



FACTORS INFLUENCING SUSTAINABLE ENTREPRENEURSHIP IN SMALL SIZED ENTERPRISES IN COIMBATORE DISTRICT

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Abstract

Sustainable entrepreneurship is all kind of business enterprises that give substantial concern on environment, economic and social problems in entrepreneurial activities and it having greater values and looking for future and business activities are performing by them with the objective of sustainability. The results elucidate that business, market, social, environment and human relation factors are factors influencing sustainable entrepreneurship in small sized enterprises. There exists significant difference amongst characteristics of entrepreneurs and factors influencing sustainable entrepreneurship in small sized enterprises excluding marital status. Market, business, environment, social and human relation factors have positive and significant impact on sustainable business performance of small sized enterprises. Hence, entrepreneurs should increase their productivity through adopting modern and cost effective technologies and improve operational efficiency and they must rationally use available resources and effectively manage business operations. Entrepreneurs should assess demand for their products in market continuously and enhance their access to different markets and they must efficiently use market information for improving their marketing activities. Entrepreneurs should give conducive work atmosphere and practice effective leadership and encourage and manage work groups of employees effectively.

Key Words: *Entrepreneurs, Factors, Sustainable Business Performance, Sustainable Entrepreneurship.*

1. Introduction

Sustainable entrepreneurship is the mixture or combination of entrepreneurial activities and idea of sustainability and it is mainly focusing on preservation of environment and nature, supporting to lives of people and welfare of community and society by discovering chances in the market or atmosphere for making and delivery of products for or not for economic benefits (Gomis et al 2018). Sustainable entrepreneurship is all kind of business enterprises that give substantial concern on environment, economic and social problems in entrepreneurial activities and it having greater values and looking for future and business activities are performing by them with the objective of sustainability (Jahanshahi et al 2018).

Sustainable entrepreneurship is the making entrepreneurial decision for long term purpose (Gagnon et al 2013) and it is sustaining over time horizon that engages society for efficiently and properly using resource in the perspective of future and wellbeing of human beings for long term (Patzelt and Shepherd, 2011), Sustainable entrepreneurship is not adopting sustainable practices in the business operations that improve welfare and progress of all members in the society (Khan et al 2016) and they are exhibiting socially responsible activities and behaviour by using resources without damages to resource bases (Sunny and Shu, 2019). Social entrepreneurship is committed to find the solutions for environmental, social and economic issues which are corresponding to present and future needs. Sustainable entrepreneurs are maintaining balance among environment, economic and social aspects of business activities and are also giving due importance to requirements of future or next generation (Dean and McMullen, 2007) and they are rationally using all resources without exploitation for



increasing production and service efficiencies and they are also reducing environmental pollution or damages to environment and conserving integrity of sustainable business ecosystem (Rodgers, 2010). The small sized enterprises are making attempts for efficient utilization of resources, exploring new opportunities, organization of skills and capital for development of products (Desai, 2008) and services and discovering markets for personal growth and development of economy and they are very much interesting in adoption of latest and low cost technologies for increasing their productivities and profits through sustainable practices for their sustainable entrepreneurship (Clemente et al 2020) and it is influencing by range of factors and they are impacting their sustainable business performance. With this back drop, an attempt is made to study factors influencing sustainable entrepreneurship in small sized enterprises in Coimbatore district.

2. Review of Literature

Florea et al (2013) found that organizational values, reputation, business, environmental factors, marketing and financial aspects of business, social and human relation and legal and political and economic factors were influencing sustainable entrepreneurship. Meanwhile, resource availability and adoption of modern technologies demand in market, quality and standards and business activities were also affecting sustainable entrepreneurship.

Weidinger et al (2014) concluded that environment and economic factors were main and significant factors influencing sustainable entrepreneurship. Further, efficient use of resources and business activities, marketing and financial dimensions, social and cultural factors, human relation, policies and programmes, political and economic situations were also significantly affecting sustainable entrepreneurship.

Koe et al (2015) revealed that social norms, knowledge, desirability and feasibility of sustainable business activities were affecting sustainable entrepreneurship. In addition, social, environmental, political, economic, marketing, legal, human and business factors were also significantly influencing sustainable entrepreneurship. Sustainable practices in business operations, efficient utilization of resources, mitigation and recycling of wastes and use of renewable energy were also affecting sustainable entrepreneurship.

Hosseini and Ramezani (2016) indicated that environmental factors including recycling of waste materials, production without pollution, proper disposal of sewage, efficient use of land and renewable energy sources and social factors namely improving employees' welfare, training and insurance to employees and good working atmosphere and standards and educational level and business experience of entrepreneurs were significantly influencing sustainable entrepreneurship.

