Sustainability Practices in Small Business Ventures: Assessing the Integration of Environmental and Social Responsibility in Entrepreneurial Ventures

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ABSTRACT
This study investigates the integration of sustainability practices in small business ventures and its impact on business performance. A cross-sectional survey approach was employed to collect data from 300 small businesses across various industries. Descriptive statistics, reliability tests, correlation analysis, and multiple regression analysis were conducted to analyze the data. The results indicate a significant positive relationship between environmental responsibility, social responsibility practices, and business performance. External support mechanisms, including government incentives and industry associations, also showed a significant positive influence on sustainability adoption. The findings suggest that small businesses can enhance their performance by prioritizing sustainability practices and leveraging external support. This study contributes to the understanding of sustainable business practices in small ventures and offers actionable insights for small business owners and policymakers.

INTRODUCTION
In recent years, sustainability has emerged as a critical focus in business strategy, driven by increasing awareness of environmental degradation and social inequities (Sukri et al., 2023). As the global economy grapples with the impacts of climate change, resource depletion, and societal challenges, businesses are under mounting pressure to adopt sustainable practices (Barbosa et al., 2020). Large corporations have traditionally been at the forefront of this shift, integrating comprehensive sustainability programs into their operations (Al-Shaikh & Hanaysha, 2023). However, the role of small business ventures, which constitute a significant portion of the global economy, is equally crucial yet less frequently examined (Blount, 2016; Hsollah et al., 2023).

Small businesses are uniquely positioned to contribute to sustainability due to their flexibility, innovation capacity, and close community ties (Kasiri & Movassaghi, 2023). Unlike larger corporations, small businesses often operate with more agility and can quickly adapt to new sustainable practices (Al Malki, 2023). Moreover, their deep connections with local communities can foster stronger engagement and support for sustainability initiatives (Ibrahim Abdelhalim Ibrahim, 2022; Saygili et al., 2023). Despite these advantages, small businesses also face significant challenges, such as limited resources and expertise, which can hinder their ability to fully integrate environmental and social responsibility into their operations (Hossain et al., 2023; Korsakienė & Raišienė, 2022; Pallapu & Kate, 2022).

The integration of sustainability in small business ventures is not just a moral imperative but also a strategic one (Mahesh & Sharma, 2022; Moursellas et al., 2023). Sustainable practices can enhance a business’s reputation, drive customer loyalty, and open up new market opportunities (Pallapu & Kate, 2022). Furthermore, as consumers become more environmentally and socially conscious, businesses that...
prioritize sustainability are likely to gain a competitive edge (Manninen & Huiskonen, 2022). Therefore, understanding how small businesses navigate the complexities of integrating sustainability practices is essential for promoting broader sustainable development (Khurana et al., 2022; Martínez & Poveda, 2022).

Despite the growing recognition of the importance of sustainability, there is a lack of comprehensive research focused on how small business ventures incorporate environmental and social responsibility into their operations. Most existing studies predominantly focus on large corporations, leaving a gap in understanding the unique challenges and opportunities faced by small businesses in this area. This research aims to fill this gap by assessing the sustainability practices of small business ventures and examining the extent to which these businesses integrate environmental and social responsibility into their core activities.

The objective of this research is to evaluate the sustainability practices adopted by small business ventures and assess their integration of environmental and social responsibility. Specifically, this study seeks to identify the key factors that influence the adoption of sustainable practices in small businesses, the challenges they face, and the benefits they perceive from such integration. By doing so, the research aims to provide a comprehensive understanding of how small businesses contribute to sustainable development and offer practical insights for enhancing their sustainability efforts.

Literature Review

1. Sustainability in Business Practices

   The concept of sustainability in business encompasses the integration of environmental, social, and economic considerations into corporate strategies and operations (Van Kleef & Roome, 2007). Elkington’s Triple Bottom Line (TBL) framework, which emphasizes people, planet, and profit, has been instrumental in shaping modern sustainability discourse (Rasche et al., 2023). Businesses are increasingly adopting this framework to balance their economic goals with environmental stewardship and social equity. However, the application of TBL varies significantly across different types of businesses, with small business ventures facing unique challenges and opportunities in their sustainability journeys (Mahesh & Sharma, 2022).

2. Environmental Responsibility in Small Businesses

   Environmental responsibility involves practices that reduce a business’s ecological footprint, such as waste reduction, energy efficiency, and sustainable sourcing. Studies show that while small businesses are often motivated to implement environmentally friendly practices, they encounter barriers such as limited financial resources, lack of expertise, and inadequate access to green technologies (Cheglakova et al., 2023). Nonetheless, small businesses possess certain advantages, including flexibility and the ability to rapidly implement innovative solutions (Jamil et al., 2023). Case studies of small enterprises that have successfully integrated environmental practices reveal common strategies such as leveraging local resources, engaging in collaborative networks, and adopting incremental changes to their operations (Inthakesone et al., 2023; Prasad & Jha, n.d.; Purwandani & Michaud, 2021).

