

## A Study on the Attitude of Nascent Entrepreneurs towards Sustainability Transition

<sup>1</sup>Syama U S, <sup>2</sup>Reshma Roy and <sup>3</sup>K.V.Thomas

<sup>1</sup>Research Scholar, Lincoln University College, Malaysia & Assistant Professor,  
Dept. of Applied Economics, Marian College Kuttikkanam (Autonomous)-685531, Kerala.  
E-mail: [syama@lincoln.edu.my](mailto:syama@lincoln.edu.my), [syama.u@mariancollege.org](mailto:syama.u@mariancollege.org)

<sup>2</sup>Assistant Professor, Research and P.G Department of Commerce, Marian College Kuttikkanam  
(Autonomous)-685531, Kerala. E-mail: [reshma.roy@mariancollege.org](mailto:reshma.roy@mariancollege.org)

<sup>3</sup>Professor and Head, Research and PG Department of Commerce, Marian College Kuttikkanam  
(Autonomous)-685531, Kerala. E-mail: [kv.thomas@mariancollege.org](mailto:kv.thomas@mariancollege.org)

### Article Info

Received: 29 August 2022

Revised: 21 September 2022

Accepted: 21 November 2022

Online: 24 December 2022

### To cite this paper:

Syama US, Reshma Roy & KV Thomas (2022). A Study on the Attitude of Nascent Entrepreneurs towards Sustainability Transition. *Review of Economics and Econometrics Studies*. 1(2), 99-107.

**Abstract:** The concept of entrepreneurship covers many types of organizational and individual activities but it takes its most obvious form in the decision by an entrepreneur to start a new business. In recent years, researchers from different perspectives have focused more attention on the entrepreneurial activity involved in starting one's own business. Environmental business management research has not yet concentrated on start-ups, although this early stage of a business enterprise's life might be a sensible starting point for environmental management. (Schick, Marxen, & Freedmann, 2002) This paper is a report of an empirical study into start-up processes, designed to determine whether there are opportunities for executing more sustainable business practices from the commencement of new business ventures. This research try to conceptualize the phenomenon sustainable start-ups, drivers of entrepreneurial intention in sustainable start-ups, sustainable practices adopted by nascent entrepreneurs.

**Key words:** Start-up; Start-up process; Entrepreneurship; Entrepreneurs; Sustainability; Sustainable business practices; Green start-ups

## INTRODUCTION

As global environmental destruction and social issues became serious problem, as a way to solve the problems, sustainable entrepreneurship has attracted attention, contending that entrepreneurs can contribute to solving problems caused by environmental degradation by creating new, sustainable products and services. Recently, studies have emerged that link entrepreneurship to sustainability and cover the broad concept of sustainable entrepreneurship, including economic, environmental and social values (Hall, Daneke, & Lenox, 2010). A number of studies on sustainable entrepreneurship also argue that sustainable entrepreneurship

can be explained with opportunity recognition and entrepreneurship. Entrepreneurial opportunities connected to environmental issues and sustainability enable elevation of entrepreneurial activities, and economic performance encourages enhancing sustainability. Through this, it is possible to solve the problems arising from the environmental devastation by entrepreneurship, and to pursue economic benefits as well. Consequently, sustainability entrepreneurship could be a possible solution to sustainability issues through business activities and could form a sustainable entrepreneurial ecosystem.

### **LITERATURE REVIEW**

**Radzeviciute (2017)** conducted a study on the role of start-up accelerators in the development of sustainability-oriented start-ups. This paper is focus on understanding this relationship between the start-ups accelerators and sustainability oriented start-ups. This study concludes that both impact and conventional start-ups accelerators have the potential to have a significant role in developing sustainability-oriented start-ups is very broad and their features highly different, the start-up team have to identify a few key metrics before choosing an accelerator as a mismatch of those might lead to a setback or stagnation in the development rather than a positive impact for the sustainability oriented start-ups.

**Gibbs (2006)** conducted a study on sustainability entrepreneurs, ecopreneurs and development of sustainable economy. This paper focused on investigating the role that sustainability entrepreneurship may have in engendering a shift in practices and operations of contemporary capitalism. This paper deals with a subset of sustainable entrepreneurs termed 'ecopreneurs' who seeks to combine business practice with sustainable development and so transform their business sectors. The paper suggests that work on sustainable entrepreneurship could be substantially improved by an engagement with the literature on transition management in science and technology studies and makes some suggestion as to how such a research agenda could be advanced.

