach of SME managers or manager-owners towards people/social, profit/economic and planet/environment have an impact on business performance of F&B outlets in East Coast Malaysia as the overall model is significant.

The first sub-question and objective regarding people/social has been addressed by the findings of the study. The study establishes that sustainable entrepreneurship approaches of SMEs as F&B outlets in East Coast Malaysia towards people of the society does not have a significant impact on business performance. This was found to be in contrast to the assumptions made during hypothesis development. It was interesting to note that in the case of Malaysian F&B outlets operating in Kelantan, Terengganu and

Pahang, the relationship was insignificant which means more openness towards people/social pillar does not significantly result in positive business performance. One reason might be the lack of awareness and resources among the managers or manager-owners of East Coast Malaysia to be able to operate sustainably and thus, measures should be taken at the governmental level to bring plausible solutions that create awareness and make it feasible for the SMEs to be more open towards people/social pillar.

On the other hand, the second research sub-question and objective regarding sustainable entrepreneurship approaches of SMEs towards profit/economic (long-term economic benefit) pillar translates positively on business performance has been established. This suggested that the more open managers or manager-owners were towards securing long-term economic benefit, the better was their business performance. The findings of this research are in alignment with previous research studies that established the significance of long-term economic benefit for positive business performance.

The third research sub-question and objective with regards to sustainable entrepreneurship approaches of SMEs towards planet/environment pillar also established that there exists a significant positive relationship with business performance. This is also in agreement with previous research findings which suggest that more openness towards the third pillar of TBL of planet/environment significantly resulted in positive business performance in the case of Malaysian F&B outlets as SMEs located across East Coast Malaysia.

The findings suggested that the overall model is significant and notably two out of three constructs uniquely explain the variance of the model. Therefore, the study asserts that the managers or manager-owners of SMEs who operate as F&B Outlets in East Coast Malaysia may further improve their business performance (measured in terms of profitability, effectiveness and business competitiveness) by adopting sustainable

entrepreneurship practices. According to the research model, this can be done by specifically focusing on profit/economic and planet/environment pillars of TBL or 3P in their business model which would create long-term stakeholder value. This is in agreement with the propositions of The Stakeholder theory that supports taking into account the well-being of all the stakeholders. At this point, gauging the attitude or approach of managers or manager-owners would facilitate the implementation of sustainable entrepreneurship practices in the near future before diving into the practical application aspect of sustainable entrepreneurship practices. It is mainly due to the fact that developing countries specifically require some more time to understand the area of sustainable entrepreneurship and sustainability performance measurement and management as it is a relatively new concept for the entrepreneurs of this region. In the long run, such entrepreneurship practices will enable Malaysian SMEs to observe sustainable growth and fulfill the goals of sustainable development as outlined by United Nations.

6.3 Research Implications

The research study contributes to the existing literature in three important ways. Firstly, extensive literature review conducted for the purpose of this research suggested that focus in the past has been on large firms and not on SMEs when studying the relationship between sustainable entrepreneurship practices and their impact on business performance. Much research in the past focuses on the concept of Corporate Social Responsibility (CSR), a closely related term that encapsulates the social and environmental dimensions of firm behavior, and the manner in which the approach towards CSR translate into performance of large firms including national and multinational enterprises. Additionally, there is a dearth of literature for developing

countries. Hence, this study makes a significant contribution by focusing on a developing country like Malaysia.

Secondly, there is a lack of prior research that particularly focuses on the developing regions of Malaysia as most of the studies focus on the federal territory and its surrounding regions. Thus, this research attempts to contribute in-depth by studying an important part of Malaysia. It is believed that this region would have different dynamics and would provide insightful information in this research area. Studying the dynamics of this region or regions with similar growth rate would ensure the representation of similar growth regions of Malaysia as evidently like any other country, the dynamics of the regions differ in terms of accessibility to information and resources. Therefore, the findings of this study are especially insightful to have a deep understanding as focus has been brought to a region of Malaysia that is behind the capital city in terms of accessibility to information and resources and resultantly, development.

Thirdly, this study contributes in terms of the integration of key terms such as sustainability, entrepreneurship, sustainable entrepreneurship, sustainable development and sustainable growth in an attempt to illustrate a meaningful relationship among the aforementioned concepts so that future researchers may easily understand and apply them in their future studies.