3. Social Responsibility in Small Businesses

   Social responsibility in the business context refers to practices that promote social well-being, including fair labor practices, community engagement, and ethical
business conduct (Lindeque et al., 2022). Small businesses often maintain closer relationships with their communities compared to larger corporations, which can facilitate more meaningful social responsibility initiatives (Khanal et al., 2021). Research indicates that small businesses that engage in social responsibility activities often experience enhanced customer loyalty, employee satisfaction, and community support (Aras-Beger & Taşkın, 2021). However, the challenge lies in balancing these initiatives with the financial and operational constraints typical of smaller ventures (Nejati et al., 2017; Tomasella et al., 2023).

4. Barriers to Sustainability Integration

Despite the potential benefits, integrating sustainability into small business operations is fraught with challenges (Awan & Sroufe, 2022). Financial constraints are a significant barrier, as many small businesses operate with limited budgets and may struggle to invest in sustainable technologies or practices (Judijanto et al., 2024). Additionally, a lack of expertise and information about sustainability practices can hinder efforts to adopt more sustainable operations. Regulatory and market pressures, while sometimes acting as drivers, can also pose obstacles if small businesses perceive compliance as burdensome or if the market does not sufficiently reward sustainable practices (Garba et al., 2022; Scur & Alliprandini, 2023).

The existing literature underscores the critical role that small businesses can play in promoting sustainability through environmental and social responsibility. While there are significant challenges, particularly related to financial constraints and lack of expertise, small businesses also possess unique advantages, including agility and strong community ties. Leadership and innovation are pivotal in overcoming barriers and driving sustainable practices. Furthermore, external support from government policies, industry associations, and collaborative networks is essential to facilitate the integration of sustainability in small business operations. This literature review highlights the need for continued research and practical strategies to enhance the sustainability efforts of small business ventures, contributing to broader sustainable development goals.

Hypothesis Development

1. Environmental Responsibility and Business Performance

Environmental responsibility in small businesses involves adopting practices that minimize negative impacts on the environment, such as reducing waste, conserving energy, and sourcing sustainable materials. Research indicates that businesses implementing robust environmental strategies often experience enhanced performance due to cost savings from improved efficiencies and increased market competitiveness through eco-friendly products and services (Porter, 1998). Therefore, it is hypothesized that:

H1: There is a positive relationship between the level of environmental responsibility practices and the business performance of small ventures.

2. Social Responsibility and Business Performance

Social responsibility practices, including fair labor practices, community engagement, and ethical governance, contribute to a positive business reputation and increased customer loyalty. Studies have shown that businesses with strong social responsibility initiatives tend to attract and retain more customers and employees, thereby enhancing overall business performance (Carroll & Shabana, 2010). Based on this understanding, it is hypothesized that:
H2: There is a positive relationship between the level of social responsibility practices and the business performance of small ventures.

3. Support Mechanisms and Sustainability Adoption

External support mechanisms, such as government incentives, industry associations, and collaborative networks, can significantly influence the adoption of sustainability practices in small businesses. These mechanisms provide the necessary resources, knowledge, and financial support that small businesses need to implement sustainable practices (Revell & Blackburn, 2007). Therefore, it is hypothesized that:

H3: The presence of external support mechanisms positively influences the adoption of sustainability practices in small ventures.

METHOD

1. Research Design

This study employs a quantitative research design to investigate the integration of sustainability practices in small business ventures and their impact on business performance. A cross-sectional survey approach will be utilized to collect data from a diverse sample of small businesses. This method is chosen for its effectiveness in gathering a large amount of data from various respondents, which is essential for testing the proposed hypotheses.

2. Sample and Sampling Technique

The target population for this study includes small business ventures across various industries. A stratified random sampling technique will be used to ensure that the sample is representative of different sectors, such as manufacturing, retail, services, and technology. This approach helps in capturing a broad spectrum of sustainability practices and their impacts across different business contexts. The sample size will be determined based on power analysis to ensure statistical validity, aiming for a minimum of 300 respondents to provide robust data for analysis.

3. Data Collection

Data will be collected through a structured questionnaire distributed online. The questionnaire will be designed to measure the following variables:

a. Environmental Responsibility Practices: Assessed using a set of items adapted from established scales (e.g., Bansal & Roth, 2000), focusing on practices such as energy conservation, waste reduction, and sustainable sourcing.


c. Business Performance: Evaluated using both financial and non-financial indicators, such as sales growth, profitability, customer satisfaction, and employee retention, adapted from Venkatraman and Ramanujam (1986).

d. External Support Mechanisms: Measured through items assessing the availability and use of government incentives, industry association resources, and collaborative networks.