### **OBJECTIVES OF THE STUDY**

1. To study the entrepreneurs attitude towards sustainable start-ups. To examine the sustainable business practices adopted by nascent entrepreneurs.

### **RESEARCH GAP**

Environmental destruction can be viewed as one of the negative consequences of business activity. But on the other hand, this environmental

destruction can be a new opportunity for business activities. Thus, there is growing interest in the role of entrepreneurs in solving environmental problems through sustainable entrepreneurship, and pursuing economic benefits through the process. There are limited studies relating to the area of sustainable start-ups. So there is a gap between future and present. The present study conducted fills the gap between sustainable start-ups.

### **HYPOTHESES OF THE STUDY**

1. *H0: There is no significant difference in the attitude towards sustainable start-ups between gender of the entrepreneur, sectors of the firm and forms of business.*
2. *H0: There is no significant difference among different forms of business with regard to the sustainable business practices adopted for sustainable development.*

### **RESEARCH METHODOLOGY**

It is an empirical study based on both primary data and secondary data. The primary data have been collected from the sample respondents using structured questionnaire. The secondary data have been collected from various publications including reports, magazines, journals and newspapers. The collected data were analysed by using relevant statistical tools and mathematical tools and techniques like Kruskal Wallis test, Mann-Whitney U test and Wilcoxon W test. This has been supported by tables and graphs.

### **DATA ANALYSIS AND RESULTS**

The profile of the respondents include gender of the owners, sector of the firm, form of business, The following tables shows the classification of respondents based on their profile variable.

**Table 1.1**

<i>Gender</i>	<i>No of respondents</i>	<i>Percentage</i>
Male	33	66.0
Female	17	34.0
Total	50	100.0
<i>Sector</i>	<i>Frequency (F)</i>	<i>Percentage (%)</i>
Service	15	30.0
Manufacturing	10	20.0
Agriculture	9	18.0
Construction	2	4.0
Technology	6	12.0
Others	8	16.0
Total	50	100.0

<i>Form of business</i>	<i>Frequency (F)</i>	<i>Percentage (%)</i>
Sole proprietorship	25	50.0
Partnership	21	42.0
Corporate	4	8.0
<b>Total</b>	<b>50</b>	<b>100.0</b>

Source: Primary data.

### Interpretation

The above table 1.1 shows that among the 66% (33) of the respondents are male and 34% (17) of them are female. The present study revealed that men outnumber women dramatically throughout the world of start-ups, innovation and business leadership. The present study revealed that many start-ups in the service sector have made substantial progress in operationalizing sustainability concepts by integrating concepts of sustainability into operations, strategy, and communications. From the above table it is clear that in terms of form of business, about half (F = 25; 50%) of the start-ups (Respondents) were sole proprietorship, 21 firms (42%) were partnership and the rest were corporations. It clearly proves that most of the entrepreneurs prefer sole proprietary form of business. It is important to emphasize that sustainable development cannot be achieved by a single enterprise in isolation.

### INFERENTIAL ANALYSIS

**Table 1.2: The table shows the attitudes of entrepreneurs towards sustainable start-ups**

<i>Attitude of Respondents</i>	<i>Mean</i>	<i>Std. Deviation</i>
As an entrepreneur considering the future of earth and environment is very important for me	4.38	.805
I think sustainable start-ups are new way of business	3.76	.981
I think sustainable start-ups make reduction in loss of biodiversity.	3.66	.961
I think sustainable enterprise have no impact on society.	3.06	1.132
I think customers preferring organic and sustainable product and service than other.	3.48	1.035
I think sustainable business increase our market value.	3.78	.910

Source: Primary Data.