In terms of the theoretical and practical implications of this research, a few aspects may be significant. Firstly, this study establishes the importance of two (profit/economic and planet/environment) out of three pillars of TBL which was developed and understood under the light of The Stakeholder theory, for positive business performance gauged in the context of sustainability business performance measurement & management for sustainable development. However, unconventionally the people/social pillar of TBL did not have a significant relationship with positive business performance. Overall, the survey conducted with a total of 165 SMEs in the East Coast region of Malaysia reveal that

practices of sustainable entrepreneurship in a developing country like Malaysia encapsulate the interconnected dimensions; people/social, profit/economic and planet/environment to fulfill the needs of present and future generations by creating long-term stakeholder value. In this way, the economic and non-economic objectives are equally prioritized to a certain extent when strategizing business operations giving a fierce competition to solely profit-driven businesses.

Secondly, from a practical perspective, the findings provide a robust frame of reference for aspiring entrepreneurs. With changing global dynamics after the emergence of the novel coronavirus (COVID-19), it has become increasingly important that businesses formulate models that provide innovative solutions and are easily adaptable to uncertain business environment. This has further highlighted the pressing need of encapsulating social and environmental pillar in addition to economic goals in the business model of SMEs. This study provides a reliable frame of reference with regards to a robust business model for challenging times. A good business model would enable the entrepreneurs to identify and seize opportunities in different markets and come up with timely solutions to create long-term stakeholder value. It is important to first pay heed towards the acknowledgement of the fact that a positive approach towards profit/economic (long-term economic benefit) and planet/environment shall secure long-term positive business performance for Malaysian SMEs along East Coast. This means the SMEs will have a good understanding of what a good business model should constitute of for long-term value creation. Their business model may further inspire other new or old entrepreneurs to follow suit resulting in creating practical awareness of the model. Resultantly, SMEs shall be able to capture a higher share in a competitive market.

On the policy-making front, the results of this study can very well be utilized to create programs that encourage sustainable entrepreneurship. The policy makers may use these results as a reference to formulate policies that further facilitate the sustainable

entrepreneurship practices by creating awareness of the benefits on governmental level. Particularly, the contrasting results with regards to the first pillar namely people/social suggest that there is a dearth of resources or information/awareness among the SMEs. The regulating bodies may architect programs and policies that make it feasible for them to focus on social equity. While the remaining two pillars may be equally focused upon in the policymaking to ensure that SMEs in Malaysia are able to capture the benefits of sustainable entrepreneurship.

6.4 Limitations and Future Research Directions

As with any other research study, this research has areas that are open for further improvement. Firstly, this study primarily focuses on the approaches/attitude/perception of SMEs towards sustainable entrepreneurship and gauges business performance in that context. This study can further be improved by improvising on the framework and including additional details by focusing on measuring the relationship between actual practices of sustainable entrepreneurship adopted and how that translates into business performance. Thus, future studies can work on an extensive model that capture the actual behavior of the target firms. This would provide more insight into the practicalities as well as the hindrances that entrepreneurs face as they adopt such practices. The firms would then be able to build a cost benefit model for aspiring entrepreneurs which would function as a frame of reference.

Secondly, the research model would be more explanatory if it is refined by the addition of other constructs that were not included in this model. It is assumed that the present model looks solely into the relationship between three pillars of TBL and business performance. Future researchers may also benefit from conducting analysis by employing control, moderating and mediating variables to modify methodological design. In particular, control variables such as size of the enterprise, age of the enterprise and similar

characteristics may be controlled to check for the differences in the analysis. As a result, refined and insightful results would be obtained.

Thirdly, the proposed hypotheses may be tested on larger samples or larger firms and then the results may be compared between the approaches of SMEs vis-à-vis large enterprises and impact on business performance. Additionally, future researchers who intend to study the Malaysian SMEs may expand their research to other regions with similar growth and business dynamics.

It would also be interesting if future research includes the capital city and its surrounding region for an insightful outlook on sustainable entrepreneurship practices as they will provide much more robust results for the purpose of generalization.

Fourthly, this study focused on food and beverage sector for the apparent reason that this is one of the fastest growing sectors of the Malaysian economy. Future studies may divert their attention to other promising sectors such as the retail sector and Information Technology sector etc.

Fifthly, this study collected data by employing survey questionnaire. Future researchers may benefit from employing interview methodology which would provide further insight into the perceptions or approach of SMEs of Malaysia. Perhaps, it would provide a robust reason of why an insignificant relationship exists between people/social pillar and business performance while the other two pillars expectedly have a direct significant relationship with business performance.

Sixthly, similar studies may be conducted on The Association of South East Asian Nations (ASEAN) to understand the dynamics of the research area in the whole region further enabling the countries to formulate a joint policy taken up at government level which will undoubtedly assist the efficient achievement of sustainable development goals across the region.