The questionnaire will be pre-tested with a small group of small business owners to ensure clarity and relevance of the items. Based on the feedback, necessary adjustments will be made before the full-scale distribution.

5. Data Analysis

Data will be analyzed using the Statistical Package for the Social Sciences (SPSS). The analysis will proceed through the following steps:
a. Descriptive Statistics: To summarize the basic features of the data, providing insights into the distribution and central tendencies of the variables.

b. Reliability and Validity Tests: Cronbach’s alpha will be used to assess the reliability of the scales, and Exploratory Factor Analysis (EFA) will be conducted to test the construct validity of the measurement model.

c. Correlation Analysis: To examine the relationships between different variables and to check for multicollinearity issues.

d. Multiple Regression Analysis: To test the direct relationships between sustainability practices (environmental and social responsibility) and business performance (H1 and H2). Additionally, regression analysis will be used to test the influence of external support mechanisms on the adoption of sustainability practices (H3).

RESULTS AND DISCUSSION

1. Descriptive Statistics

Descriptive statistics were calculated to summarize the basic characteristics of the variables under study. Table 1 presents the means, standard deviations, minimum, and maximum values for each variable.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Responsibility</td>
<td>3.65</td>
<td>0.78</td>
<td>2.10</td>
<td>5.00</td>
</tr>
<tr>
<td>Social Responsibility</td>
<td>4.20</td>
<td>0.92</td>
<td>2.50</td>
<td>5.00</td>
</tr>
<tr>
<td>Business Performance</td>
<td>7.80</td>
<td>1.20</td>
<td>5.00</td>
<td>10.00</td>
</tr>
<tr>
<td>External Support Mechanisms</td>
<td>3.45</td>
<td>0.65</td>
<td>2.00</td>
<td>4.80</td>
</tr>
</tbody>
</table>

Source: Data Analysis, 2024

2. Reliability and Validity Test

Reliability analysis was conducted using Cronbach’s alpha to assess the internal consistency of the measurement scales. The results showed high reliability for all scales, with Cronbach’s alpha values above 0.70, indicating good reliability.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Responsibility</td>
<td>0.84</td>
</tr>
<tr>
<td>Social Responsibility</td>
<td>0.81</td>
</tr>
<tr>
<td>Business Performance</td>
<td>0.79</td>
</tr>
<tr>
<td>External Support Mechanisms</td>
<td>0.76</td>
</tr>
</tbody>
</table>

Source: Data Analysis, 2024

Validity was assessed through exploratory factor analysis (EFA) to examine the underlying structure of the measurement model. The results confirmed the construct validity of the scales, with factor loadings above 0.50 and significant communalities.

3. Correlation Analysis

Correlation analysis was conducted to explore the relationships between different variables. Table 3 presents the correlation matrix, including Pearson correlation coefficients and their significance levels.
Table 3. Correlation Analysis

<table>
<thead>
<tr>
<th>Variable</th>
<th>Environmental Responsibility</th>
<th>Social Responsibility</th>
<th>Business Performance</th>
<th>External Support Mechanisms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Responsibility</td>
<td>1,00</td>
<td>0.63**</td>
<td>0.42**</td>
<td>0.35**</td>
</tr>
<tr>
<td>Social Responsibility</td>
<td>1.00</td>
<td>0.49**</td>
<td>0.28**</td>
<td></td>
</tr>
<tr>
<td>Business Performance</td>
<td>1.00</td>
<td>0.36**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>External Support Mechanisms</td>
<td></td>
<td></td>
<td>1.00</td>
<td></td>
</tr>
</tbody>
</table>

Source: Data Analysis, 2024

Table 3 presents the correlation matrix for the variables under study: Environmental Responsibility, Social Responsibility, Business Performance, and External Support Mechanisms. The table reveals significant positive correlations among all variables. Environmental Responsibility is significantly correlated with Social Responsibility ($r = 0.63$, $p < 0.01$), Business Performance ($r = 0.42$, $p < 0.01$), and External Support Mechanisms ($r = 0.35$, $p < 0.01$). Social Responsibility also shows significant positive correlations with Business Performance ($r = 0.49$, $p < 0.01$) and External Support Mechanisms ($r = 0.28$, $p < 0.01$). Furthermore, Business Performance is positively correlated with External Support Mechanisms ($r = 0.36$, $p < 0.01$). These significant correlations suggest that higher levels of environmental and social responsibility practices are associated with better business performance, and that external support mechanisms play a supportive role in fostering these sustainability practices in small business ventures.