Belz and Binder (2017) showed that technology, environment, social acceptance, efficient marketing, sustainable business operations and practices, health and welfare of employees, social integration with business activities, and efficient use of productive resources, managerial capabilities and experience of entrepreneurs in the business were positively affecting sustainability of entrepreneurs.

Tur-Porcar et al (2018) found that factors related to business including efficient management of resources, profitability, availing subsidies, environment including policies, knowledge, regulation and sustainable methods, leadership and image, life style and motivation and competitiveness were affecting sustainability of entrepreneurship.



Hoogendoorn et al (2019) concluded that opportunities in market, financial support, social acceptance, administration, environment, legal and risk factors, economical and political factors, policies, production and human relation factors and sustainable practices and business operations and information and efficient use of resources were influencing sustainable entrepreneurship.

Jegadeeswari et al (2020) revealed that managerial efficacy, opportunities for marketing, human relation, financial sufficiency, risk and innovation, competencies, efficient use of resources, business operations, social interface, economic and political dimensions, environment and ethical factors and production and marketing efficiency were significantly affecting sustainability of micro small and medium enterprise entrepreneurs.

Sajjachayaphan (2021) indicated that finance, management, economic, human and business factors were significantly influencing sustainable management of medium and small construction enterprises. Besides, environment, legal and social dimensions of business, efficient use of resources and effective management of labour and recycling of waste and management of waste, technology and information on market were also affecting sustainability of entrepreneurs.

Rosario et al (2022) showed that environment, social and economic factors were significantly influencing sustainability of entrepreneurship. Besides, efficient use of resources and business operations, marketing, human relations, policies, availing subsidies, training, adoption of cost effective technologies, improvement in production, business experience, sustainable practices, recycling of wastages, market intelligence and demand analysis were also significantly influencing sustainable entrepreneurship.

3. Objectives of the Study

1. To discover factors influencing sustainable entrepreneurship in small sized enterprises.
2. To study difference amongst characteristics of entrepreneurs and factors influencing sustainable entrepreneurship in small sized enterprises.
3. To examine impact of factors influencing sustainable entrepreneurship in small sized enterprises on their sustainable business performance.

4. Methodology

The present study is carried out in Coimbatore district. Entrepreneurs are randomly selected and data are collected from 300 entrepreneurs through questionnaire. The characteristics of entrepreneurs are studied through percentage analysis and an exploratory factor analysis is applied to discover factors influencing sustainable entrepreneurship in small sized enterprises. The difference amongst characteristics of entrepreneurs and factors influencing sustainable entrepreneurship in small sized enterprises is scrutinized by carrying out ANOVA and t-tests. Regression analysis is used to examine impact of factors influencing sustainable entrepreneurship in small sized enterprises on their sustainable business performance.

5. Results

5.1. Characteristics of Entrepreneurs

The characteristics of entrepreneurs are disclosed in Table-1. The results indicate that 61.67% of them are in male category, 32.67% of them are belonging to 41 to 50 years of age, 40.00% of them are holding higher secondary, 37.33% of them are possessing entrepreneurial experience of 5 to 8 years and 86.33% of them are married.



Table-1. Characteristics of Entrepreneurs

Characteristics	Number (n = 300)	Percentage
Gender		
Male	185	61.67
Female	115	38.33
Age		
21 to 30 Years	52	17.33
31 to 40 Years	82	27.33
41 to 50 Years	98	32.67
51 to 60 Years	68	22.67
Education		
Secondary	95	31.67
Higher Secondary	120	40.00
Under Graduation	85	28.33
Entrepreneurial Experience		
1 to 4 Years	108	36.00
5 to 8 Years	112	37.33
9 to 12 Years	80	26.67
Marital Status		
Married	259	86.33
Unmarried	41	13.67

5.2. Factors Influencing Sustainable Entrepreneurship in Small Sized Enterprises

To discover factors influencing sustainable entrepreneurship in small sized enterprises, an exploratory factor analysis is applied and result is disclosed in Table-2. Value of Kaiser-Meyer-Olkin test for evaluating adequacy of sampling is 0.87 and Chi-square value in Bartlett's test of Sphericity is 0.0054 and it is significant. These values are indicating that method of factor analysis is suitable and pertinent. Principal Component Analysis is used to obtain factors by using varimax rotation and it is converged in 10th iterations. Cronbach's Alpha value is 0.89 explaining that the level of internal consistency is acceptable. Five factors are obtained and they are having 76.43 per cent of variation on variables included in this study.