Finally, with regards to the overall development of the research model, future researchers may benefit from employing frameworks other than triple bottom line. For instance, the widely popular framework of balanced scorecard. The hypotheses may be developed in the light of its constructs (internal process, financial, customer and learning/growth) for sustainability performance measurement and management.

6.5 Conclusion

The research has been set in the context of sustainability performance measurement and management which refers to the method of measurement and management that encapsulates the notions of social equity and environmental integrity along with economic prosperity to gauge firm performance. This area that falls under the scope of management accounting is an important one as emphasizing on this research area would ultimately guide entrepreneurs to carry out their business activities in line with the sustainable development goals (SDGs).

Sustainable development goals (SDGs) were introduced due to stuttering social justice practices, climate change and economic uncertainty. One such example of increasing social, economic and environmental uncertainty would be the emergence of novel coronavirus (COVID-19) which has made it even more important for people from all areas, especially businesses to adopt practices that are identified as sustainable entrepreneurship practices. Sustainable entrepreneurship practices may simply be defined as identification, creation, and innovative exploitation of opportunities that are risky in nature to create long-term stakeholder value by producing improvements in existing social and environmental system. However, concept of sustainable entrepreneurship is comparatively a new one. As a result, there is a dearth of information in this relatively new field.

The main research objective was designed to examine the relationship between approach of SMEs towards sustainable entrepreneurship practices and business performance. This study was conducted in the context of Malaysian SMEs, particularly the food & beverage sector in East Coast Malaysia. The corresponding research question was developed which inquired if there exists a positive relationship between approach of SMEs towards sustainable entrepreneurship and business performance.

The study utilized The Stakeholder theory along with Triple Bottom Line (TBL) or 3P to provide a robust conceptual framework upon which the study was built. The Stakeholder theory was used along with TBL as The Stakeholder theory provides theoretical basis for the study which is further refined by TBL as it outlines the main stakeholders in the form of three accounts (people/social, profit/economic and planet/environment). Thus, suggesting that the primary concept was laid down using The Stakeholder theory and TBL played the role of a secondary model used for refining the primary model. The Stakeholder theory suggests that enterprises are accountable to a larger set of entities as opposed to the shareholder view. Whereas, TBL breaks down the accounts which should be emphasized upon so that long-term stakeholder value can be created by practicing sustainable entrepreneurship and resultantly, fulfilling the goals of sustainable development. To reiterate, TBL identifies three main pillars namely people, profit and planet. In the light of the framework discussed above, three hypotheses were developed.

Two out of three hypotheses were significant. The results of the first hypothesis established that there is an insignificant relationship between approaches towards people/social and business performance. The findings were not consistent with the past literature which suggests that there is a direct significant relationship between people/social and positive business performance. The second hypothesis proposed and established that there exists a significant and direct relationship between approach

towards profit/economic and positive business performance. While, the third hypothesis stated and established that there exists a significant and direct relationship between approach of SMEs towards planet/environment and business performance. It is to be noted that the findings regarding second and third hypotheses are consistent with previous studies.

The results suggested that the overall model was a significant model as approximately 40 percent variance in business performance was explained by people/social, profit/economic and planet/environment.

Although there are areas of improvement, the study has a number of implications and contributions theoretically and practically. On the whole, the findings will help create awareness and facilitate the implementation of sustainable entrepreneurship practices. This would in turn create long-term stakeholder value and contribute towards the sustainable development goals of Malaysia.

6.6 Chapter Summary

The sixth chapter began with an overview. Section 6.2 emphasized on the overall discussion on the proposed research model backed by the statistical tests carried out in the earlier chapters. It further suggested that the findings of the study can then be utilized by the entrepreneurs and government bodies to encourage sustainable entrepreneurship across the region. Moreover, this study had a number of theoretical and practical implications. The primary theoretical implication is the addition of the findings of this study to the existing body of literature. In terms of practical implications, one of the main benefits that could be drawn from the findings would be for the current or aspiring entrepreneurs to design their business model in a way that encapsulate all three dimensions (social, economic and environment) to create long-term stakeholder value which shall facilitate the achievement of sustainable development goals. Like any other

study, there are a number of limitations in this study, nevertheless future researchers and entrepreneurs may still benefit from the findings of the study. Future researchers may attempt to improvise on this study by working on the areas of improvement suggested in section 6.4.

All in all, this study provides insightful knowledge with regards to the approach of SMEs that operate as F&B outlets and business performance in the setting of East Coast Malaysian region.

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