

UNIVERSITI TEKNOLOGI MARA

**FACTORS INFLUENCING
INTENTION OF SUSTAINABLE
ENTREPRENEURSHIP AMONG
MANAGERS OF MICRO, SMALL,
AND MEDIUM ENTERPRISES IN
MALAYSIA IN MALAYSIA:
MEDIATING EFFECT OF
OPPORTUNITY RECOGNITION**

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ABSTRACT

Sustainable entrepreneurship is a concept that getting a lot of attention in recent years as an action to answer environmental degradation issues. Environmental degradation is a concerning issue in the world including in Malaysia and needed to be solved. Manufacturing and entrepreneurial activities had been shown to significantly influence the issues. However, micro, small, and medium enterprises (MSME) especially in Malaysia, were unfamiliar with the concept of sustainable entrepreneurship due to the lack of information and knowledge. The objective of this study was to examine the factors influencing the intention of sustainable entrepreneurship among Malaysian manufacturing MSMEs. Drawing upon theories of planned behavior and institutional theories, the study investigated the effects of sustainable attitude, sustainable value, social norms, sustainable orientation, and government legislation. In addition, the mediating role of opportunity recognition was explored in the relationship between these factors and intention. The study employed a probability sampling method targeting manufacturing MSMEs registered with the Federation of Malaysia Manufacturing (FMM), totaling 2,688 members. A survey was conducted with 440 decision-makers (owners, managers, and top management) using both self-administered and online questionnaires. The data were analyzed using Partial Least Squares Structural Equation Modelling (PLS-SEM). The findings indicated that solely having sustainable attitudes did not directly impact the intention of engaging in sustainable entrepreneurship. However, sustainable value, social norms, sustainable orientation, government legislation, and opportunity recognition exhibited significant influences on intention. Moreover, opportunity recognition was identified as having a mediating effect between all factors, except government legislation, and the intention of sustainable entrepreneurship. The study contributes by confirming the applicability of relevant theories and identifying key determinants of sustainable entrepreneurship intention among Malaysian MSMEs. The findings provide practical implication, as it can guide educational institutions in developing effective strategies by considering both internal and external influencing factors.

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CHAPTER 1

INTRODUCTION

1.1 Preamble

The first chapter of this thesis begins with an overview of the research background, problem statement, research questions, research objectives, the significance of the study, definitions of the terms, the scope of the study, and a chapter summary.

1.2 Research Background

The exploitation of our planet and environmental degradation have increased at a warning rate in the recent few decades. According to Maurya et al. (2020), environmental degradation, which is defined as the destruction of the environment through the consumption of natural resources, is a severe problem that affects people all over the world and encompasses several other environmental issues. There are two major causes of environmental degradation or environmental problems as claimed by Maurya et al. (2020): the nature factor (natural disasters) and the human factor. Natural disasters such as floods, typhoons, droughts, increasing temperatures, rising water levels, and a few others are accountable for harmful socio-economic and environmental impacts due to a lack of planning, resources, and resilience (Mata-Lima et al., 2013). However, Kamboj et al. (2020) stated that human growth, such as technology, industrialization, and unethical manipulation of natural resources, has pushed nature to its limit, resulting in natural disasters. Additionally, it also shows that humans have a significant effect on environmental degradation.

There are many efforts have been made to spread the word on awareness of these issues to the public. Nevertheless, as believed by Mei et al. (2017), people's environmental awareness and behavior did not correlate. Despite widespread awareness of environmental issues and the efforts taken to address them, people's desire to act to tackle and cooperate with such activities is still lacking (Bahşi et al, 2022; Batty, 2017). Many activities have been taken to raise public awareness of environmental concerns, but the number of environmental degradations is still not as remarkable as the number