Table-2. Factors Influencing Sustainable Entrepreneurship in Small Sized Enterprises

Factor	Variables	Factor Loadings (Rotated)	Eigen Value	Variation (%)	Name
I	Productivity	0.72	4.98	20.16	Business
	Profitability	0.80			
	Management	0.68			
	Resources availability	0.74			
	Technology	0.76			
	Operations	0.66			
II	Product delivery	0.62	3.46	18.85	Market
	Market demand	0.69			
	Market access	0.71			



	Acceptance in market	0.65			
	Marketing activities	0.67			
	Market analysis	0.61			
	Market information	0.73			
III	Training to employees	0.64	2.25	16.68	Social
	Welfare of employees	0.67			
	Transportation for employees	0.60			
	Insurance for employees	0.70			
	Relation with employees	0.63			
IV	Recycling of waste	0.76	1.54	12.50	Environment
	Reduction of pollution	0.66			
	Use of renewable energy	0.60			
	Sustainable practices	0.78			
V	Leadership	0.75	1.02	8.24	Human Relation
	Work atmosphere	0.73			
	Work group	0.67			
	Total	-	-	76.43	-

Factor - I: Business

This factor includes productivity, profitability, management, resources availability, technology, operations and product delivery and it is having 21.16% of variation.

Factor - 2: Market

This factor consists of market demand, market access, acceptance in market, marketing activities, market analysis and market information and it is having 19.85% of variation.

Factor - 3: Social

This factor contains training to employees, welfare of employees, transportation for employees, insurance for employees and relation with employees and it is having 17.68% of variation.

Factor - 4: Environment

This factor comprises of recycling of waste, reduction of pollution, use of renewable energy and sustainable practices and it is having 14.50% of variation.

Factor - 5: Human Relation

This factor covers leadership, work atmosphere and work group and it is having 10.24% of variation. Business, market, social, environment and human relation factors are factors influencing sustainable entrepreneurship in small sized enterprises.

5.3 Characteristics of entrepreneurs and factors influencing sustainable entrepreneurship in small sized enterprises.

The difference amongst characteristics of entrepreneurs and factors influencing sustainable entrepreneurship in small sized enterprises is disclosed below as:



5.3.1. Gender and Factors Influencing Sustainable Entrepreneurship

The difference amongst gender of entrepreneurs and factors influencing sustainable entrepreneurship in small sized enterprises is disclosed in Table-3.

Table-3. Gender and Factors Influencing Sustainable Entrepreneurship

Gender	N	M	SD	t-Value	Sig.
Male	185	90.89	8.73	3.514	.000
Female	115	93.94	8.29		

The mean values show that factors influencing sustainable entrepreneurship in small sized enterprises are higher for female (M=93.94) than male (M=90.89) entrepreneurs. The t-value of 3.514 is revealing that significant difference exists amongst gender of entrepreneurs and factors influencing sustainable entrepreneurship in small sized enterprises in 1% level.

5.3.2. Age and Factors Influencing Sustainable Entrepreneurship

The difference amongst age of entrepreneurs and factors influencing sustainable entrepreneurship in small sized enterprises is disclosed in Table-4.

Table-4. Age and Factors Influencing Sustainable Entrepreneurship

Age	N	M	SD	F-Value	Sig.
21 to 30 Years	52	94.54	7.72	4.426	.005
31 to 40 Years	82	92.56	7.40		
41 to 50 Years	98	93.35	8.24		
51 to 60 Years	68	89.96	9.69		

The mean values show that factors influencing sustainable entrepreneurship in small sized enterprises are higher for entrepreneurs belonging to 21 to 30 years of age (M=94.54) than 41 to 50 years (M=93.35), 31 to 40 years (M=92.56) and 51 to 60 years (M=89.96) of ages. The F-value of 4.426 is revealing that significant difference exists amongst age of entrepreneurs and factors influencing sustainable entrepreneurship in small sized enterprises in 1% level.

5.3.3. Education and Factors Influencing Sustainable Entrepreneurship

The difference amongst education of entrepreneurs and factors influencing sustainable entrepreneurship in small sized enterprises is disclosed in Table-5.

Table-5. Education and Factors Influencing Sustainable Entrepreneurship

Education	N	M	SD	F-Value	Sig.
Secondary	95	89.98	8.24	4.843	.009
Higher Secondary	120	92.91	8.32		
Under Graduation	85	94.51	9.11		

The mean values show that factors influencing sustainable entrepreneurship in small sized enterprises are higher for entrepreneurs holding under graduation (M=94.51) than higher secondary (M=92.91) and secondary education (M=89.98). The F-value of 4.843 is revealing that significant difference exists amongst education of entrepreneurs and factors influencing sustainable entrepreneurship in small sized enterprises in 1% level.