4. Multiple Regression Analysis

Multiple regression analysis was conducted to test the hypotheses regarding the relationships between sustainability practices (environmental and social responsibility), business performance, and external support mechanisms. The results of the regression analysis are presented in Table 4.

Table 4. Regression Analysis

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>Independent Variable</th>
<th>Beta Coefficient</th>
<th>P-Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Performance</td>
<td>Environmental Responsibility</td>
<td>0.29</td>
<td>0.001</td>
</tr>
<tr>
<td></td>
<td>Social Responsibility</td>
<td>0.21</td>
<td>0.012</td>
</tr>
<tr>
<td></td>
<td>External Support Mechanisms</td>
<td>0.18</td>
<td>0.028</td>
</tr>
</tbody>
</table>

Source: Data Analysis, 2024

Table 1 presents the results of the multiple regression analysis examining the impact of Environmental Responsibility, Social Responsibility, and External Support Mechanisms on Business Performance. The beta coefficient for Environmental Responsibility is $0.29$, with a $p$-value of $0.001$, indicating a significant positive relationship between environmental practices and business performance. Social Responsibility also shows a significant positive impact on business performance, with a beta coefficient of $0.21$ and a $p$-value of $0.012$. Additionally, External Support Mechanisms have a positive and significant influence on business performance, as reflected by a beta coefficient of $0.18$ and a $p$-value of $0.028$. These findings suggest that greater adoption of environmental and social responsibility practices, supported by external mechanisms, significantly enhances the performance of small business ventures.
Discussion
The results of the multiple regression analysis support the hypothesis that both environmental responsibility and social responsibility practices have a significant positive impact on business performance in small ventures. This finding aligns with previous research highlighting the business benefits of integrating sustainability into operations (Arafat et al., 2012). Small businesses that prioritize environmental responsibility by implementing practices such as energy conservation, waste reduction, and sustainable sourcing not only contribute to environmental stewardship but also achieve cost savings and enhanced market competitiveness (Zain et al., 2023; Zhang & Berhe, 2022). Similarly, social responsibility practices, including fair labor practices, community engagement, and ethical governance, lead to improved employee morale, customer loyalty, and overall business reputation, translating into better business performance metrics such as sales growth and profitability (Alfianah & Rizkianto, 2023; Mahavira & Puspawati, 2022).

The significant positive influence of external support mechanisms on the adoption of sustainability practices underscores the importance of government policies, industry associations, and collaborative networks in facilitating sustainable business practices among small ventures (Vrontis et al., 2022). Government incentives, such as grants and tax incentives for green initiatives, provide the financial resources necessary for small businesses to invest in sustainability (Biswas & O’Grady, 2016). Industry associations offer valuable resources, training, and networking opportunities, enabling small businesses to access knowledge and best practices in sustainability (Canaj et al., 2021). Collaborative networks foster a supportive ecosystem where businesses can share resources and collaborate on sustainability initiatives, leading to collective impact and enhanced sustainability outcomes (Langgat et al., 2023).

The findings of this study have several implications for small business owners. Firstly, prioritizing environmental and social responsibility practices can directly contribute to improved business performance, including increased revenue, reduced costs, and enhanced brand reputation. Small business owners are encouraged to consider sustainability as a strategic priority and leverage available resources and support mechanisms to integrate sustainable practices into their operations. Secondly, the positive impact of external support mechanisms highlights the importance of engaging with government programs, industry associations, and collaborative networks to access financial incentives, knowledge, and networking opportunities related to sustainability.

While this study provides valuable insights into the relationship between sustainability practices and business performance in small ventures, several limitations should be acknowledged. The cross-sectional nature of the data limits causal inference, and longitudinal studies could provide a deeper understanding of the long-term effects of sustainability integration. Additionally, the study focused on a specific geographic region or industry sector, and future research could explore variations across different regions and sectors. Moreover, qualitative research methods, such as interviews or case studies, could complement quantitative findings by providing in-depth insights into the challenges and strategies related to sustainability adoption in small businesses.
CONCLUSION

In conclusion, this study contributes to the growing body of literature on sustainability in small business ventures by empirically demonstrating the positive impact of environmental and social responsibility practices on business performance. The findings underscore the role of external support mechanisms in facilitating sustainability adoption among small businesses and highlight actionable insights for small business owners, policymakers, and industry stakeholders. By embracing sustainability practices and leveraging external support, small businesses can not only contribute to environmental and social well-being but also enhance their own resilience and competitiveness in a rapidly changing business landscape.

Reference
Aras-Beger, G., & Taşkın, F. D. (2021). Corporate social responsibility (CSR) in multinational companies (MNCs), small-to-medium enterprises (SMEs), and small businesses. The Palgrave Handbook of Corporate Social Responsibility, 791–815.


Manninen, K., & Huiskonen, J. (2022). Factors influencing the implementation of an
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