The table 1.2 shows that the mean value of each variable relating to attitude of entrepreneurs towards sustainable transition. The respondents strongly agree that it is important to consider the future of earth and environment as an entrepreneur (4.38) and also they agree that sustainable

start-ups increasing the market value with the mean value of 3.78, sustainable start-ups are new way of business with the mean value of 3.7., at the same time entrepreneurs agree that sustainable start-ups have no impact on society with the mean value of 3.06. The

entrepreneurs who have more concern about earth they adopt and promote sustainable start-ups. The present study reveals an individual's willingness to become a sustainability-oriented entrepreneur and an intent to start a business considering sustainability and environmental issues.

### Sustainable Business Practices adopted by Nascent Entrepreneurs

**Table 1.3: Measures adopted to ensure sustainability transition**

<i>Measures</i>	<i>Mean</i>	<i>Std. Deviation</i>
Switching off light whatever leaving a room	4.42	.859
Walked instead of using the car	3.40	.969
Used public transport instead of the car	3.64	1.083
Plastic less environment	3.76	1.021
Reduction in fossil fuel dependency in production	3.38	.987
Proper waste recycling and sewage system	3.78	.975
Promote gardening and tree planting inside and outside of the organisation	3.78	1.234
Hiring young people and local work force	3.86	1.010
Allow finance to research & development department for sustainable researches and innovations	3.54	1.232
Give awareness to customers about sustainability through your products and services.	3.86	1.143
Primary purpose of my enterprise is economic performance and economic sustainability	3.64	1.083
In current activities we try to rely on green technologies as much as possible	3.68	1.115

*Source:* Primary Data.

The table 1.3 shows the mean value of each variable related to the measures adopted to ensure sustainability in the business activities by entrepreneurs for sustainable transition. The outcome of the analysis shows that initiating production of environmentally friendly products and services is considered as the most important environmental measures that can be adopted by the nascent entrepreneurs to ensure sustainability transitions with the mean value of 3.86. On the other hand hiring young people & local work force is an important social measure to ensure social sustainability. Start-ups should fund Research and Development activities targeted towards ensuring sustainability as it is considered as the most important economic measures to be adopted by entrepreneurs to ensure economic sustainability.

**Attitudes of Entrepreneurs towards Sustainable Start-ups**

	<i>Gender</i>	<i>N</i>	<i>Mean Rank</i>	<i>Sum of Ranks</i>
Attitude	Male	33	26.86	886.50
	Female	17	22.85	388.50
	Total	50		

**HYPOTHESIS TESTING****Hypothesis testing- I**

1. *H0: There is no significant difference in the attitude towards sustainable start-ups between gender of the entrepreneur, sectors of the firm and forms of business.*
2. *H1: There is significant difference in the attitude towards sustainable start-ups between gender of the entrepreneur, sectors of the firm and forms of business.*

**Table 1.4: Mean Table****Sector of the firm and Attitude towards Sustainability**

	<i>Sector of firm</i>	<i>N</i>	<i>Mean Rank</i>
Attitude	Service	15	29.93
	Manufacturing	10	23.85
	Agriculture	9	19.50
	Construction	2	14.75
	Technology	6	30.67
	Others	8	24.81
	Total	50	

**Form of business and Attitude towards Sustainability**

	<i>Form of business</i>	<i>N</i>	<i>Mean Rank</i>
Attitude	Sole Proprietorship	25	22.76
	Partnership	21	28.24
	Corporate	4	28.25
	Total	50	

**Table 1.4a: Test Statistics****Attitudes of Entrepreneurs towards Sustainable Start-ups**

	<i>Attitude</i>
Mann-Whitney U	235.500
Wilcoxon W	388.500
Z	-.933
Asymp. Sig. (2-tailed)	.351

**Sector of the firm and Attitude towards Sustainability**

	<i>Attitude</i>
Chi-Square	5.021
Df	5
Asymp. Sig.	.413
a. Kruskal Wallis Test	

**Form of business and Attitude towards Sustainability**

	<i>Attitude</i>
Chi-Square	1.810
Df	2
Asymp. Sig.	.404
a. Kruskal Wallis Test	

Source: Primary Data.

**Interpretation**

From the table 1.4 and 1.4 a it is observed that at 5% level of significance, as the p value is more than 0.05, in the case of gender of the respondents, sectors of the firm and form of business there is no significant difference in the attitude towards sustainable start-ups between gender of the entrepreneur, sectors of the firm and forms of business. Thus the null hypothesis is retained.