5.3.4. Entrepreneurial Experience and Factors Influencing Sustainable Entrepreneurship

The difference amongst entrepreneurial experience of entrepreneurs and factors influencing sustainable entrepreneurship in small sized enterprises is disclosed in Table-6.

Table-6. Entrepreneurial Experience and Factors Influencing Sustainable Entrepreneurship

Entrepreneurial Experience	N	M	SD	F-Value	Sig.
1 to 4 Years	108	94.81	8.18	5.008	.007
5 to 8 Years	112	91.51	9.24		
9 to 12 Years	80	91.18	7.73		

The mean values show that factors influencing sustainable entrepreneurship in small sized enterprises are higher for entrepreneurs possessing entrepreneurial experience of 1 to 4 years (M=94.81) than 5 to 8 years (M=91.51) and 9 to 12 years (M=91.18). The F-value of 5.008 is revealing that significant difference exists amongst education of entrepreneurs and factors influencing sustainable entrepreneurship in small sized enterprises in 1% level.

5.3.5. Marital Status and Factors Influencing Sustainable Entrepreneurship

The difference amongst marital status of entrepreneurs and factors influencing sustainable entrepreneurship in small sized enterprises is disclosed in Table-7.

Table-7 Marital Status and Factors Influencing Sustainable Entrepreneurship

Marital Status	N	M	SD	t-Value	Sig.
Married	259	92.12	8.41	0.919	.358
Unmarried	41	93.44	9.51		

The mean values show that factors influencing sustainable entrepreneurship in small sized enterprises are higher for unmarried (M=93.44) than married (M=92.12) entrepreneurs. The t-value of 0.919 is revealing that no significant difference exists amongst marital status of entrepreneurs and a factor influencing sustainable entrepreneurship in small sized enterprises since it is not significant.

5.4. Impact of factors influencing sustainable entrepreneurship in small sized enterprises on their sustainable business performance

The regression analysis is employed to examine impact of factors influencing sustainable entrepreneurship in small sized enterprises on their sustainable business performance and the results are disclosed in Table-8. R² and Adjusted R² are 0.60 and 0.58 correspondingly revealing that the regression model is in good fit and F-value is 21.724 explaining that the model is significant.

Table-8. Impact of Factors Influencing Sustainable Entrepreneurship in Small Sized Enterprises on their Sustainable Business Performance

Factors Influencing Sustainable Entrepreneurship	Partial Regression Coefficients	t-Value	Sig.
Constant	1.009	10.812	.000
Business (X ₁)	.435	6.456	.000
Market (X ₂)	.482	6.978	.000
Social(X ₃)	.360	5.360	.000



Environment(X_4)	.398	5.724	.000
Human Relation (X_5)	.343	5.195	.000
R^2	0.60	-	-
Adjusted R^2	0.58	-	-
F	21.724	-	.000

Market, business, environment, social and human relation factors have positive and significant impact on sustainable business performance of small sized enterprises in 1% level. Keeping other factors constant, 1% increase in market factor, there will be 0.48 % increase in sustainable business performance, 1% increase in business factor, there will be 0.44 % increase in sustainable business performance, 1% increase in environment factor, there will be 0.40 % increase in sustainable business performance, 1% increase in social factor, there will be 0.36 % increase in sustainable business performance and 1% increase in human relation factor, there will be 0.34 % increase in sustainable business performance small sized enterprises.

Conclusion

The above study elucidates that business, market, social, environment and human relation factors are factors influencing sustainable entrepreneurship in small sized enterprises. There exists significant difference amongst characteristics of entrepreneurs and factors influencing sustainable entrepreneurship in small sized enterprises excluding marital status. Market, business, environment, social and human relation factors have positive and significant impact on sustainable business performance of small sized enterprises. Hence, entrepreneurs should increase their productivity through adopting modern and cost effective technologies and improve operational efficiency and they must rationally use available resources and effectively manage business operations. Entrepreneurs should assess demand for their products in market continuously and enhance their access to different markets and they must efficiently use market information for improving their marketing activities. Entrepreneurs should also provide trainings to their employees to improve their knowledge and skills on latest business operations and they must take care of welfare of their employees and provide insurance and transport facilities to them. Entrepreneurs should reduce wastages and pollution and recycle and use wastages properly and they must adopt sustainable practices and use renewable energy wherever possible. Entrepreneurs should give conducive work atmosphere and practice effective leadership and encourage and manage work groups of employees effectively.

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