Gender of the entrepreneurs has no impact on the attitude of them towards sustainable start-ups. In every sectors should adopt their own strategies to ensure sustainability in their start-ups. Here the attitude of entrepreneurs towards sustainability doesn't change on the basis of form of business. It is depend upon the knowledge, skill, passion, talent etc. of the entrepreneurs. The attitudes of entrepreneurs towards fostering sustainability depends on some others traits.

**Hypothesis testing- II**

1. *H0: There is no significant difference among different forms of business with regard to the sustainable business practices adopted for sustainable development.*
2. *H1: There is significant difference among different forms of business with regard to the sustainable business practices adopted for sustainable development.*

**Interpretation**

From the table 1.5 and 1.5 a it is observed at 5% level of significance, as the p value is more than 0.05, null hypothesis is accepted. It means that there

**Table 1.5: Mean Table**

	<i>Form of business</i>	<i>N</i>	<i>Mean Rank</i>
Environmental measures	Sole proprietorship	25	23.38
	Partnership	21	27.12
	Corporate	4	30.25
	Total	50	
Social measures	Sole proprietorship	25	25.08
	Partnership	21	25.29
	Corporate	4	29.25
	Total	50	
Economic measures	Sole proprietorship	25	27.22
	Partnership	21	22.29
	Corporate	4	31.63
	Total	50	

**Table 1.5 a: Test Statistics**

	<i>Environmental measures</i>	<i>Social measures</i>	<i>Economic measures</i>
Chi-Square	1.218	.304	2.148
Df	2	2	2
Asymp. Sig.	.544	.859	.342

a. Kruskal Wallis Test

Source: Primary Data.

no significant difference in the adoption of sustainability transition measures among the different form of business.

Sustainable development is a concept that is not amenable to simple and universal definition. It is fluid, and changes over time in response to increased information and society's evolving priorities. All business enterprises can make a contribution towards its attainment, the ability to make a difference varies by sector and form of business.

## **SUGGESTIONS**

- All personnel should receive periodic training in the management of environmental, socio-cultural, quality health and safety practices.
- The organization should actively support initiatives for social and community participation and development, including, infrastructure, education, health and sanitation.
- Develop policies favoring environmentally responsible behavior and encouraging the use of eco-friendly products for building materials, capital goods, food and consumer bills.



- The organization should implement practices to reduce noise, light, runoff, erosion, ozone-depleting compounds and air and soil contaminants.

## **CONCLUSION**

This research was conducted to study the attitude of nascent entrepreneurs towards sustainability transition. Generally, entrepreneurs of start-ups are agreed that they possessed positive or favourable sustainability attitude, concerned about social pressures on sustainability, perceived that sustainable start-ups is attractive and perceived themselves as having sufficient ability for sustainable start-ups. The entrepreneurs adopt various measures for attaining sustainability in their start-ups, it is different from each other. The entrepreneurs who are engaged in service sector have more sustainable opportunities than other sectors, it promote innovative revolutions. Most of the entrepreneurs adopt sustainable practices for facing competition and creating social impact, it helps them to trigger a good position in the market.

## ***Bibliography***

- Gibbs, D. (2006). Sustainability Entrepreneurs, ecopreneurs and the development of a sustainable economy. *greenleaf publishing*.
- Hall, J., Daneke, G., & Lenox, M. (2010). Sustainable development and entrepreneurship past contribution and future directions. *bus. ventur.*
- Horisch, J. (2015). the role sustainable entrepreneurship in sustainability transitions: a conceptual synthesis against the background of the multi- level perspective. 286-300.
- Murthy, V. P. (2012). integrating corporate sustainability and strategy for business performance. *world journal of entrepreneurship, management and sustainable development*, 8(1).
- Radzeviciute, G. (2017). The role of startup accelerators in the development of sustainability-oriented startups. *erasmus university*.
- Raharjo, K. (2018). the role of green management in creating sustainability performance on the small and medium enterprises. *management of environmental quality: an international journal*.
- Schick, H., Marxen, S., & Freimann, J. (2002). Sustainability Issues for Start-ups Entrepreneurs. *GMI 38 summer*.
- Zsolnai, L. (2011). Environmental ethics for business sustainability. *international journal for national economics*, 38(11), 829-899.